



ANNUAL REPORT 2018



TABLE OF CONTENTS

Starting point

Our journey in 2018

Message from the CEO

Message from the President of the Board of Directors

Embraer

Business and activities

Governance

Ethics and transparency

Risk management

Strategy and future

Excellence

Innovation

Sustainability

Generation of value

For the business

For the people.

For the environment

For partners and communities

Report

GRI content summary

STARTING POINT

GRI 102-45, 102-50, 102-51, 102-52, 102-53, 102-54

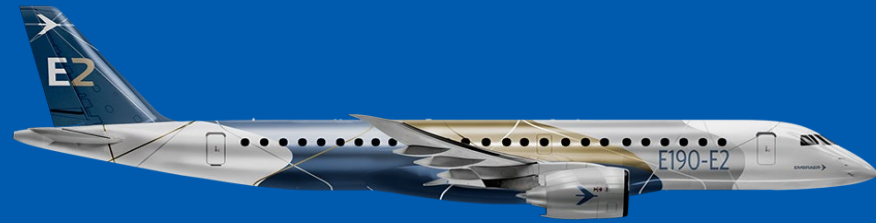
Welcome to the Annual Report 2018 of Embraer.

This document complies with key indicators and information on the company's management, strategy and outcomes during the year, based on the methodology of the Global Reporting Initiative (GRI).

The content provides customers, shareholders, suppliers, communities and regulators with a picture of the company's performance and challenges in the social, economic, financial and environmental fields, in line with the most relevant themes and impacts for the business.

The structure of the report covers a company profile, its vision for the future and the generation of value during 2018. In addition to the information presented herein, several indicators and data are available [on the corporate sustainability website](#) and [the investor relations portal](#). To learn more about the content, questions may also be directed to investor.relations@embraer.com.br.

Enjoy your reading!



E190-E2 Triple Certification

Delivery of the first Phenom 300E executive jet

Delivery of the first E190-E2 to the Norwegian company Widerøe

eVTOL concept presentation at Uber Elevate 2018 in Los Angeles

Celebration of the centenary of OGMA – Indústria Aeronáutica de Portugal, S. A., which has Embraer as majority shareholder

Launch of Praetor 500 and Praetor 600. ANAC certification obtainment to the KC-390 freighter. Celebration of 50 years of the first flight of Bandeirante

Delivery of the E-Jet number 1,500, an E175 model. Embraer and Boeing approve strategic partnership.

12.31.2018 181 aircrafts delivered in the year. Portfolio of firm orders to be delivered totaling US\$ 16.3 billion

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEPT

OCT

NOV

DEC

OUR JOURNEY IN 2018



MESSAGE FROM THE CEO

GRI 102-14

Since taking over Embraer's management, I have dedicated myself to strengthening the Company and ensuring its sustainable growth in the long run. In this regard, we advanced significantly to address a strategic, efficient and long-term positioning, guaranteeing the Company's competitiveness. The strategic partnership with Boeing will accelerate the growth of both companies in the global aerospace market.

The partnership provides for the creation of a joint venture contemplating Embraer's commercial aviation and associated services, to all of which Boeing will hold 80% of the shares and Embraer 20%. Moreover, a second joint venture will be created to foster and develop new markets for the KC-390 multi-mission aircraft. In that case, Embraer will hold 51% of equity participation and Boeing, the remaining 49%. I am sure that this will be fundamental for the sustainability of our Company.

Still focusing on competitiveness, I would like to highlight the evolution of the Passion for Excellence Program, whose purpose is to transform the Company with a significant increase in its competitiveness. In just over 12 months, we have already reached 33% of the target set to be reached by 2022, proof of our commitment to the outcomes and future of Embraer.

We further strengthened our compliance program with a series of activities and training throughout the year. In addition, we defined "Ethics and Integrity are in everything we do" as the first and main value of Embraer, among the seven existing ones. By standing out it, we reinforce our commitment to become a benchmark in the industry. We have also implemented a strong communication, engagement and development action with our more than 18,500 employees around the world regarding expected laws, standards, regulations and behaviors.

2018 was undoubtedly a challenging year. We dealt with an environment of uncertainties and adversities, but we ended the term with 192 delivered aircrafts, in addition to 207 new orders for commercial aircraft registered in the portfolio, totaling a backlog of 16.3 billion dollars.

In commercial aviation, we received the triple certification (ANAC, FAA and EASA) for the E190-E2, an unprecedented event in the aviation industry. About two months later, we delivered the first E190-E2 to Widerøe Airlines, with safe and reliable entry into service from the first day of operation. We also delivered the aircraft number 1.500 – an E175 operated by Horizon Air.

We have advanced in the certification trials of the KC-390 military freighter, the largest and most complex aircraft developed throughout Embraer's history. Even with the incident in the first prototype in May, we made the first series flight of the aircraft in October, when we also got the ANAC certification. Success in the tests will lead us to the achievement

of the last military certification of the aircraft – the Final Operational Capability – which is expected to occur in the last quarter of 2019.

In executive aviation, we introduced two new jets that will complement our portfolio: the Praetor 500, the fastest aircraft in its segment, with autonomy to reach Europe from the US west coast with a single stop, and the Praetor 600, the most versatile jet in its class, allowing direct flights between London and New York.

We have also made significant progress in EmbraerX. As a result of the partnership with Uber Technologies, we presented the first concept of eVTOL, an electric take-off and vertical landing vehicle developed as a disruptive and sustainable alternative to revolutionize urban mobility and considerably reduce its environmental impact.

Initiatives such as this demonstrate our continued commitment to sustainability, reinforced by our commitment to the principles of the Global Compact and the United Nations Sustainable Development Goals.

Finally, I can tell you that 2018 was a year of great challenges, but also of great achievements and 2019 will be no different. I am a hundred percent sure that we are laying a strong foundation for building the future.

The partnership with Boeing will generate a new virtuous cycle for the Brazilian aerospace industry, with greater sales potential, increased production, investment and exports, job creation and income, adding greater value to customers, shareholders and employees.

Paulo Cesar de Souza e Silva
President and CEO

**Despite the challenges,
I am very optimistic
about 2019, as I trust in
the talent, competence,
creativity and strength of
our people in transforming
the future and prospering.**

EMBRAER

GRI 102-1, 102-5, 102-7



Embraer S.A. is a Brazilian company with a global profile, with business in the segments of Commercial Aviation, Executive Aviation, Defense & Security, Services & Support and Agricultural Aviation.

Headquartered in São José dos Campos (SP), it maintains a workforce that totaled more than 18,000 employees by the end of 2018, distributed in operations in 28 cities in Brazil and abroad. It is a world leader in the commercial jets segment of up to 150 seats and the largest exporter of high value-added goods in the country.

Throughout fifty years of history, Embraer has leveraged Brazil in the aviation segment, with more than 8 thousand aircraft deliveries that translate a strategy oriented to the combination of cutting-edge technology, design and creative engineering. Every 10 seconds, an aircraft made by the company takes off from somewhere in the world – in total, 145 million passengers are transported in a year.

A publicly-traded company, Embraer stocks are traded in the Novo Mercado segment of São Paulo stock exchange (B3, in Portuguese), under the symbol EMBR3 and on the New York Stock Exchange (NYSE: ERJ), through American Depositary Receipts (ADRs) level III. Embraer has control over several companies such as Embraer’s Equipment Division (EDE), Embraer Aero Seating Technologies (EAST), Atech and Savis, and holds interests in Visiona Tecnologia Espacial Telebras (51%) and OGMA (65%) in segments related to the business. Embraer X, a company focused on disruptive innovation created in 2017, is also part of the group. The company's corporate structure is available in detail in the [Financial Statements](#).

By the end of 2018, business results included net revenues of US\$ 5.839 billion and US\$ 16.3 billion in firm orders – reflecting a strategy driven towards profitability and business continuity.



THE COMPANY EMPLOYS 18 THOUSAND PEOPLE DIRECTLY, WITH OPERATIONS IN 28 CITIES IN THE COUNTRY AND ABROAD

ESSENCE GRI 102-16

Vision






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













- Ethics and integrity are in everything we do.
- Our people are what makes us fly.
- We are here to serve our customers.
- We strive for company excellence.
- Boldness and innovation are our hallmarks.
- We build a sustainable future.
- Global presence is our frontier.

