



SUSTAINABILITY REPORT  
**2023/2024**



# CONTENTS

**INTRODUCTION**

About the Report  
CEO’s Message  
Message from the Board of Directors  
Highlights of the 2023/2024 harvest

**ABOUT LAVORO GROUP**

About Lavoro Group  
Business  
Generating value

**CORPORATE GOVERNANCE**

Governance Structure  
Compliance, Ethics and Integrity

**INNOVATION FOR MORE SUSTAINABLE AGRICULTURE**

Sustainable Transformation  
Innovation for a regenerative agriculture

**3**

4  
5  
7  
9

Environment, culture and trust  
Engagement and wellness  
Career and development  
Occupational Health and Safety

**10**

11  
13  
18

Environmental Performance  
Community Relations

**28**

29  
32

GRI Content Index  
Credits

**36**

37  
42

**OUR PEOPLE**

47  
48  
52  
54  
57

**SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

62  
63  
69

**ATTACHMENTS**

72  
73  
75  
80

Indicators  
GRI Content Index  
Credits



## 1

# INTRODUCTION

About the Report .....	4
CEO's Message .....	5
Message from the Board of Directors .....	7
Highlights of the 2023/2024 harvest .....	9





# ABOUT THE REPORT

GRI 2-2 • 2-3 • 2-4 • 2-5 • 2-14

The Lavoro Group has released its fourth Sustainability Report, which covers the businesses run by its holding companies, Lavoro Agro Holding S.A. and Crop Care Holding S.A. Every year, the Report is released with details about operations in Brazil and Colombia.

This report outlines the environmental, social, economic, and governance performance of the Company for the period July 1, 2023 to June 30, 2024, which is also referred to as crop year 2023/2024 (fiscal year). Therefore, the operational performance as well as the reporting of financial results vary from the calendar year.

This report has been drawn up on the basis of transparency and objectivity and has been prepared in accordance with the GRI guidelines on sustainability report. It is structured around the issues that are deemed material by the Company.

Lavoro Group's Board of Directors and top management have approved this Report published on November 11<sup>th</sup>, 2024.

## GLOBAL REPORTING INITIATIVE (GRI)



Indicators are highlighted with the **GRI XXX-X** symbol throughout the chapters and sub-chapters. You can also find the full summary on page 75.



Learn more at:  
<https://www.globalreporting.com/>



## PAY ATTENTION!

- When we mention “Lavoro Group”, or just “Lavoro”, we are referring to all the companies under the responsibility of Lavoro Limited, managed by Lavoro Agro Holding and by Crop Care Holding;
- When we mention “Lavoro Brasil”, we are discussing the input distribution business in Brazil, managed by Lavoro Agro Holding;
- When we mention “Crop Care holding” or Crop Care, we are talking about the input production business, and exclusively about the group of companies made up of Perterra, K2, Union Agro, Agrobiológica, and Cromo Química;
- To specifically mention a company or brand, we will use its name (e.g. Agrobiológica).

To find out more about the organization of the Lavoro Group companies, visit page 75.



# CEO'S MESSAGE

GRI 2-22

We started the 24/25 cycle by applying the knowledge we had gained from the previous cycle: Brazilian farmers faced a harvest that was arguably the hardest of the decade, an economic environment that disrupted years of rapid expansion, and internal issues that made things more complicated. That was the same scenario at Lavoro. However, our strong management, belief in our plan and business model, and ability to handle challenging situations allowed us to meet the challenges head-on and hold fast to our dedication to helping farmers and being their preferred partner on the journey we are on together.

We concluded the 23/24 harvest totaling more than 74,000 customers served and an NPS satisfaction index of 65 points. Our business diversification strategy and solid financial structure helped cushion negative impacts. We had BRL 9.39 billion in revenues at the end of the year, which was less than we had anticipated but still in line with what the market had been informed when the harvest's third-quarter results were presented.

Difficult years have taught us that it is vital to persevere. We posted very positive results in expanding our market share, reaching a market share of 7.2% in Brazil and 11.5% in Colombia, which means an average growth of 1.75% in the markets where we operate. This indicator reveals that the focus on the customer was even more of a priority, when they needed us most. We have stepped up the hiring of consultants in the field to provide support and solutions that guarantee the continuity and efficiency of agricultural operations.

I want to draw attention to three key outcomes from our operations in Lavoro Colombia: the expansion of the sales mix; the growth in sales of our own brands, like Union Agro, which serves the foliar and organo-mineral fertilizer markets; and the unit that specializes in planted forests, which has solidified its standing as the industry's preferred partner. Also, we gave top priority to our organic growth, reaching over 235 Lavoro Group outlets of sale.



**RUY CUNHA**

Lavoro Group's CEO

When customers most needed us, our attention was directed toward them.



We worked hard to lessen the macroeconomic impact, and even though our closing sales were 12% lower than the previous year, our volume increased by 20%. The companies' operational improvements, including those in logistics and process modernization, as well as the introduction of new services and portfolio reinforcements, made this outcome feasible.

We want to be leaders in the bio-input market, bringing scale to a more regenerative agriculture. On this journey, we celebrated the inauguration of the Johanna Döbereiner Advanced Research Center at the Itápolis industrial park (find out more on page 44).

Unfortunately, the period was also affected by extreme weather events, with severe social impacts. The worsening and prolonged droughts of the last El Niño affected productivity throughout Latin America. In Brazil, the tragedy in Rio Grande do Sul (RS) leaves deep scars. We are grateful not to have lost any lives at Lavoro, nor have we registered any significant physical impacts on our own facilities. We have taken proactive action, with emergency initiatives both in logistics operations and in looking after the community, with assistance and donations for those affected (find

out more on page 70). That's why we're especially grateful for the commitment of the teams at Cromo Química, Casa Trevo and CATR, and Referência Insumos, group companies located in the state.

We are confident in our ability to innovate in the agricultural sector to a high standard going forward. Our dedication to enhancing customer productivity, along with our pursuit of innovative technology and effective solutions, will equip us to confront the forthcoming obstacles and set the stage for sustainable and conscientious growth. The strategy is straightforward: work hard. This is a feature that has been ingrained in our agriculture since its inception.

**Now it's time to plant.  
We'll harvest in the next cycle.**





# MESSAGE FROM THE BOARD OF DIRECTORS

## GRI 2-22

Tough years challenge our decisions. Throughout the most recent harvest, Lavoro Group's business model and strategy demonstrated resilience in the face of both local and global turmoil. Together with Latin American farmers, we have been able to navigate a macroeconomic environment characterized by a significant decline in commodity prices due to the correction in grain prices, which have increased profitability since the Covid-19 outbreak, thanks to our resilience and spirit of entrepreneurship.

Alongside farmers, we faced rising input costs, the lingering impacts of the war between Russia and Ukraine, and directly witnessed the continent being hit by very harsh weather events, with a more severe El Niño than usual, and the tragedy of the floods in southern Brazil. In the context of climate change, unpredictability has become the rule and the need to prevent impacts and effects has become part of the business vision.

The decade's toughest grain harvest has hindered growth and projected results, and in order to emerge confident and unimpeded, Lavoro Group remains committed to the long-term potential of Latin American agribusiness, as we believe the region remains a key player in the world's food output.

