



03 Introduction

05 Message from
President and CEO

07 Message from the President
of the Board of Directors

08 About Embraer

20 Sustainability
management

23 Economic
performance

26 Social
performance

29 Environmental
performance

31 Attachment GRI

62 GRI content index

70 Credits



INTRODUCTION

Embraer S.A. is committed to disclosing the results of its operations and progress made in the relationship with its stakeholders on an annual basis, including customers, shareholders, people, partners and civil society. [102-1](#), [102-5](#), [102-40](#)

In line with such principle, this report has been prepared in accordance with the GRI Standards: Core option. [102-54](#)

This is the first stage of the transition to the new format, which replaces the G4 version. This publication is also a publicly available source of information, as requested by the Dow Jones Sustainability Index (DJSI); and evidence of the commitments made under the Global Compact, of which the company is a signatory, and the Sustainable Development Goals (SDGs) set by the United Nations (UN).

Its content reflects the current [Materiality Matrix](#), and covers the activities of the administrative parent company and its subsidiaries in Brazil and abroad from January 1 to December 31, 2017 – except as otherwise indicated in the explanatory notes. [102-45](#) | [102-46](#) | [102-48](#) | [102-49](#) | [102-50](#)

The financial data and the inventory of greenhouse gases (GHG) emitted were respectively audited by KPMG Auditores Independentes and by Lloyd's Register Quality Assurance (LRQA). The remaining data was reviewed internally. [102-56](#)



THANK YOU FOR YOUR INTEREST.

For more information,
go to:

<http://ri.embraer.com.br>
or send an email to
investor.relations@embraer.com.br [102-53](#)



MESSAGE FROM THE PRESIDENT AND CEO |102-14|

PASSION FOR EXCELLENCE

In 2017, we strengthened the pillars that will support our growth in the coming years – ethics, innovation and efficiency – and we made progress towards reaching the highest level of excellence in our activities.

We revised our Code of Ethics and Conduct and strengthened its sovereignty over local laws and customs in order to uphold the same integrity standards throughout our operations. We completed our first external monitoring report – as part of the agreement reached in the previous year with Brazilian and U.S. authorities –, which allowed us to identify opportunities for improvement. We also launched the campaign #BETHEXAMPLE to promote internal compliance and rally our employees around the cause.

The external acknowledgment that we have received is a sign that we are headed in the right direction. We were listed among the most transparent companies in Brazil according to a report published by the non-profit Transparency International, which ranked us fourth overall and gave us the top score in the Anticorruption Program category.

Seeking to foster disruptive innovation and researching new business models, we expanded our presence in the Silicon Valley (California) and Boston, and inaugurated the Embraer Business Innovation Center (EBIC) in Melbourne, Florida (USA). Through EBIC, we established a preliminary agreement with Uber Technologies to explore the development and deploy-

ment of small electric Vertical Take-Off and Landing vehicles (VTOLs) for short urban commutes, with the potential of changing urban mobility as we know it. With the objective of improving efficiency, we implemented Passion for Excellence, an initiative that covers several disciplines, such as purchasing, logistics, engineering, production, services & support, organizational culture and design. Our Passion for Excellence is what gives us strength to keep up with the constant transformations taking place in our industry, and allows us to celebrate the significant progress being made in each of our business units.

In Commercial Aviation, we celebrated the successful outcome of important tests for the second generation of E-Jets, for which we completed 100% of the E190-E2 certification program. In April 2018, the first aircraft will be delivered to the norwegian Widerøe. The new E-Jets family already has more than 700 purchase commitments from airlines and leasing companies. In addition, first-generation E-Jets account for 58% of our revenue, which will ensure a stable and mature portfolio transition.

Our KC-390 military freighter achieved Initial Operational Capability (IOC). In 2018, we will make the first delivery to the Brazilian Air Force and will start selling it to other countries such as Portugal, which has already expressed interest in the aircraft. In 2017, we also entered into agreements for the sale of 18 units of the A-29 Super Tucano, which

[102-14]

attests to this model's international success, now in operation in more than 13 countries. Also in Defense & Security, we launched the Strategic Defense and Communications Geostationary Satellite (SGDC, in Portuguese), through our subsidiary Visiona. The successful launch experience has inspired us to negotiate a potential new contract for a second satellite as early as 2018.

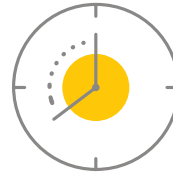
In Executive Aviation, we delivered our 1,100th aircraft: a Phenom 300, the most-delivered jet model in its category since 2012, according to the General Aviation Manufacturers Association (GAMA). We also made enhancements to the Phenom 100EV – which in 2017 was certified by the Brazilian National Civil Aviation Agency (ANAC, in Portuguese), in Brazil, the Federal Aviation Administration (FAA) in the U.S., and the European Aviation Safety Agency (EASA) – and we delivered Phenom 300E. We are confident that the segment will see a gradual recovery moving forward, as some signs indicate that the inventory of used aircraft for sale is starting to drop. In order to reinforce our commitment to offer the best experience to our customers, we completed the structuring phase for the new Services & Support unit. By concentrating all services provided across the various sectors in which we operate, we ensure greater operational efficiency. The new unit will also expand our portfolio and ultimately diversify our revenues. By planning our growth, we advance our agenda of promoting sustainable

IN APRIL 2018, WE WILL DELIVER THE FIRST E190-E2

local development. In this sense, we reiterate our commitments made under the Global Compact of the United Nations. Last year, we established the Embraer Foundation in the United States, which, similarly to the Embraer Institute in Brazil, establishes partnerships, engages volunteers and helps build an entrepreneurial culture among members of the communities served. In 2017, we began discussions with Boeing – already a partner in engineering, eco-efficiency and socio-cultural projects – for a possible business combination between the two companies. Negotiations are ongoing and any structure will be subject to the approval of the Brazilian Government, national and international regulatory bodies and the two companies. There is no guarantee that the aforementioned business combination will materialize.

We want to become the world's best and the most efficient company in the aeronautical industry, and we have the potential to do so. We will stay on this path, certain that we closed out the year stronger than ever. What drives our conviction is the trust of our customers, employees and business partners – whom we would like to thank for another round of achievements.

Paulo Cesar de Souza e Silva
President and CEO



THE NEW MODEL
ALREADY HAS
280 FIRM ORDERS
AND MORE THAN
700 COMMITMENTS

ETHICS, INNOVATION AND EFFICIENCY





MESSAGE FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

[102-14]

COMMITMENT TO INTEGRITY

It is our mission to transform Embraer into a reference in ethics and compliance both in Brazil and around the world. We have made consistent strides in that sense, completing the first external monitoring report after entering into agreements with entities responsible for ethics and compliance in Brazil and abroad. The results steer our Compliance Program's mechanisms and strategies, which combines prevention, detection and discipline actions, in addition to promoting the constant involvement of employees within the organizational culture through continuous training. The goal is to ensure the highest level of integrity and reinforce the ethics and compliance culture throughout the company.

RENEWAL AND TRANSPARENCY IN BD

In 2017, two new members joined our Board of Directors (BD). The six other independent members were reelected, representing a 25% renewal of the board. Voting was carried out in accordance with the company's Bylaws and the Novo Mercado Listing Regulation. This trend of promoting diversity and renewal contributes to our continuous and efficient innovation, adding value to our employees.

ORGANIZATIONAL IMPROVEMENT

The Vice-Presidency of Strategy, Innovation, and Digital Transformation was established to explore disruptive business models, promote new service platforms and keep the company at the forefront of the aerospace industry. The new Services & Support Unit will consolidate the capacities currently located in different business areas in order to deliver even more effective solutions to our customers.

RESULTS

In recent years, we have improved our portfolio by developing new aircraft and services – in compliance with specifications, budget, and deadlines. As a result of our effort and investment, even in the challenging scenario currently faced by the industry, we reached the end of 2017 with revenues of US\$5.839 billion, US\$18.3 billion in firm orders (backlog) and an adjusted net income of US\$279.7 million. We are confident in the gradual recovery of the Executive Aviation industry and remain optimistic about the imminent certifications for the KC-390 military transport aircraft and for the second-generation of E-Jets. The new aircraft, added to the expansion and diversification of our service portfolio, will sustain Embraer's competitiveness in the global market. Our commitment to excellence, ethics, and science reinforces this belief.

Thank you very much.

Alexandre Silva
President of the Board of Directors

ABOUT EMBRAER

LEGACY[®] 450
BY EMBRAER

A close-up photograph of an Embraer Legacy 450 aircraft. The image shows the white fuselage with a blue stripe, a portion of a dark engine nacelle, and the wing. The text "LEGACY[®] 450" and "BY EMBRAER" is printed on the fuselage. The background is a clear blue sky.

Embraer is the leading exporter of high value-added goods in Brazil



I102-7I

Embraer is a Brazilian company with headquarters in São José dos Campos, São Paulo, and units located in 28 other cities in Brazil and abroad. It operates in the development, manufacturing and sale of aircraft and systems, in addition to providing after-sales support and services for Commercial Aviation, Executive Aviation and Defense & Security. In 2017, it started a business unit focused on services and support, with the aim of diversifying revenues and strengthening its business position in the more than a hundred countries where its products are sold. Embraer is the world leader in commercial jets with up to 150 seats, and the main exporter of high value-added goods from Brazil. I102-2, I02-6, I02-10I

It is also the parent company of Embraer's Equipment Division (EDE, formerly known as ELEB), Embraer Aero Seating Technologies (EAST), Atech, Savis and Bradar, in addition to holding a 51% stake in Visiona Tecnologia Espacial Telebras and 65% of OGMA, which develops integrated solutions and aerostructures.

In 2017, Embraer registered R\$18,713 billion in net revenue and US\$18.3 billion in secured orders – results that testify to the commitment of its 18,433 employees worldwide.

VISION I102-16I

Embraer will further consolidate its position as one of the leading forces in the global aerospace and defense and security industries. Embraer is a market leader in the segments in which it operates and commands a reputation for excellence.

VALUES I102-16I

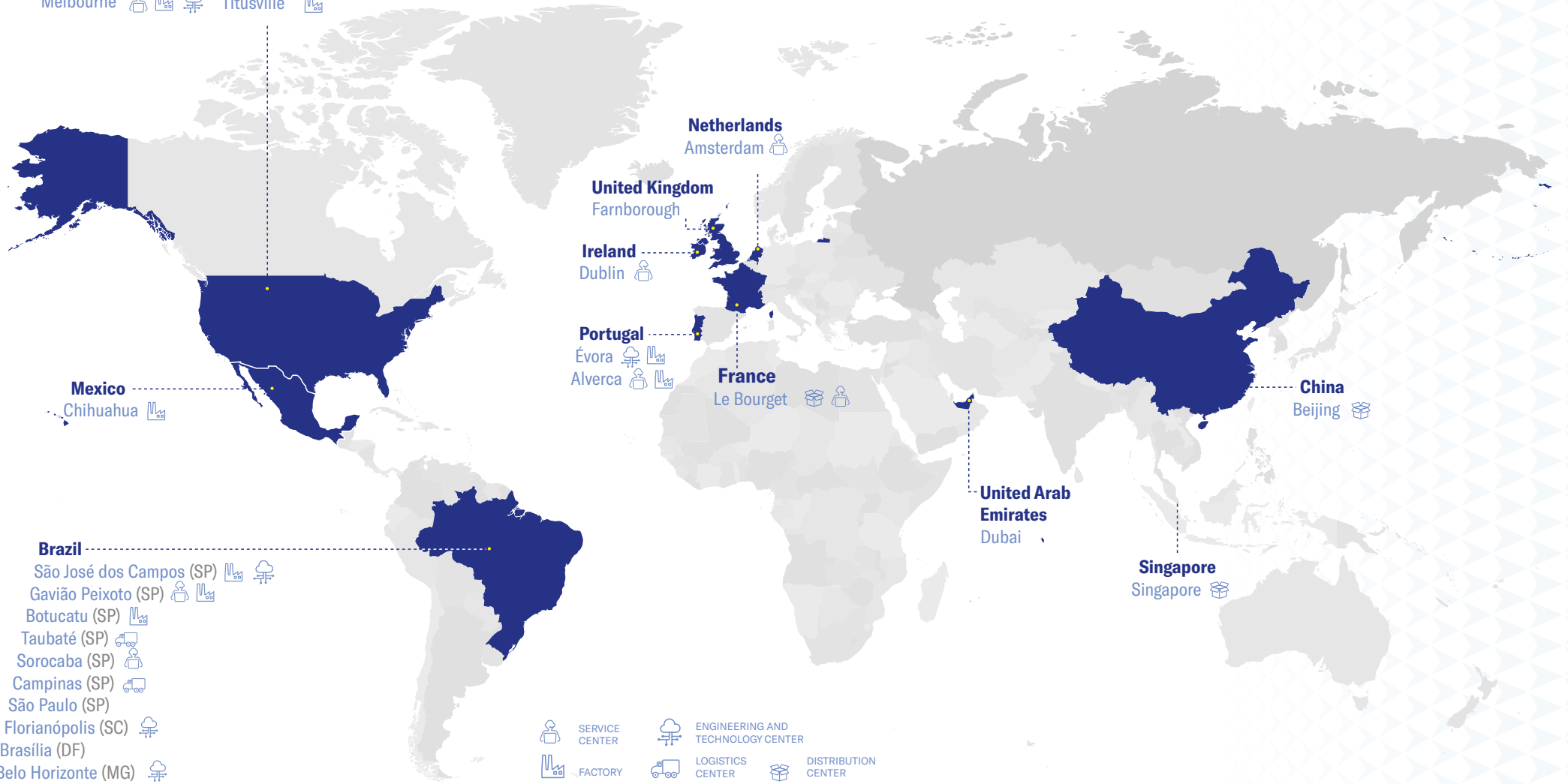
- Ethics and integrity are at the core of everything we do.
- Our people are what make us fly.
- We are here to serve our customers.
- We strive for business excellence.
- We build a sustainable future.
- Global presence is our frontier.
- Boldness and innovation are our hallmarks.

To learn more about the company, please go to our corporate site at: www.embraer.com

THE SKY HAS NO LIMITS [102-4, 102-6]

United States

- Memphis
- Dallas
- Nashville
- Fort Lauderdale
- Melbourne
- Mesa
- Windsor Locks
- Jacksonville
- Irwindale
- Titusville



Mexico

Chihuahua

Brazil

- São José dos Campos (SP)
- Gavião Peixoto (SP)
- Botucatu (SP)
- Taubaté (SP)
- Sorocaba (SP)
- Campinas (SP)
- São Paulo (SP)
- Florianópolis (SC)
- Brasília (DF)
- Belo Horizonte (MG)

Netherlands

Amsterdam

United Kingdom

Farnborough

Ireland

Dublin

Portugal

Évora

Alverca

France

Le Bourget

United Arab Emirates

Dubai

China

Beijing

Singapore

Singapore

- SERVICE CENTER
- ENGINEERING AND TECHNOLOGY CENTER
- FACTORY
- LOGISTICS CENTER
- DISTRIBUTION CENTER



Ranked 2nd

in the Aerospace & Defense segment of the Dow Jones Sustainability Index

CORPORATE GOVERNANCE

A publicly-traded company, Embraer stocks are traded on the New York Stock Exchange (NYSE: ERJ), through American Depositary Receipts (ADRs) level III, and on the Novo Mercado segment of São Paulo stock exchange (B3, in Portuguese), under the symbol EMBR3. The number of votes by shareholders in each Shareholders' Meeting is less than 5% of the number of shares that comprise its capital stock. The number of votes cast by foreign shareholders, individually or collectively, cannot exceed 40% of the total votes cast at any Shareholders' Meeting. The company also imposes certain conditions on any shareholder holding a stake equal to or greater than 35% of the capital, including the requirement of a public tender offer to purchase all outstanding shares, and authorization from Brazil's Federal Government, which owns a special class share that grants it veto power on strategic issues for the company and the country. [102-5, 102-25]

It is affiliated to the Brazilian Institute of Corporate Governance (IBGC, in Portuguese), the Brazilian Association of Publicly-Traded Companies (ABRASCA, in Portuguese), the Brazilian Institute of Investor Relations (IBRI, in Portuguese), and the National Investors Institute of Brazil (INI, in Portuguese).

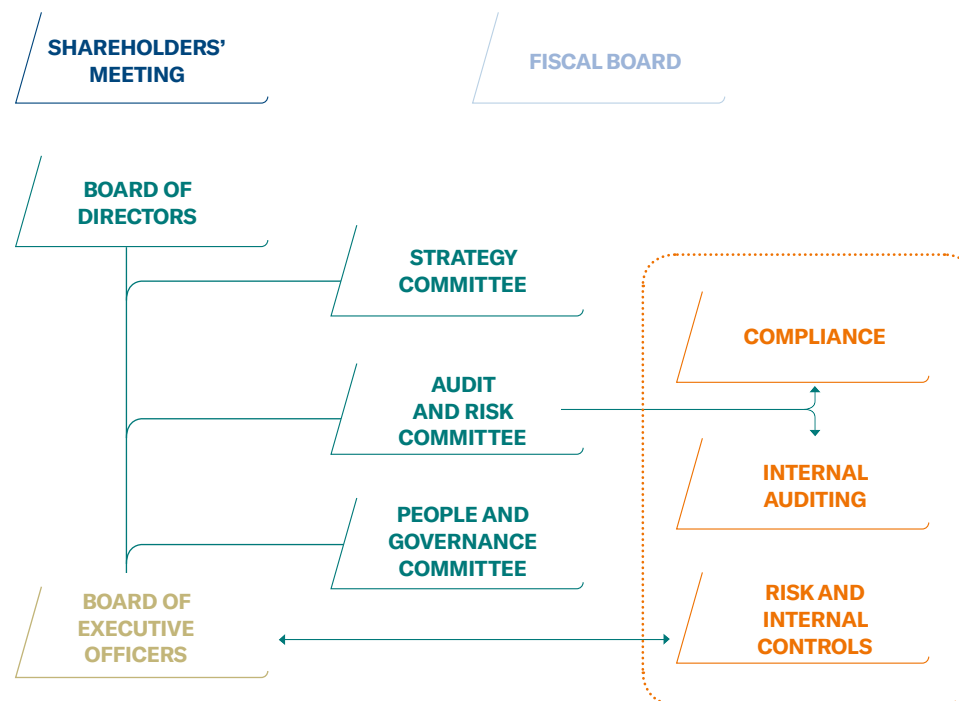
It was listed on the Dow Jones Sustainability Index (DJSI) for the eighth consecutive year, with an overall score of 75 points that moved the company up to second place in the Aerospace & Defense segment ranking. Compared with 2016, Embraer maintained its leadership in the supply chain management and innovation management categories, and moved up to first place in people development, labor practices and product lifecycle management.

It was also listed on the Business Sustainability Index (ISE, in Portuguese), the Brazil Index (IBrX), the Differentiated Corporate Governance Stock Index (IGC, in Portuguese), the Differentiated Tag Along Stock Index (ITAG, in Portuguese), the Industrial Sector Index (INDX, in Portuguese), and the Brasil 50 Index (IBrX 50, in Portuguese), all in B3.

Governance structure

The members of the Board of Directors are chosen at a Shareholders' Meeting: one is appointed by Brazil's Federal Government, two are chosen by company employees and eight are elected by the other shareholders. The directors appoint the statutory executive officers and are advised by three committees on specific matters. A permanent and independent Fiscal Board also comprises the company's corporate governance structure. [102-24]

GOVERNANCE STRUCTURE [102-18]



The composition and all duties of the Board of Directors, the Committees, the Fiscal Board and Board of Executive Officers, as well as information on voting rights and convocations of the Shareholders' Meeting are detailed in the [Investor Relations Portal](#) and in the [Bylaws](#). [102-19, 102-22, 102-23, 102-26]

Each member of the Board of Executive Officers is evaluated on an annual basis through external consulting or according to the 360° methodology. An external consultant supports the performance evaluation of directors, members from the Board of Directors and the President and CEO. The executives make a self-evaluation and evaluate the others every year. [102-28]

RISK MANAGEMENT

Seeking to ensure an efficient risk management, Embraer holds periodic reviews in order to properly assess the views of its executives regarding the main risks involved in the company's operations and internal processes. Embraer's risk management policy focuses on four categories set out in the Risk Management Policy: strategic, operational, financial and regulatory/legal risks. The structure is strengthened by the work of the Internal Risk and Control department, which aims to ensure that the identification, prioritization, assessment and management of the main business risks are carried out in accordance with the best practices established by the company and the market. In addition, an independent Internal Audit department reports directly to the Audit and Risk Committee in order to ensure the independence and objectivity of the auditors contracted to perform external audit services. More information is available in the [Reference Form](#). For every risk identified, the policy assigns an employee who is responsible for monitoring the progress of the mitigation plans and the monitoring indicators. ^[102-11, 102-15, 102-30]

On the specific issue of climate change, the company monitors international discussions on the subject, as well as current and future legislation, both in Brazil and in the countries where the company has a presence. In addition, the largest factories (which represent 47% of the total) are certified with ISO 14001, and Embraer maintains the goal of bringing certification to 100% of industrial plants. As for product sustainability, the company has the Integrated Development of the Environmentally Sustainable Product (DIPAS, in Portuguese), project, as well as joint research with Boeing under the ecoDemonstrator program and the Biofuel Research Center (see [chapter 5](#) of this publication).