BUSINESS AND ACTIVITIES


GRI 102-2, 102-3, 103-4, 102-6

	Service center		Logistics center
	Factory		Distribution center
	Engineering and technology center		

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) 

France

- Le Bourget  

Netherlands

- Amsterdam 

United Kingdom

- Farnborough

Ireland

- Dublin 

Portugal

- Évora  
- Alverca  

United Arab Emirates

- Dubai

Singapore

- Singapore 

China

- Beijing 

COMMERCIAL AVIATION

A global leadership in the jet segment of up to 150 seats demonstrates the strength of this unit, which accounts for 29% of global aviation market deliveries and, for Embraer, accounted for 46% of net revenue in 2018.

The E-Jets program is consistently progressing, with more than 1.800 firm orders in the portfolio. There were 1.400 deliveries through December 2018, with models that are in operation in the fleet of 70 customers in 50 countries. The new generation of E-Jets has perpetuated the success of the program by achieving success in all tests and first deliveries.

In 2018, one of the highlights was the E190-E2 jet, which made a five-month demonstration tour across 39 countries and 68 cities. The model is the first of three new developing E2 E-Jets to succeed the first generation of Embraer E-Jets and offers several benefits in performance and efficiency. During that period, E190-E2 also obtained, in an unprecedented manner, the Type Certificate, granted

simultaneously by three regulatory agencies: the Brazilian National Civil Aviation Agency (ANAC, in Portuguese), the American Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA). The first E190-E2 aircraft was delivered to the Scandinavian Widerøe during the year.

E190-E2: NEW GENERATION

Pilots of the current generation of E-Jets need only 2.5 days of ease training and no flight simulator to pilot the E190-E2.

17.3%
Reduced E190-E2 fuel consumption (compared to the first generation), with threshold, 10% below the direct competitor

25% lower maintenance costs





EXECUTIVE AVIATION

Embraer is one of the largest manufacturers of executive aircraft in the world, ending 2018 with 64 deliveries of light jets and 27 deliveries of large jets. The Executive Aviation business unit accounted for 22% of Embraer's revenue in 2018, in addition to having achieved a 13% share of the global market, considering the volume of deliveries.

The highlight of the year was the launch of the new Praetor 500 and Praetor 600, the world's most disruptive and technologically advanced midsize and super-midsize business jets. The ocean-spanning Praetor 600 has the longest range of any super-midsize business jet, reliably flying the important London to New York mission. The Praetor 500 delivers best-in-class speed and is the only midsize business jet capable of connecting from the U.S. west coast to Europe with just one stop.

The prototypes have completed the development campaign and the Praetor 600 has been certified by the United States Federal Aviation Administration (FAA), the European Aviation Safety Agency (EASA) and the National Civil

Aviation Agency (ANAC, in Portuguese), while the Praetor 500 is expected to be certified in the third quarter of 2019.

During 2018, Embraer delivered the first Phenom 300E executive jet after receiving certification from FAA, EASA and ANAC. The new jet has the "E" designation, meaning "Enhanced", representing the new interior and entertainment systems and cabin management. The jet is a new version of the segment leader Phenom 300 which, in 2018, was confirmed for the seventh consecutive year as the most delivered light business jet in the world. Furthermore, the Phenom 300 series became the most successful business jet of the decade on the occasion of its 500th delivery in the first quarter of 2019.

HIGHLIGHTS OF THE YEAR

LAUNCH OF NEW PRAETOR 500 AND PRAETOR 600

PHENOM 300E SERIES: THE MOST SUCCESSFUL BUSINESS JET OF THE DECADE

NEW SPEED RECORDS ANNOUNCED AT THE NATIONAL BUSINESS AVIATION ASSOCIATION (NBAA) FOR PHENOM 300, LEGACY 450 AND LEGACY 500 JETS.

DEFENSE & SECURITY

With leadership in Latin America and seeking expansion in the global market, Embraer Defense & Security products and solutions are present in more than 60 countries. In addition to the A-29 Super Tucano, light-attack and advanced training aircraft, and KC-390, multi-mission military transport, the unit offers a full line of integrated Command & Control (C4I) solutions, radar, space and Intelligence, Surveillance and Recognition (ISR). These services include integrated border information, communication, monitoring and surveillance systems, as well as aircraft for the transportation of authorities and special missions. In 2018, the segment delivered 11 aircraft (9 Super Tucano and 2 special transportation) which represented 12% of Embraer's revenue for the year.

In 2018, the certification tests of the KC-390, a multi-mission military freighter capable of operating in search and rescue and firefighting, among other missions, were continued. In May, a prototype of the aircraft recorded an incident when it left the runway while performing ground test in the Gavião



NEW HORIZON FOR DEFENSE KC-390

MAXIMUM SPEED OF 470
KNOTS – OR 870 KM/H



OF DISTRIBUTED LOAD
CAPACITY

Peixoto unit, with damage to landing gear and structural breakdowns in the airframe. The occurrence delayed, but did not impede the progress of the tests, with the achievement in October of the Type Certificate granted by ANAC. In December, tests of troop landing, evacuation by hatches and evacuation through the front and back doors of the aircraft were also completed. These tests complete yet another fundamental step for the military certification of the KC-390, which has the first delivery to the Brazilian Air Force scheduled for 2019.

In the third quarter of 2018, important stages of the Sisfron (Integrated Border Monitoring System) project were completed with the delivery of three mobile command and control centers (CC2), three operational telematic (MTO) modules for mobile tactical communication and two Mobile Monitoring and Reconnaissance (SVMR) systems for military organizations subordinated to the *Comando Militar do Oeste* [Western Military Command] of the Brazilian Army.

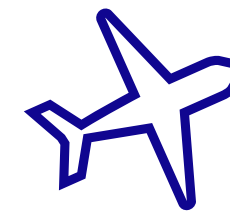
Also during 2018, the Aguas Azuis Consortium, formed by Thyssenkrupp Marine Systems, Embraer Defense & Security and Atech, participated in the competition for the construction of the defense vessels of the CCT Program - Corvedas Class Tamandaré and was one of the finalists selected by Brazil's navy. The consortium presented a proposal based on the concept of the MEKO® class, a world reference in shipbuilding with modular design, state-of-the-art technology and high combat capability.

AGRICULTURAL AVIATION

The Ipanema aircraft has a 60% national market share, as well as being a pioneer in the use of renewable fuel worldwide.

In 2018, it was celebrated the milestone of the delivery of 1.4 thousand units of the airplane, used by customers mainly for the spraying of fertilizers and agrochemicals, seed dissemination and firefighting. Its manufacture is uninterrupted for 40 years, in Botucatu unit.

The Ipanema 203 model is one of the recent highlights: it guarantees an application range of up to 24 meters with greater uniformity, according to a study carried out at the Universidade Estadual Paulista (Unesp).



IPANEMA EXCEEDED THE MARK OF 1,400 UNITS DELIVERED DURING THE YEAR



SERVICES & SUPPORT

The positioning of Embraer as a solution provider throughout the entire life cycle of the aircraft was materialized with this business unit, announced to the market in 2017. In total, the unit serves 1.7 thousand customers operating a fleet of over 5600 aircraft.

With a global presence, the unit has a team of 2300 employees and operates in an international network of 80 own and authorized service centers, supported by two service centers that run 24 hours a day, all week long, in addition to 24 warehouses, where spare assets valued at more than US\$ 1 billion are stocked.

In 2018, the unit made its first conversion of a Phenom 300 executive jet, increasing its passenger capacity. The process took place at the service center of Sorocaba in São Paulo, Brazil, and now this service is available to the global fleet of more than 490 aircraft units, in another 80 owned and authorized centers.

Also in Sorocaba, ANAC and the European Aviation Safety Agency (EASA) certified the E190-E2 service center for basic and complex maintenance. Hence, the center offers maintenance, repair and overhaul services for all executive jet families, as well as the new generation of E-Jets.

FULL ATTENTION TO THE CUSTOMER

FIRST PLACED IN PRO PILOT'S SURVEY OF EXECUTIVE AVIATION SERVICES AND SUPPORT

80 SERVICE CENTERS AROUND THE WORLD

1.7 THOUSAND CUSTOMERS

GOVERNANCE GRI 102-18



As a publicly-held corporation, Embraer adopts corporate governance processes and policies that comply with the regulations of the markets in which the company trades shares (NYSE, in the United States, and B3, in Brazil) and value transparency, integrity and balance in strategic decisions.