The foundation for future development lies in the strategic agendas of the Board, which set the direction for the business and are continuously debating industry dynamics that may have an impact on Grupo Lavoro's operations. We have a clear plan for the upcoming years: to keep growing in scale and effectiveness while favorably affecting an even larger number of rural farmers. Our recent purchases of Coram (SP) and Referência (RS), along with our organic growth into Pará (PA) and Maranhão (MA), show our dedication to growing the Group's footprint and fortifying our ties with suppliers and customers.



**MARCOS HAALAND**

Lavoro's Chairman

We have a clear plan for the upcoming years: to keep growing in scale and effectiveness while favorably affecting an even larger number of rural farmers.



We also recognize that strong financial management and a strong governance structure are essential for growth and positioning in the global market. We are dedicated to pursuing the greatest global governance standards. We have already made headway in assembling a more independent and strategic Board of Directors, completely revising transparency and controls to comply with Sarbanes-Oxley Act (SOX) regulations.

The alliance between sustainability and innovation is crucial not only on the global investors' agenda, but also in order to revive the sector and offer autonomy to field farmers, especially in times of uncertainty. In this regard, we have partnered with the Lavoro Group to offer new exclusive services in Brazil with high technological value, together with international partners such as Pattern Ag and Stenon (find out more on page 43).

The offer of more attractive types of insurance was also an important initiative in the resilience strategy, providing greater security for producers and support in mitigating risks. When the focus

is on the customers, they respond - not only have we maintained a good satisfaction index (NPS), but we've also increased our market share in Brazil and Colombia.

In conclusion, we reiterate the Group's resolve to be a transformative force in agribusiness, advancing sustainable production and the welfare of Latin American farmers while strengthening our position as the industry leader. We also reaffirm our commitment to actively engaging in today's major discussions, such as those surrounding climate change and food security.

Agribusiness will resume its growth trajectory, and it is our responsibility to make the required modifications in the 2024–2025 cycle so that the results of the labor created by sound management may be reaped in 2025–2026.





# HIGHLIGHTS OF THE 2023/2024 HARVEST

## Market Presence



**4** corporate offices

**10** administrative units

**1** research lab

**6** production units

**5** grain silos

**33** logistics units (DCs, warehouses and logistics support centers)



## Results

**BRL 9.39**  
billion  
Net Revenue

**BRL 263.2**  
million  
Adjusted EBITDA

Over **74k** customers

**65** NPS

MARKET-SHARE:

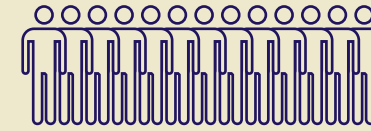
Brazil: **7.2%**

Colombia: **11.5%**

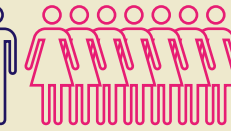
Over **800 k**  
tons in soybeans,  
corn, wheat and  
rice



## Social



**3,767** employees



**65%** men  
**35%** women



Over **1,100**  
agronomists in the field  
and in branches



JUNTOS PELO RIO GRANDE DO SUL

**BRL 200 k**  
in donations

**17 k**  
items distributed

## Sustainability

TRACEABILITY PROGRAM

**~20** social and environmental criteria

**+26 k** registered farmers

**+90 k** monitored rural properties



# 2

## ABOUT LAVORO GROUP

About Lavoro Group .....	11
Business .....	13
Generating value .....	18





# ABOUT LAVORO GROUP

GRI 2-6



In terms of both market share and revenue, the Lavoro Group currently holds the top spot in Brazil as a distributor of agricultural inputs. We presently operate in the Midwest, North, Southeast, and South states of Brazil, which are the primary agricultural regions (see more on page 15). We have an emerging trading company in Uruguay and are also present in the major agricultural regions of Colombia. We plan to start operating in Ecuador in 2024.

Lavoro was created in 2017 from a thesis by Pátria Investimentos, a leading alternative investment manager with over 35 years of history and worldwide presence, which has around BRL 200 billion in assets under management (click [here](#) for more info).

In 2023, we became the first Latin American agricultural inputs distributor to be listed on the Nasdaq - the American stock exchange - through a business combination with TPB Acquisition Corporation I, a company sponsored by **The Production Board**. This milestone added further visibility and opportunities for the business, expanding the use of innovative technologies by attracting investments, improving our governance and solidifying our leadership position in sustainable agriculture.

During this period, in order to increase our reach and be ever closer to the Latin American farmer, we maintained an expansion strategy through acquisitions. As a result, in the last crop year, we reached 235 stores, totaling revenues of BRL 9.39 billion, a result comparable to the previous year, despite a 17% drop in the input sector.

Among the services offered, we have a diverse portfolio of agricultural inputs, such as seeds, fertilizers, chemical and biological pesticides, as well as direct investments in our own brands of bio-inputs, specialties, such as adjuvants and organo-mineral and foliar fertilizers, and post-patent chemicals. Our specialized teams work directly in the field to pay technical visits and understand the farmer's needs (find out more about the Technical Sales Representatives on page 21), who also have the Compre Lavoro e-commerce and the Minha Lavoro agricultural management app.

## OUR FIGURES



**4** countries



Over **290** units  
+ 32% vs. 22/23



**1,101** RTVs<sup>1</sup>  
+ 1.9% vs. 22/23



**3,767** employees  
+ 1.3% vs. 22/23

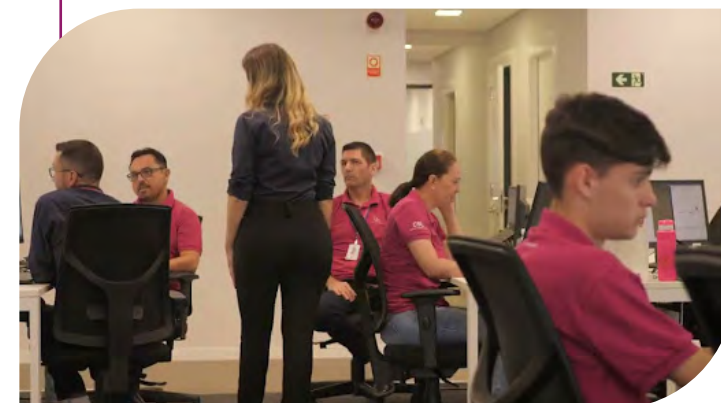
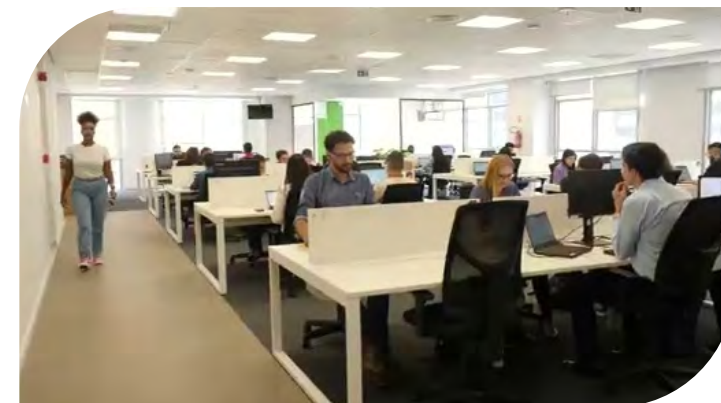


**77** k customers  
+ 4.5% vs. 22/23



BRL **9.39** billion  
in net revenue

<sup>1</sup>Expert sales representatives working directly in the field and in the branches in commercial relations and providing technical advice to farmers.