PASSION FOR EXCELLENCE

Launched in 2007, the Embraer Business Excellence Program (P3E, in Portuguese) seeks to promote excellence in the company's management, processes and products.

The program is based on continuous improvement cells, encompassing all Embraer business units, locations and processes, connected to the value streams that define the strategies, and ensure continuous value generation to stakeholders. The *kaizen* concept is widely disseminated and used to review processes for optimization, focusing on productivity gains and waste elimination. In 2017, Passion for Excellence was launched with the goal of transforming Embraer into the best and most efficient aerospace and defense company in the world. To operationalize Passion for Excellence, the Transformation Office was created, being responsible for the management of all workstreams and aiming to guarantee the execution of the projects and the planned results, as well as the maintenance and the reinforcement of lean and excellence concepts, incorporated into the management of the company since 2007 with P3E. The Passion for Excellence is comprised by 15 workstreams: Direct Procurement, Indirect Procurement, IT, Design to Value (DtV), Inventory, Engineering, Manufacturing, Services & Support, G&A, Zero-Based Budget, Organizational Design, Digital Transformation, Industrial Intelligence, Culture and Investment Forum.

Based on risk management, projected results and stakeholder demands, the Board of Directors approves the [strategic plan](#), with a 15-year horizon, which undergoes an annual review process that involves the company's administrative and operational functions.

EMBRAER: VALUE STREAMS

- Win customers
- Develop products
- Deliver orders
- Serve customers
- Business management

STAKEHOLDER VALUES ^[102-40]

- **Customers** | Availability, Performance, Competitive Offering/Solutions, Safety
- **Shareholders** | Financial return/ Financial health
- **People** | Professional and personal fulfillment
- **Partners** | Integrity and continuity
- **Civil society and the environment** | Respect for society and the environment, with generation of wealth and well-being

IN 2017, EMBRAER LAUNCHED THE PASSION FOR EXCELLENCE, A PROGRAM THAT AIMS TO TRANSFORM EMBRAER INTO THE BEST AND MOST EFFICIENT AEROSPACE AND DEFENSE COMPANY IN THE WORLD

THEMATIC SCOPE

Peace, justice and effective institutions



ETHICS AND INTEGRITY

1103-2, 103-3, 205-1, 205-2, Anti-Corruption

To ensure the integrity and legal compliance of all operations and sites, the Compliance area coordinates the Compliance Program, supervised by the Board of Directors, the Audit and Risk Committee and the CEO. One year after reaching agreements with Brazil's Federal Prosecutor's Office (MPF, in Portuguese), and its Securities and Exchange Commission (CVM, in Portuguese), and with the U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC), our first external audit report was completed. Its results guided the improvement of processes and controls under this program and the continuous training and workshops on ethics, integrity and compliance. Thus, workshops and online training were held to approximately 17,000 employees, and more than 250 compliance agents were trained to act as multipliers of internal ethical principles. All board members, executive board officers, leaders, employees and contractors are trained on the guidelines set out in these documents. [Click here](#) to learn more. 1102-161

Still within the scope of the Compliance Program, the auditing system was extended to other company functions in 2017. This is a tool that monitors critical operations, such as vendor payment, travel expenses, donations and sponsorships. In order to promote compliance practices and raise employee awareness on this issue, the company launched the internal campaign #BETHEEXAMPLE.

The Code of Ethics and Conduct has been revised to strengthen its sovereignty over the laws and customs of the different countries where the company operates. The Helpline has been set up to field any complaints concerning noncompliance.



Complaints are consolidated by an external company, which guarantees the anonymity of the complainant*, and sent to the Compliance function, which monitors verification and resolution. More information is available [here](#). ^[102-17, 103-2]

In 2017, Embraer conducted its Ethics Survey at all units in Brazil and abroad, with the purpose of assessing employee perception on ethics in the workplace. The methodology was developed by external consultants to ensure the confidentiality of respondents and the consequent adherence of most employees. The results are currently being compiled and will be used to develop action plans and training programs. Promotion for the helpline and the #BETHEEXAMPLE campaign is based on survey responses, and will continue throughout next year. ^[102-17] Committed to upholding a level playing field in the global market, the company supported the creation of a dispute settlement panel at the World Trade Organization (WTO) in Geneva, to investigate the more than USD3 billion in subsidies received by Bombardier from

the Canadian and Québec governments. After approving the Brazilian Government's request, the WTO is now investigating more than 25 programs in support of the Canadian aviation industry.

BUSINESS UNITS

At the 52nd Paris Air Show, held in 2017, Embraer celebrated 40 years of its first participation at the event – one of the most traditional aerospace events. The company repeated the strategy employed at the previous year's Farnborough Air Show, in England, and showcased its Commercial Aviation, Executive Aviation and Defense & Security products, all in the same space, in addition to introducing its new Services and Support business unit.

* Except in countries where legislation does not allow anonymous complaints. In this case, Embraer observes the local legislation.

Number of labor practice complaints fielded, processed and resolved through a formal mechanism in 2017 ^[103-2]

Complaints made through the hotline	492
Out of scope	48
Within scope	444
Measures implemented	106
Warnings and suspensions	16
Layoffs	16
Coaching, monitoring, guidance, awareness campaign and improved processes and policies	74



Commercial Aviation

Embraer is the world leading manufacturer of commercial jets with up to 150 seats, with an approximate 30% share of the global market. In 2017, the company delivered 101 commercial aircraft.

The latest-generation E-Jets E2 program stayed on schedule, within the original budget and met specifications targets. The E195-E2 took its maiden flight in 2017. The model features an exclusive wing that allows it to have the highest aspect ratio among single-aisle jets, reducing fuel consumption and operating costs. The inaugural flight of the fourth E190-E2 prototype also took place in 2017, with more than 95% of the tests required for the certification campaign successfully completed, with emphasis in conditions and cabin evacuation tests. All six prototypes (four E190-E2 and two E195-E2) have conducted more than 1,850 flight-test hours, and more than 44,000 ground-test hours.

In 2018, Embraer will start serial production of the E190-E2, whose first delivery is scheduled for April. The company will also continue to invest in other products of its aircraft family, namely the E195-E2 and E175-E2, which are scheduled to entry into service in the first half of 2019 and in 2021, respectively. Since their launch, the company received more than 700 purchase commitments for the E2, of which 280 as firm orders.

2017 was also the year that the company celebrated 20 years of commercial operation of the 50-seat ERJ-145 jet, which delivered around 900 aircraft in the period.

EMBRAER IS THE WORLD LEADING MANUFACTURER OF COMMERCIAL JETS UP TO 150 SEATS

The first generation of the E-Jets family reached the mark of 1 billion passengers carried worldwide

LEARN MORE AT

www.embraercommercialaviation.com/pt-br



Executive Aviation

Embraer is among the world's largest manufacturers of business jets. In 2017, the company delivered 72 small jets and 37 large jets, for a total of 109 aircraft. The global market seems to be recovering, as some signs indicate that the inventory of used aircraft for sale is starting to shrink. The year's highlights include delivery of the first Legacy 500 executive jet assembled in Melbourne, Florida. Since the plant's start-up in 2011, it has delivered more than 290 aircraft to the United States and 17 other countries, such as United Kingdom, Canada, Mexico and China.

The company also celebrated the delivery of its 1,100th aircraft: a Phenom 300, the world's most-delivered jet of its category since 2012, according to the General Aviation Manufacturers Association (GAMA). The year was also marked by improvements made to the Phenom 100 EV – which in 2017 earned certification from the Brazilian National Civil Aviation Agency (ANAC, in Portuguese), in Brazil, the Federal Aviation Administration (FAA) in the United States and European Aviation Safety Agency (EASA) – as well as the launch of the Phenom 300E, with the first delivery scheduled for the first quarter of 2018.

LEARN MORE AT

<http://pt.embraerexecutivejets.com>

One of the
world's largest
manufacturers of
business jets

**THE PHENOM 300
IS THE MOST
DELIVERED JET
IN ITS CATEGORY
FOR THE SIXTH
CONSECUTIVE YEAR**



Defense & Security

Embraer is the leader of the Defense & Security segment in Latin America and has expanded its operations in the global market. In 2017, the KC-390 certification has progressed as planned. Both prototypes used in the campaign exceeded 1,500 flight hours and performed well in high-altitude paratrooper airdrops, which included the use of night vision equipment. The aircraft reached Initial Operational Capability (IOC). There are sales campaigns in progress with several countries, and there are advanced negotiations on a deal for five aircraft (with an option for a sixth) and the logistics support package in Portugal. Serial production is moving forward with assembly of aircraft 003, 004 and 005, and the company has also started manufacturing parts for aircraft 006, 007 and 008. The first deliveries will take place in 2018, when the KC-390 will achieve Final Operational Clearance (FOC) certification. As for the A-29 Super Tucano program, Embraer Defense & Security has partnered with U.S.-based Sierra Nevada Corporation, and participated in the U.S. Air Force light attack platform capability assessment in August 2017. The A-29 Super Tucano met all desired mission requirements of the assessment and was approved for the second phase of testing.

Also in 2017, four Phenom 100 light jets were delivered to Affinity Flight Training Services, completing the fulfillment of their order. The aircraft was selected by the United Kingdom's Ministry of Defense to be used in pilot training for the British Armed Forces. The contract with Affinity includes a firm order for five Phenom 100 and support services. This synergy between the Defense & Security and Executive Aviation units highlights Embraer's commitment and focus in meeting the needs of its various clients. During the first year of activities of the Project and Development Center for the Gripen fighter jet (Gripen Design Development Network, GDDN) in Gavião Peixoto, São Paulo, more than 100 Embraer engineers underwent full-time training for the development and maintenance of the Gripen NG aircraft, in cooperation with Saab engineers. And at Saab facilities in Linköping, Sweden, the Gripen E, a new generation model, made its inaugural flight in 2017. The contract with the Brazilian Air Force calls for the acquisition of 36 fighter jets, whose deliveries will start in 2019. With a focus on diversifying its portfolio, the segment also invests in air traffic control products and integrated border protection systems. Developed by Savis and Bradar, the Brazilian border monitoring project known as SISFRON, advanced in accordance with the agreement with the Brazilian Army.

About two thirds of the project, which consists of an 800-kilometer border line in the state of Mato Grosso do Sul, has already been delivered. Final delivery is scheduled for 2019. The Strategic Defense and Communications Geostationary Satellite (SGDC, in Portuguese), was launched in May and successfully completed the orbital testing period. The SGDC will provide internet coverage for the entire Brazilian territory, in addition to a safe environment for Brazilian Government communications. Visiona, a joint venture between Embraer and Telebras, was responsible for integrating the SGDC Program. The satellite's control was transferred to Telebras, and assisted operations have already begun. In addition, the companies entered into a Specialized Technical Assistance agreement for flight planning of the equipment.

TO LEARN MORE ABOUT THE DEFENSE & SECURITY FIRMS, GO TO www.embraerds.com



AGRICULTURAL AVIATION

In continuous production for over 50 years, the Ipanema is the leading aircraft in the Brazilian agricultural aviation industry, with a 75% share. The model was the first worldwide to be certified to operate exclusively with ethanol. In 2017, Embraer introduced the Ipanema 203, an evolved version of the product that was showcased at Agrishow 2017, Brazil's largest agribusiness event. The aircraft has already earned the Sustainable Aero-Agricultural Certification (CAS, in Portuguese). Customers of the new model have recorded an increase in productivity of up to 50% compared to the previous version, which demonstrates the benefits of the incremental changes made. Click [here](#) for more information.



Services & Support

The creation of Embraer Services & Support reinforces the company's commitment to its customers throughout the product lifecycle. Along with the new business unit, Embraer also launched TechCare, a platform that expands the portfolio of solutions geared towards operational efficiency and increasing the useful life of aircraft. These innovations result from more than 20 years of experience dedicated to building and enhancing high-quality service networks. In 2017, Embraer expanded its global support network by choosing the SIA Engineering Corporation (SIAEP) in the Philippines – a subsidiary of SIA Engineering Company Limited (SIAEC) – as an authorized service center for the E-Jets family of commercial jets. ^[102-10] The company announced that the Embraer Training Center in Johannesburg, South Africa, will open in 2018. The facility will be the first of its kind in the African continent to provide a wide range of training programs to qualified pilots, maintenance technicians and crew members on a single site. Once it is fully operational, the center will be capable of training approximately 2,000 aerospace professionals per year. ^[102-10]

For Executive Aviation customers, Embraer named JF Services as authorized service centers for the Legacy 450 and 500 in Russia; in Argentina, it introduced Aero Baires, its first authorized service center for business jets in the country. With facilities located at the airfield in San Fernando, Buenos Aires, the center has been certified by the local Administración Nacional de Aviación Civil, Argentina's local aviation authority, for maintenance of the Phenom 100 and Phenom 300 aircraft. The company also announced the opening of Embraer Executive Jet Services, a repair station at Le Bourget Airport, outside Paris.

For the second consecutive year, the customer support provided by the Executive Aviation unit ranked first in the satisfaction survey conducted by Aviation International News (AIN). The company earned a score of 8.4 points (out of ten) for new and semi-new business jets. The achievement reflects the unit's continuous commitment to offering better services and experiences to its customers.

**THE NEW
SERVICE & SUPPORT
UNIT REINFORCES
EMBRAER'S
COMMITMENT
TOWARDS
CONTINUOUSLY
IMPROVING
ITS PORTFOLIO**



LEARN MORE AT

<http://services.embraer.com/br/pt>

THEMATIC SCOPE

Industry, innovation and infrastructure



TECHNOLOGY AND INNOVATION

Embraer invests systematically in research, development, innovation and facility enhancement. To ensure competitiveness, intellectual property is protected via patents for inventions and designs. In 2017, 66 applications were filed, of which 46 were granted. Embraer’s patent portfolio reached 669 applications and 360 patents granted.

In addition to product engineering and development teams at the manufacturing plants, the company operates Engineering and Technology Centers (ETCs) in Portugal, the United States and Brazil ([see map](#)). In 2017, the list was expanded with the opening of an ETC in Florianópolis, Santa Catarina, which reinforces the partnership between Embraer and the CERTI Foundation, established in 2015, and seeks to develop pre-competitive technology in aeronautical electronic systems. The project is part of the partnership with the CERTI Foundation, which began in 2015, and is supported by the Brazilian Agency for Industrial Research and Innovation (EMBRAPII, in Portuguese), and the Research Foundation of State of Santa Catarina (FAPESC, in Portuguese). ^[102-10]

Another highlight was the start of activities for the innovation teams in Silicon Valley (California, USA) and in Boston (USA), whose goal is to identify opportunities for the air transport business and establish partnerships with startups, investors, universities and other companies.

The company began operating the Embraer Business Innovation Center (EBIC), its global business hub in

Melbourne, Florida (USA), in order to drive innovation in a comprehensive way. The unit is connected and works in cooperation with all of the company’s engineering teams worldwide. ^[102-10]

Some of the EBICs first projects include a preliminary agreement with Uber Technologies for the exploration of a new urban mobility concept. The vehicles will be small, electrically powered, with vertical takeoff and landing capability, with zero pollutant emissions and silent enough to operate in urban areas. Experimental flights are expected to start in 2020, while commercial operation is scheduled for 2023. In addition, the agreement includes the planning for support structures, such as passenger loading and alighting platforms, air traffic control systems, and more.

Together with the German Aerospace Center (Deutsche Zentrum für Luft- und Raumfahrt – DLR), the company signed an agreement to expand its contribution to aeronautical research. The focus of activities will be the search for solutions to reduce noise and emissions, improve performance of aircraft, development of new structural material for aviation, among others.

Embraer also conducts research projects in cooperation with leading universities and research centers in Brazil and around the world, and has celebrated 22 new cooperations for technological development throughout 2017.

In Brazil, Embraer highlights its participation in initiatives such as the Aerospace Private Equity Fund, which allocated R\$ 3 million to four companies with the objective of strengthening the domestic production chain of the aerospace, and defense and security segments. Every year, the Embraer Technology and Innovation Seminar (SETI, in Portuguese), gathers employees from several fields and regions to share the main technological advances developed internally by the company. This audience is also encouraged by programs such as Good Idea, aimed at enhancing routine activities.

In 2017, the company adopted 6,200 ideas, resulting in a return of more than US\$40 million for the company. In the field of disruptive innovation, another highlight is the Innova Program and its showcase initiative is Green Light, which provides financial support and offers employees as much as 100% of scheduled work hours to work on projects. The company received 78 proposals over the year, and approved 37 of them.

Embraer also develops connected actions with startups, seeking innovations that can solve the challenges of its operation and add value to its clients. The company is one of the ten companies chosen for the Startup Industry Connection Program of the Brazilian Industrial Development Agency (ABDI, in Portuguese). Embraer encourages the strengthening of the Brazilian startups ecosystem by promoting mentoring in programs such as Inovativa Brasil (Federal Government), the Edital de Inovação para a Indústria (Senai-Sesi-IEL) and Acelera Fies, as well as sponsoring entrepreneurship programs such as promoted by the University of Campinas (UNICAMP).

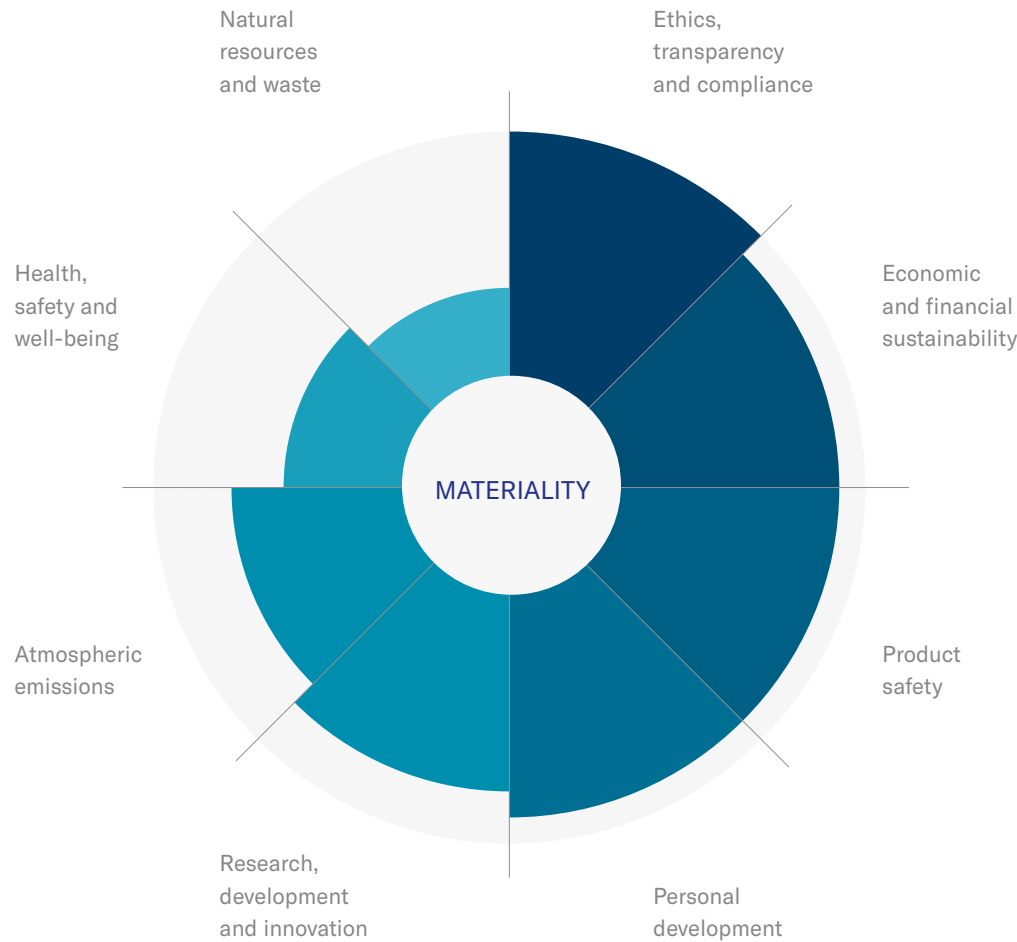
Nearly half of Embraer’s revenues today comes from innovations implemented over the past five years

SUSTAINABILITY MANAGEMENT



[102-44, 102-47]

In order to obtain a clear picture of the most relevant sustainability issues to the company and its stakeholders, Embraer engages shareholders, clients, suppliers, social associations, labor unions and trade associations, as well as the executives themselves, in three-year consultation cycles. This process results in the company's materiality. The current cycle started in 2017 and reflects the previous year's work. At first, the company listed 21 topics in the consultation process: biofuels; biodiversity; local community development; people development; socio-economic development in the local supply chain; dematerialization; human and labor rights; availability of raw materials; diversity and inclusion; air emissions; ethics, transparency and compliance; product lifecycle management; natural resources and waste management; risk and crisis management; chemicals management; research, development and innovation; noise; health, safety and well-being; product safety; information security; and economic and financial sustainability.