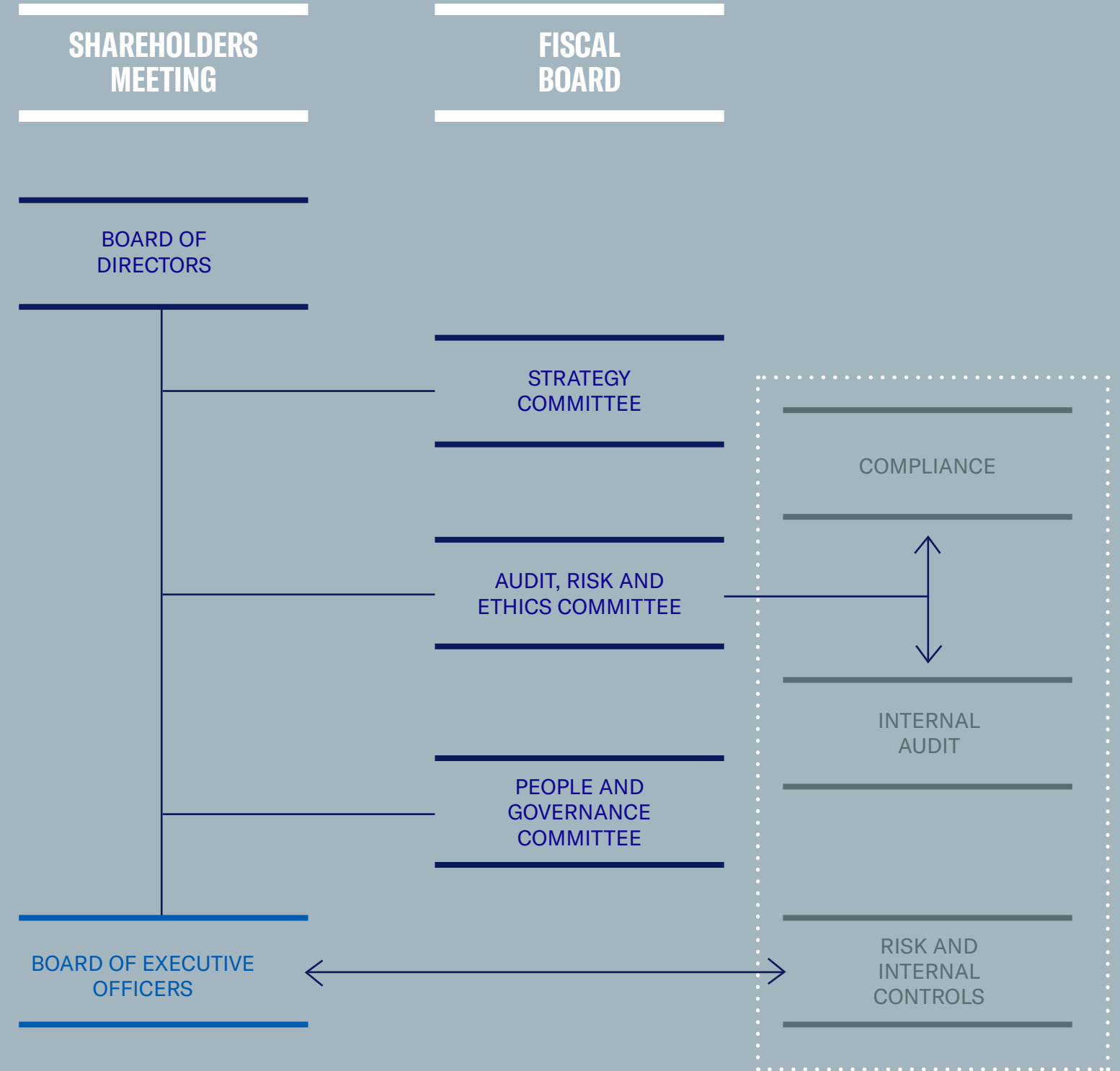
Integrated into the New Market, the most demanding segment of the Brazilian stock exchange, the company has a capital model without controlling group or controlling shareholder. This structure preserves the strategic rights of the Government – which has *golden share*, a special share that ensures the Government the right of veto on specific issues of Embraer’s operations – and enables good practices, such as:

- > **BENEFITS** 100% tag-along (economic rights to all shareholders in the event of an offer to purchase);
- > **VOTING** right for all shareholders;
- > **PULVERIZATION** of shares, with specific and onerous conditions to shareholders who acquire 35% or more of the capital; and

> **LIMITATION** of the total votes for foreign shareholders, following a principle established at the time of privatization of the company which prioritizes the participation of Brazilians in strategic decisions for Embraer and for Brazil.

Embraer is also associated with important governance forums, such as the Brazilian Institute of Corporate Governance (IBGC, in Portuguese), the Brazilian Association of Public Companies (Abrasca, in Portuguese), the National Institute of Investors (INI, in Portuguese) and the Brazilian Institute of Investor Relations (IBRI, in Portuguese).

See details of the governance processes in the [Investor Relations Portal](#), in the [Bylaws](#) and in the [corporate sustainability website](#)



ETHICS AND TRANSPARENCY GRI 102-16, 102-17

Embraer values the culture of integrity in all its processes and business divisions through the Compliance Program, directly supervised by the Board of Directors, the Chief Executive Officer and the Audit, Risk and Ethics Committee. By recognizing that ethics is a pillar of the company's activities, in 2018, Embraer adopted a new corporate value: "Ethics and integrity are in everything we do."

Ensuring employee engagement on the subject is one of the main focuses of action in recent years. Therefore, the training and qualification has been a priority, with 97% of employees impacted by these actions throughout 2018. At the same time, the corporate structure counted on 202 qualified compliance agents responsible for multiplying the compliance culture internally and ensuring the application of principles and policies (read more in the [compliance website of the company](#)).

Also in 2018, a broad global communication campaign was carried out, ranging from the dissemination of videos and messages from the CEO, the Chief Compliance Officer and other company leaders to specific actions such as a serie of weekly videos that addressed real situations and complaints received by Embraer's complaint channel, the Helpline. The solutions of each case were presented in order to encourage ethical behavior, compliance with the Embraer Code of Ethics and the use of the Helpline.

In this cycle, Embraer also continued the commitment announced in October 2016 regarding the agreement with the U.S. authorities – the United States Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) and with the Brazilian authorities – Federal Public Prosecutor (MPF, in Portuguese) and the the Securities and Exchange Commission (CVM, in Portuguese) of

Brazil, regarding violations of US and Brazilian laws. There was also a fine payment after the conclusion of the agreement with the Attorney General of the Dominican Republic, where Embraer was investigated for the payment of kickbacks to authorities of the local Armed Forces in 2009, in the commercialization of eight Super Tucano aircraft.

POLICIES AND CHANNELS

Revised in 2017, the [Code of Ethics and Conduct](#) guides employees and business partners about the behaviors expected by Embraer and its representatives in everyday relationships. The [Anti-Corruption Policy](#) is also a reference document of the company, for establishing guidelines to ensure, in addition to compliance with legislation, the correct management of business relationships and the prevention of conflicts of interest. The document also establishes principles for contracting or conducting business with third parties, as well as for making and receiving gifts, donations and sponsorships.

Reports of non-compliance with the principles of the Code, as well as with national and international laws, are received by the Helpline portal, managed by an external company, with anonymity guaranteed according to the legislation of each country. Cases are referred for analysis and treatment by the Compliance department.



RISK MANAGEMENT

GRI 102-11, 102-15, 102-30, 103-1, 103-2, 103-3 | 201, 201-2

The Corporate Risk Management Policy targets investments, training and actions to classify and monitor risks that may affect the business.

In direct connection with the company's strategic and action plans, risk management observes short-, medium- and long-term factors with the potential to significantly impact the company's activities. Four categories of risk are monitored:

- > **STRATEGIES** – risks associated with Embraer's senior management decisions, protecting and adapting the company to the business environment.
- > **OPERATIONAL** – potential losses of efficiency and effectiveness of assets, facilities and operations.
- > **FINANCIAL** – potential impacts in the company's financial operations.
- > **REGULATORY/LEGAL** – include financial and reputational penalties and losses that Embraer may suffer as a result of noncompliance with corporate laws, agreements, regulations and policies.

It is the responsibility of the Risk and Internal Control department to ensure the identification, prioritization, evaluation and management of business risks, in accordance with good practices and company plans. The department also has the responsibility to monitor structures and internal controls, capable of mitigating risks and impacts. Such results are directly communicated and presented to the organization's leadership by the Audit, Risk and Ethics Committee.

+INFO

GET TO KNOW
EMBRAER'S RISK
MANAGEMENT
MODEL IN THE
[REFERENCE FORM](#)

STRATEGY AND FUTURE



The Strategic Plan and the Action Plan are the main instruments to consolidate Embraer’s vision for the future. The first defines macro strategies and projects for the next 15 years, while the second sets operational, economic-financial and sustainability goals for two-year cycles. The combination of

the two plans anticipates risks and opportunities, gives flexibility and agility to the decision-making process and ensures the company’s alignment with market transactions.