# BUSINESS

GRI 2-1 • 2-6

Lavoro Group is a business platform led by two related holding companies: **Lavoro Agro Holding S.A.** and **Crop Care Holding S.A.** Lavoro Agro Holding consolidates a range of companies and stores dedicated to the resale and distribution of inputs from major industries and own brands. Crop Care develops and manufactures innovative products under its own brands, including bio-inputs, adjuvants, biostimulants and special fertilizers, as well as importing post-patent agrochemicals with a basic and premium portfolio.

Our consistent value proposition and best management practices were key to facing the challenges of the last crop year. The increase in interest rates, which had a direct impact on the Group's operating costs, together with fiscal and tax uncertainties and climatic variations that affected productivity and made long-term planning difficult, required multiple strategies to protect and create value. Thus, the diversification of our businesses, particularly the volume of Crop Care private labels sold, strengthened the company's results. Another factor was our presence in Colombia, where the agricultural segment grew in the four quarters of the harvest with fruit, coffee and vegetables, which also

helped to neutralize the uncertainties in the domestic and foreign scenarios, ensuring the resilience and responsible evolution of the Lavoro Group.

As a result, we increased our market share by growing our market share and expanding our service network with a diversified sales mix. Since we supported the farmers when they most needed Lavoro, we were able to boost both the number of customers (4.5% growth) and productivity per salesperson while maintaining a high NPS (Net Promoter Score).

With the lines: Agrobiológica, Cromo Química, Union Agro, Perterra, K2 and Cenagra, and the introduction of new exclusive soil analysis services with the partnerships signed with Pattern Ag and Stenon, we have expanded the range of products with higher technological value, while maintaining the tradition of the sector. In Colombia, where we have a total of 37 stores and 11,000 customers, we have improved our logistics capacity in several regions, updated processes and centralized storage structures to gain efficiency.



**Our purpose is to work for the farmers' central role, solidifying their growth, which is essential to the world.**



## MISSION

To serve producers in Latin America by providing inputs and services throughout the production cycle.



## VISION

To be the main partner of Latin American rural producers, providing technological and sustainable solutions to help increase productivity and contribute to global food security.



## VALUES

- Ethical behavior;
- Entrepreneurship;
- Ownership/sense of urgency;
- Association and team spirit;
- Customer orientation

### PRESENCE

We are in strategic regions for agribusiness, expanding in Latin America.

### STRENGTH

A group with the financial support needed to ensure sustainability for our farmers.

### MODERNITY

A modern and up-to-date team. An innovative, agile, and more efficient business platform.

### TRUST

Experienced team focused on supporting the farmer. Rigorous management of all orders. Guarantee on each delivery.

## MEMBERSHIP OF ASSOCIATIONS

### GRI 2-28

Lavoro is an active member of the National Association of Agricultural and Veterinary Input Distributors (ANDAV), in which it won a seat on the Board of Directors in 2023. We also participate in the Brazilian Association of Post-Patent Defensives and Bio-inputs (AENDA) and the Brazilian Association of Bio-inputs (ABBINS), collaborating with each one to promote sustainable and innovative practices in the sector.

Lavoro and Crop Care are part of the Campo Limpo National System, which is responsible for collecting empty crop protection packaging, managed by the National Empty Packaging Processing Institute (inpEV). This participation underlines our commitment to responsible management and the circular economy.

At state and municipal level, our companies are members of local associations that collect and store post-consumer pesticide packaging in compliance with the reverse logistics system and address other regulatory issues.

We are also active participants in the UN Global Compact's Sustainable Agriculture Action Platform in Brazil, to which we are signatories, and in the Soy Working Group, collaborating to implement sustainable and responsible practices in the agricultural sector.

Currently, there is no membership in Colombia.



# BUSINESS UNITS AND MARKETS SERVED

GRI 2-1 • 2-6

## RESALE



Thanks to long-standing partnerships with the sector's main suppliers and the distribution of its own brands, **Lavoro** delivers a broad portfolio of products, including chemical and biological pesticides, solid, liquid and foliar fertilizers, seeds and lines of adjuvants and other specialties.