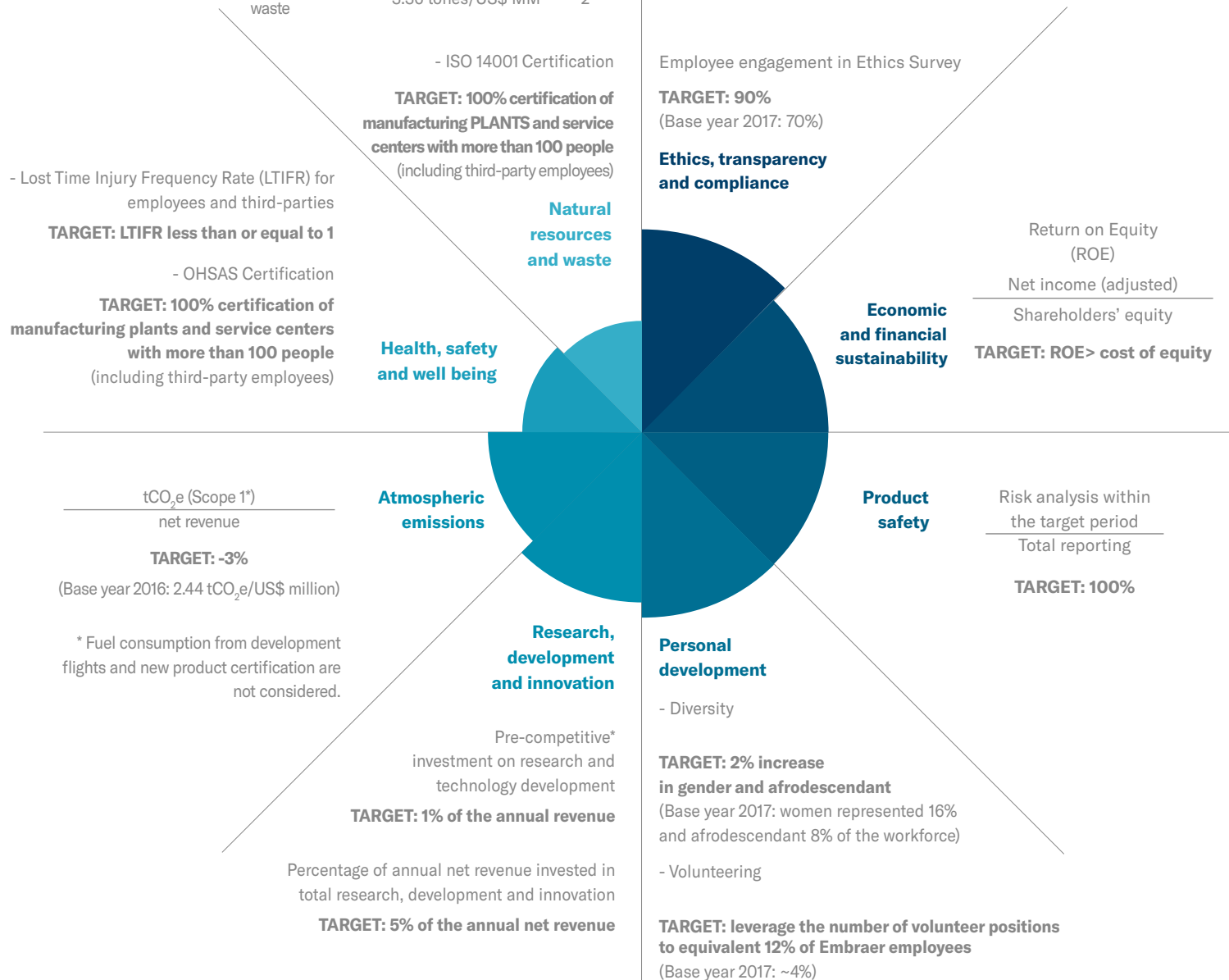
OTHER TOPICS ASSESSED

- Biofuels
- Biodiversity
- Local community development
- Socio-economic development in the local supply chain
- Dematerialization
- Human and labor rights
- Diversity and inclusion
- Availability of raw materials
- Product lifecycle
- Risk and crisis management
- Chemicals
- Noise
- Information security

The respondents – customers, partners and shareholders – were selected from the Embraer Enterprise System (EES). Industry and regulatory organizations, aviation specialists and civic associations were also involved in the process, which included consultations with 46 representatives from the stakeholder categories: six shareholders; 11 customers from the Commercial Aviation, Executive Aviation, and Defense & Security business units; six vendors; 11 civil society representatives (considering nonprofits, trade associations and subject matter experts), plus 12 employees from various company functions. In order to ensure that the topics were aligned with the company's business, Vice-Presidents and the CEO were also consulted. In addition, the materiality assessment was later validated by the Sustainability Committee, the Board of Executive Officers and the CEO. The topics identified are listed below, based on the consolidated score, considering their relevance both to the company's strategic plans and to stakeholders. These topics guide the new sustainability plan, which will be deployed in 2018 and have specific goals set by December 2020. The year was also marked by the completion of the 2017 Master Sustainability Plan, available [here](#).

Sustainability Plan 2020

Item	Indicator baseline 2016	Target (%)
Water	172 m ³ /US\$ MM	-2
Energy (electricity)	28.5 MWh/US\$ MM	-5
Hazardous waste	0.81 tones/US\$ MM	-3
Non-hazardous waste	3.36 tones/US\$ MM	-2



ECONOMIC PERFORMANCE



THEMATIC SCOPE

Decent work and economic growth



In 2017, Embraer met its annual targets for deliveries, net revenues, adjusted free cash flow (FCF) and investments. The result and the adjusted operating margin (EBIT), EBITDA and adjusted EBITDA margin* were below targets.

Estimates vs. Actual in 2017 (US\$ million)

		Estimate	Actual
Deliveries	Commercial Aviation	97-102	101
	Executive Aviation	105-125	109
	Defense & Security	-	7
Net revenues	Commercial Aviation	3,250-3,400	3,372
	Executive Aviation	1,600-1,750	1,485
	Defense & Security	800-900	951
	Others	50	31
EBIT		450-550	397
EBIT margin (%)		8.0-9.0	6.8
Adjusted EBITDA		770-890	713
EBITDA margin (%)		13.5-14.5	12.2
Free cash flow		>(150)	405
Investments	Research	50	49
	Development	400	385
	Capex	200	176

* In order to maintain a comparative basis between the years, the results identified with the word "Adjusted" exclude non-recurrent items from its calculation (impacts arising from the end of the FCPA investigation, the Voluntary Dismissal Program (PDV, in Portuguese) and the bankruptcy of Republic Airways, among others).



Combined with the appreciation of the real, the decline in deliveries from 2016 to 2017 resulted in a net revenue of R\$18,713.0 million, a 13% drop (R\$21,435.7 in 2016); and a gross margin of 18.3%, down from 19.9% in 2016.

Aircraft delivered per unit

	2015	2016	2017
Commercial aviation	101	108	101
Executive aviation	120	117	109
Defense & Security	20	15	7
TOTAL	241	240	217

Net revenue by segment (%)

	2015	2016	2017
Net revenue (R\$ billions)	20.3	21.4	18.7
Commercial aviation	56	57	58
Executive aviation	29	28	26
Defense & Security	14	15	16
Others	1	-	-

The North American market accounted for 57% of net revenues. The European market rebounded to reach a 12% share of the company's revenues. Brazil also increased its share and came in at 13%. All other regions (Latin America, China, Asia-Pacific, Africa and Middle East) remained stable compared with 2016, with a share of 18%. In 2017, net income and adjusted operating margin (EBIT) stood at R\$1,280.9 million (US\$397.1 million) and 6.8%, impacted by the increased costs in the Defense & Security segment, which were related to the development of the KC-390.

Adjusted EBITDA came in at R\$2,289.60 million (US\$712.5 million) in 2017, 26% less than in 2016. Meanwhile, the adjusted EBITDA margin reached 12.2%. The 57% drop in 2016 regarding net operating revenues from non-recurring items had a positive impact on Embraer's net profits in 2017, which came in at R\$795.8 million (a 36% increase from 2016). Profit per share was R\$1.0838. The total added value to be distributed was R\$5,546.2 million, and accounted for 27% of net revenues in 2017.

217 AIRCRAFT DELIVERED

R\$5,546.2 MILLION ADDED VALUE DISTRIBUTED 

R\$18,713.0 MILLION IN NET REVENUE 

R\$795.8 MILLION IN NET PROFIT 

SOCIAL PERFORMANCE



THEMATIC SCOPE

- Health and well-being
- Quality education
- Gender equality
- Decent work and economic growth
- Reduction of inequalities



PEOPLE MANAGEMENT [103-2, 103-3]

Diversity and equal opportunities, Non discrimination, Freedom of association and collective bargaining

At the end of 2017, Embraer had 18,433 employees: 15,710 in Brazil and 2,723 abroad. More details on the company’s workforce can be found [here](#).

Attraction

Amid a highly dynamic and ever-changing environment, Embraer looks to attract young professionals who welcome change, are aligned with the new global trends, and capable of facing a wide range of challenges within the company and industry. College students can join Embraer through its Internship Program, while recent graduates can opt for the Trainee Program, which drew interest from over 11,000 young candidates for the 23 positions opened in Brazil during its first edition. Embraer also offers opportunities for young people aged 14 to 24 through a program for young apprentices, in partnership with the Federal Government. Embraer invests in specialized education through initiatives such as the Embraer Project Program and the Engineering Specialization Program. The first is carried out through a partnership with the College of Technology of the State of São Paulo (FATEC, in Portu-

guese), and offers technical education and internships with the company. Meanwhile, the latter offers a professional Master’s degree in Aeronautical Engineering, with a certificate issued by the Aeronautical Institute of Technology (ITA, in Portuguese), which provides most of the students the opportunity of being hired at Embraer. In 2017, 68 people graduated from both initiatives.

Aimed at fostering inclusion, Embraer also has a program called Embraer On The Path to Diversity, which since 2012 offers professional education to persons with disabilities. So far, 80 people have been trained through this program. [Click here](#) to learn more about all of these initiatives.

Development

The company encourages career advancement and changes in functions through its Internal Hire Program, in which new job openings are, at first, disclosed exclusively to an internal audience. In 2017, there were 67 vacancies filled due to this initiative.

Employees’ technical and behavioral skills are stimulated through the education programs. During the year, more than 7,000 courses and trainings were provided. The professionals undergo periodic assessments, the results of

which help define the Individual Development Program and salary progressions for production employees starting their career who achieve positive results. Embraer also has the Embraer Leadership Program, where leaders undergo a 360° assessment, Performance Map and Calibration Committee. [404-3]

In 2017, the company invested R\$6,391,015 and offered 604,525 total training and education hours (for an average of 61 hours per employee). More details are available [here](#). [404-1, 404-2, 404-3, 412-2]

Health and safety

The Environmental, Health and Safety Policy guides actions for the prevention of accidents and diseases, which are put into practice by the Behavioral Program, the Tensional Reeducation Training Program (PERTO, in Portuguese), the ergonomic risk management, the application of prevention through design and in the actions of the Well-Being programs. All the employees undergo annual medical examinations that allow the epidemiological mapping of each area. In compliance with the legislation, the company maintains the Internal Commission for Accident Prevention (CIPA, in Portuguese), which represents 85.1% of the workforce. It also negotiates formal agreements with trade unions and clauses to be included in collective bargaining agreements that contemplate all employees across Brazil. In its units abroad, the company strictly follows the laws and regulations of each country in which it operates. [102-41]

In 2017, the number of accidents that resulted in medical leave was 33, and the rate of occupational disease was 0.03%. These data are monitored and analyzed on a monthly basis by the Board of Executive Officers and the Board of Directors, and reduction targets are contemplated under the [Sustainability Plan 2020](#).

PARTNER RELATIONSHIP MANAGEMENT [102-9, 103-2, 103-3, Procurement Practices, Supplier Environmental Assessment, non Discrimination, Freedom of Association And Collective Bargaining, Child Labor, Forced or Compulsory Labor, Supplier Social Assessment]

Embraer maintains a commercial relationship with 1,200 vendors for product manufacturing. This group is evaluated via monthly monitoring of performance indicators, on-site audits and periodic environmental impact questionnaires. The Aeronautical Supply Chain Development Program (PDCA, in Portuguese), aimed at reducing costs and improving quality, is promoted in partnership with the Brazilian Agency of Industrial Development (ABDI, in Portuguese) to improve the contracted companies.

The company also relies on support from 3,000 partners that perform technical and administrative activities, who attend courses on lean management and guidelines for *kaizen* practices under the Management Excellence Program (PEG, in Portuguese). Participants are chosen after risks and cost reduction opportunities are identified.

Approximately 80% of purchases are made from international vendors from North America (55%), Europe (20%) and the rest of the world (5%). Transactions with national vendors account for 20% of the total purchasing amount. [204-1]

All contracts contemplate clauses concerning human rights, labor and environmental laws.

[308-1, 308-2, 407-1, 408-1, 409-1, 412-3, 414-1, 414-2]

4,200
vendors and
business partners

SOCIAL INVESTMENT

[103-2, 103-3, 203-1, 203-2, 413-1, Direct economic impact,

Local communities]

Social investment in Brazil is coordinated by the Embraer Institute for Education and Research, which for more than 15 years promotes education-related projects, engagement with civil society and the historic preservation of the country's aeronautical industry.

The main initiatives include the Juarez Wanderley (São José dos Campos, São Paulo) and Casimiro Montenegro Filho (Botucatu, São Paulo) schools, which offer free, full-time high school education to students coming from public schools and whose household income is lower than 9x the minimum monthly wage. Students also receive uniforms, textbooks, meals and transportation for the entire school year.

In 2017, both schools were among the top-ranked institutions in the National High School Exam (ENEM, in Portuguese), and Juarez Wanderley was ranked 8th in the state of São Paulo.

In addition, more than 80% of their alumni were admitted to public universities across Brazil. Considering those admitted in private universities with full scholarships, the rate of graduates who attend a college-level institution exceeds 90%. Some of these students receive financial support from the Scholarship Fund, an initiative supported by contributions from businesses and individuals as well as from former grantees, who

refund the program after entering the job market. The Embraer Institute also provides financial support to nonprofit social organizations, through the Social Partnership Program (PPS, in Portuguese). The initiative is aimed at supporting projects aligned with the United Nations Sustainable Development Goals (SDGs). In 2017, it supported 12 organizations by investing up to R\$40,000 per project.

The entity also operates the Embraer Historic Center, whose purpose is to preserve and promote the history of the Brazilian aviation industry. It currently has exhibition spaces at Embraer units, organizes virtual exhibits and monthly guided tours to the São José dos Campos manufacturing plant to community members.

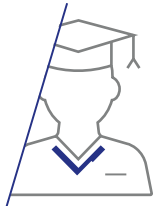
Some of the highlights of 2017 include the "Design in Brazilian aviation" exhibit, which was attended by more than 40,000 visitors to the Museu da Casa Brasileira (MCB), in São Paulo.

The Embraer Institute also earned the 2017 Aberje Award, the country's leading corporate communications award. The Institute was recognized by the Brazilian Association of Corporate Communications (ABERJE, in Portuguese), in the Historical Responsibility and Business Memory category, for its efforts to preserve aeronautical memory over the course of the year.


In 2017, the company created the Embraer Foundation, which consolidates all of the company's social initiatives in the United States. As is the case with the Institute in Brazil, the Foundation establishes social partnerships, engages employees in volunteering programs and promotes an entrepreneurial culture among members of the communities served.

2017 highlights

R\$ **20 million** invested, approximately 

3,160 graduates from both high schools since 2002, with more than 90% being admitted to public and private universities 

23 organizations supported by Embraer Institute and Embraer Foundation 

244 university students received support from the Scholarship Fund  **+700** volunteers engaged worldwide 



FOR MORE INFORMATION, GO TO <http://institutoembraer.org.br> E <http://embraerfoundation.org>

LEARN MORE AT www.centrohistoricoembraer.com.br

ENVIRONMENTAL PERFORMANCE



THEMATIC SCOPE

Industry, innovation and infrastructure
Responsible consumption and production
Action against global climate change



Environmental preservation, eco-efficiency and product lifecycle management are guided by the Environmental, Health and Safety Policy (MASS, in Portuguese).

ENERGY AND WATER

In 2017, Embraer consumed 179,237 MWh, an increase of 1.33% compared to 2016 (176,889 MWh) due to the inclusion of the Jacksonville unit in the United States. To reduce consumption, the company promotes the improvement of processes, facilities and equipment encouraging energy efficiency. [\[302-1, 302-4\]](#)

In the year, Embraer consumed 982,826 m³ of water, of which 6% is related to recycled water. The volume of water in 2017 was considerably lower than in 2016 due to improvements made in the OGMA unit and the implementation of a water reuse project in Évora.

[Click here](#) for more information. [\[303-1, 303-3\]](#)

EFFLUENTS AND WASTE

The effluents are destined to the public network, except for the units of Taubaté (São Paulo) and Gavião Peixoto (São Paulo), which dispense them in the Boçoroca and Mulada streams, respectively. In order to be able to do this, these units have their own sewer treatment stations. The volume discarded is less than the carrying capacity of the water bodies and both are outside environmental protected areas. [Click here](#) to see the water disposal data of the units broken down by treatment and destination. [\[306-1\]](#)

Embraer also has strict procedures for waste management in its units, which are carried out in accordance with the applicable legislation in each locality where the industrial plants are present. Dedicated programs continually seek the use of less harmful materials as well as the optimization of processes. All work is done in line with the selective collection program, based on the following order of priority: non-generation, reduction, reuse, recycling, treatment and environmentally appropriate final disposal. Information regarding total weight of waste generated and destinations are available [here](#). [\[306-2\]](#)

GREENHOUSE GASES

Embraer discloses an annual inventory of greenhouse gases (GHG), which is ISO 14064 certified and audited by Lloyd's Register Quality Assurance (LRQA). Detailed information for 2017 is available [here](#). [\[305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7\]](#)

Committed to the reduction of GHG emissions by the industry, the company is a signatory to the aviation industry sustainability commitment, which seeks carbon-neutral growth by 2020 and a 50% reduction of net carbon dioxide (CO₂) emissions in aviation by 2050, compared to 2005 levels.