The five strands of Strategic Planning presented in the picture above enable human capital development, portfolio innovation and diversity, and investment in key areas to be addressed in long-term planning. The document is revised

annually, involving the leadership, the administrative and operational areas.

STRATEGIC PARTNERSHIP WITH BOEING GRI 102-10

Embraer and Boeing, a leading company in the aerospace sector, approved the terms of a strategic partnership aimed at accelerating the growth of both companies in global aerospace markets. Embraer shareholders approved the negotiation at a meeting held in February 2019.

The terms of the partnership were largely discussed with shareholders, investors and authorities, resulting in the proposition of a joint venture contemplating Embraer’s commercial aviation and associated services, with Boeing holding 80% of shares and Embraer, 20%.

The joint venture shall generate annual synergies of about US \$ 150 million before taxes up to the third year of operation; it will be led by a team of executives based in Brazil, with operational control and management of Boeing, responding directly to its global presidency. Embraer will have decision-making power for some strategic matters, such as eventual transfers of operations.

The agreement also includes a second joint venture for the development of markets for the KC-390 in the Defense & Security segment. In that case, Embraer will hold 51% of shares and Boeing, the remaining 49%.

The partnership will be subject to approval by shareholders and regulatory authorities and other conditions relevant to the conclusion of such a transaction. In case approvals occur in the expected time, the negotiation is expected to be completed by the end of 2019.



EXCELLENCE

Since 2017, the Passion for Excellence program guides Embraer to the position of best and most efficient aerospace and defense company in the world. A project office dedicated to this guideline (Transformation Office) manages workflow, areas of action and outcomes achieved in 15 work fronts: Direct Supply, Indirect Supplies, IT, Design to Value (DtV), Inventories, Engineering, Manufacturing, Services & Support, General Expenses and ADM (G&A), Zero Base Budgeting, Organizational Design, Digital Transformation, Culture and Investment Forum. The Passion for Excellence Program has consistently evolved: in just over 12 months, Embraer has already reached 33% of the target set to be achieved by 2022, underscoring the commitment of the company and its employees to the outcome and future of Embraer.

INNOVATION

GRI 102-13, 102-1, 102-2, 102-3 | 416, 416-1

Investing in research, development, innovation and the improvement of assets and facilities is, in addition to being an instrument of differentiation in a globally competitive market, an aspect that positions Embraer at the forefront of the aerospace industry.

The effort in such subjects translates into a solid generation of knowledge and technological solutions. In 2018 alone, 93 new patents were published, 23 in Brazil and 70 abroad.

33% OF THE TARGET SET FOR THE YEAR 2022 HAS ALREADY BEEN ACHIEVED

In 2018 US\$ 313,8 million were invested in product development, technological improvements, covenants, partnerships and research in the company.

The structure dedicated to the subject covers Engineering and Technology Centers (Cete, in Portuguese) in Brazil, the United States and Portugal. Factories also have engineering and product development teams.

In addition to innovation efforts related to the new generation of E-Jets, in Commercial Aviation, and the new Executive Aviation models released to the market in 2018, there is also considerable investment in the development of new business and technologies. In this aspect, Embraer has invested in the digital department through a Digital Transformation office that has, among other things, the function of sedimenting technologies such as internet of things and artificial intelligence in the day to day of the company. During 2018, Embraer started five new projects focusing on administrative customer services.

Considering that one of the most important aspects to ensure the implementation of the digital strategy is the human factor, two events were held to engage and empower its employees in the subject. The first was a training on the Sprint @ Scale Design methodology, developed by Google, with nearly 80 employees who had the opportunity to learn more about digital design processes. The second event was a hackathon, a marathon that involved several employees of the technology department and other people interested in the subject. On this day, eight teams competed to find a solution to a challenge proposed by Embraer, which involved the company's aircraft sales process.



Innova Challenge is another mechanism that stimulates ideas to solve the issues faced by the company, and any employee in the world can take part in this project. In 2018, two challenges were launched that resulted in more than 88 ideas from employees in various departments. Cultural events, such as Innovation Day, had the participation of 3,278 employees.

US\$ 313,8 MILLION
Investment in innovation in the last year

FOMENTATION TO INNOVATION

Initiatives that stimulate the generation of ideas in the company

EMBRAER SEMINAR OF TECHNOLOGY AND INNOVATION (SETI, IN PORTUGUESE)

held annually, presents employee initiatives in various departments and regions.

BOA IDEIA daily activities improvement program.

In 2018, 8200 ideas were presented, which generated US\$ 32.7 million in financial return.

GREENLIGHT based on proposals submitted voluntarily by collaborators, the program provides the time, mentoring and resources to implement the idea until its technical and economic viability is proven. By 2018, 64 innovation projects were under development.

DISRUPTIVE BUSINESS

EmbraerX, founded in 2017, is a subsidiary of Embraer SA focused on the development of disruptive business, with teams in Silicon Valley, Boston, Florida and Brazil.

With a startup mindset, the unit identifies issues that affect society worldwide and applies Embraer’s knowledge to the generation of disruptive business products, services and models.

44%
of the company's net revenue in 2018 comes from innovations implanted in the last 05 years

In 2018, EmbraerX unveiled its first concept of electric take-off and vertical landing gear, eVTOL, to the market in Los Angeles, California. Result of collaboration in the Uber Elevate ecosystem, the initiative proposes an aircraft capable of transporting passengers in an urban environment, with competitive cost, safety and low impact of emissions and noise.

In addition, a new business model, which optimizes the execution of aircraft maintenance and associated services, is being developed and tested. EmbraerX, along with Atech, also assesses the possibility of entering the world market of Air Traffic Management.

IN BRAZIL

Embraer's range of partnerships, covenants and agreements in the country shows its solidity in the domestic market.

With participation in the Aerospace Investment Fund (FIP, in Portuguese), which allocated R\$ 3 million to four companies in the sector, Embraer aligns itself with market actions to strengthen a national production chain in defense, security and aerospace transport.

Since 2017, the Cete inaugurated in Florianópolis (SC) has focused on developing pre-competitive technology for electronic systems for aeronautical use. The project is linked to a partnership with Certi Foundation, with support from Brazilian Industrial Research and Innovation Company (Embrapii, in Portuguese) and Research and Innovation Support Foundation of Santa Catarina State (Fapesc, in Portuguese).

Support for startups is also part of the focus of innovation and is translated into participation in actions such as the Startup Industry Connection Program, the Brazilian Industrial Development Agency (ABDI, in Portuguese), the Brazilian Inovative Program, the Industry Innovation Notice, the Acelera Fies and university programs related to entrepreneurship.



COOPERATIONS AND PARTNERSHIPS STIMULATE INNOVATIVE THINKING IN EMBRAER'S BUSINESS NETWORK

AOCS: HIGHER AUTONOMY IN SPACE

The range of solutions offered in special systems has gained another important item during 2018: the Orbit Control System and Attitude of satellites, also known by its acronyms AOCS (Attitude and Orbit Control System).

Unprecedented and with 100% Brazilian development, the system allows a satellite to accurately point cameras to certain regions and trigger propulsion systems to perform orbit corrections. The solution was developed by Visiona Tecnologia Espacial, a joint venture between Embraer Defense & Security and Telebras.

The expectation is that these systems will start operating in early 2020, with the entry into orbit of VCUB1 – the first satellite fully developed in Brazil, in partnership with the National Industrial Learning Service of Santa Catarina (Senai-SC, in Portuguese), the National Institute (Inpe, in Portuguese) and the National Center for Natural Disaster Monitoring and Alerting (Cemaden, in Portuguese), with the support of Embrapii. It will be the first satellite entirely designed by the national industry.

SUSTAINABILITY

GRI 102-12, 102-47

Embraer has as one of its values the construction of a sustainable future. In order to understand the social, environmental and economic aspects most relevant to its management, the company carries out three-year consultations with its stakeholders. This process was last held in 2016/2017, covering shareholders, leadership, customers, specialists, suppliers and representatives of professional associations, civil society and regulatory agencies.