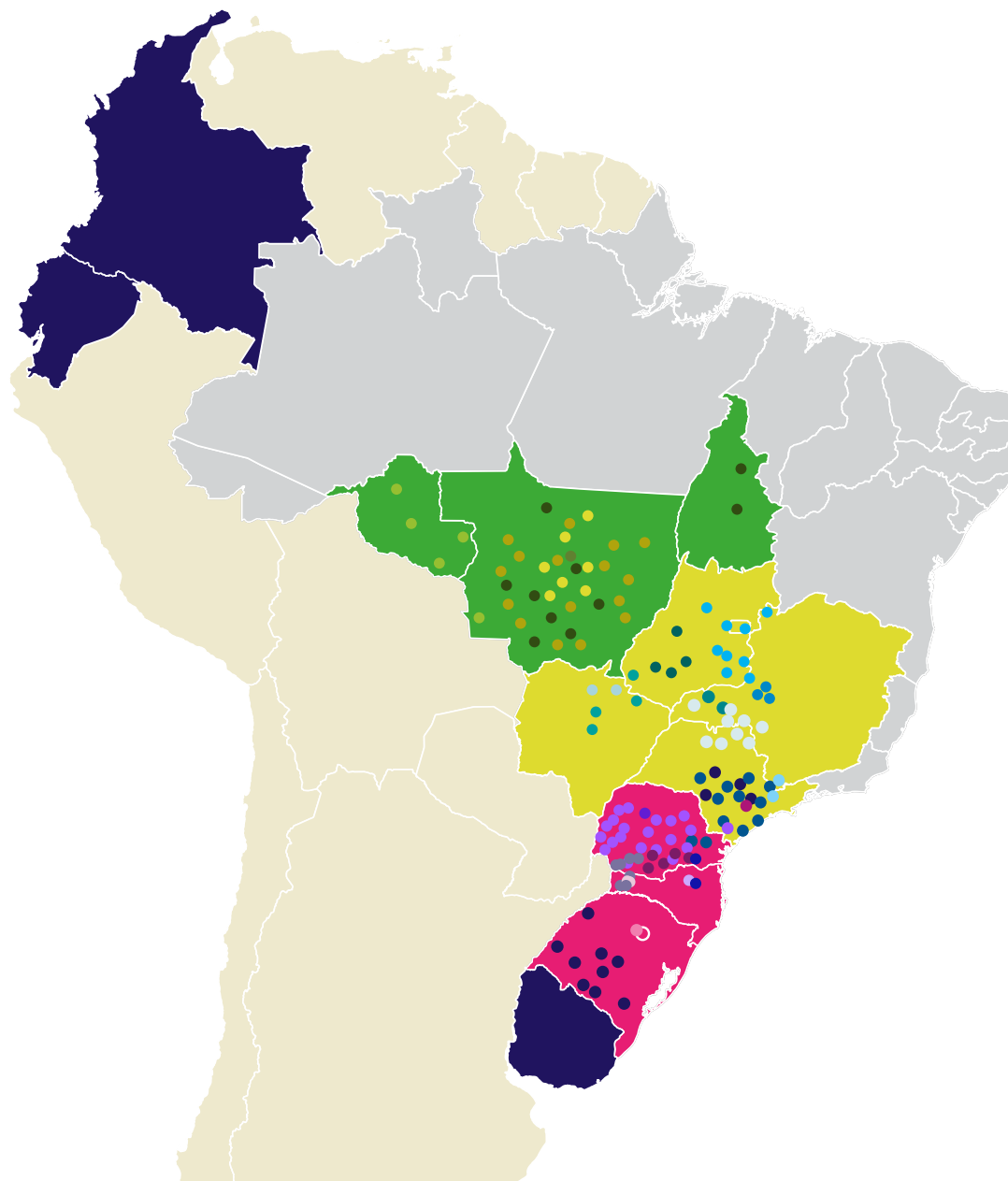
## LATAM

(Brazil, Colombia, Uruguay and Ecuador)

- Agrac
- Agrointegral
- AgSe
- Cenagro
- Cenagral
- Servigral
- Provecampo



To find out the location of all our stores and units, **click here**.



## BRAZIL

### NORTH CLUSTER (MT, RO, TO)

- Agrovinci – MT
- América
- Central Agrícola
- Impacto
- Lavoro

### EAST CLUSTER (GO, MG, MS, SP)

- Agrovinci – MS
- Agrozap
- Cultivar
- Floema
- Integra
- Nova Geração
- Produtec
- Produttiva
- Qualicitrus

### SOUTH CLUSTER (PR, RS, SC)

- CATR
- Casa Trevo
- Denorpi
- Deragro
- Dissul
- Futuragro
- Futuragro Florestal
- Plenafertil
- Pitangueiras
- Realce
- Referência
- Sollo Sul

## INPUTS



The **Crop Care** holding is responsible for the development and production of its own brand lines in the post-patent chemical inputs market, formulated and on-farm biologicals, adjuvants

and special fertilizers, manufactured in six production units (five in Brazil and one in Colombia). We also have an input trading company and an import office in Montevideo (URU).



Provides biological solutions for safe, efficient and profitable management, promoting regenerative and low-carbon agriculture on a large scale, with an innovative and exclusive portfolio of on-farm and formulated products, including the exclusive Bioshock technology.



A company specializing in the production of high-performance adjuvants and enhancers for agriculture, helping to increase the profitability and productivity of crops, with no impact on the environment.



K2 Insumos supplies Colombian farmers with fungicides, herbicides and insecticides aimed at rice, palm, potato, sugar cane, pasture, coffee, vegetables, avocado and other fruit production.



Importer of post-patent pesticides with a portfolio of herbicides, fungicides and insecticides that cover all stages of cultivation of a wide variety of first and second crops.



Union Agro offers solutions in adjuvants and organo-mineral and foliar fertilizers that provide more productive harvests and enable more sustainable crops.





# SERVICES

We assist farmers by means of the efforts of our Consultants and Technical Sales Representatives (RTVs), who keep an eye on their needs and the development of every crop, following them on routine visits and offering technical support in the field along with a variety of other services:

- Soil/foliar analysis, traditional and DNA;
- Application of inputs (sale of pesticides and fertilizers applied);
- Grain storage and marketing;
- Technical assistance in the field (visits to the property, advice on planting and treating crops and the use of bio-inputs);
- Grain barter;
- Full installation and maintenance of on-farm bio-rooms;
- On-farm bio-input production monitoring;
- Agricultural insurance;
- Logistics services (product storage and scheduled delivery);
- Industrial seed treatment (TSI);
- On-farm seed treatment.



## SOIL ANALYSIS

With the consolidation of partnerships with **Pattern Ag** and **Stenon**, the emphasis on providing novel services was reinforced in the 2023/2024 harvest to address complementary soil analysis needs for various locations and crops. Both technologies share the ability to detect risks and nutritional shortages in the soil, as well as provide considerably more accurate product recommendations through a customized software experience.

More information on page 43.

## Agricultural insurance

Over the last year, we have expanded our agricultural insurance solutions for Brazilian rural producers, including insurance for **productivity** and **replanting**, which are key protection mechanisms for guaranteeing investments against climatic adversities, which have been increasingly frequent. The insurance is available for soybean, corn, planted forest, cotton, beans and wheat crops.



Learn more by clicking [here](#).

### COVERAGE



Excessive rainfall



Hail



Fires



Drought



Lightning strike



Frost



Downpour



Excessive temperature  
fluctuations



Cold and/or strong  
winds

# GENERATING VALUE

GRI 2-6

Our business model is confirmed by strategic acquisitions, organic expansion with the opening of new stores and the production of innovative and sustainable inputs. Our centralized management model supports new partners in their own management routines, such as stock management, logistics and operations, legal, accounting, credit, sustainability, IT and HR support. This approach ensures that the incorporated resellers grow rapidly in operational and financial terms, positively impacting the regions where we operate and reinforcing our position as a Latin American leader in the agricultural inputs sector.

Our governance is increasingly improved to maintain our position as a key player in the sector, and we are strengthening our acquisition and diversification strategy to ensure resilience and sustainable growth.

## EXPANSION

### Market share

Brazil: 7.2% (+0.8)

Colombia: 11.5% (+1.9)

We finalized the acquisitions of **Coram (SP)**, **Referência (RS)** and **Cromo Química (RS)**