PRODUCT LIFECYCLE

Embraer funds a project titled Integrated Development of Environmentally Sustainable Products (DIPAS, in Portuguese), which aims to advance sustainable design, seek alternatives to materials whose use is restricted by environmental legislation, and develop studies on the lifecycle of products. It also strives to make new products more operationally efficient, emit less CO₂ and noise, and consume less fuel. Fuel costs are responsible for most expenses incurred with operating an aircraft, whose lifecycle is longer than 15 years. The reduction of this consumption, paired with that of energy, meets both environmental and market needs. [\[302-5\]](#)

**To reduce consumption,
the company promotes the
improvement of processes,
facilities and equipment,
pursuing energy efficiency**

ATTACHMENT GRI

EMBRAER GRI STANDARDS INDICATORS 2017

102-3 – LOCATION OF THE ORGANIZATION'S HEADQUARTER

Avenida Brigadeiro Faria Lima, 2,170 – Putim, São José dos Campos (SP).

102-8 – INFORMATION ON EMPLOYEES AND OTHER WORKERS

By functional level	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Board of Executive Officers¹	73	9	82	9	85	7
Manager	235	40	269	45	254	43
Supervisor	678	75	638	82	618	91
Pilot	102	0	93	0	95	0
Engineer	3,783	586	3,603	547	3,620	589
Professional	1,300	965	1,487	1,036	1,607	1,078
Technical	3,168	300	2,912	332	2,937	329
Administrative	480	377	435	319	429	316
Operational	6,603	599	6,077	540	5,841	494
Total by gender	16,422	2,951	15,596	2,910	15,486	2,947
TOTAL	19,373		18,506		18,433	

By type of contract	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Determined time	217	89	306	70	366	90
Undetermined time	16,205	2,862	15,290	2,840	15,120	2,857
Total by gender	16,422	2,951	15,596	2,910	15,486	2,947
TOTAL	19,373		18,506		18,433	

By work day	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Full work day	16,403	2,945	15,580	2,905	15,469	2,941
Part-time	19	6	16	5	17	6
Total by gender	16,422	2,951	15,596	2,910	15,486	2,947
TOTAL	19,373		18,506		18,433	

Number of employees by country	2015 ²		2016 ²		2017 ²	
	Men	Women	Men	Women	Men	Women
Brazil	14,488	2,519	13,540	2,467	13,260	2,450
China	48	26	46	21	41	25
United States	1,406	262	1,479	284	1,629	321
France	89	19	93	19	54	13
Netherlands	56	10	75	19	110	26
Ireland	0	1	0	0	0	0
Portugal	294	97	324	83	351	96
Singapore	41	17	39	17	41	16
Total by gender	16,422	2,951	15,596	2,910	15,486	2,947
TOTAL	19,373		18,506		18,433	

By workforce	2015		2016		2017	
	Men	Women	Men	Women	Men	Women
Direct employees	14,488	2,519	13,540	2,467	15,486	2,947
TOTAL	17,007		16,007		18,433	

1. Includes director-president, vice-presidents and executive officers.

2. In previous years, the count for Brazil was notated by region in the country. Starting in 2015, the counts came to be notated by country.

102-12 – EXTERNAL INITIATIVES

All the initiatives mentioned below are voluntary.

Name	Date of adoption	Scope	Involved stakeholders
UN Global Compact	2008	Global	Suppliers, manufacturers, transportation companies and organizations from different sectors
Initiative Towards sustAinable Kerosene for Aviation (ITAKA)	2012	Global	Suppliers, manufacturers, transportation companies and other organizations from the aerospace sector
Friends of Rio+20	2012	Global	Organizations from other sectors
Commitment to reducing GHG emissions in aviation (ICAO/ATAG)	2014	Global	Suppliers, manufacturers, transportation companies and other organizations from the aerospace sector
Call to Action	2014	Global	Suppliers, manufacturers, transportation companies and organizations from different sectors
Bio-fuel research center	2015	Brazil (with potential global impact)	Partnership with Boeing
EcoDemonstrator	2016	Tests of technologies for products' performance improvement	Partnership with Boeing
Urban mobility	2017	VTOLs development (electric vertical takeoff and landing vehicles for urban centres)	Partnership with Uber

102-13 – MEMBERSHIP OF ASSOCIATIONS

Organization/association	Seat on the Board of Governance	Participation in projects/commissions	Strategic participation
National Agenda			
Brazilian Association of Public Companies (Abrasca, in Portuguese)	Yes	Yes	Yes
Brazilian Association of Industries for Defense and Security Materials (Abimde, in Portuguese)	Yes	Yes	Yes
Brazilian Association of General Aviation (Abag, in Portuguese)	Yes	Yes	Yes
Brazilian Association of Mechanical Sciences (ABCM, in Portuguese)	Yes	Yes	Yes
Aerospace Industries Association of Brazil (AIAB, in Portuguese)	Yes	Yes	Yes
Foreign Trade Association of Brazil (AEB, in Portuguese)	Yes	Yes	Yes
Technology Park of São José dos Campos Association	Yes	Yes	Yes
National Association for Research and Development of Innovative Companies (Anpei, in Portuguese)	Yes	Yes	Yes
National Confederation of Industry (CNI, in Portuguese)*	No	Yes	Yes
Federation of Industries of the State of São Paulo (Fiesp, in Portuguese)	Yes	Yes	Yes
Brazilian Institute of Corporate Governance (IBGC, in Portuguese)	No	Yes	Yes
Industrial Enterprise Development Institute (IEDI, in Portuguese)	Yes	Yes	Yes
Brazilian National Confederation of Industry (MEI, in Portuguese)	Yes	Yes	Yes

Organization/association	Seat on the Board of Governance	Participation in projects/commissions	Strategic participation
International Agenda			
Aerospace Industries Association (AIA)	Yes	Yes	Yes
Air Transport Action Group (ATAG)	Yes	Yes	Yes
Aviation Working Group (AWG)	Yes	Yes	Yes
Brazil Industries Coalition (BIC)	Yes	Yes	Yes
American Chamber of Commerce (Amcham)	Yes	Yes	Yes
Portuguese Chamber of Commerce in Brazil (CPCB, in Portuguese)	Yes	Yes	Yes
Brazilian Center for International Relations (CEBRI, in Portuguese)	Yes	Yes	Yes
Brazil-China Corporate Council (CEBC, in Portuguese)	Yes	Yes	Yes
Brazil-United States Corporate Council (CEBEU, in Portuguese)	Yes	Yes	Yes
European Policy Center (EPC)	No	Yes	Yes
Global Compact Foundation	No	Yes	Yes
Foreign Trade Study Center Foundation (Funcex, in Portuguese)	Yes	Yes	Yes
General Aviation Manufacturers Association (Gama)	No	Yes	Yes
International Aerospace Environmental Group (IAEG)	No	Yes	Yes
National Aeronautic Association (NAA)	Yes	Yes	Yes
U.S. Chamber of Commerce (U.S. Chamber)	No	Yes	Yes
World Economic Forum (WEF)	No	Yes	Yes

* Associative participation through the Fiesp system. The list does not present the totality of associations in which Embraer participates. The most meaningful associations were listed.

102-20 – EXECUTIVE-LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS

Responsible	Level	Topics
Carlos Alberto Griner*	Vice President of People and Sustainability	Human Resources and Sustainability
José Antonio de Almeida Filippo	Executive Vice President	Financial and Investors relations
Fabiana Klajner Leschziner	Legal Executive Vice President	Legal and Compliance

* Responsible for the annual report elaboration.

Master Sustainability Plan 2017 (102-15)

Aspect	Indicator	Goal (December 2017)	2015 ¹	2016	2017
Ethics	Percentage of adherence to compliance policy and procedure ²	100%	Managers: 100%* Non managers: 98.98%* * Considering the trainings held on Anti-Corruption - Code of Ethics and Conduct	Managers: 96%* Non managers: 98%* * Considering the trainings held on Anti-Corruption - Code of Ethics and Conduct	Managers: 94%* Non managers: 99%* * Considering the trainings held on Anti-Corruption - Code of Ethics and Conduct
Attraction, development and retention of human resources	Favorability percentage in the climate survey	80%	89%	There was no survey in 2016; the company opted for a bi-annual engagement survey. Engagement survey will take place in May 2017	There was no survey in 2017
Attraction, development and retention of human resources	Number of staff training hours per year	500,000 hours per year	557,077 hours	625,416 hours	604,525 hours
Product safety	Maintenance of type-approval certificates (CHT, in Portuguese) for commercial and executive aviation planes	100% of type certificates valid	100%	100%	100%
Product safety	Maintenance of company-approval certificates (CHE, in Portuguese) in all Embraer sites of interest as defined in conjunction with the business units	100% of all sites of interest certified	100%	100%	100%
Management of chemical substances	Development of the new chemical substance management system to ensure an adequate level of knowledge of the product's chemical composition for compliance with current and future environmental legislation	Phase I – definitions and structuring: until February 2015 Phase II – platform availability and data input: until December 2016 Phase III – full operation of the system: until December 2017	Finalized: the first phase of the modification of the registration of hazardous substances in SAP. In progress: training of employees who register substances in the system. Start of data input into the system, aiming to comply with environmental legislation. As of December 2015, all registrations already incorporate the modifications made to the modified system	Finished the structuring and definitions phases. Carried out training for all those involved in the registration of chemical substances in the SAP system. All inputs comply with current legislation	New registration system for hazardous substances implemented. Continuous action in order to adjust past liability
Management of supply chain	Percentage of suppliers classified as "high environmental risk" in risk evaluations	0%	0%	0%	0%
Export control	Percentage of adherence to export policy and procedure	100% adherence to the compliance evaluation survey	77%	97%	94%
Sustainable new business, products and services	Number of new business, products and services incorporating principles of sustainability	Annually launch project that demonstrates the inclusion of sustainability	Non-chrome leather available from tannery for use in aircraft interiors.	Partnership with Boeing in the Eco demonstrator program. Technology tests aimed at reducing fuel consumption, CO ₂ emissions and noise	Partnership with Uber for the development of electric air vehicles for urban mobility
Management of natural resources and waste	Consumption of energy (MWh) per equivalent plane	Reduce by 3% consumption by equivalent plane, in relation to the base year 2014 (603.78 MWh/equivalent aircraft)	551.96 MWh/aircraft equivalent (reduction of 9%)	499.79 MWh/equivalent aircraft (reduction of 17%)	598,21 MWh/equivalent aircraft (reduction of 1%)

[102-15]

Aspect	Indicator	Goal (December 2017)	2015 ¹	2016	2017
Management of natural resources and waste	Consumption of water (m ³) per capita	Reduce by 4% per capita consumption of water, in relation to the base year 2014 (44.66 m ³ /per capita)	41.78 m ³ /per capita (reduction of 6%)	42.49 m ³ /per capita (reduction of 5%)	46.12 m ³ /per capita (increase of 3%). There was a significant reduction of employees because of the Voluntary Dismissal Program
Management of natural resources and waste	Generation of solid waste/net revenue	Reduce by 3% the total generation of waste per million dollars of revenue, in relation to the base year 2013 (2.76 ton/million dollars)	3.21 ton/million dollars (increase of 16%)	2.95 ton/million dollars (increase of 7%)	2.80 ton/million dollars (increase of 1%)
Management of natural resources and waste	Generation of dangerous solid waste/net revenue	Reduce by 3% the total generation of dangerous waste per million dollars of revenue, in relation to the base year 2013 (0.5 ton/million dollars)	0.57 ton/million dollars (increase of 14%)	0.5 ton/million dollars (maintenance)	0.54 ton/million dollars (increase of 8%)
Management of natural resources and waste	Percentage of manufacturing plants and Embraer service centers with ISO 14001 certification	100% of manufacturing plants and service centers that existed in 2014 with ISO 14001 certification	47.05%	47.05%	47.05%
Management of natural resources and waste	Percentage of manufacturing plants and Embraer service centers with relation to environmental liabilities	100% of manufacturing plants and service centers that existed in 2014 with relation to environmental liabilities (and their respective treatment plans) New acquisitions of buildings, installations or businesses, must be preceded by evaluation of environmental liabilities (environmental due diligence), aiming to ensure access to necessary information for the company to make decisions	76.47% (13 of 17 units)	76.47% (13 of 17 units)	76.47% (13 of 17 units)
Atmospheric emissions	Emission of greenhouse gases (scope 1+2)/net revenue ⁴	Reduce by 3% the emission of greenhouse gases (scope 1+2) per million dollars of revenue, in relation to the base year 2013	5.48 ton/million dollars (increase of 8%)	4.09 ton/million dollars (reduction of 19%)	4.46 ton/million dollars (reduction of 12%)
Atmospheric emissions	Emission of VOC/net revenue	Reduce by 3% the emission of VOC per million dollars of revenue, in relation to the base year 2013 (0.0063 ton/million dollars)	0.0034 ton/million dollars (reduction of 46%)	0.0011 ton/million dollars (reduction of 82%)	0.0022 ton/million dollars (reduction of 65%)
Human and labor rights	Percentage of individual suits and labor complaint procedures per employee	Standard of excellence (to be a reference in the market), remaining below the national average for companies in the same sector, in accordance with each country's regulating	0.391%* * Corrected number	0.306%	0.466%
Employee health and safety	Lost Time Injury Rate (LTIR)	To reduce the frequency rates of lost time accidents by 30%, in relation to 2014's accident frequency rate	2014 rate: 1.74 2015 rate: 2.25	1.19 (reduction of 31.6%)	0.99 (reduction of 44%)
Employee health and safety	Percentage of manufacturing plants and Embraer service centers with OHSAS 18,001 certification ³	100% of manufacturing plants and service centers that existed in 2014 with OHSAS 18,001 certification	47.05% (FLM, EGM, ELEB, BOT, GPX, TTE and EVO)	47.05% (FLM, EGM, ELEB, BOT, GPX, TTE and EVO)	47.05%

|102-15|

Aspect	Indicator	Goal (December 2017)	2015 ¹	2016	2017
Transparency and communication	Percentage of indicators responded to in the company's Global Reporting Initiative (GRI) report	Annual GRI Report Core option	89.65%	89.65%	71.52% ⁵
Management of the product's environmental life cycle	Environmental requirements for developing products	Incorporate environmental requirements, in addition to those for sound and emissions, for 100% of products launched	The incorporation of the product's environmental requirements was implemented in the E2 program. The verification of satisfaction of these environmental requirements, in the E2 program, is in progress For the next aircraft program to be launched by the company, all environmental requirements will be incorporated, using the Integrated Development of Products (DIP)	The incorporation of the product's environmental requirements was implemented in the E2 program. The verification of satisfaction of these environmental requirements, in the E2 program, is in progress For the next aircraft program to be launched by the company, all environmental requirements will be incorporated, using the Integrated Development of Products (DIP) process	The incorporation of the product's environmental requirements was implemented in the E2 program. The verification of satisfaction of these environmental requirements, in the E2 program, is in progress For the next aircraft program to be launched by the company, all environmental requirements will be incorporated, using the Integrated Development of Products (DIP) process
Management of the product's environmental life cycle	Use of the simplified evaluation of the product life cycle (DfE Matrix)	Use DfE Matrix to evaluate 100% of new products launched; for already existing products, evaluate the equivalent for at a minimum of 50% Embraer revenue	New products in 2015: Legacy 450, which was evaluated using the DfE Matrix. Total portfolio: E-jets, Phenoms and Legacy 500/450 already evaluated, accounting for 86% of Embraer revenue	There were no product launches in 2016. Total portfolio: E-jets, Phenoms and Legacy 500/450 already evaluated, accounting for 84.6 % of Embraer revenue	There were no product launches in 2017. Total portfolio: E-jets, Phenoms and Legacy 500/450 already evaluated, accounting for 82.9% of Embraer's revenue
Management of the product's environmental life cycle	Customer orientation regarding the end of the product's life	Define document containing Embraer product strategic guidelines with relation to its end of life	Concluded: the technical guide containing operational guidelines for customers for the proper disposal of products at the end of their life	Concluded: the technical guide containing operational guidelines for customers for the proper disposal of products at the end of their life. Started: the forming of Corporate Policy for Products' End of Life	The technical guide containing operational guidelines for customers for the correct disposal of end-of-life products has been completed. Construction of the Corporate End-of-Life Policy of the product in progress
Local socio-economic development	Evaluation average (Balance Score Card) for the results of annually supported projects in the scope of the Social Partnership Program	Grade 4, in an evaluation of 0 to 5 points	2.45	3.44	4.03
Local socio-economic development	Number of Embraer volunteers engaged in Entrepreneurship programs, Social Partnership Program and other social projects recognized by the Embraer Institute	Increase 20% the number of volunteers	+12% (565 volunteers)	+56.72% (793 volunteers)	+43.87% (728 volunteers)
Local socio-economic development	Approval of Embraer High School students in entrance exams	Maintain the rate of approval above 80% for Embraer High School students for their entrance exams	Embraer Juarez Wanderley High School: 84% of public university approval Embraer Casimiro Montenegro Filho High School: 83% of public university approval	Embraer Juarez Wanderley High School: 86% of public university approval Embraer Casimiro Montenegro Filho High School: 87% of public university approval	Embraer Juarez Wanderley High School: 84% of public university approval Embraer Casimiro Montenegro Filho High School: 75% of public university approval
Research, development and innovation	Percentage of annual investment in technological development applied to projects with environmental gains	Continual increase of the percentage of annual investment in technological development applied to projects with environmental gains, up to the minimum of 50% for the base year 2017 (resource to be applied in 2018)	78%	80%	77%

1. Due to fall of revenue in 2015, some indicators have been significantly altered.

2. Considering the training carried out on Anti-corruption – Code of Ethics and Conduct.

3. This goal has been revisited and to ensure its achievement its deadline has been extended to the next 2018-2020 cycle.

4. Considering Scope 1 emissions related to: fugitive emissions; fuel consumption other than kerosene (jet fuel); and jet fuel consumption from production flights (the current portfolio aircraft).

Fuel consumption from development flights, new product certification, as well as the Defence and Security UN aircrafts, are not considered.

5. The Annual Report 2017 follows the recently released GRI Standards. In comparison to the old format (GRI G4), the new standard presents substantial changes, including topics revision and reformulation of indicators.

102-21 – CONSULTING STAKEHOLDERS ON ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS |
102-43 – APPROACH TO STAKEHOLDER ENGAGEMENT

The main engagement mechanisms adopted by Embraer are represented in the table below and are part of the exercise of interaction between leadership and stakeholders. Every three years, the Materiality Matrix is revisited based on a formal consultation with stakeholders, with the objective of prioritizing the legal attendance of environmental, social and economic issues.