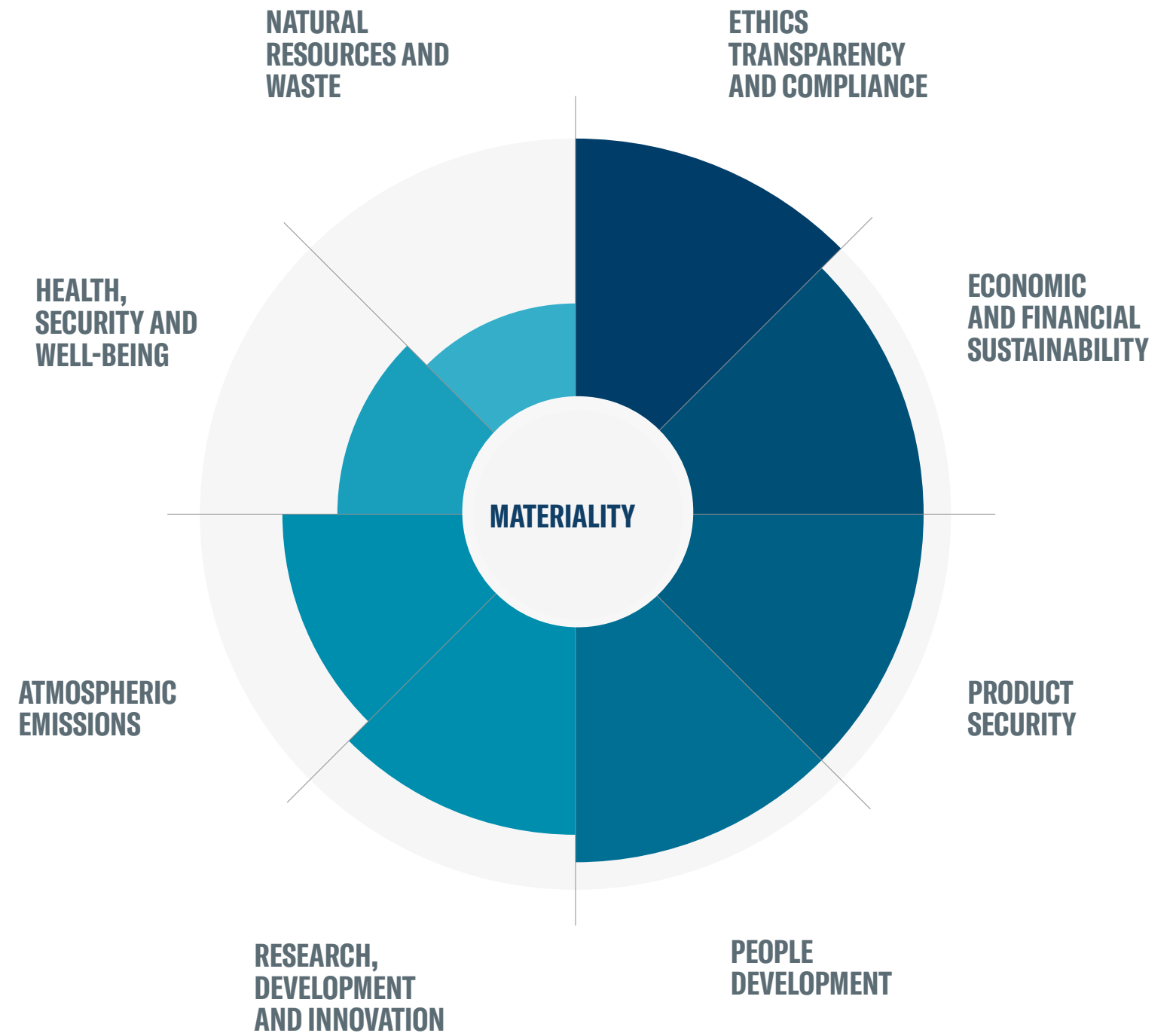
In total, 46 internal and external stakeholders were consulted, as well as the vice presidents and the CEO of Embraer. The intersection of internal and external perceptions was the base to the creation of Materiality, presented here, which was also submitted to a validation by the Sustainability Committee, the Board of Directors and the Chief Executive Officer.

The eight material subjects are presented in the image, with an indication of their criticality (measured by punctuation) for the Embraer strategy and the stakeholders.

+ INFO

CHECK THE EXTENT, SCOPE AND CONNECTION WITH GRI INDICATORS OF MATERIALITY IN THE SUSTAINABILITY CORPORATE WEBSITE

* Other subjects addressed by the company are: Biofuels, biodiversity, development of local communities and suppliers, dematerialization, human and labor rights, diversity and inclusion, availability of raw materials, product life cycle, risk and crisis management, chemicals, noise and information security.



The subjects presented in Materiality give rise to the Sustainability Plan, a tool with corporate goals that supports projects and priorities of the company during its validity. The year 2018 marked the beginning of the cycle of Embraer's new Sustainability Plan, which sets targets to be met by the end of 2020 (see the table beside).

DOW JONES

IN 2018, EMBRAER WAS INCLUDED FOR THE NINTH CONSECUTIVE YEAR AMONG THE COMPANIES LISTED IN THE DOW JONES SUSTAINABILITY INDEX – DJSI WORLD 2018/2019). WITH A GLOBAL SCORE OF 68 POINTS, THE COMPANY MAINTAINED THE LEADERSHIP IN ITS SECTOR IN THE CRITERIA OF SUPPLY CHAIN MANAGEMENT AND PEOPLE DEVELOPMENT.

Pillar	Target	2018 Status	Related ODS
Natural resources and waste	100% certification of manufacturing plants and service centers with more than 100 people (including outsourced employees)	62.50%	12
	Item	Indicator - base year 2016	Target (%)
	Water	172 m ³ /U\$ MM	-2
	Energy (electricity)	28.5 MWh/U\$ MM	-5
	Hazardous waste	0.81 t/U\$ MM	-3
	Non-hazardous waste	3.36 t/U\$ MM	-2
		Water 181.7 m ³ /million USD (+5.6%)	
		Energy (electricity) 33.99 MWh/million USD (+24.96%)	12
		Hazardous waste 1.152 t/million USD (+14.22%)	
		Non-hazardous waste 3.916 t/million USD (+16.5%)	
Health, safety and well-being	Lost Time Injury Frequency Rate (LTIFR) for employees and third parties less than or equal to 1	2,01	3 and 8
	100% certification of manufacturing plants and service centers with more than 100 people (including outsourced employees)	62.50%	3 and 8
Atmospheric emissions	3% reduction in emissions measured in tCO ₂ e (Scope 1)/ Net revenue* * It does not consider fuel consumption for development flights and certification of new products.	4.03	13
Research, development and innovation	Invest 1% of annual revenue in pre-competitive investment in research and technological development	0.90%	9
	Invest 5% of annual net revenue in research, development and innovation	6.20%	9
People development	Increase the presence of women and blacks in the company by 2% (base year 2017, 16% of women and 8% of black people)	Women = 16.09% Black employees = 3.08%	8
	Increase volunteer positions to 12% of total employees (base year 2017, 4%)	1497 (~8%)	8
Product safety	100% risk analysis applied to products	100%	9
Economic and financial sustainability	Return on equity (ROE) > Cost of capital, by relation between ROE and adjusted net income / shareholders' equity	ROE -1.3%	8
Ethics, transparency and compliance	90% of employees responding to Ethics Survey (base year 2017, 70%)	No survey done in 2018	16

GENERATION OF VALUE



FOR THE BUSINESS

GRI 103-1, 103-2, 103-3 | 201, 201-1

The year 2018 was challenging for Embraer and its business divisions. In total, 90 commercial and 91 executive jet deliveries (64 light and 27 large), less than the 101 commercials and 109 executives jets of 2017. In line with previous years, the Commercial and Executive Aviation segments were the most significant, representing 47% and 22% of the revenue, respectively.

Several airlines have signed letters of intent and requests for models such as the E190, the new E195-E2 and the E175, as well as the next generation of regional jets, E175-E2. The Phenom,

Legacy 450 and 500 jets also stood out. By the end of the year, the portfolio of firm orders to deliver reached US\$ 16.3 billion.

Embraer's participation in the Farnborough Airshow 2018, organized in the United Kingdom, was one of the highlights of the cycle. The use of virtual reality allowed visitors to take a tour of the E190-E2 booth and was one of the highlights of the event, which was considered a success for Embraer's business: the company has won more than 300 options and purchase rights which can total up to US\$ 15.3 billion.

BANDEIRANTE - 50 YEARS

IN OCTOBER 2018, EMBRAER AND THE BRAZILIAN AIR FORCE CELEBRATED FIVE DECADES OF THE FIRST BANDEIRANTE FLIGHT, THE TWIN ENGINE THAT LED TO THE COMPANY'S CREATION. PRODUCED FOR MORE THAN TWO DECADES, BANDEIRANTE HAD 498 UNITS BUILT IN CIVIL AND MILITARY CONFIGURATIONS AND LED THE DEVELOPMENT OF GLOBAL REGIONAL AVIATION, AS WELL AS DESIGNING THE BRAZILIAN AERONAUTICAL INDUSTRY. EVEN TODAY, ABOUT 150 AIRCRAFT ARE OPERATING IN AIRLINES, AIR TAXI, GOVERNMENT ENTITIES AND AIR FORCES AROUND THE GLOBE.