**+23** stores  
incorporated

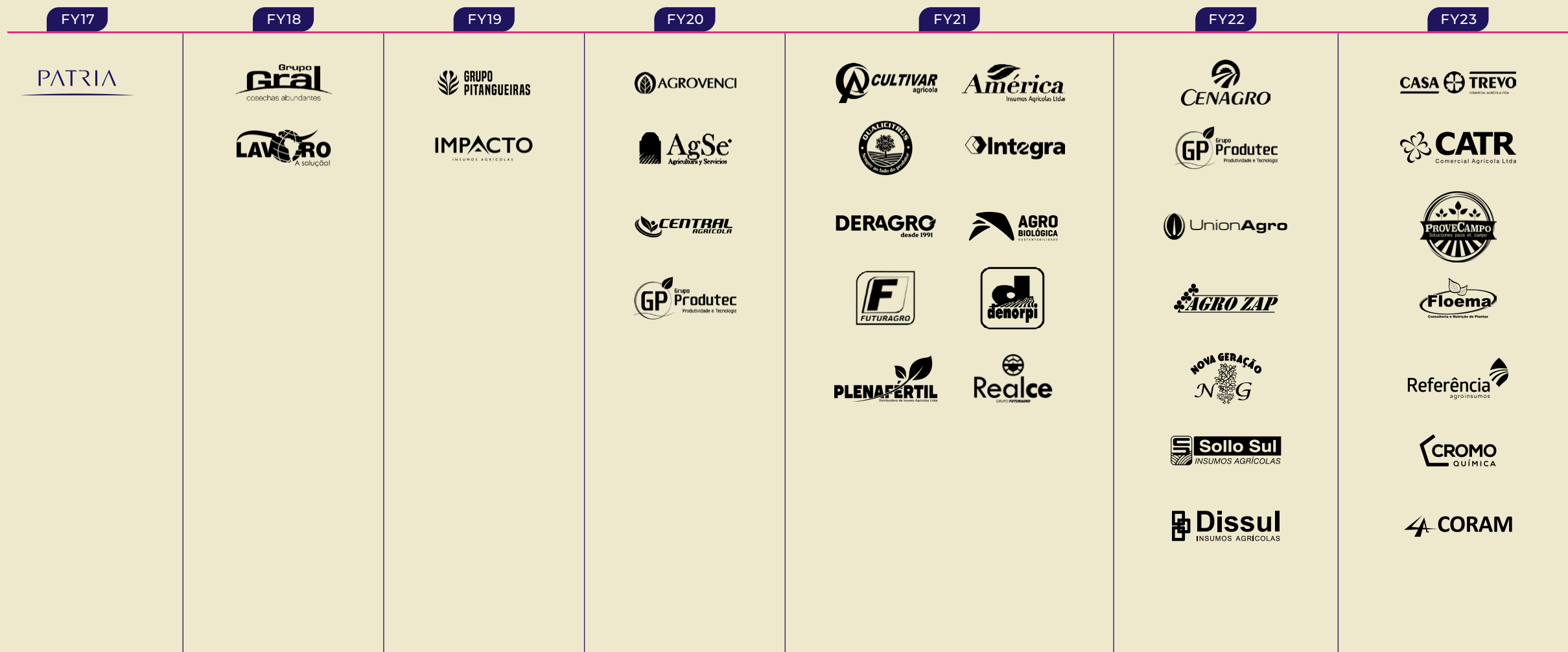
**+15**  
branches  
opened



Note: In the 2023/2024 cycle, eight branches were closed due to the redirection of commercial strategy in the region.



## Timeline - expansion trajectory

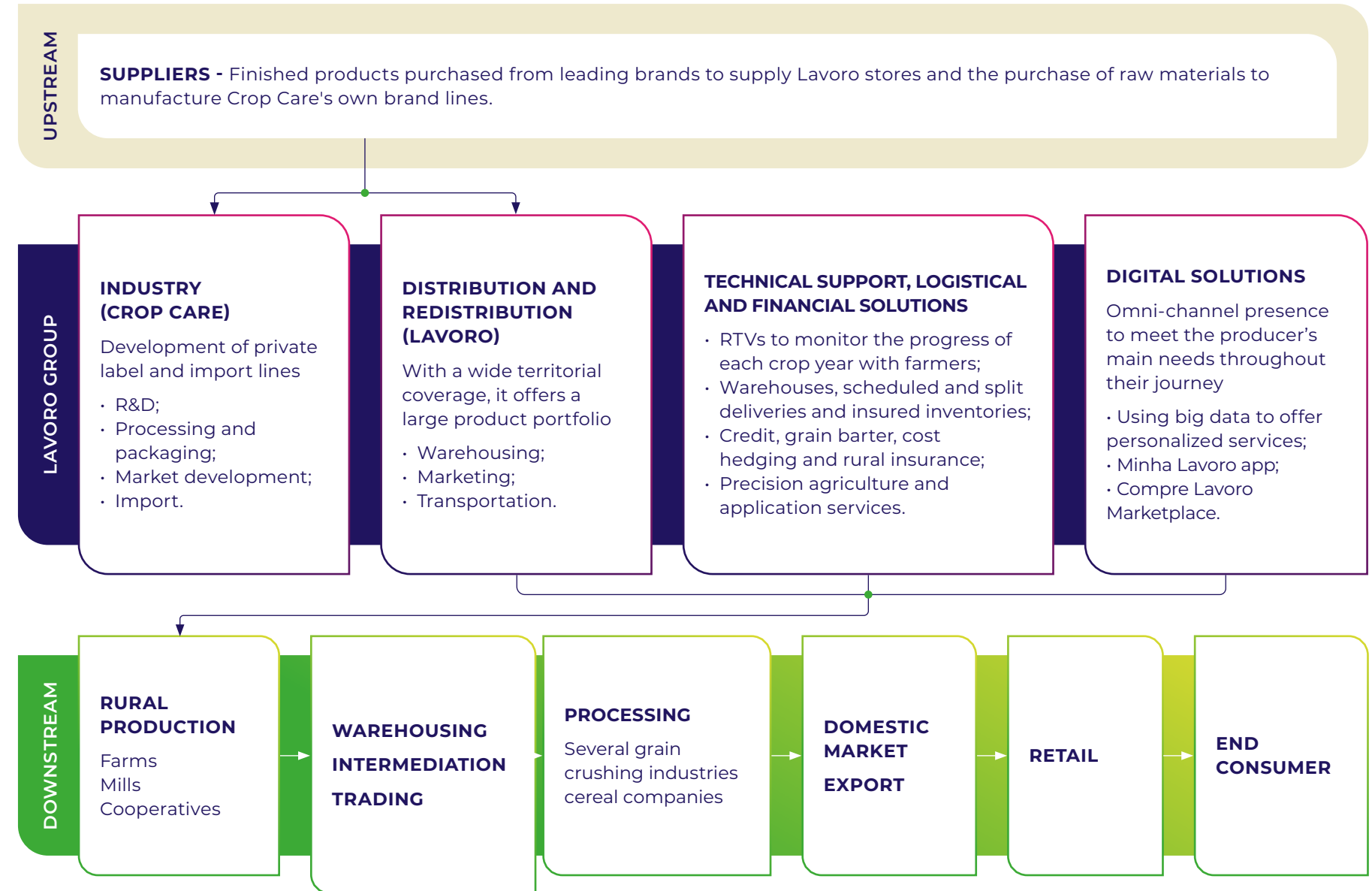


# VALUE CHAIN

GRI 2-1

We operate in the midst of a complex value chain with great potential to impact small and medium-sized Latin American farmers and the economy.

Moreover, we seek to support the transformation of the sector, bringing knowledge to rural producers through technical assistance, logistics and financial solutions, to foster their autonomy and assertive decision-making.





## QUALIFIED PRESENCE IN THE FIELD

Lavoro's comprehensive portfolio seeks to serve small and medium-sized farmers in a wide variety of crops, such as soybeans, corn, wheat, sugarcane, cotton, flowers, planted forests, among others. We are present in a personalized way through our stores, technicians and sales teams, who help with knowledge, technical support and digital solutions throughout the cycle, as well as expanding Lavoro's customer network, generating a virtuous cycle for the business.

In the Brazil Distribution segment, 194 new consultants joined the team in the 2023/2024 harvest, with a real increase in the team of 64 technical sales representatives, who started working in stores in all regions of the country, helping to expand our market presence. The role of these consultants is to be available to assist rural producers throughout the cycle. They bring knowledge about the most diverse crops, helping farmers to ensure productivity and good financial results.

In the best interests of farmers, we seek to maintain a consistent relationship with suppliers, which enables our dealers to offer better negotiating conditions and a comprehensive range of pesticides, fertilizers, seeds, biologicals and specialties, meeting the specific needs of each region.