SH	Event	Objective	Responsible/ Frequency
Customers	Embraer Operators Conference – EOC and Embraer Executive Operators Conference – EEOC	Conferences, dedicated meetings and workshops with operators are intended to sustain and enhance the relationship and discuss issues related to the aircraft (maintenance, operations and field issues). It is a means for customers to regularly and frequently share their needs, wishes, satisfaction, technical items, and experiences with the products. The Customer Support areas collect, analyze, prioritize, and develop action plans for implementing improvements in the products and processes. This is a process of continuous improvement.	Customer Support/ annual
	Kaizens with customers	Assist with implementing improvements in its products and processes, while improving the customer-Embraer interface.	Customer Support/ depending on demands
	Studies to develop or improve products	The technical knowledge of some customers for operating airplanes are used in the product improvement projects. Therefore, they are contacted by Embraer to hold meetings and give studies.	Market Intelligence, Customer Support and Engineering/ depending on demands
	Customer satisfaction surveys	Knowledge of the level of satisfaction of Embraer's customers.	Customer Support/ annual
	Aeronautical fairs	The primary objective is to announce and present products to potential customers and to sell aircraft.	Sales/in accordance with calendar
Suppliers	Embraer Suppliers Conference (ESC)	Strategic alignment, presentation of future scenarios, alignment of suppliers and Embraer's expectation as well as awarding the best suppliers of the year.	CEO, VPs of business units and Executives/annual
	Supply Chain Alignment (SCA)	Strategic and operational alignment, presentation of scenarios and challenges of the year, alignment of supplier and Embraer's expectations, working and action plans.	Program Managers, Directors and department of Supplier Quality/annual
	Executive Meeting	Follow-up of indicators and action plans, alignment of Embraer's expectations and suppliers.	CEO, VPs of business units and Executives/quarterly
	Customer Support Meeting (CSM)	Meeting dedicated to aftermarket issues for the purpose of closely following, with the executives of our suppliers, the subjects that have an impact on the fleet and on our operators. In these executive meetings, action plans are discussed and presented for technical and commercial issues for the fleet and for individual operators.	CEO, VPs of business units and Executives/quarterly
	Program Review Meeting (PRM)	Technical/operational follow-up of the development of programs, series, and after-market. Follow-up of the action plan and route corrections.	Program Directors and Managers/bi-annual

SH	Event	Objective	Responsible/ Frequency
Shareholders	Meeting of the Board of Directors	Follow-up of company performance and approval of the Strategic Plan (SP) and Action Plan (AP).	Legal VP/in accordance with the calendar
	Strategy Committee (CEST, in Portuguese)	Advising on establishing SP and AP policies and guidelines, follow-up of management and results.	Legal VP/in accordance with the calendar
	People and Governance Committee	Assistance in electing and dismissing Company directors, establishing their respective functions, setting remuneration and human resource policies etc.	Legal VP/in accordance with the calendar
	Audit and Risks Committee (CAR, in Portuguese)	Risks and statutory audit management.	People and sustainability VP/in accordance with the calendar
	Investor Relations Portal	Maintain a communications channel between the company and its investors/shareholders, in order to transmit information transparency and fairness, watching over corporate governance.	Department of Investor Relations/ continuous
	Annual Report	Communication and transparency tool to stakeholders about sustainable practices of the company.	Management of Corporate Sustainability/annual
	Embraer Day	Create a moment of interaction of the company with its main analysts and investors, with a focus on the main company information in the period.	Department of Investor Relations/ biannual
Society	Meetings: Ministry of Labor and Employment (MTE, in Portuguese)	Relationship with regulatory agencies, routine inspections, and compliance with the law.	Management of Labor Safety, Occupational Health and the Environment/ bimonthly
	Meetings with CETESB, Sanitation Surveillance, Federal/State Police/Ministry of the Army, Mayors, Municipal Secretaries of Education, professional associations and Brazilian business associations	Relationship with regulatory agencies, routine inspections, and compliance with the law. Meetings for surveying the needs and expectations of the municipality related to education and social development. Discuss sector strategies and policies, and promote greater integration and learning with various sectors.	Management of Corporate Sustainability/throughout the current year
	Participation in forums and international organizations(WEF, ATAG, IATA, ICAO, UNDP, GlobalCompact, OMC, AWG, etc.)	Contribute to the debate, proposing strategies, best practices, and solutions for global issues, besides supporting the public-private dialogue.	Departments of Foreign Relations and Management of Corporate Sustainability/throughout the current year

102-21 – CONSULTING STAKEHOLDERS ON ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS |

102-43 – APPROACH TO STAKEHOLDER ENGAGEMENT

SH	Event	Objective	Responsible/ Frequency
Society	Meetings with federal, state and municipal governments and government agencies	Ensure full understanding of Embraer's actions and projects; prepare mechanisms for strengthening private society and government relations; and contribute to making public policies of interest to the aerospace industry.	Departments of Foreign Relations and Management of Corporate Sustainability/ Throughout the current year
People	Blog of the CEO	Direct communication channel of the President with all employees.	President/continuous
	Follow-up meetings of the AP/PMS and Semester Alignment	Meetings for accompanying the evolution of the AP and the PMS, where the leader gives instructions and takes correcting actions for achieving the goals agreed upon.	Leaders/at least quarterly
	Helpline	Confidential tool so that employees and stakeholders can informar or seek support regarding ethical and behavioral issues related to possible violations of Embraer's policies, or of laws and regulations.	Compliance Department/continuous
	Messages to Leaders	Communication instrument for all leaders, seeking to support leaders in guiding employees regarding specific subjects.	Departments of Brand Management and Internal Communications/ continuous

102-23 – CHAIR OF THE HIGHEST GOVERNANCE BODY

The Chairman of the highest governance body does not hold the position of Executive Officer according to the veto contained in the Company's By-laws, paragraph 4th of article 27: "...It is forbidden for any member of the Board of Directors to hold simultaneously the Company's Executive officer position."

102-27 – COLLECTIVE KNOWLEDGE OF HIGHEST GOVERNANCE BODY

Measurements taken to develop and improve knowledge	Governance body	Economic	Environmental	Social
Training of corporate governance	Board of Directors	x	-	-
Presentation on environmental matters at company sites	Board of Directors	-	x	-
Presentation from the Embraer Institute of Education and Research (IEEP, in Portuguese)	Board of Directors	-	-	x
Annual compliance training	Board of Directors	x	-	-
Presentation from the Committee of Financial Management	Board of Executive Officers	x	-	-
Presentation of work from the Committee of Control and Environmental Risks (CCRA, in Portuguese)	Board of Executive Officers	-	x	-
Presentation of work from Committee of Sustainability	Board of Executive Officers	-	x	x
Presentation from the Committee of Ethics	Board of Executive Officers	x	-	-

102-29 – IDENTIFYING AND MANAGING ECONOMIC, ENVIRONMENTAL, AND SOCIAL IMPACTS

Additionally to the strategic planning with a 15-year horizon, Embraer's strategic plan is reviewed annually with the participation of all business, operating and corporate areas; it is approved by the Board of Directors (CA). The objective is to ensure that the management of impacts, risks and opportunities arising from economic, environmental and social issues is aligned to performance expectations and stakeholder interests. Critical due diligence processes, as well as their results, are expected to be forwarded to the CA for review and follow-up.

In addition, the involvement of stakeholders in economic, environmental and social issues is perceived and analyzed through the company's Materiality Matrix, which is reviewed every three years in a deep and comprehensive internal and external research process. The materiality was last revised in 2016 and has given rise to new goals and action plans associated to each priority theme, targeting 2020.

102-31 – REVIEW OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL TOPICS

The Board of Directors holds regular meetings eight times a year and extraordinarily whenever as necessary, following its Internal Policies statement. At those meetings, the representatives from the advisory committees report their activities and discussions to define guidelines. In turn, the Board of Executive officers reports the activities progress and requests approvals from the Council.

In 2017 the Board of Directors held 13 meetings in total. At all of them, the representatives of the Committees were present. The Board of Executive officers reported different matters, such as: visibility of the Company's Plan of Action, which occurred in all meetings; visibility segmented by business area (executive, defense and commercial aviation); monitoring of the work of Internal Audit and Compliance and visibility of the Committees who advise the Board: Sustainability, Financial Management, Environmental Risks, Ethics and Negotiation and Disclosure.

The Board of Directors maintains a list of recurring matters, which supports organizing the meetings' agenda. Several subjects are defined as relevant and frequently reported by the directors. Other relevant topics (or those in need of prior analysis) are added and arranged in the agenda. Both the agenda and the materials that will be presented at the meeting are disclosed to the counselors at least one week in advance through a governance portal.

102-32 – HIGHEST GOVERNANCE BODY'S ROLE IN SUSTAINABILITY REPORTING

The Annual Report is reviewed by the entire Board of Executive Officers and, ultimately, by the Chief Executive Officer.

102-33 – COMMUNICATING CRITICAL CONCERNS

The Board of Executive Officers and the Advisory Committees of the Board communicate the company's critical concerns at regular meetings of the Board of Executive Officers or, if necessary, demand extraordinary meetings.

102-35 – REMUNERATION POLICIES |

102-36 – PROCESS FOR DETERMINING REMUNERATION

The Executive Compensation Policy (PRE, in Portuguese) states that part of the compensation of its executives is granted as a Long-Term Incentive (ILP, in Portuguese) aiming at maintaining and attracting qualified personnel that contribute effectively to the best performance of the company. Details about the compensation processes are available on the Embraer Reference Form. Learn more at item 13.1 – Description of remuneration policy or practice, including the non-statutory board until item 13.16 – Other relevant information.

102-37 – STAKEHOLDERS' INVOLVEMENT IN REMUNERATION

Embraer respects and understands the importance of the role played by the unions with whom the company relates and maintains a relationship with, in accordance with current legislation. In the Brazilian units, 5.6% of the employees are unionized, nevertheless, all of employees, unionized or not, are contemplated by salary adjustments and social clauses, which are negotiated in the collective labor conventions signed with the representative union of the employees. The company negotiates collective labor agreements directly with these entities, covering 100% of the represented employees. Collective labor conventions contain social clauses that guarantee the right of unions to carry out unionization campaigns in the company's premises.

102-42 – IDENTIFYING AND SELECTING STAKEHOLDERS

Embraer, in its value stream management, identifies the following stakeholders: people (employees), company, clients, shareholders and partners (suppliers). They are engaged through a Corporate Procedure that contains the guidelines for each group. Learn more at: <https://embraer.com/global/en/sustainability>.

GRI 103: MANAGEMENT APPROACH

103-1 – EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY |

102-46 - DEFINING REPORT CONTENT AND MATERIAL TOPICS BOUNDARIES

In order to clearly define the sustainability issues of greatest relevance to the company and its stakeholders, Embraer engages shareholders, customers, suppliers, representatives of social organizations and class entities, in addition to its own executives. The engagement is made through consultation cycles every three years. This process results in the company's Materiality. The current one came into force in 2017 and gave rise to the 2020 Sustainability Plan, with indicators and targets for each material topic.

Material Issue	Stakeholder	Scope	Impacts
Ethics, transparency and compliance	All stakeholders of the company	Inside and outside of the organization	Unethical behavior may damage reputation of a company: causing negative effects on customers, employees and investors; causing financial penalties and, as a result, affecting profits. The commitment to achieve the business goals with social responsibility is crucial, considering the relationship with shareholders, employees and suppliers, protecting the environment and contributing to community development.
Economic and financial sustainability	All stakeholders of the company, specially shareholders and employees	Inside and outside of the organization	The poor economic performance of a company directly impact its shareholders, as it may reduce the compensation and often damages investors. Also, in a long term, this can lead to direct impacts on employees and the community in which the company is inserted. Impacts may be extended to the whole value chain reaching suppliers and customers.

**103-1 – EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY |
102-46 – DEFINING REPORT CONTENT AND MATERIAL TOPICS BOUNDARIES**

Material Issue	Stakeholder	Scope	Impacts
Product safety	Employees and customers	Inside and outside of the organization	There are laws, regulations, and certifications that require high standards for aviation safety. Besides, there is a need of monitoring risks to ensure the perfect operation of aircraft, in order to prevent malfunctioning and potential accidents that may affect customers (airline companies) and employees of Embraer itself.
Research, development and innovation	Shareholders and customers	Inside and outside of the organization	Staying on the edge of technology is a fundamental condition to Embraer. Innovation enables the development of highly competitive products with permeability in international markets. The absence of it, both in products and in company services, may lead to losses of the Marketplace value.
Atmospheric emissions	Society and customers	Inside and outside of the organization	Aviation produces around 2% of the global emissions of CO ₂ . Thus, the sector has responsibility in the fight against climate change and its impacts on society. On the other hand, less polluting aircraft may be preferential for customers, especially in a scenario of new regulations for emissions that have been rising around the world.
Health, safety and well-being	Employees	Inside of the organization	The human cost relative to health and accident problems is the main negative consequence of not preventing risks. Other costs involved (loss of time due to accidents and illnesses, production interruption, employees replacement, payment of overtime, recovery of employee health, wages paid to employees on leave, etc.) can also affect the profitability of the company. Employee well-being is also directly related to talent retention and engagement, which may directly impacts the company's performance.
Natural resources and waste	Shareholders and society	Inside and outside of the organization	The management of natural resources and waste is essential for the company's efficiency, as well as for ensuring the minimization and mitigation of impacts on the environment and the community in which it is inserted. In addition, the poor management of disposal and raw of waste can lead to fines and loss of reputation regarding to the organization's brand value. Also, it can potentially affect the community, as it impacts the environment quality and, consequently, the people's health.

**103-2 – THE MANAGEMENT APPROACH AND ITS COMPONENTS |
103-3 – EVALUATION OF THE MANAGEMENT APPROACH**

The management and policies associated to each identified material issue are explained in the table below:

Material Issue	Responsible area	Indicators	2020 target	Management
Ethics, transparency and compliance	Vice-Presidency for Legal Affairs	Employee engagement in Ethics and Compliance survey	90%	In addition to the climate research, Helpline reports are also monitored, as well as the responses to the Ethics and Compliance research, which generate action plans specifically to each case. This theme is governed by the Anti-Corruption Policy and by the Code of Ethics and Conduct, applicable to all Embraer units in Brazil and abroad, as well as companies controlled by the holding company.
Economic and financial sustainability	Vice-Presidency for Financial and Investors Relations	Return on Equity (ROE)	ROE > cost of equity	The company's economic and financial performance is accompanied by responsible areas, with routine visibility to the Board of Directors and quarterly market reports. Reports are submitted to CVM and SEC.
Product safety	Vice-Presidency for Engineering	Risk analysis within the target period/total reportings the area has received	100%	Embraer has the safety of its products as a fundamental pillar for its business excellence and sustainability. Aiming at achieving higher levels of safety performance and sustaining the perception of comfort and safety of the company's aircraft users, Embraer promotes a proactive approach to the life cycle of its products. This includes the commitment to develop, implement, maintain and constantly improve strategies to ensure that Embraer continues to build safe products that meet and exceed national and international certification standards. For an efficient security management strategy, it is necessary encouraging reporting of observed risk situations, analyzing these within appropriate time frames and constructing indicators. The indicator defined for Product Safety (percentage of product safety related reports analyzed within the term excellence references) reflects the essence of these actions, which allows us to measure and monitor the efficiency of the safety process.

103-2 – THE MANAGEMENT APPROACH AND ITS COMPONENTS |

103-3 – EVALUATION OF THE MANAGEMENT APPROACH

Material Issue	Responsible	Indicators	2020 target	Management
People development	Vice-Presidency for People and Sustainability	Diversity and Volunteering		2% increase in women and afrodescendant employees. Leverage the number of volunteer positions to equivalent 12% of Embraer employees.
Research, development and innovation	Vice-Presidency for Engineering	Pre-competitive investment on research and technology development	1% of the revenue.	Embraer created in 2017 the Embraer Business Innovation Center (EBIC) in Melbourne, Florida (USA).
Atmospheric emissions	Vice-Presidency for People and Sustainability	tCO ₂ e/net revenue	-3% in comparison to the base year 2016.	

Material Issue	Responsible	Indicators	2020 target	Management
Health, safety and well-being	Vice-Presidency for People and Sustainability	Lost Time Injury Frequency Rate (LTIFR) for employees and third-parties	Zero.	The targets are deployed for each Embraer unit and monitored through the integrated quality management system. Those are supervised by the Environment, Health and Safety Area, as well as monitored by the Sustainability Area. The theme is governed by the Environment, Health and Safety Policy, applicable to all company units and also to its controlled subsidiaries.
		OHSAS Certification	100% certification of manufacturing plants and service centers with more than 100 people (including third-party employees).	
Natural resources and waste	Vice-presidency for People and Sustainability	Water consumption (m ³ /net revenue)	-2% in comparison to the base year 2016.	The targets are deployed for each Embraer unit and monitored through the integrated quality management system. Those are supervised by the Environment, Health and Safety Area, as well as monitored by the Sustainability Area. The theme is governed by the Environment, Health and Safety Policy, applicable to all company units and also to its controlled subsidiaries.
		Energy consumption	-5% in comparison to the base year 2016.	
		Hazardous waste generation (ton/net revenue)	-3% in comparison to the base year 2016.	
		Non-hazardous waste generation (ton/net revenue)	-2% in comparison to the base year 2016.	
		ISO 14001 Certification	100% certification of manufacturing plants and service centers with more than 100 people (including third-party employees).	

ECONOMIC STANDARDS

GRI 201: ECONOMIC PERFORMANCE

201-1 – DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

In 2017, the total added value to be distributed was R\$5,546.2 million, equivalent to 27% of net revenue. R\$207.0 million were distributed to shareholders in interests on own capital and dividends; R\$3,342.8 million to employees; and R\$559.6 million to the Federal and Municipal Governments as taxes and contributions.

ADDED VALUE STATEMENT (AVS)

The AVS demonstrates the wealth generated by Embraer and its distribution to society segments, which are represented by shareholders, employees, financial institutions and Government (municipal, state and federal). The added value to be distributed totaled R\$5,546.2 million and represented 27% of net revenue in 2017.

Consolidate (R\$ million)	2015	2016	2017
Revenue	22,360.1	23,416.0	20,405.0
Inputs acquired from third parties	(16,364.1)	(17,157.2)	(14,337.2)
Gross added value	5,996.0	6,258.8	6,067.8
Depreciation and amortization	(1,073.3)	(1,265.5)	(1,085.6)
Net added value produced by company	4,922.7	4,993.3	4,982.2
Added value received in transfer	605.2	739.9	564.0
Total added value distributable	5,527.9	5,733.2	5,546.2
Added value distribution	5,527.9	5,733.2	5,546.2
Personnel	3,342.5	3,557.0	3,342.8
Government (tax, fee and contributions)	1,251.6	592.7	559.6
Interest and rental	652.2	991.7	796.4
Interests on equity and dividends	92.3	174.0	207.0
Retained profits and losses for the financial year	149.3	411.4	588.8
Participation of non-controllers	40.0	6.4	51.6

201-2 – FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

Embraer's corporate governance includes a structured process of risk and opportunity management based on best market practices and methodologies applied by leading global consulting companies. Corporate risk management is under the responsibility of the Risk and Internal

Controls Department, which reports directly to the Audit and Risk Committee (CAR). The Management advises the main executives by mapping, identifying, classifying and monitoring business risks in all units. The results of this process have not indicated vulnerability to the company on its substantial operational changes, revenues or expenses which involve risks relative to changes in legislation, physical climate parameters or another aspect related to climate change. The analysis carried out had considered, within a five year period, topics such as environmental legislation in Brazil and other countries where Embraer operates, the European Union Emissions Trading Scheme (EU ETS) and discussions on carbon taxation. The Brazilian environmental legislation does not impose strong demands through the theme (currently, the only requirement is the elaboration of a Greenhouse Gas inventory), and EU ETS determinations have low impact to Embraer as part of the global aviation industry. No real threats to carbon taxation have been identified.

In reference to the operations, the main manufacturing units are located in Brazil, which is a country not susceptible to extreme natural phenomena, settled in regions with very low risks of flooding or frost. The units overseas also present very low possibilities of risks and impacts. All units follow Crisis Management guidelines to minimize the effects of contingencies.

201-3 – DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

SCOPE OF THE RETIREMENT PLAN

The company offers the Embraer Prev – a private complementary retirement plan – to all employees in Brazil and some of its controlled subsidiaries. The participation is voluntary, as required by national legislation. There is no restriction for employees to participate, however its time of service in the company is considered for the purpose of redeeming the benefit. Similar benefits are offered at Embraer's overseas units, according to the applicable conditions and market realities. As sponsors, Embraer or its controlled subsidiaries deposit the same amount of monthly contribution chosen by the participant – with a ceiling up to 8% of the wage. There is no charge on monthly contributions to participants; they are funded entirely by the sponsors.

The Embraer Prev is a non-profit entity with independent management, board of directors and its own fiscal and deliberative councils. In addition, this is exclusively directed to the administration of the participants patrimony.

Retirement plan documentation:

- Embraer's Statutes Prev
- Regulation of the Embraer Complementary Retirement Plan Prev
- Participant Manual

<https://embraerprev.com.br/>

GRI 202: MARKET PRESENCE

202-1 – RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE

In Brazil, the minimum wage is established by the minimum from union category.

Country	Gender	Reference			Local minimum wage	Ratio relation (%)
		2015	2016	2017		
Brazil (R\$)	Men	1,339.80	1,502.80	1,504.80	937.00 ¹	161
	Women	1,470.55	1,470.55	1,504.80		161
United States (US\$)	Men	1,733.33	2,142.40	2,185.21	1,430.00 ²	153
	Women	2,080.00	2,102.53	2,426.62		170
Portugal (€)	Men	700.00	700.00	728.20	649.83 ³	112
	Women	700.00	700.00	784.19		121
France (€)	Men	1,891.99	1,851.39	1,800.00	1,480.27 ⁴	122
	Women	1,513.59	1,556.80	1,513.59		102

(1) Minimum wage in Brazil.

(2) Minimum wage in the state of Florida, United States.

(3) Minimum wage in Portugal.

(4) Minimum wage in France.

Important operating units are those where Embraer is present and which have a significant amount of cash. The offices of Singapore, China and the Netherlands were not considered.