FINANCIAL INDICATORS

In 2018, Embraer delivered a total of 181 aircraft, less than the 210 aircraft delivered in 2017. This fact, coupled with the devaluation of the Brazilian currency in the period, generated revenues of US\$ 5,071.1 million, amount below estimates previously disclosed by the company, but in line with the US\$ 5,859.4 million of revenue generated in 2017.

The gross margin for the period was 15.1%, down from 18.7% in the previous period, basically due to the lower number of deliveries in the period and an increase in the costs of the Defense & Security segment as a result of the incident with the first prototype of the KC-390 occurred in May.

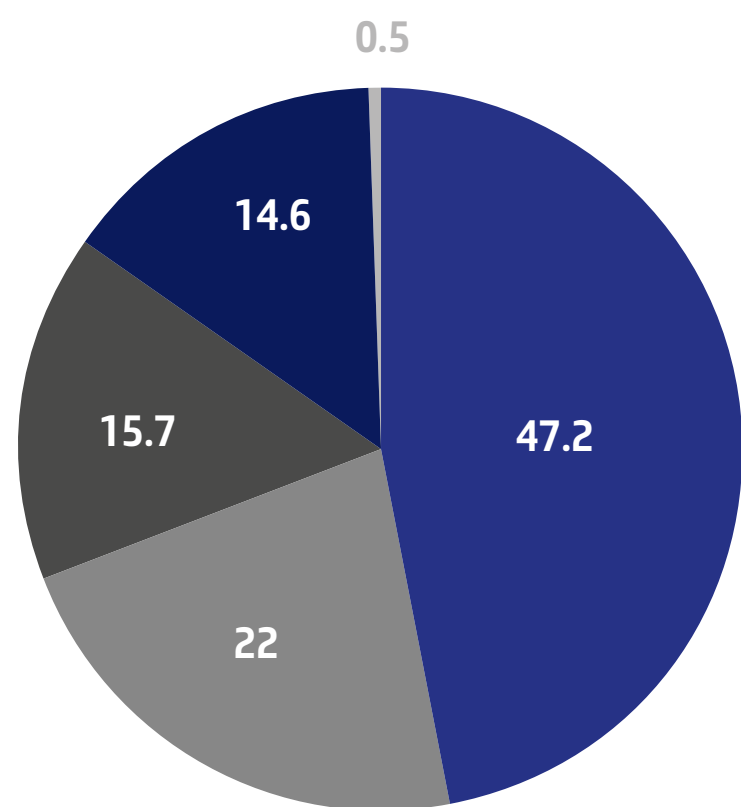
Adjusted EBIT reached US\$ 223.8 million and Adjusted EBITDA reached US\$ 473.7 million. EBIT and EBITDA margins, respectively, were 4.4% and 9.3%.

By the end of the year, Embraer recorded a net loss of US\$ 439.9 million. The negative profit/losses was due to the non-recurring costs of KC-390, the increase in net financial expenses and the exchange rate impact associated with non-monetary assets. The loss per share was US\$ 0.30.

Deliveries per segment	2017	2018	Order Book - Commercial Aviation	2017	2018
Commercial Aviation	101	90	Firm orders (units)	1.835	1.858
Executive Aviation	109	91	Options (units)	487	365
Light Jets	72	64	Deliveries (units)	1.400	1.490
Big Jets	37	27	Firm orders to be delivered (units)	435	368
Total	210	181	Value of firm orders to be delivered (US\$ bi)	18.3	16.3

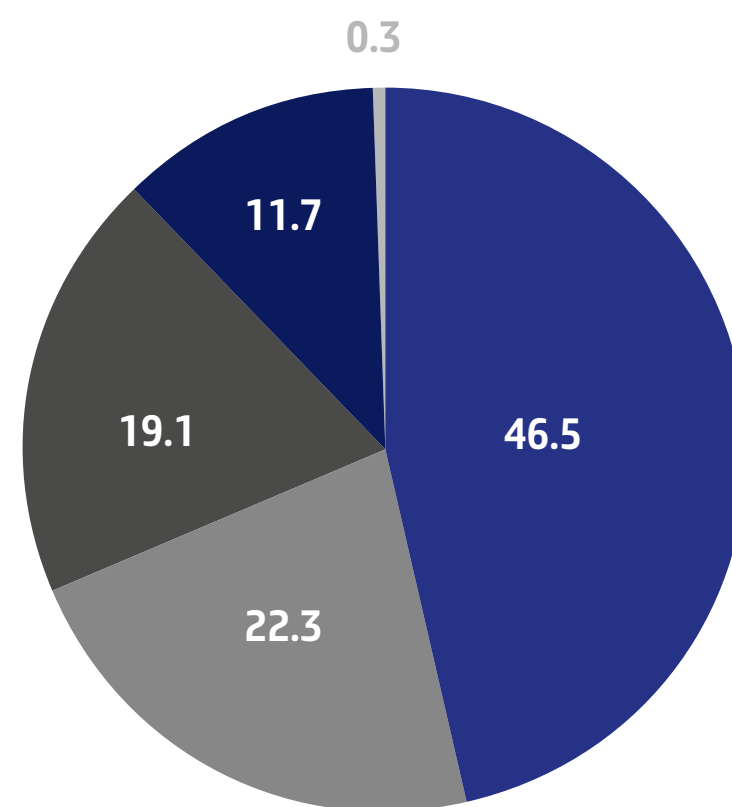
Financial Indicators (IFRS - in US\$ mi)	2017	2018
Net revenue	5,859.4	5,071.1
Adjusted EBITDA	713.6	473.7
Adjusted EBITDA margin (%)	12.2%	9.3%
Adjusted net income (loss)	264.0	(54.2)
Net debt	(310.4)	(439.9)

Revenue per segment (%)



2017

- Commercial Aviation
- Defence & Security
- Executive Aviation
- Services & Support
- Other



2018

Direct economic value generated (R\$ million)

Generated	2017	2018
Income	20,448.0	19666.3
Inputs purchased from third parties	(14,341.3)	(15,432.7)
Gross added value (total)	6,106.7	4233.60

Economic value distributed (R\$ million)

Distributed	2017	2018
Depreciation and amortization	(1,085.6)	(981.7)
Net added value produced by the entity	5,021.1	3,252.0
Added value received in transfer	587.9	427.0
Total added value to distribute	5,609.0	3,679.0
Personnel	3,342.8	2,673.0
Government (taxes, fees and contributions)	566.9	532.7
Interest and rents	797.0	1,116.9
Interest on equity and dividends	207.0	44.0
Retained earnings/losses for the financial year	643.7	(713.1)
Participation of non-controlling shareholders	51.6	25.5



FOR THE PEOPLE

GRI 102-8, 103-1, 103-2, 103-3 | 201, 201-3, 103-1, 103-2, 103-3 | 403, 403-2, 403-3, 103-1, 103-2, 103-3 | 404, 404-1

Developing competencies, training leaders and attracting and retaining the best professionals are the keys for Embraer to remain tuned to global transformations and maintain its competitive edge in the market. By the end of 2018, the workforce totaled 18,520 people, of whom 15,670 worked in Brazil and 2,850 abroad. The subsidiaries and affiliates employed 2,010 employees in the period.

The recruitment of young employees takes place through several instruments, including the Internship Program, which benefited 450 people in 2018; the Trainee Program, that had its second edition with 20 thousand candidates in 20 open positions in Brazil; and the Young Apprentice, held in partnership with the Federal Government, with 346 participants in the year.

By acting in a segment that is constantly transforming, Embraer also invests in the specific training with the Embraer Designer Program (PPE, in Portuguese), promoted in partnership with São Paulo Faculty of Technology (Fatec, in Portuguese); and the Engineering Specialization Program (PEE, in Portuguese), which includes a master's degree in Aeronautical Engineering and a diploma awarded by Technological Institute of Aeronautics (ITA, in Portuguese). Since the beginning, 1550 people graduated from PPE and PEE.

Once in the organization, each employee is encouraged to develop skills and abilities aimed at personal and professional growth. In the training department, there were thousands of training sessions during the year, mainly in online tools, totaling 491016 hours of training, R\$ 7,8 million invested and an average of 26,5 hours per employee.

Each person's performance is monitored annually through the Individual Development Program (PDI, in Portuguese), with periodic assessments that enable training and development opportunities focusing on individual needs and strengths. The Embraer Leadership Development Program focuses on management positions and adopts 360° assessment tools, Calibration Committee and Performance

Map to align expectations and prepare the company's leaders. Together, the initiatives engaged about 1000 people.