Our Brazilian customers can also access products directly on our marketplace, Compre Lavoro, which in the last harvest received over 325,000 visits and attracted over a thousand new customers. Our customers can also conduct their entire journey 100% digitally, through the Minha Lavoro app. The app has a range of features that give farmers autonomy, such as a virtual assistant with artificial intelligence, information on the weather, information on credit, requesting a technical visit with one of our RTVs, quoting inputs and negotiating, among others. In the last crop year, there were more than 15,000 accesses.



**194** new RTVs



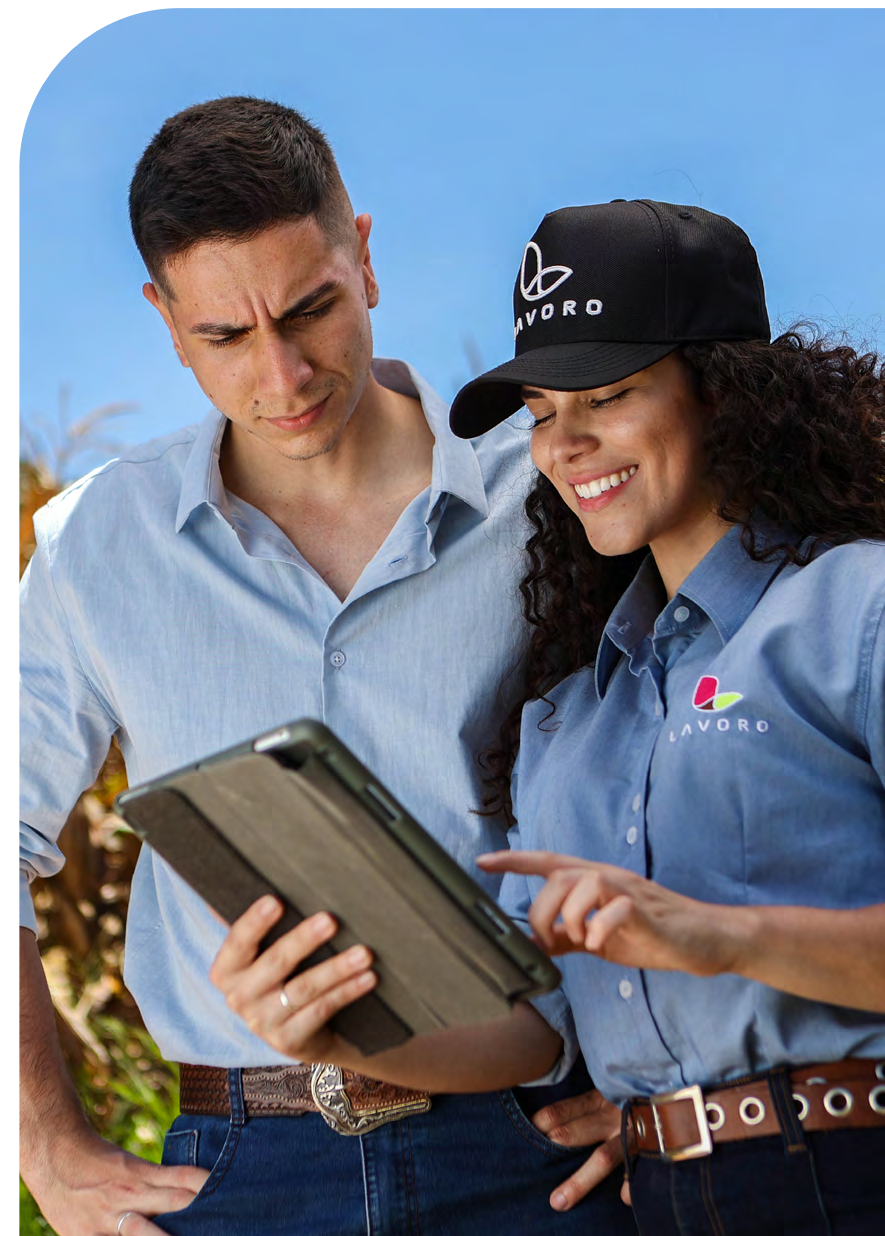
**150** hours of training for RTVs



**Revamping the Sales Academy**, with the inclusion of the Barter Operations and Lavoro Socio-environmental Assessment Protocol modules



**Incentivized compensation structure**, with compensation based on productivity and merit



# ECONOMIC PERFORMANCE

GRI 3-3 • 201-1 • 201-4



In the 2023/2024 cycle, the Lavoro Group recorded BRL 9.39 billion in net revenue, guaranteed by growth in the Crop Care segment (+18%) and by gaining market share in the Brazilian agricultural retail sector, which lessened the impact of the fall in input prices. Adjusted EBITDA totaled BRL 263.2 million, down 67% on the previous period, mainly due to the drop in gross profit. Net profit was negative at BRL 737.3 million.

Separately, Crop Care's production amounted to BRL 749.2 million in revenue, an 18% increase. Net revenue in the grain segment also grew over the previous harvest, rising from BRL 667 million to BRL 1.05 billion (+58%), explained by the focus on barter operations.

The Group's result is in line with the expectations that had already been shared with the market at the third quarter **results presentation** in June 2024. It is important to note that the result reflects a year with no M&A contributions; it was the Group's first year with no new acquisitions.

Those numbers are explained by the external scenario for agribusiness in 2023/2024, characterized by the devaluation of commodities, which reduced the profitability of Brazilian and Colombian farmers, especially soybeans and corn, as well as economic uncertainties due to exchange rate fluctuations. Adverse





## LAVORO RESULTS

GRI 201-1

**BRL 9.39 billion**  
in net revenue (+0.5%)

**BRL 263.2 million**  
EBITDA (-67%)

**- BRL 737.3 million**  
adjusted net income

## CROP CARE RESULTS

GRI 201-1

**BRL 749.2 million**  
in net revenue (+18%)

**BRL 110.7 million**  
EBITDA (-25.7%)

Note: Data from 2023/2024. The complete results can be accessed by clicking [here](#).

weather conditions, with an intensified El Niño, have also had an impact on agricultural output.

Nevertheless, despite these challenges, the Lavoro Group has shown resilience. We expanded organically to the North, starting operations in Paragominas (PA), Dom Eliseu (PA) and Imperatriz (MA), as well as finishing the incorporations of Coram (SP), Referência (RS) and Cromo Química (RS), adding a plant and 23 branches to the Lavoro-Crop Care ecosystem. We prioritized our own brands, increasing sales volumes and taking advantage of our distribution network in both countries. In Colombia, we witnessed sales (+73%) and volume (+275%) growth at K2, and sales (+18%) and volume (+172) growth at AgSe. Cenagra increased its sales by +70% in volume. Eight new products are expected to be added from the registration processes underway at K2 and Cenagra for the 2024/2025 crop year.

In Brazil, Union Agro and Cromo Química have expanded industrial modules to meet demand, and new logistics locations have been opened in Mato Grosso (MT). Agrobiológica's new biofactory in Itápolis (SP) will be operational by the next harvest.