202-2 – PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

Governance body	Total	Work in the country of origin (%)	Does not work in the country of origin (%)
Board of Executive Officers	11	82	18

GRI 203: INDIRECT ECONOMIC IMPACTS

203-1 – INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

Embraer invested about R\$20 million in the Embraer Institute and the Embraer Foundation, in 2017. The initiatives are conducted aligned with public authority, local partners and committed volunteer employees. There is also an increasing participation of local communities in the definition of strategic priorities through public consultations and opinion polls.

The Embraer Institute and the Embraer Foundation are governed by formal documentation according to the country in which they operate. The documents are submitted to the public authority and provide transparency and accountability for the organizations activities, as well as regulation of the attributions of its Deliberative/Fiscal Councils and the Executive Board

GRI 205: ANTI-CORRUPTION

205-1 – OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

The analysis of risks related to corruption is carried out through the due diligence process, introduced in 2014 with the publication of Due Diligence Procedure. Since then, both new and existing service providers attend to a reputational assessment undertaken by the Compliance team, which includes searches in official databases and media about corruption involvement, tax evasion, fraud, terrorism, etc. If no restrictions are found, the Compliance team issues a certificate. There is a systemic lockout for payments from any suppliers that are not certified by due diligence.

Regarding the number of certified suppliers between the end of 2013 and May 2014 – when the requests for analysis were still made by e-mail –, there were 608 suppliers approved; between May and December 2014 – when requests were made via the portal –, there were 1,107 more; in 2015, 2,704; in 2016, 5,164; and in 2017, 3,099 providers. In total, by 2016, there were 12,682 suppliers and third parties certified.

Operation	Total number of operations submitted to risk assessments related to corruption	Percentage of operations submitted to risk assessments related to corruption
Due diligence of suppliers	3,099	100
Due diligence of sponsorships	118	100
Due diligence of donations	9	100
Due diligence of class entities	38	100

Risks related to corruption	Risk assessment type	Actions for risks mitigation
Conflicts of interest (improper or incorrect payments in order to obtain favors)	Qualitative	Inclusion of the subject of conflicts of interest in training that is related to anti-corruption and to the Code of Ethics, analysis of suppliers through the due diligence process, in addition to responses to periodic consultations held with the Compliance team. Additionally, continuous surveillance was implemented for payments considered critical and specific tests were included for the departments analyzed by the Internal Audit. Control tests were also performed for SOx certification, by the Internal Controls department.
Improper accounting (incorrect records and/or provisioning)	Qualitative	Continuous surveillance was implemented for payments considered critical and specific tests were included for the departments analyzed by the Internal Audit. Additionally, control tests were also performed for SOx certification, by the Internal Controls department.
Improper commercial discounts (absence of approval or alteration of prices)	Qualitative	Inclusion of specific tests in the departments analyzed by the Internal Audit.
Failure to observe proper anti-corruption procedures in the M&A process	Qualitative	The Compliance team's carrying out of the due diligence analyses, in addition to carrying out training on anti-corruption matters. Additionally, specific tests for verifying due diligence in Mergers and Acquisitions (M&A) processes were included in the Internal Audit's work plan.
Improper or duplicated payment (to public authorities and certifying entities)	Qualitative	Inclusion of the subject of conflicts of interest in training that is related to anti-corruption and to the Code of Ethics, analysis of suppliers through the due diligence process, in addition to responses to periodic consultations held with the Compliance team. Additionally, continuous surveillance was implemented for payments considered critical and specific tests were included for the departments analyzed by the Internal Audit. Control tests were also performed for SOx certification, by the Internal Controls department.
Bribery or improper benefits (improperly receiving or paying suppliers, commercial representatives, customers, public authorities and external entities)	Qualitative	Continuous surveillance was implemented for payments considered critical and specific tests were included for the departments analyzed by the Internal Audit. Additionally, control tests are made for SOX certification, executed by Internal Controls and training actions and responses to periodic consultations made to the Compliance team.

205-2 – COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

In 2017, Embraer provided training and conveyed information about anti-corruption policies and procedures to all 36 professionals, members of its governance bodies – mostly located in the Southeast Region.

Regarding to employees and other groups, the training and communication were carried out as follows:

Functional categories	Number of employees in each functional category	Number of employees who were notified of the anti-corruption procedures and policies	Percentage of employees who were notified of the anti-corruption procedures and policies	Number of trained employees regarding anti-corruption	Percentage of trained employees regarding anti-corruption
Leaders	1,052	985	94	985	94
Non-leaders	16,714	16,546	99	16,546	99

Types of trading partners	Number of each type of trading partner	Number of suppliers which were notified of the anti-corruption procedures and policies
Suppliers	3,003	3,003
Third parties (commercial-representatives, law firms and logistics agents)	96	96

205-3 – CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN

In 2017, the company recorded no cases of corruption.

ENVIRONMENTAL STANDARDS

GRI 302: ENERGY

302-1 – ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Embraer manages the environmental indicators through the Integrated Occupational Health, Safety and Environment System, with the Occupational Health, Safety and Environment Policy as its main document. Its environmental guidelines related to this indicator are:

- To promote and enhance the development of technologies so that its products, processes and equipment have less impact on the environment and people, in a sustainable manner.
- To promote the improvement of processes, facilities and equipment by encouraging energy efficiency, ultimately mitigating risks and hazards, environmental aspects and impacts, and consumption of natural resources.
- Consider the adoption of new energy sources, investing in the use of renewable energy.

Electricity consumption per unit (MWh)	2015	2016	2017
Faria Lima	65,864	62,472	56,518
Botucatu	17,291	15,683	15.01
Évora	14,218	16,021	16.28
Eugênio de Melo	13,707	15,32	15,866
Gavião Peixoto	13,443	15,601	16,186
OGMA	12,929	13,326	15,338
EDE (ELEB)	10,959	10,987	10,346
Melbourne	8,147	13,299	17,306
Taubaté	4,031	4,264	3,921
Nashville	3,626	4,853	5,367
Fort Lauderdale	2.18	3,232	4,436
Sorocaba	900	925	841
Harbin*	830	0	0
Belo Horizonte	636	612	629
Beijing	179	183	171
São Paulo	-	111	351
Jacksonville	-	-	671
Brazil (Master Plan Units)	125,295	124,327	117,847
Brazil (ISO 14064 Certified Units)	126,831	125,975	119,668
TOTAL	168.94	176,889	179,237

* Embraer Divisão Equipamentos (EDE, then ELEB).
In 2017, the unit in Jacksonville, U.S., was included.

In 2017, the unit in Jacksonville, U.S., was included.

Total consumption (MWh)		2015	2016	2017
Non-renewable fuels	Diesel/Brazil	734	736	625
	Gasoline/Brazil	209	319	411
	Aviation gasoline	21	0	1
	Liquefied Petroleum Gas (GLP)	12,693	12,087	1,536
	Natural gas	35,313	31,805	39,576
	Aviation kerosene	70,448	102,113	118,579
TOTAL		119,418	147,060	160,727

		2015	2016	2017
Renewable fuels	Hydrous ethanol	172	83	72

The consumed non-renewable fuels include consumption at the units certified in ISO 14064 – Part I concerning Scope 1 (SKJ, EGM, TTE, EDE – ELEB, BOT, GPX, BHZ, SOD and SPO). Therefore, the consumption related to Embraer’s units abroad was not taken into account.

302-2 – ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION

The reported amounts relate to the quantity of fuel consumed upstream, for the purchased goods and services, transport and distribution, business trips and employee commuting categories.

Total consumption (MWh)

		2015	2016	2017
Non-renewable fuels	Diesel/Brazil	31,188	30,581	27,646
	Gasoline/Brazil	4,174	5,821	5,093
	Liquefied Petroleum Gas (LPG)	24	25	24
	Natural gas	34	24	-
	Aviation kerosene	81,042	65,404	48,953
TOTAL		116,462	101,855	81,716

Consumo total (MWh)

Precursor group	Precursor	2015	2016	2017
Renewable fuels	Hydrous ethanol	1,840	2,233	2,084

The consumed renewable fuels includes consumption at the units certified in ISO 14064 – Part I concerning Scope 3 (SKJ, EGM, TTE, EDE – ELEB –, BOT, GPX, BHZ, SOD and SPO). Therefore, the consumption related to Embraer’s units abroad was not taken into account.

302-3 – ENERGY INTENSITY

In 2017, a total of 197 equivalent aircraft were produced – 20% less than in 2016. Therefore, there was a significant increase when comparing the 2016 (500 MWh/equivalent aircraft) and 2017 indicators (598 MWh/equivalent aircraft).

Nevertheless, compared to the base year of 2014, the end result remained stable (1% decrease). Despite the production decline, the development of new programs demanded higher level of energy consumption in 2017.

The analysis of energy consumption based on the company’s net revenue was constant over the past four years.

302-4 – REDUCTION OF ENERGY CONSUMPTION

All energy reduction projects are cataloged in an information sharing virtual environment. The Corporate Environment, Health and Safety Policy foresees investment in the improvement of processes, facilities and equipment with incentive to reduce hazards and risks, aspects, environmental impacts and consumption of natural resources.

302-4 – REDUCTION OF ENERGY CONSUMPTION

Project	Unit	Annual savings (MWh)
Improvements in lighting	EDE	31
	EGM	10
	SJK	580
	TTE	229
Reduction in the consumption of compressed air	BOT	535
Exchange of compressors	EDE	300
Installation of photovoltaic panels	SJK	12
Replacement of vacuum pumps	SJK	1,896
TOTAL		3,593

The gains of projects involving the improvement in lighting, exchange of compressors and replacement of engines and vacuum pumps were estimated considering the power of the new and old equipment.

For the project regarding economy of compressed gas in Botucatu, the estimated electricity saving was calculated considering the electricity used before and after its implementation, when changes in habits were encouraged, and a compressed air consumption manager was installed. The savings due to the installation of photovoltaic panels was directly measured, representing the amount of energy generated in December 2017, when the project was completed.

302-5 – REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES

The development of the new E-Jets family focuses on improving efficiency. Besides the exchange of engines, there was a structural redesign of the aircraft, especially the wings, specially designed for each model.

As for fuel consumption, the E190-E2 (first to receive certification from regulatory agencies) was 1.3% better than originally expected, representing an advance of 17.3% over the first generation E190. The E190-E2 thus becomes the most environmentally friendly aircraft in the category, with the lowest external noise level and emissions.

Data from the other E2 family jets will be available after the certification process for each.

GRI 303: WATER

303-1 – TOTAL WATER COLLECTED BY SOURCE

Total water collected by source

Water sources	Quantity (m ³)		
	2015	2016	2017
Surface waters, including wetlands, rivers, lakes and oceans	-	-	-
Groundwater	616,545	563,845	571,415
Rainwater directly collected and stored by the organization	-	-	-
Wastewater from another organization	-	60,315	91,237
Municipal water supply or other water supply companies	344,268	503,066	320,174
Total water collected	960,813	1,127,226	982,826

The SJK, EGM, EDE (ELEB) and GPX units are supplied by groundwater collected at the company's area. The Taubaté, Botucatu, Belo Horizonte and Sorocaba units in Brazil, and Évora, OGMA, Fort Lauderdale, Nashville, Melbourne and Beijing abroad, use municipal water supply or water supplied by other companies. In 2017, it was started to report the water consumption of the Jacksonville unit, in the United States. The reported values were based on direct measurements.

303-2 – WATER SOURCES SIGNIFICANTLY AFFECTED BY THE COLLECTION OF WATER

The company does not use any water source that is significantly affected.

303-3 – RECYCLED AND REUSED WATER

Site	2015			2016			2017		
	Total water used	Total recycled and reused water	Percentage of recycled water	Total water used	Total recycled and reused water	Percentage of recycled water	Total water used	Total recycled and reused water	Percentage of recycled water
SJK				362,813	5,280	1	359,162	5,280	1
EGM				143,113	0	0	128,862	0	0
TTE				26,464	7,454	28	27,557	8,422	31
EDE (ELEB)				56,106	29,952	53	54,963	29,952	54
GPX				69,000	5,801	8	69,800	6,140	9
BOT				89,316	0	0	77,708	0	0
EVO				82,617	1,800	2	60,726	3,800	6
FLL				29,560	0	0	28,891	0	0
BNA	960,152	20,906	2	1,980	0	0	2,011	0	0
MLB				71,283	0	0	7,317	0	0
BJS				2,213	0	0	2,190	0	0
BHZ				4,760	0	0	4,236	0	0
OGMA				239,078	2,840	1	122,887	3,564	3
SOD				2,050	0	0	2,168	0	0
JAX							269	0	0
Embraer Brazil				753,622	48,487	6	724,456	49,794	7
Embraer S.A.				1,180,353	53,127	5	948,747	57,158	6

The amounts related to recycled and reused water were estimated according to the consumption of equipment using recycled and reused water, and also according to the volume of the reservoir in which it is stored. The total amount of water used is sum of the consumed water (GRI 303-1) and the recycled and reused water. In 2017, the Jacksonville unit, in the United States, started collecting information. In 2017, the installation of the water reuse system was completed at the Steel Structures unit in Évora.

305-1 – DIRECT GREENHOUSE GAS EMISSIONS – SCOPE 1

The reported amounts refer to the mobile combustion, stationary combustion, and fugitive emission categories.

Scope 1

Gas family	Gas	2015	2016	2017
CH ₄	CH ₄	11.68	10.79	10.36
CO ₂	CO ₂	28,164.26	35,704.63	39,104.41
HFC	HFC	3,053.97	2,105.83	3,138.49
N ₂ O	N ₂ O	171.43	239.76	271.08
PFC	PFC-218	0	0	18.99
TOTAL		31,401.34	38,061.01	42,543.33

Biogenic emissions (tCO₂e)

2015	2016	2017
64.81	48.11	49.2

The values reported for Scope 1 emissions include units certified in ISO 14064 – Part I (SKJ, EGM, TTE, EDE – ELEB –, BOT, GPX, BHZ, SOD and SPO), that is, they disregard the consumption relating to overseas units.

The observed increase is mainly due to the consumption of aviation kerosene, which increased due to the development and certification flights of the E2 and KC390 programs.

Management form: company’s policies and guidelines that assist in the management of the indicator.

The company carries out its Greenhouse Gas (GHG) Emission Inventory, which is annually inspected and validated by a third party at ISO 14064 Part I. This and all correlated procedures are defined and detailed in the corporate standard doc.emb 6968.

Embraer manages the environmental indicators by means of the Integrated Occupational Health, Safety and Environment System, with the Occupational Health, Safety and Environment Policy as its main document, which establishes the following guidelines:

- Prevention and response to pollution, respect to biodiversity, and the concern with climate changes.
- Cooperate towards the development of sustainable products, processes, equipment, and alternative fuels with lower emission of Greenhouse Gases.

305-2 – INDIRECT GREENHOUSE GAS EMISSIONS – SCOPE 2

Scope 2 (tCO₂e)

Gas	GWP	2015	2016	2017
CO ₂	1	15,699.16	10,217.33	11,130.72
TOTAL		15,699.16	10,217.33	11,130.72

Scope 2 emissions were calculated considering the operational control, and exclusively represent the purchase of electricity. Despite the reduction in the electricity consumption the Scope 2 emissions increased due to the emission factor of the National Interconnected System, which presented an increase of more than 10% between 2016 and 2017.

The methodology for calculating Scope 2 emissions based on the market in Brazil is under development, and therefore, the same calculation methodology is adopted for the market and location approaches.

The values reported for Scope 2 emissions include units certified in ISO 14064 – Part I (SKJ, EGM, TTE, EDE – ELEB –, BOT, GPX, BHZ, SOD and SPO), that is, they disregard the consumption relating to overseas units.

GWP: Global Warming Potencial.

305-3 – OTHER INDIRECT GREENHOUSE GAS EMISSIONS – SCOPE 3

The reported amounts relate to the emissions generated upstream for the purchased goods and services, transport and distribution, business trips, employee commuting and residues generated in operation categories.

GEE (tCO ₂ e)	Gas	2015	2016	2017
CO ₂	1	31,979.47	26,185.27	20,736.68
CH ₄	25	1,862.90	1,250.07	1,169.86
N ₂ O	298	278.61	381.18	322.93
TOTAL		34,121	27,817	22,229

Biogenic emissions (tCO₂e)

2015	2016	2017
1,086.24	1,348.55	1,284.33

The values include the consumption at the units certified in ISO 14064 – Part I related to Scope 2 (SKJ, EGM, TTE, EDE – ELEB –, BOT, GPX, BHZ, SOD and SPO), that is, they do not consider the consumption relating to overseas units.

The reduction in CO₂ emissions is mainly due to the Business trips category, which was 23.6% lower in comparison to 2016, and also the Purchased goods and services categories, which presented a decrease of 18.3% on the same bases.

305-4 – INTENSITY OF GREENHOUSE GAS EMISSIONS

Embraer calculates the intensity indicator of GHG emissions by adding the emissions from Scopes 1 and 2 against its net income. The target is to reduce 3% until 2017, using 2013 as a reference. The indicator considers the emissions in Scope 1 regarding fugitive emissions, burning of fuels other than aviation kerosene (QAV) and burning of QAV in production flights (airplanes in the current portfolio). It does not consider the emissions of development flights and certification of new products, nor aircraft in the Defense and Security business unit. In this way, the 2017 indicator presented 12% reduction when compared to 2013.

All gases listed in Scopes 1 and 2 were considered in the calculation of the indicator.

305-5 – REDUCTION OF GREENHOUSE GAS EMISSIONS

Embraer continuously invests in eco-efficiency projects, seeking the reduction of the consumption of resources and the increase of the efficiency in its processes. In 2017, several projects have been implemented that contributed to reducing GHG emissions, especially related to Scope 2, due to the decrease in the consumption of electricity.

Reductions	2015 (tCO ₂ e)	2016 (tCO ₂ e)	2017 (tCO ₂ e)
Process redesign – Scope 1	98	0	263
Equipment modernization conversion – Scope 2	239	185	306
Equipment modernization conversion – Scope 1	0	0	0
Changes in employee behavior	0	19	28

305-6 – EMISSIONS OF SUBSTANCES THAT DEplete THE OZONE

Embraer has a program to replace the ozone layer-depleting refrigerant gases by others with lower environmental impact, such as HCFC-407a and HCFC-404a.

The data reported in the following table is related to the amount of imported ozone layer-depleting substances.

Precursor	ODP (tCFC-11E/ton gas)	2015 (ton)	2016 (ton)	2017 (ton)
HCFC-22	0.055	0.08	0.04	0.07
HCFC-141b	0.11	0.03	0.02	0.02
TOTAL	-	0.11	0.06	0.08

Emissions in tons of CFC-11 equivalent calculated through the Ozone Depleting Potential (ODP), as adopted by the Montreal Protocol. Values obtained from <http://www.epa.gov/ozone/science/ods/index.html>.

305-7 – EMISSIONS OF NOx, SOx AND OTHER SIGNIFICANT ATMOSPHERIC EMISSIONS

For all production processes involving stationary sources of atmospheric pollutants, Embraer adopts effective emission control systems, considering the best technology available on the market. Embraer manages the indicators through the Integrated Occupational Health, Safety and Environment System, whose primary document is the Occupational Health, Safety and Environment Policy. Its environmental guidelines related to energy consumption are:

- To promote and enhance the development of technologies so that its products, processes and equipment have less impact on the environment and people, in a sustainable manner.

Emissions in tons

Categories	2015	2016	2017
NOx	97	91	68
SOx	2	2	0.5
Persistent Organic Pollutants (POP)	0	0	0
Volatile Organic Compounds (VOC)	20	7	13
Particulate Matter (PM)	26	19	20

The reported amounts refer to the SJK, EGM, EDE (ELEB), GPX and BOT productive units. The technical standards of the Environmental Company of the State of São Paulo (Cetesb) and the Environmental Protection Agency (EPA) are adopted for the calculations. At the facilities, the atmospheric emissions originating from stationary sources are monitored on an annual basis or as requested from the local environmental agency, according to internal procedure doc.emb 2314 and the Atmospheric Emission Monitoring Plan (PMEA). The PMEAs identify all stationary sources installed, the analyzed parameters and the pollution control systems. The following emissions are monitored: Particulate Matter, Volatile Organic Compounds, Nitrogen Oxides, Sulfur Oxides and Carbon Monoxide. The emissions, measured in mg/Nm³, are converted to ton/year to verify if they have not exceeded the thresholds set forth in the legislation. The results are filed at the local environmental agency and have not exceeded the threshold, and therefore, no compensation project is required.