In order to promote personal development and increase retention of talent, Embraer fosters career advancement and department change by means of the Internal Harnessing Program, which, in 2018 filled in 93 vacancies with people who were already working in the organization.

ARTIFICIAL INTELLIGENCE IN RECRUITMENT

IN 2018, EMBRAER IMPROVED ITS IDENTIFICATION AND TALENT SELECTION PROCESSES THROUGH AN ARTIFICIAL INTELLIGENCE PROJECT IN PARTNERSHIP WITH STARTUP GUPY, WHICH SPECIALIZES IN THE FORMAT.

APPLIED ON A PILOT MODEL DURING THE YEAR, WITH A FOCUS ON HIGHER LEVEL INTERNSHIPS, THE NEW PROCESS IS BASED ON ARTIFICIAL INTELLIGENCE ALGORITHMS AND SEEKS THE IDENTIFICATION AND RETENTION OF TALENTS ALIGNED WITH A WORK ENVIRONMENT THAT FAVORS THE INNOVATION AND THE ENTREPRENEURIAL CAPACITY OF THE PEOPLE.





SAFE AND HEALTHY ENVIRONMENT

Under the Environmental, Health and Safety Policy (MASS, in Portuguese), several actions are taken by Embraer in its business units in Brazil and worldwide to ensure a safe and healthy environment for employees, with emphasis on:

> **BEHAVIORAL PROGRAM;**

> **TENSIONAL REEDUCATION TRAINING PROGRAM ;**

> **PREVENTION THROUGH DESIGN METHOD;**

> **WELL-BEING PROGRAM ;**

> **INTERNAL ACCIDENT PREVENTION COMMITTEE (CIPA, IN PORTUGUESE), REPRESENTING 84,61% OF THE WORKFORCE;**

> **CLAUSES AND AGREEMENTS WITH TRADE UNIONS THAT ADDRESS SAFETY ASPECTS IN BRAZIL (THE LEGISLATION OF EACH COUNTRY MUST BE FOLLOWED ABROAD).**

In total, the company recorded 73 accidents with leave during 2018, which absenteeism rate was 42,03 and the accidents rate was 2,01. The occupational sickness rate was 0,03. The data are monitored by the Board of Executive Officers and by the Board of Directors, with reduction targets included in the 2020 Sustainability Plan.

+ INFO

ACCESS THE FULL INDICATORS OF HUMAN RESOURCES AND HEALTH AND SAFETY IN THE [SUSTAINABILITY WEBSITE](#)

FOR THE ENVIRONMENT

GRI 103-1, 103-2, 103-3 | 302, 103-1, 103-2, 103-3 | 303, 103-1, 103-2, 103-3 | 305, 103-1, 103-2, 103-3 | 306

Also based on the MASS Policy, investments, technologies and behavioral and awareness projects seek to minimize the use of natural resources and reduce the environmental footprint of industrial units and administrative offices.

The Company's good environmental practices are confirmed by the maintenance of the ISO 14001 certification of its environmental management system. Today, over 82% of our employees work on sites under this environmental certification.

Another permanent effort by Embraer is to reduce the environmental impacts associated with the aircraft it produces – which is done under the Integrated Development of Environmentally Sustainable Products Program (DIPAS, in Portuguese).

Work includes management of hazardous substances, modification of components to achieve efficiency improvements, control of CO₂ emissions and improved efficiency of fuel and material use.



ENVIRONMENTAL CRITERIA MINIMIZE IMPACTS FROM DEVELOPMENT TO FINAL PRODUCTS

PERFORMANCE IN NUMBERS

1451062 MWh
total energy consumption

922960 M²
total water uptake

7.42%
percentage of water reuse

2.574 t
hazardous waste

16.729 t
non-hazardous waste

EMISSIONS IN 2018

33479.28 TCO₂
Scope 1

8916.91 TCO₂
Scope 2

20630 TCO₂
Scope 3

+ INFO
CHECK OUT THE FULL ENVIRONMENTAL PERFORMANCE AND IN DETAIL IN THE SUSTAINABILITY WEBSITE



FOR PARTNERS AND COMMUNITIES

GRI 102-9, 102-10, 103-1, 103-2, 103-3 | 203, 203-1, 203-2, 103-1, 103-2, 103-3 | 204, 204-1, 103-1, 103-2, 103-3 | 308, 308-1, 103-1, 103-2, 103-3 | 407, 407-1, 103-1, 103-2, 103-3 | 413, 413-1, 103-1, 103-2, 103-3 | 414, 414-1

Endowed with a wide, complex and diversified supply chain, Embraer has 1,213 suppliers directly working with the manufacture of its products, as well as more than 3,000 partners related to the execution of technical-administrative activities.

All contracts signed by Embraer have clauses related to human rights and respect for environmental and labor laws. During the year, no commercial relationship was terminated due to non-compliance.

Performance indicators, face-to-face audits and environmental impact questionnaires are regularly adopted in the relationship with partners who provide equipment, supplies and products. In partnership with the Brazilian Agency for Industrial Development (ABDI, in Portuguese), the Aeronautics Chain Development Program (PDCA, in Portuguese) is an

instrument that allows the exchange of experiences and encourages efficiency and quality in supplier companies.

The suppliers of technical and administrative services and activities participate in several courses on lean production and continuous improvement, as part of the Management Excellence Program (PEG, in Portuguese).

In 2018, the proportion of spending on local suppliers was 16%; in 2017, was 20%. The value considered a total budget of R\$ 13.1 billion, of which R\$ 2.1 billion with local suppliers.

INVESTMENT IN THE COMMUNITY

Embraer has two structures to develop social impact actions in the communities neighboring its operations: in Brazil, the Embraer Institute of Education and Research, and, in the United States, the Embraer Foundation.

In Brazil, four action lines stand out:

> **SOCIAL PARTNERSHIP PROGRAM (PPS)** – supports projects aligned with the United Nations Sustainable Development Goals (ODS, in Portuguese). In 2018, 13 organizations were supported with contributions of up to R\$ 40 thousand per initiative.

> **EMBRAER SCHOOLS** – the Juarez Wanderley (São José dos Campos - SP) and Casimiro Montenegro Filho (Botucatu - SP) schools offer free full - time High School education with free admission to public school students with monthly family income below nine minimum salaries. In 2018, there were R\$ 19 million in investments.

> **EMBRAER HISTORICAL CENTER** – along with dedicated spaces in the Embraer units, this program holds exhibitions and guided visits to the community in plants such as São José dos Campos.

> **SCHOLARSHIP FUND** – destined to alumni of the Embraer High Schools with excellent school performance, financial limitations and that have been approved in public or private universities with full scholarships, the fund is made up of donations of individuals and legal entities. In such model, the scholarship holder becomes a contributor after graduation and a grace period, thus giving opportunity to new candidates. In 2018, there were 144 people contemplated in the program.

In the United States, Embraer Foundation had its second year of activities, supporting social projects, volunteer actions and initiatives to enhance the entrepreneurial culture. In 2018, there were more than 870 people were involved in 90 initiatives coordinated by the foundation. In addition, the Social Partnership Program benefited 14 institutions in its second year.



REPORT

GRI 102-45, 102-46, 102-48, 102-49, 102-50, 102-55, 102-56





Embraer's 2018 Annual Report presents a summary of business performance for the year based on the reporting methodology of the Global Reporting Initiative (GRI), Standards version, Essential option.

It also meets transparency criteria with stakeholders, aligned with disclosure of organizational performance in relation to the Sustainable Development Goals and information requested by the Dow Jones Sustainability Index (DJSI).

The construction of the content was guided by the materiality matrix of Embraer and is translated into quantitative and qualitative indicators collected at the administrative headquarters and at the controlled business units in Brazil and abroad.

The period covered by the data is from January 1 to December 31, 2018; exceptions are described in footnotes. Financial indicators and emissions of greenhouse gases (GHG) were externally audited by Lloyd's Register and PricewaterhouseCoopers Brasil Ltda., respectively. In the others, there was no assurance process.

GRI indicators are presented in this document in synthetic and abridged version. To access them completely, visit [Embraer's Sustainability Indicators website](#). Links to corporate policies and guidelines are also presented throughout the report, deepening consultation on specific topics and giving greater objectivity to the content.