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (BRL IN MILLIONS)

GRI 201-1

	2023/2024	2022/2023
<b>OPERATING INCOME</b>		
Sales of merchandise, products and services	BRL 9,392,264	BRL 9,347,670
Losses due to non-recoverability of financial assets	(BRL 79,556)	(BRL 36,769)
Costs of products, goods and services sold	(BRL 8,02,158)	(BRL 7,590,290)
<b>Gross value added</b>	<b>BRL 1,260,550</b>	<b>BRL 1,720,611</b>
Depreciation and amortization	(BRL 179,959)	(BRL 167,486)
<b>Net value added generated by the company</b>	<b>BRL 1,080,592</b>	<b>BRL 1,553,125</b>
Value added received on transfer	BRL 462,166	BRL 545,879
Other financial revenues	BRL 401,626	BRL 371,639
Active exchange rate variation	BRL 23,202	BRL 63,938
Deferred income tax and social contribution	BRL 10,898	BRL 134,772
Rents and royalties	(BRL 12,146)	(BRL 20,844)
Other	BRL 38,586	(BRL 3,626)
<b>Total value added to distribute</b>	<b>BRL 1,542,758</b>	<b>BRL 2,099,004</b>
<b>Distribution of value added</b>	<b>(BRL 1,542,758)</b>	<b>(BRL 2,099,004)</b>
Number of employees	3.625	BRL 3,778
Amount paid in salaries	(BRL 295,858)	(BRL 218,770)
Benefits	(BRL 84,455)	(BRL 306,396)
FGTS	(BRL 25,678)	(BRL 21,281)
Management Fees	(BRL 3,173)	(BRL 18,158)
Other	(BRL 83,466)	(BRL 108,106)
Severance payments	(BRL 1,615)	(BRL 1,287)
Spending on indirect suppliers	(BRL 415,864)	(BRL 517,212)
Taxes	(BRL 74,316)	(BRL 38,645)
Return on third-party capital	(BRL 1,343,336)	(BRL 1,087,831)
Interest and other financial expenses	(BRL 1,043,33)	(BRL 931,485)
Commissions	(BRL 79,278)	(BRL 52,040)
Passive exchange rate variation	(BRL 63,049)	(BRL 79,169)
Other	(BRL 157,686)	(BRL 25,137)
<b>Income for the year</b>	<b>(BRL 785,002)</b>	<b>BRL 218.682</b>

## TAX APPROACH

GRI 201-4 • 207-1

The Tax Compliance section continuously monitors and bases the company's tax structure on tax compliance. In times of uncertainty or regulatory changes, the company uses specialized advisors, both internal and external, to ensure the correct interpretation of laws, decrees, and infra-legal rules, such as ordinances and normative instructions, among others. This area is responsible for interpreting and applying tax legislation prudently.

Due to recent Brazilian law changes, such as the repeal of article 30 of Law 12.973/14, as of January 2024, the Company had to adjust its tax calculation, excluding subsidies from the Tax on Circulation of Goods and Services (ICMS) from the IRPJ and CSLL calculation basis. This change reinforced the need for continuous supervision, with the effective tax rate percentages being monitored by the Tax Committee and reviewed by the external audit team.

In the 2023/2024 crop year, for companies operating in Brazil, there were no government subsidies or grants, apart from the tax exemptions granted as standard for productive activity. In Colombia, we recorded BRL 105 million in credit from the Fondo para el Financiamiento del Sector Agropecuario (Finagro), which has interest rates subsidized by the government.



For full details, visit the **Investor Relations** portal.



# PARTNERSHIP WITH SUPPLIERS

GRI 2-6 · 3-3 · 204-1

In order to remain a leader in the agricultural inputs segment, both in Brazil and Colombia, we have established a close, ethical and trusting relationship with our partners. In the process of selecting suppliers, we take into account criteria such as the quality of their products, commercial conditions, their reputation in the market and adherence to the **Code of Conduct and Ethic** and **Code of Conduct for Suppliers and Customers**. We also have an Input Purchasing Policy, which lays down the guidelines to be followed when purchasing products, with the aim of ensuring the maximization of results and the hiring of socially and environmentally responsible companies.

In 2023/2024, we spent approximately BRL 8 billion with acquisitions and payments to direct suppliers in Brazil and Colombia. For input distribution and production companies, we consider that over 90% of the resources directed to purchases are directed to local suppliers in Brazil. We registered imports of products and raw materials from countries such as China, the USA, France, Israel, Thailand and others. In addition to pesticides, fertilizers, seeds and specialties, we also buy agricultural equipment, spare parts, post-patent pesticides, packaging, transport and equipment from our main direct suppliers.



At Lavoro, we work with a centralized purchasing structure, which guarantees the supply of stores and manufacturing units according to each need. For this strategy, we have managers specialized in the main categories, covering all the regional clusters and connecting via a digital platform, signaling the need for supplies at each unit.

In parallel with planning to avoid shortages, we are constantly advancing in the socio-environmental assessment of priority suppliers, which uses data analysis, public registers and compliance tools. Find out more on page 68.

## Strength in the nutritional market

**Union Agro**, firm was founded in Pederneiras, SP, in 1996. Since 2021, it has been connected to Crop Care Holding. With 27 years of experience, it is unique in the production of specialized fertilizers for plant and soil nutrition, leading to more profitable and successful harvests. Its whole portfolio, which includes tablet, granulated, liquid, and solid formulations, meets the needs of the major crops grown in the nation.

Its ability to respond quickly to the market, with swiftness in adapting production lines and logistics operations, has helped this business unit to grow considerably. Since joining the Lavoro Group, it has gained national scope and relevance. Production volume **grew by over 100% in the last crop year**. Despite the crisis facing

the agricultural market in 2023/2024, sales have expanded to new regions, attracting a diversified customer base, leading to an increase that has exceeded 40% in turnover.

### PEOPLE

Union Agro didn't back down in the face of uncertainty: it invested in people, strengthened its field team and increased its operational efficiency. In the last three years, the number of technical sales representatives has tripled, with 40 professionals dedicated to supplying Lavoro sales channels across the country. In view of the new hires, Union Agro is investing heavily in training these professionals to uphold the standard of excellence in customer service and business operations.







## OPERATIONS

Over the course of the 23/24 harvest, Union Agro operated in three shifts at different periods. To meet production demand, the company took an important step by switching the unit's energy supply to a 100% renewable matrix, reducing costs and its environmental footprint.

With a focus on its expansion strategy, Union Agro continues to work on updating its administrative office in Pederneiras (SP) and building a new Distribution Center in the city. In the next crop year, there are still plans to expand the infrastructure, with the construction of two new units, in order to support the expected increase in fertilizer production.

## LOGISTICS

One significant initiative was the implementation of a pilot project to introduce rail into logistics, specifically on the Midwest routes. Currently, transportation by rail is subject to volume. More than 2,000 tons of

products were transported by train from the Port of Paranaguá (PR) to Rondópolis (MT), a logistics support point. The switch represents a 50% reduction in the use of road transport for the same stretch, bringing economic gains, time savings, transportation safety and fossil fuel savings, with a consequent drop in Greenhouse Gas (GHG) emissions.

## PORTFOLIO

Since the outbreak of the Russia-Ukraine conflict, the Company has decided not to import any more raw materials from Russia, reorganizing its raw materials supply.

With the generation of demand from the countryside, it adjusted its portfolio and production lines to the needs and investment possibilities of rural producers, offering tools to help make crops feasible in less profitable areas and overcome climatic adversities.