The emissions of volatile organic compounds were significantly reduced in recent years due to the installation of robots on the main paint booths, which decreased the amount of paint used on the aircraft. In addition, the improvements on the control procedures for calculating the emissions.

GRI 306: WASTEWATER AND SOLID WASTE

306-1 – TOTAL DISPOSAL OF WATER, BROKEN DOWN BY QUALITY AND DESTINATION

The company establishes robust internal procedures for the management of the topic, available in its internal system (doc.emb), among which, Procedure 1805 – Treatment of Domestic and Industrial Wastewater, which establishes procedures for the management of services relating to the domestic and industrial wastewater treatment stations.

The indicators are managed through the Integrated Occupational Health, Safety and Environment System, supported mainly by the Occupational Health, Safety and Environment Policy. The environmental guidelines related to the generation of wastewater are:

- Compliance with legal, environmental, health, safety, fire prevention and emergency requirements applicable to the company’s business.
- Prevention and response to pollution, respect to biodiversity, and the concern with climate changes.
- Promotion and enhancement of the development of technologies, so that its products, processes and equipment cause an impact on the environment and people.

Total water disposal, broken down by quality and destination

Total volume of water disposal (m³)	2015	2016	2017	Treatment	Destination
Domestic	373,299	291,422	265,938		
SJK	164,318	153,752	148,434	Primary treatment – screening	Public sewage collection network
EGM	56,970	48,270	35,545	Primary treatment – screening	Public sewage collection network
GPX	34,465	34,319	35,380	Anaerobic treatment	Local stream
TTE	13,311	12,440	11,852	Aerobic treatment	Local stream
OGMA	104,165	42,641	34,727	Biological treatment	Public sewage collection network
Industrial	116,129	108,047	100,040		
SJK	25,690	24,619	20,622	Physical-chemical treatment	Public sewage collection network
BOT	37,670	28,918	30,179	Physical-chemical treatment	Public sewage collection network
EGM	4,200	3,540	2,760	Physical-chemical treatment	Public sewage collection network
GPX	827	577	555	Physical-chemical treatment	Local stream
EDE (ELEB)	4,714	3,699	2,840	Physical-chemical treatment	Public sewage collection network
OGMA	19,562	19,530	19,388	Physical-chemical treatment	Public sewage collection network
EVO	23,466	27,164	23,696	Physical-chemical treatment	Public sewage collection network

306-2 – TOTAL RESIDUAL WEIGHT, BROKEN DOWN BY DISPOSAL TYPE AND METHOD

Disposal method	2015			2016			2017		
	Not dangerous (ton)	Dangerous (ton)	Total (ton)	Not dangerous (ton)	Dangerous (ton)	Total (ton)	Not dangerous (ton)	Dangerous (ton)	Total (ton)
Sanitary landfill	1,408	0	1,408	2,009	0	2,009	2,147	0	2,147
Incineration	374	12	386	394	28	422	42	21	63
Composting	1,008	0	1,008	867	0	867	690	0	690
Coprocessing	9	1,091	1,100	12	977	989	695	923	1,618
Decontamination	0	0	0	0	1	1	0	0	0
Sterilization	0	0	0	0	1	1	0	1	1
Recycling	12,284	113	12,397	12,454	97	12,551	11,476	41	11,517
Recovery	2,490	2,217	4,707	846	2,080	2,926	0	2,132	2,132
Sewage treatment	695	758	1,453	679	1,479	2,158	316	0	316
Physical-chemical treatment	29	128	157	23	118	141	0	0	0
Industrial landfill	0	30	30	0	27	27	0	0	0
Total	18,297	4,349	22,646	17,284	4,808	22,092	15,366	3,119	18,484

The data reported in the table represent the waste generated in the Brazilian production units (Faria Lima, Eugênio de Melo, Taubaté, Embraer Equipment Division, Botucatu and Gavião Peixoto) and the United States units (Melbourne, Nashville and Fort Lauderdale), and methods of disposal given to them is directly confirmed by the organization.

With regard to waste generated in the units of Portugal (Évora and OGMA), the information is provided by the company contracted for the management of waste, of which, for hazardous waste, 2,900 tons are subject to disposal processes and to 133 recovery processes. For non-hazardous waste, 498 tonnes are subject to disposal and 2,881 tonnes are recovered.

306-3 – SIGNIFICANT LEAKS

In 2017, the company had no registered cases of significant leaks.

308-2 – SIGNIFICANT NEGATIVE ENVIRONMENTAL IMPACTS ON THE SUPPLIER CHAIN AND MEASURES ADOPTED

Most of the supplier base has undergone some type of assessment related to the Risk Assessment or Due Diligence (REACH) processes.

SOCIAL STANDARDS

GRI 401: EMPLOYMENT

401-1 – HIRING OF NEW EMPLOYEES AND TURNOVER

The hiring and retaining of people at the company must be based on equity regarding color, gender, race, nationality, social position, religion, marital status and physical characteristics, respecting the exceptions set forth in the current legislation or the specific requirements of the jobs.

Total number of employees and turnover by age group, gender and region		2017					
		Men		Women		Grand total	
		Total	%	Total	%	Total	%
Brazil	Under 30	108	0.59	35	0.19	143	0.78
	Between 30 and 50	452	2.45	110	0.60	562	3.05
	Over 50	239	1.30	25	0.14	264	1.43
TOTAL		799	4.33	170	0.92	969	5.26
China	Under 30	0	0.00	0	0.00	0	0.00
	Between 30 and 50	6	0.03	3	0.02	9	0.05
	Over 50	0	0.00	0	0.00	0	0.00
TOTAL		6	0.03	3	0.02	9	0.05
France	Under 30	9	0.05	2	0.01	11	0.06
	Between 30 and 50	6	0.03	1	0.01	7	0.04
	Over 50	1	0.01	0	0.00	1	0.01
TOTAL		16	0.09	3	0.02	19	0.10
Portugal	Under 30	26	0.14	2	0.01	28	0.15
	Between 30 and 50	26	0.14	14	0.08	40	0.22
	Over 50	0	0.00	0	0.00	0	0.00
TOTAL		52	0.28	16	0.09	68	0.37
Netherlands	Under 30	1	0.01	2	0.01	3	0.02
	Between 30 and 50	3	0.02	0	0.00	3	0.02
	Over 50	1	0.01	0	0.00	1	0.01
TOTAL		5	0.03	2	0.01	7	0.04
Singapore	Under 30	0	0.00	1	0.01	1	0.01
	Between 30 and 50	3	0.02	2	0.01	5	0.03
	Over 50	2	0.01	0	0.00	2	0.01
TOTAL		5	0.03	3	0.02	8	0.04
USA	Under 30	133	0.72	27	0.15	160	0.87
	Between 30 and 50	98	0.53	17	0.09	115	0.62
	Over 50	41	0.22	9	0.05	50	0.27
TOTAL		272	1.48	53	0.29	325	1.76
GRAND TOTAL		1,155	6.27	250	1.36	1,405	7.62

401-1 – HIRING OF NEW EMPLOYEES AND TURNOVER

Total number of employees and turnover by age group, gender and region		2017					
Country	Age group	Men		Women		Grand total	
		Total	%	Total	%	Total	%
Brazil	Under 30	369	2.00	126	0.68	495	2.69
	Between 30 and 50	209	1.13	69	0.37	278	1.51
	Over 50	9	0.05	0	0.00	9	0.05
TOTAL		587	3.18	195	1.06	782	4.24
China	Under 30	1	0.01	4	0.02	5	0.03
	Between 30 and 50	2	0.01	3	0.02	5	0.03
	Over 50	0	0.00	0	0.00	0	0.00
TOTAL		3	0.02	7	0.04	10	0.05
USA	Under 30	129	0.70	27	0.15	156	0.85
	Between 30 and 50	220	1.19	40	0.22	260	1.41
	Over 50	67	0.36	22	0.12	89	0.48
TOTAL		416	2.26	89	0.48	505	2.74
France	Under 30	0	0.00	1	0.01	1	0.01
	Between 30 and 50	1	0.01	2	0.01	3	0.02
	Over 50	0	0.00	1	0.01	1	0.01
TOTAL		1	0.01	4	0.02	5	0.03
Netherlands	Under 30	0	0.00	0	0.00	0	0.00
	Between 30 and 50	4	0.02	1	0.01	5	0.03
	Over 50	1	0.01	0	0.00	1	0.01
TOTAL		5	0.03	1	0.01	6	0.03
Portugal	Under 30	41	0.22	11	0.06	52	0.28
	Between 30 and 50	29	0.16	12	0.07	41	0.22
	Over 50	0	0.00	0	0.00	0	0.00
TOTAL		70	0.38	23	0.12	93	0.50
Singapura	Under 30	1	0.01	0	0.00	1	0.01
	Between 30 and 50	4	0.02	1	0.01	5	0.03
	Over 50	3	0.02	0	0.00	3	0.02
TOTAL		8	0.04	1	0.01	9	0.05
GRAND TOTAL		1,090	5.91	320	1.74	1,410	7.65

401-2 – BENEFITS GRANTED TO FULL-TIME EMPLOYEES THAT ARE NOT EXTENDED TO TEMPORARY OR PART-TIME EMPLOYEES

All full-time employees have benefits that include life insurance, health insurance, disability and incapacity allowance, maternity/paternity leave, and pension fund.

401-3 – MATERNITY/PATERNITY LEAVE

Eligible – leave	Paternity	Maternity	Total Geral
Total eligible	15,486	2,947	18,433
Took the leave	581	132	713
Returned to work	576	118	694
Returned to work (+12 months)	576	118	694
Percentage of return	99	89	97

GRI 403: OPERATIONAL HEALTH AND SAFETY

Since 1971, all Embraer’s industrial units in Brazil have Internal Accident Prevention Commissions (Cipa), with the number of members established by NR-05 – regulatory standard from the Ordinance No. 3,124/78 from the Ministry of Labor (MTE, in Portuguese). Cipa is composed of employee representatives elected in a secret voting session once a year, along with the representatives appointed by the employer, in the same proportion. The coordination is the responsibility of its President, who is appointed by the company. The Vice-President is chosen by the elected and assigned employees. The Commission meets at least once a month to discuss issues related to the health and safety of employees, recording the meeting in minutes which are then sent to the unions. Once a year, the Cipa organizes a week dedicated to the prevention of accidents, during which several activities are carried out, involving all the employees.

Embraer seeks excellence in its occupational health and safety performance, a topic considered essential internally. Therefore, it holds continuous educational and preventive actions guided by the MASS (Occupational Health, Safety and Environment) Policy, with a global reach. This is a guidance to set targets connected to the company’s business excellence criteria.

In order to establish the accident reduction targets, it adopts the best and most recognized global parameters as a reference, using for this end the Dow Jones Sustainability Index (DJSI), which is listed for the eighth consecutive year.

The largest manufacturing units have the OHSAS 18001 international certification for 16 years, having implemented all tools provided in this requirement. Through the five Health and Safety Golden Rules, the company establishes ongoing communication with all employees, visitors and contractors, guiding them on preventive attitudes both inside and outside the organization.

Embraer maintains and develops programs focused on reducing accidents and improving the work environment conditions. They include continuous and preventive actions, such as Educational and Communication Action Plan, Behavioral Program, Embraer Occupational Tension Rebalancing Program (Perto) and Ergonomic Risk Management, in addition to holding accident prevention methodology (Prevention Through Design).

403-1 – REPRESENTATIVENESS OF WORKERS IN FORMAL HEALTH AND SAFETY COMMITTEES

Name of the formal health and safety committee made up of employees from different hierarchical levels	Level at which it operates within the organization
Internal Accident Prevention Commission (Cipa)	Brazil – at all hierarchical levels in the organization

Total workforce	Workforce represented in formal health and safety committees consisting of employees from different hierarchical levels in the organization	Percentage of the workforce represented in formal health and safety committees consisting of employees from different hierarchical levels in the organization
18,290*	15,568	85.12

* Global workforce in 2017 – headquarters and branches. The data has a global scope, as described in the workforce representation, and does not include the affiliates.

403-2 – TYPES AND RATES OF INJURIES, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM, AND NUMBER OF WORK-RELATED DEATHS

Lost-time accidents to the total number of workers (own employees)

Region	Women	Men	Total
South America (Brazil)	2	21	23
North America (United States)	0	8	8
EMEA (Europe, Middle East and Africa)	2	0	2
Asia	0	0	0
GRAND TOTAL	4	29	33

Lost-time accidents to the total number of workers (outsourced employees)

Region	Women	Men	Total
South America (Brazil)	0	15	15
North America (United States)	0	0	0
EMEA (Europe, Middle East and Africa)	1	2	3
Asia	0	0	0
GRAND TOTAL*	1	17	18

* The amount of lost-time accidents includes death.

Rate of lost-time accident to the total number of workers (own employees)

Region	Women + men		
	Total employees	Number of injuries	Percentage of injuries
South America (Brazil)	15,568	23	0.82
North America (United States)	1,942	8	2.29
EMEA (Europe, Middle East and Africa)	655	2	1.69
Asia	125	0	0
GRAND TOTAL	18,290	33	0.99

Rate of lost-time accidents to the total number of workers (outsourced employees)

Region	Women + men		
	Total employees	Number of injuries	Percentage of injuries
South America (Brazil)	5,175	15	1.16
North America (United States)	0	0	0
EMEA (Europe, Middle East and Africa)	127	3	13.54
Asia	11	0	0
GRAND TOTAL	5,313	18	1.37

Rate of occupational diseases to the total number of workers (own employees)

Region	Women + men		
	Total employees	Number of injuries	Percentage of injuries
South America (Brazil)	15,568	1	0.03
North America (United States)	1,942	0	0
EMEA (Europe, Middle East and Africa)	655	0	0
Asia	125	0	0
GRAND TOTAL	18,290	1	0.03

Rate of occupational diseases to the total number of workers (outsourced employees)

Region	Women + men		
	Total employees	Number of injuries	Percentage of injuries
South America (Brazil)	5,175	Not available	Not available
North America (United States)	0	Not available	Not available
EMEA (Europe, Middle East and Africa)	127	Not available	Not available
Asia	11	Not available	Not available
GRAND TOTAL	5,313	Not available	Not available

Rate of lost days (accidents + diseases) to the total workers (own employees)

Region	Women + men		
	Total employees	Number of lost days	Rate of lost days
South America (Brazil)	15,568	638	22.67
North America (United States)	1,942	119	34.00
EMEA (Europe, Middle East and Africa)	655	20	16.93
Asia	125	0	0
GRAND TOTAL	18,290	777	23.49

Rate of lost days (accidents + diseases) to the total workers (outsourced employees)

Region	Women + men		
	Total employees	Number of lost days	Rate of lost days
South America (Brazil)	5,175	165	12.79
North America (United States)	0	0	0
EMEA (Europe, Middle East and Africa)	127	136	613.66
Asia	11	0	0
GRAND TOTAL	5,313	301	22.91

Absenteeism rate to the total number of workers (own employees): not available.

Absenteeism rate to the total number of workers (outsourced employees): not provided by the companies

Region	Total workforce deaths (permanent employees)	Deaths of outsourced parties working on site (outsourced)
	Women + men	Women + men
South America (Brazil)	0	0
North America (United States)	0	0
EMEA (Europe, Middle East and Africa)	0	0
Asia	0	0
GRAND TOTAL	0	0

Note:

1. Data for self-employed personnel is not applicable.
2. For tables that require separation by gender, the information was only possible for those presenting absolute values. This separation was not possible for tables using rates since our system does not segregate the man-hour worked information by gender in some countries.
3. The data has a global scope, and does not include the affiliates.

403-3 – EMPLOYEES WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION

There are no employees involved in occupational activities presenting high incidence or high risk of specific diseases.

Based on its health and safety policy, the company holds preventive and treatment actions focusing on occupational health, quality of life and the well-being of its employees, family members and trainees. They are developed from the epidemiological profile, arising from the regular medical check-up. Among the actions, the Estar de Bem Program is worth emphasizing, which aims to contribute to improvements in the quality of life and well-being through the encouragement and the provision of conditions that lead to healthy habits. The following initiatives are part of the program:

Estar de Bem sem o Cigarro (Being Well Without Smoking): has the purpose of providing specialized treatment to those who wish to quit smoking, combining medication and psychological support. The company pays 100% of the treatment.

Estar de Bem sem Drogas (Being Well without Drugs): encompasses prevention and support actions in the outpatient or of hospitalization, of chemical dependence. Comprises specialized treatment for drug addicts and their family (codependence), as well as support and guidance to the manager. It also includes drug testing, early diagnosis for drug addiction to recover the addict and his reinsertion in the work and social environment.

Estar de Bem com a Maternidade (Being Well with Motherhood): action to support mothers and fathers through the possibility of extending the maternity leave from 120 to 180 days; extension of paternity leave from five to 20 days; on-site or online pregnant women courses; pregnant women booklet; psychological support to the mother for better adaptation to work upon return from maternity leave; absence allowance once a month for mothers with children with disabilities aged up to 12-years' old; absence allowance for up to two days for fathers who wish to accompany the medical appointments and complementary examinations during the pregnancy term of their companions; absence allowance once a year for parents to accompany children aged up to 6-years' old in medical appointments; absence allowance once a year in the case of hospitalization of child or spouse; daycare assistance for 18 months after the mother returns to work; vaccine benefit.

Estar de Bem com Você (Being Well with Yourself): includes several actions aiming to improve the health of employees with obesity, overweight and/or chronic diseases such as hypertension, cholesterol, dyslipidemia, diabetes and heart diseases. The actions include, among others:

- Since 2013, employees are seen by a multidisciplinary team (physician, dietitian and psychologist). After the medical or nursing screening, the employees are referred to nutritional care within the company. For better adhesion to the therapeutic proposal, if re-quired, the employee may also be referred to in-company psychological care with the duration of six to 12 months, depending on each case.

- Care to employees with cardiovascular diseases: provision of guidance and monitoring for cardiac rehabilitation through follow-up with cardiologist on a one-to-one basis, seeking re-integration to routine activities.

Estar de Bem com a Atividade Física (Being Well with Physical Activity): provides stimulating actions and facilitating means to the practice of physical activities and sports, in partnership with Associação Desportiva Embraer (ADCE), where several physical activity modes are developed, such as Academia 30', which aims at general fitness, simultaneously developing aerobic capacity and muscular resistance, and street running.

Cycle of Lectures: promotes the dissemination of topics such as quality of life, prevention and promotion of health in an ideal environment for raising awareness, providing guidance and reflecting on the attitudes.

Minuto Estar de Bem (Being Well Minute): weekly newsletter sent by email and published on the intranet with quick and objective texts, providing guidance and tips to encourage healthy habits and the search for quality of life.

Vaccination Program: focusing on prevention, Embraer's Vaccination Program is extended to all employees and their direct family members. The company participates with 80% on the costs of the vaccines not provided by the Government and referred to by the Federal Council of Medicine. There are also collective vaccination campaigns, such as against influenza, where Embraer sponsors 100% of the cost to the employees and 80% of the costs to direct family members.

PERTO (Embraer's Occupational Tension Rebalance Program): preventive program for muscular conditioning in the spiking, sanding, laminating, machining and painting activities. This program generates physical, psychosocial and productive benefits to the company. PERTO has been distinguished by being a pioneer in using occupational biomechanics concepts, including the analysis of human movement in the work station, and allowing to assess the biomechanical risks in the productive process.

Assistance for family members with disabilities: health plan to disabled direct family members, including: coverage even after reaching 21 years old, and differentiated participation in treatments such as speech therapy, occupational therapy and psychotherapy.

403-4 – TOPICS RELATED TO HEALTH AND SAFETY COVERED BY FORMAL UNION AGREEMENTS

In 2017, 12 agreements were signed with unions that cover safety and health issues, such as personal protective equipment; leadership and employee health and safety committees; participation of workers' representatives in safety and health surveys and accident audits; training and education; and system of complaints and periodic surveys. All agreements contemplated the themes mentioned above.

GRI 404: TRAINING AND EDUCATION

404-1 – AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

Employee category	Total employees (unit)	Total employees – women (unit)	Total employees – men (unit)
Board	92	7	85
Manager	297	43	254
Supervisor	709	91	618
Pilot	95	0	95
Engineer	4,209	589	3,620
Professional*	2,685	1,078	1,607
Technician	3,266	329	2,937
Administrative	745	316	429
Operational	6,335	494	5,841
TOTAL	18,433	2,947	15,486

* Professional: develops analysis, development and technical application activities in treating information, specific interpretations requiring the holder to have higher education degree.