GRI CONTENT SUMMARY

GRI Standard	Disclosure	Page/URL	Omission	SDG
GENERAL DISCLOSURES				
Organizational profile				
GRI 102: General disclosures	102-1 Name of the organization			
	102-2 Activities, brands, products and services			
	102-3 Location of the headquarters			
	102-4 Location of the operations			
	102-5 Nature of ownership and legal form			
	102-6 Markets served			
	102-7 Size of the organization			
	102-8 Information on employees and other workers			8
	102-9 Supply chain			
	102-10 Significant changes to the organization and in its supply chain			
	102-11 Approach or precautionary principle			
	102-12 Initiatives developed externally			
	102-13 Participation in associations			
Strategy				
GRI 102: General disclosures	102-14 Statement from senior decision-maker			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 102: General disclosures	102-15 Key impacts, risks, and opportunities			
Ethics and integrity				
GRI 102: General disclosures	102-16 Values, principles, standards and norms of behavior			16
	102-17 Mechanisms for advice and concerns about ethics			16
Governance				
GRI 102: General disclosures	102-18 Governance structure			
	102-19 Delegation of authority on			
	102-20 Executive level responsible for topics			
	102-21 Consultation with <i>stakeholders</i> on economic, environmental and social topics			16
	102-22 Composition of the highest governance agency and its committees			5, 16
	102-23 President of the highest governance agency			16
	102-24 Selecting and appointing the highest governance agency and its committees			5, 16
	102-25 Conflicts of interest			16
	102-26 Role of the highest governance agency in the definition of purpose, values and strategies			
	102-27 Collective knowledge of the highest governance agency			4

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 102: General disclosures	102-28 Performance evaluation of the highest governance agency			
	102-29 Identifying and managing economic, environmental and social impacts			16
	102-30 Effectiveness of risk management processes			
	102-31 Review of economic, environmental and social topics			
	102-32 Role of the highest governance agency in the report process			
	102-33 Communicating critical concerns			
	102-34 Nature and total number of concerns			
	102-35 Compensation policies			
	102-36 Processes for compensation determination			
	102-37 Engagement of the <i>stakeholders</i> in compensation			16
Engagement of <i>stakeholders</i>				
GRI 102: General disclosures	102-40 List of stakeholder <i>groups</i>			
	102-41 Collective bargaining agreements			8
	102-42 Identifying and selecting <i>stakeholders</i>			
	102-43 Approach to engagement of <i>stakeholders</i>			
	102-44 Key topics and concerns raised			
Reporting practices				
GRI 102: General disclosures	102-45 Entities included in the consolidated financial statements			
	102-46 Defining report content and topic boundaries			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 102: General disclosures	102-47 List of material topics			
	102-48 Restatements of information			
	102-49 Changes in the report			
	102-50 Reporting period			
	102-51 Date of most recent report			
	102-52 Reporting cycle			
	102-53 Contact point for questions regarding the report			
	102-54 Option in accordance with the GRI Standards			
	102-55 GRI Content Summary			
	102-56 External assurance			
MATERIAL TOPICS				
Economic performance				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			1, 5, 8, 16
	103-3 Evaluation of the management approach			
GRI 201: Economic performance	201-1 Generated and distributed direct economic value			2, 5, 7, 8, 9
	201-2 Financial implications and other risks and opportunities due to climate changes			13
	201-3 Defined benefit plan obligations and other retirement plans			
Presence in the market				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 103: Management approach	103-3 Evaluation of the management approach			
GRI 202: Presence in the market	202-1 Proportion ratios of the lowest initial wage compared to the local minimum wage			1, 5, 8
	202-2 Proportion of senior management members hired in the local community			8
Indirect economic impacts				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 203: Indirect economic impacts	203-1 Development and impact of investments in infrastructure and services offered			2, 5, 7, 9, 11
	203-2 Significant indirect economic impacts			1, 2, 3, 8, 10, 17
Purchase practices				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 204: Purchase practices	204-1 Proportion of expenses with local suppliers in important operating units			12
Fight against corruption				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 205: Fight against corruption	205-1.Operations subject to risk assessments related to corruption			16
	205-2 Communication and training in anti-corruption policies and procedures			16
	205-3 Confirmed cases of corruption and measures taken			16
Energy				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 302: Energy	302-1 Energy consumption within the organization			7, 8, 12, 13
	302-2 Energy consumption outside the organization			7, 8, 12, 13
	302-3 Energy intensity			7, 8, 12, 13
	302-4 Reduction of energy consumption			7, 8, 12, 13
	302-5 Reducing the energy needs of products and services			7, 8, 12, 13
Water				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 303: Water	303-1 Water withdrawal by source			6, 7
	303-3 Percentage and total volume of recycled and reused water			6, 8, 12
Emissions				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 103: Management approach	103-3 Evaluation of the management approach			
	305-1 Direct emissions of greenhouse gases (Scope 1)			3, 12, 13, 14, 15
	305-2 Indirect emissions of greenhouse gases (Scope 2)			3, 12, 13, 14, 15
	305-3 Other indirect emissions of greenhouse gases (Scope 3)			3, 12, 13, 14, 15
GRI 305: Emissions	305-4 Intensity of greenhouse gas emissions			13, 14, 15
	305-5 Reduction of greenhouse gas emissions			13, 14, 15
	305-6 Emissions of substances that deplete the ozone layer (SDO)			3, 12, 13
	305-7 Emissions of NOx,SOx and other significant atmospheric emissions			3, 12, 13, 14, 15
Effluents and waste				
	103-1 Explanation of the material topic and its boundaries			
GRI 103: Management approach	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
	306-1 Water discharge broken down by quality and destination			3, 6, 12, 14
GRI 306: Effluents and waste	306-2 Waste broken down by type and disposal method			3, 6, 12
	306-3 Significant leaks			3, 6, 12, 14, 15
Environmental compliance				
Environmental assessment of suppliers				
	103-1 Explanation of the material topic and its boundaries			
GRI 103: Management approach	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 308: Environmental assessment of suppliers	308-1 New suppliers selected based on environmental criteria			
Employment				
	103-1 Explanation of the material topic and its boundaries			
GRI 103: Management approach	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 401: Employment	401-1 Rates of new employee hires and employee turnover			5, 8
Occupational health and safety				
	103-1 Explanation of the material topic and its boundaries			
GRI 103: Management approach	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related deaths			3, 8
GRI 403: Occupational health and safety	403-3 Workers with high incidence or high risk of diseases related to their occupation			3, 8
Training and education				
	103-1 Explanation of the material topic and its boundaries			
GRI 103: Management approach	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
	404-1 Average hours of training per year per employee			4, 5, 8
	404-2 Programs for upgrading employee skills and preparation for retirement			8
GRI 404: Training and education	404-3 Percentage of employees who regularly receive performance and career development reviews			5, 8

GRI Standard	Disclosure	Page/URL	Omission	SDG
Diversity and equal opportunities				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 405: Diversity and equal opportunities	405-1 Diversity in governance agencies and employees			5, 8
Non-discrimination				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective measures taken			5, 8, 16
Freedom of association and collective bargaining				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 407: Freedom of association and collective bargaining	407-1 Identified operations and suppliers in which the right to exercise freedom of association and collective bargaining may be violated or at risk			8
Forced or slave-like labor				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			

GRI Standard	Disclosure	Page/URL	Omission	SDG
GRI 409: Forced or slave-like labor	409-1 Operations and suppliers identified as having significant risk of forced or slave-like labor			8
Human rights assessment				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 412: Human rights assessment	412-1 Operations subject to analysis or impact assessments on human rights			
	412-3 Significant investment agreements and contracts that include human rights clauses or have been undergone to assessment regarding human rights			
Local communities				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 413: Local communities	413-1 Operations with implemented programs of local community engagement, impact assessment and local development			
Social assessment of suppliers				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 414: Social assessment of suppliers	414-1 New suppliers selected based on social criteria			



CREDITS

GRI Standard	Disclosure	Page/URL	Omission	SDG
Consumer health and safety				
GRI 103: Management approach	103-1 Explanation of the material topic and its boundaries			
	103-2 Management approach and its components			
	103-3 Evaluation of the management approach			
GRI 416: Consumer health and safety	416-1 Products and services for which health and safety impacts are assessed			
GRI 416: Consumer health and safety	416-2 Non-compliance cases related to the impacts caused by products and services on health and safety			16
Sustainable Development Objectives				
1.	Poverty eradication			
2.	Zero hunger program			
3.	Good health and well-being			
4.	Quality education			
5.	Gender equality			
6.	Clean water and sanitation			
7.	Affordable and clean energy			
8.	Decent employment and economic growth			
9.	Industry, innovation and infrastructure			
10.	Reducing inequalities			
11.	Sustainable cities and communities			
12.	Responsible production and consumption			
13.	Combating climate change			
14.	Underwater life			
15.	Life on earth			
16.	Peace, justice and strong institutions			
17.	Partnerships for goals			