Employee Category		Men	Women
Board	Total workload	1,041	330
	Total employees in the category	85	7
	Hours per employee in the category	12	47
Manager	Total workload	7,942	738
	Total employees in the category	254	43
	Hours per employee in the category	31	17
Supervisor	Total workload	17,843	2,149
	Total employees in the category	618	91
	Hours per employee in the category	29	24
Pilot	Total workload	985	0
	Total employees in the category	95	0
	Hours per employee in the category	10	0
Engineer	Total workload	126,639	19,070
	Total employees in the category	3,620	589
	Hours per employee in the category	35	32
Professional	Total workload	27,516	22,759
	Total employees in the category	1,607	1,078
	Hours per employee in the category	17	21
Technician	Total workload	103,337	13,520
	Total employees in the category	2,937	329
	Hours per employee in the category	35	41
Administrative	Total workload	8,239	4,488
	Total employees in the category	429	316
	Hours per employee in the category	19	14
Operational	Total workload	231,421	16,509
	Total employees in the category	5,841	494
	Hours per employee in the category	40	33
TOTAL	Total workload	524,962	79,563
	Total de colaboradores	15,486	2,947
	Horas por colaboradores	34	27

404-2 – EMPLOYEE KNOWLEDGE IMPROVEMENT PROGRAMS AND CAREER TRANSITION PROGRAMS

In 2017, the Voluntary Dismissal Program started in 2016 was closed. In order to support the professionals who have joined the program, Embraer offered the Career Transition Support Program, which aims to guide the employee who left the company in the planning of the new stage in his life. Under the initiative, two lectures (SJC and GPX) were held. Each of them with four hours, providing support and guidance from the Social Security (INSS, in Portuguese) to employees who are about to retire.

404-3 – PERCENTAGE OF EMPLOYEES WHO REGULARLY RECEIVE CAREER DEVELOPMENT AND PERFORMANCE ANALYSES

Assessment

The employee skill assessment process took place between April and July 2017. The supervisors' assessment took place in May 2017.

Leadership

Aims to establish development actions, promote a high performance culture, generate support for career development and succession planning. In order to do so, a 360° assessment is used, as well as Performance Map and Calibration Committee. All leadership levels at the Company are assessed, including the CEO. The leadership assessment process (Managers and Directors) was postponed to the first quarter of 2018.

Employee category	Total employees – women (unit)	Number of women who receive regular career development and performance assessment	Percentage of women who receive regular career development and performance assessment
Board	7	0	0
Manager	43	0	0
Supervisor	91	72	79
Pilot	0	0	0
Engineer	589	500	85
Professional	1,078	756	70
Technician	329	212	64
Administrative	316	192	61
Operational	494	300	61
TOTAL	2,947	2,032	69

Employee category	Total employees – men (unit)	Number of women who receive regular career development and performance assessment	Percentage of women who receive regular career development and performance assessment
Board	85	0	0
Manager	254	0	0
Supervisor	618	600	97
Pilot	95	73	77
Engineer	3,620	3,237	89
Professional	1,607	982	61
Technician	2,937	1,868	64
Administrative	429	303	71
Operational	5,841	4,131	71
TOTAL	15,486	11,194	72

GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES

405-1 – DIVERSITY OF GROUPS RESPONSIBLE FOR GOVERNANCE AND AMONG EMPLOYEES

Governance Entity	Total	Women (%)	Men (%)
Board of Directors	11	18	82
Board	11	9	91

Governance Entity	Total	Under 30 (%)	Between 30 and 50 (%)	Older than 50 (%)
Board of Directors	11	0	0	100
Board	11	0	27	73

Employees by functional category	Total	Under 30 (%)	Between 30 and 50 (%)	Older than 50 (%)
Board	92	0	46	54
Manager	297	0	68	32
Supervisor	709	1	81	18
Pilot	95	1	42	57
Engineer	4,209	17	73	10
Professional	2,685	18	71	12
Technician	3,266	21	63	15
Administrative	745	30	58	12
Operational	6,335	17	78	5
GRAND TOTAL	18,433	17	72	11

Employees by functional category	Total	Women (%)	Men (%)
Board	92	8	92
Manager	297	14	86
Supervisor	709	13	87
Pilot	95	0	100
Engineer	4,209	14	86
Professional	2,685	40	60
Technician	3,266	10	90
Administrative	745	42	58
Operational	6,335	8	92
GRAND TOTAL	18,433	16	84

405-2 – CORRELATION BETWEEN MINIMUM WAGE AND COMPENSATION BETWEEN WOMEN AND MEN

Correlation between minimum wage and compensation between women and men by category and location			Average salary paid (local currency)	
Brazil	Administrative	0.87	3,677	4,243
	Engineer	0.88	10,499	11,868
	Leader	0.91	16,093	17,732
	Operational	0.86	4,143	4,827
	Pilot	-		26,930
	Professional	0.87	7,725	8,846
	Technician	0.70	4,353	6,210
	TOTAL	0.91	7,332	8,041
China	Administrative	-	20,542	
	Engineer	-		28,530
	Leader	0.32	34,903	109,043
	Pilot	-		107,192
	Professional	0.55	19,620	35,702
	TOTAL	0.42	24,010	57,162
USA	Administrative	1.06	3,678	3,473
	Engineer	0.90	6,257	6,958
	Leader	0.92	9,939	10,816
	Operational	1.04	3,572	3,428
	Pilot	-		9,070
	Professional	0.79	5,823	7,379
	Technician	0.88	3,997	4,541
	TOTAL	0.93	5,251	5,660
France	Administrative	0.89	3,212	3,596
	Engineer	-	3,376	
	Leader	-		6,316
	Operational	1.07	2,654	2,481
	Professional	0.95	3,537	3,719
	TOTAL	1.01	3,254	3,221

Correlation between minimum wage and compensation between women and men by category and location			Average salary paid (local currency)	
Country	Category	Ratio	Women	Men
Netherlands	Administrative	0.73	3,611	4,966
	Engineer	0.87	4,929	5,685
	Leader	0.98	10,500	10,762
	Operational	-		6,564
	Pilot	0.76	5,035	6,619
	TOTAL	0.67	4,639	6,961
Portugal	Administrative	-	1,179	
	Engineer	0.87	1,951	2,252
	Leader	0.45	2,789	6,258
	Operational	0.97	857	880
	Professional	0.93	2,127	2,297
	TOTAL	0.89	1,330	1,501
Singapore	Administrative	1.06	3,746	3,537
	Leader	0.72	11,119	15,354
	Professional	0.82	7,043	8,587
	Technician	0.50	3,710	7,440
	TOTAL	0.65	6,520	9,967

GRI 406: NON-DISCRIMINATION

406-1 – DISCRIMINATION INCIDENTS AND CORRECTIVE MEASURES ADOPTED

The Helpline received no reports of incidents connected to discrimination during the assessed period.

GRI 412: HUMAN RIGHTS ASSESSMENT

412-2 – EMPLOYEE TRAINING ON POLICIES AND PROCEDURES RELATED TO HUMAN RIGHTS

In 2008, Embraer formally joined the United Nations Global Compact, which aims to mobilize the international business community to adopt basic human rights and anti-corruption values in business practices, labor relations and environmental protection matters. The company also collaborates with the Sustainable Development Goals (SDG), from the United Nations. Embraer believes and puts into action the principles for multinational corporations and social policies (established by the International Labor Organization), as well as the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, which may be noted in business practices, corporate values and company's management transparency.

412-2 – EMPLOYEE TRAINING ON POLICIES AND PROCEDURES RELATED TO HUMAN RIGHTS

Country	Number of hours dedicated to training employees (unit)	Total number of hours dedicated to training in policies or procedures related to human rights (unit)	Percentage of hours dedicated to training in policies or procedures related to human rights
South Africa	10	0	0.0
Brazil	547,816	582	0.1
China	409	69	16.9
United States	51,015	178	0.3
United Arab Emirates	4	0	0.0
France	65	2	3.3
Netherlands	1,214	2	0.2
Portugal	3,519	20	0.6
Mexico	25	0	0.0
United Kingdom	97	1	0.5
Singapore	349	3	0.9
TOTAL	604,515	856	0.1

Country	Total number of employees (unit)	Number of employees trained in policies or procedures related to human rights (unit)	Percentage of employees trained in policies or procedures related to human rights
Brazil	15,710	988	6.3
China	66	67	101.2
United States	1,950	355	18.2
United Arab Emirates	0	0	0.0
France	67	4	6.3
Netherlands	135	4	3.1
Portugal	447	32	7.1
Mexico	0	0	0.0
United Kingdom	1	1	106.1
Singapore	57	6	11.2
TOTAL	18,433	1,458	7.9

412-3 – AGREEMENTS AND SIGNIFICANT INVESTMENT CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT WERE SUBMITTED TO HUMAN RIGHTS ASSESSMENTS

The Code of Ethics and Conduct is applicable to all Embraer employees, suppliers and other partners, as provided in the agreements. The document provides penalties for breaches: “The Board members, directors, employees and all individual or companies who develop activities on behalf of or in the name of Embraer are subject to administrative or legal disciplinary measures in case of violation of the principles and values established by this Code, including the termination of employment or the contractual business relationship, as appropriate.”

Before establishing any business relationship, Embraer requires the business partners and third-party intermediaries to undergo a comprehensive due diligence analysis. Thus, the company holds important prior information in order to meet the ethics, integrity and compliance standards throughout the chain. Embraer’s Code of Ethics and Conduct features among the various documents considered in the due diligence process. This document is based on corporate values, on the principles set forth in the United Nations Global Compact and OECD, as well as on the best corporate governance and accounting practices.

GRI 416: CUSTOMER HEALTH AND SAFETY

416-1 – ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

416-2 – NON-COMPLIANCE CASES REGARDING HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES AT THE CLIENTS

Manufacturers of any aircraft must demonstrate the compliance of their product with requirements such as structure, engines, control systems, electric systems and performance during flight. This demonstration of compliance is done through analysis during soil tests (such as structure tests to support bird attacks, fatigue tests and simulator tests), as well as through in-flight testing. In order to be approved for use, the aircraft must meet all requirements.

GRI

CONTENT INDEX

STANDARDS CORE OPTION [102-54, 102-55]

GRI 101: FOUNDATION 2016

General disclosures	Item	Page	Omissions	SDG
ORGANIZATIONAL PROFILE				
GRI 102: General disclosure 2016	102-1: Name of the organization	4		
	102-2: Activities, brands, products, and services	9		
	102-3: Location of headquarters	32		
	102-4: Location of operations	10		
	102-5: Ownership and legal form	4 and 11		
	102-6: Markets served	9 and 10		
	102-7: Scale of the organization	9		
	102-8: Information on employees and other workers	32		8
	102-9: Supply chain	27		
	102-10: Significant changes to the organization and its supply chain	9 , 18 and 19		
	102-11: Precautionary principle or approach	12		
	102-12: External initiatives	33		
	102-13: Membership of associations	34		
STRATEGY				
GRI 102: General disclosure 2016	102-14: Statement from senior decision-maker	5 to 7		
	102-15: Key impacts, risks, and opportunities	12 and 35 to 37		
ETHICS AND INTEGRITY				
GRI 102: General disclosure 2016	102-16: Values, principles, standards, and norms of behavior	9 and 13		16
	102-17: Mechanisms for advice and concerns about ethics	14		16
GOVERNANCE				
GRI 102: General disclosure 2016	102-18: Governance structure	11		
	102-19: Delegating authority	11		
	102-20: Executive-level responsibility for economic, environmental, and social topics	34		
	102-21: Consulting stakeholders on economic, environmental, and social topics	38 and 39		16
	102-22: Composition of the highest governance body and its committees	11		5, 16
	102-23: Chair of the highest governance body	11 and 39		16

General disclosures	Item	Page	Omissions	SDG
GRI 102: General disclosure 2016	102-24: Nominating and selecting the highest governance body	11		5, 16
	102-25: Conflicts of interest	11		16
	102-26: Role of highest governance body in setting purpose, values, and strategy	11		
	102-27: Collective knowledge of highest governance body	39		4
	102-28: Evaluating the highest governance body's performance	11		
	102-29: Identifying and managing economic, environmental, and social impacts	39		16
	102-30: Effectiveness of risk management processes	12		
	102-31: Review of economic, environmental, and social topics	40		
	102-32: Highest governance body's role in sustainability reporting	40		
	102-33: Communicating critical concerns	40		
	102-35: Remuneration policies	40		
	102-36: Process for determining remuneration	40		
	102-37: Stakeholders' involvement in remuneration	40		16
STAKEHOLDER ENGAGEMENT				
GRI 102: General disclosure 2016	102-40: List of stakeholder groups	4 and 12		
	102-41: Collective bargaining agreements	27		8
	102-42: Identifying and selecting stakeholders	40		
	102-43: Approach to stakeholder engagement	38 and 39		
	102-44: Key topics and concerns raised	21		
REPORTING PRACTICE				
GRI 102: General disclosure 2016	102-45: Entities included in the consolidated financial statements	4		
	102-46: Defining report content and topic boundaries	4 , 40 and 41		
	102-47: List of material topics	21		
	102-48: Restatements of information	4		
	102-49: Changes in reporting	4		
	102-50: Reporting period	4		
	102-51: Date of most recent report	April 2017, as of 2016		
	102-52: Reporting cycle	Annual		
	102-53: Contact point for questions regarding the report	4		
	102-54: Claims of reporting in accordance with the GRI Standards	4 , 63		
	102-55: GRI content index	63		
102-56: External assurance	4			

Material topic	Disclosure	Pages	Omissions	Global Compact
ECONOMIC PERFORMANCE				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	41 and 42		
GRI 201: Economic performance 2016	201-1: Direct economic value generated and distributed	43		2, 5, 7, 8, 9
	201-2: Financial implications and other risks and opportunities due to climate change	43		13
	201-3: Defined benefit plan obligations and other retirement plans	43		
MARKET PRESENCE				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	41 and 42		
GRI 202: Market presence 2016	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	44		1, 5, 8
	202-2: Proportion of senior management hired from the local community	44		8
INDIRECT ECONOMIC IMPACT				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	28 , 41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	28 , 41 and 42		
GRI 203: Indirect economic impact 2016	203-1: Infrastructure investments and services supported	28 and 44		2, 5, 7, 9, 11
	203-2: Significant indirect economic impacts	28		1, 2, 3, 8, 10, 17
PROCUREMENT PRACTICES				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27 , 41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	27 , 41 and 42		
GRI 204: Procurement practices 2016	204-1: Proportion of spending on local suppliers	27		12
ANTI-CORRUPTION				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	13 , 41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	13 , 41 and 42		
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	13 and 44		16
	205-2: Communication and training about anti-corruption policies and procedures	13 and 45		16
	205-3: Confirmed incidents of corruption and actions taken	45		16

Material topic	Disclosure	Pages	Omissions	Global Compact
ENVIRONMENTAL STANDARDS				
ENERGY				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	42		1, 5, 8, 16
	103-3: Evaluation of the management approach	42		
GRI 302: Energy 2016	302-1: Energy consumption within the organization	30 and 46		7, 8, 12, 13
	302-2: Energy consumption outside of the organization	46		7, 8, 12, 13
	302-3: Energy intensity	47		7, 8, 12, 13
	302-4: Reduction of energy consumption	30 and 47		7, 8, 12, 13
	302-5: Reductions in energy requirements of products and services	30 and 47		7, 8, 12, 13
WATER				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	42		1, 5, 8, 16
	103-3: Evaluation of the management approach	42		
GRI 303: Water 2016	303-1: Water withdrawal by source	30 and 48		6
	303-2: Water sources significantly affected by withdrawal of water	48		6
	303-3: Water recycled and reused	30 and 48		6, 8, 12
EMISSIONS				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	41 and 42		
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	30 and 49		3, 12, 13, 14, 15
	305-2: Energy indirect (Scope 2) GHG emissions	30 and 49		3, 12, 13, 14, 15
	305-3: Other indirect (Scope 3) GHG emissions	30 and 49		3, 12, 13, 14, 15
	305-4: GHG emissions intensity	30 and 50		13, 14, 15
	305-5: Reduction of GHG emissions	30 and 50		13, 14, 15
	305-6: Emissions of ozone-depleting substances (ODS)	30 and 50		3, 12, 13
	305-7: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	30 and 50		3, 12, 13, 14, 15

Material topic	Disclosure	Pages	Omissions	Global Compact
EFFLUENTS AND WASTE				
GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	42		1, 5, 8, 16
	103-3: Evaluation of the management approach	42		
GRI 306	306-1: Water discharge by quality and destination	30 and 51		3, 6, 12, 15
	306-2: Waste by type and disposal method	30 and 51		3, 6, 12
	306-3: Significant spills	51		3, 6, 12, 15
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27		1, 5, 8, 16
	103-3: Evaluation of the management approach	27		
GRI 308	308-1: New suppliers that were screened using environmental criteria	27		
	308-2: Negative environmental impacts in the supply chain and actions taken	27 and 52		

Specific topics	Item	Pages	Omissions	Global Compact
Social standards				
EMPLOYMENT				
GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	42		1, 5, 8, 16
	103-3: Evaluation of the management approach	42		
GRI 401	401-1: New employee hires and employee turnover	52 and 53		5, 8
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	53		8
	401-3: Parental leave	53		5, 8
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	27 and 42		
GRI 403	403-1: Workers representation in formal joint management-worker health and safety committees	54		8
	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	54		3, 8
	403-3: Workers with high incidence or high risk of diseases related to their occupation	56		3, 8
	403-4: Health and safety topics covered in formal agreements with trade unions	56		8

Specific topic	Item	Pages	Omissions	Global Compact
SOCIAL STANDARDS				
TRAINING AND EDUCATION				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	27 and 42		
GRI 404: Training and education 2016	404-1: Average hours of training per year per employee	27 and 57		4, 5, 8
	404-2: Programs for upgrading employee skills and transition assistance programs	27 and 58		8
	404-3: Percentage of employees receiving regular performance and career development reviews	27 and 58		5, 8
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27 , 41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	27 , 41 and 42		
GRI 405: Diversity and equal opportunity 2016	405-1: Diversity of governance bodies and employees	59		5, 8
	405-2: Ratio of basic salary and remuneration of women to men	60		5, 8, 10
NON DISCRIMINATION				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27 , 41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	27 , 41 and 42		
GRI 406: Non discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	60		5, 8, 16
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27		1, 5, 8, 16
	103-3: Evaluation of the management approach	27		
GRI 407: Freedom of association and collective bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	27		8
CHILD LABOR				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27		1, 5, 8, 16
	103-3: Evaluation of the management approach	27		
GRI 408: Child labor 2016	408-1: Operations and suppliers at significant risk for incidents of child labor	27		8, 16

Specific topic	Item	Pages	Omissions	Global Compact
FORCED OR COMPULSORY LABOR				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27		1, 5, 8, 16
	103-3: Evaluation of the management approach	27		
GRI 409: Forced or compulsory labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	27		8
HUMAN RIGHTS ASSESSMENT				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	41		1, 5, 8, 16
	103-3: Evaluation of the management approach	41		
GRI 412: Human rights assessment 2016	412-2: Employee training on human rights policies or procedures	27 , 60 and 61		
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	27 and 61		
LOCAL COMMUNITIES				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	28		1, 5, 8, 16
	103-3: Evaluation of the management approach	28		
GRI 413: Local communities 2016	413-1: Operations with local community engagement, impact assessments, and development programs	28		
SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	27		1, 5, 8, 16
	103-3: Evaluation of the management approach	27		
GRI 414: Supplier social assessment 2016	414-1: New suppliers that were screened using social criteria	27		6, 8, 16
	414-2: Negative social impacts in the supply chain and actions taken	27		6, 8, 16
CUSTOMER HEALTH AND SAFETY				
GRI 103: Management approach 2016	103-1: Explanation of the material topic and its boundary	40 and 41		
	103-2: The management approach and its components	41 and 42		1, 5, 8, 16
	103-3: Evaluation of the management approach	41 and 42		
GRI 416: Customer health and safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	61		
	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	61		16



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

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