## 3

CORPORATE  
GOVERNANCE

Governance Structure .....	29
Compliance, Ethics and Integrity .....	32





# GOVERNANCE STRUCTURE

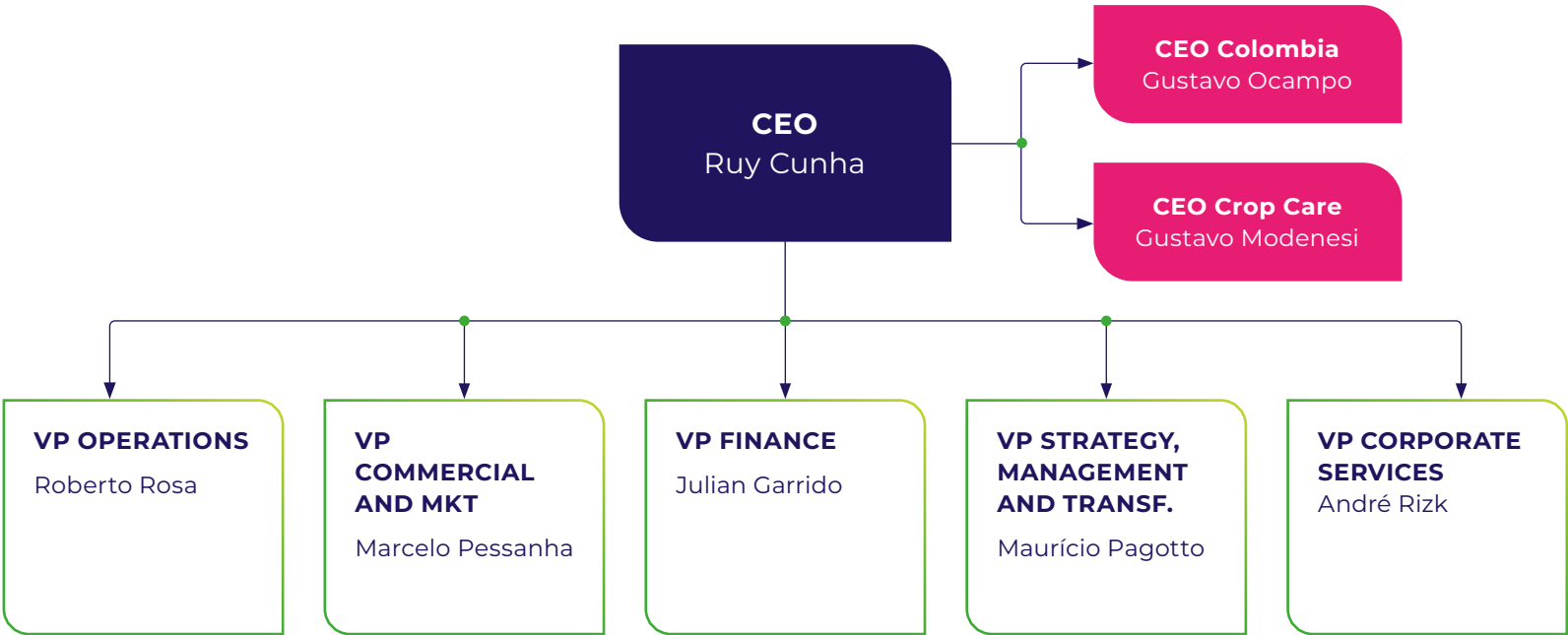
GRI 2-9

After the first year of the Lavoro Group’s IPO, the result of the business combination with TPB Acquisition Corporation I, we underwent significant transformations in corporate governance, always in line with international best practices.

In order to meet the standards of the Security Exchange Commission - SEC, which regulates the American market for listed companies, and other legislation in force, as well as the Corporations Act, we have created structured controls, increased the transparency level and improved our operational processes by complying with the Sarbanes-Oxley Act - SOX (find out more on page 35).

The organization’s highest governance body is the Shareholders’ Meeting, responsible for electing the Board of Directors, which in turn chooses the Statutory Executive Board, responsible for appointing the Company’s other directors. Both are supported by the Audit Committee<sup>2</sup>.

The structure is completed by the Ethics Committee, the Risks Committee, the Compensation Committee and the Disclosure Committee, which aims to support mandatory communications to stakeholders and investors.



<sup>1</sup>The governance structure of the Lavoro Group was updated in August 2024 with the reorganization of the vice-presidencies and redesign of the role of key operational and commercial areas. The main changes took place at Lavoro Brasil, while the management of Crop Care and Lavoro Latam underwent only a few executive changes.

Apart from the Statutory Committees, the company has internal Advisory Committees that play essential roles, such as the Credit, Tax, Health, Safety and Environment Committees.

Formal governance is replicated in subsidiaries and/ or affiliates that are public limited companies. In some of them, the directors are members of the holding company’s executive board.

## Board of Directors

GRI 2-9 • 2-10 • 2-12 • 2-13 • 2-16

The Board of Directors is responsible for the Lavoro Group's strategy, purpose, values and long-term planning, as well as for monitoring results. It defines the guidelines to be followed by the Statutory Board, which cover economic, social and environmental aspects.

The Board is currently made up of six members: three representatives of the majority shareholder, Pátria Investimentos, and three independent members. In quarterly meetings, the board discusses and approves corporate strategies and addresses facts relevant to management, including environmental, social, economic and governance issues.

The Board of Directors monitors social and environmental issues through the Risk Committee's quarterly report. More specifically, it receives information from the sustainability management regarding trends, commercial agreements involving ESG issues, among others.

Last year, the Chairman of the Board of Directors and the Latam CEO collaborated directly with the materiality review process, and participated in person in the prioritization and finalization session of the updated material topics.

## Audit Committee

The Audit Committee assists the Board of Directors in supervising the integrity of the Company's financial statements and internal controls, as well as the qualification and independence of the independent auditor and the performance of the internal audit function. It also develops strategies linked to risk management and compliance with Lavoro's legal and regulatory requirements.

It is currently made up of three members appointed by the Board, with members who meet the independence and experience requirements.

The Committee's reporting to the Board, which takes place on a quarterly basis, includes the analysis of issues that arise in relation to the responsibilities mentioned above and any other issues that the Committee deems appropriate or that the Board requests.



## Disclosure Committee

GRI 2-9 • 2-16

This Committee is responsible for all official and relevant communications made by Lavoro to its security holders and the investment community. It is part of the internal controls group in compliance with the formal requirements of SOX. The Disclosure Committee is responsible for ensuring that all information is accurate, complete, presents the financial condition and results of the Company's operations in all material respects, and must be prepared in accordance with applicable laws and stock exchange requirements.

The Committee supports the Directors in the fulfillment of their responsibilities for the purposes of supervising the foresight and timeliness of the disclosures made by the Company. It is made up of the Chief Executive Officer, the Chief Financial Officer, the Controller, the person in charge of Investor Relations and the person in charge of the Legal department.

The Committee meets as often as circumstances deem necessary to guarantee the accuracy and comprehensiveness of the Disclosure Statements.



## Risk and Compliance Committee

GRI 2-9 • 2-12 • 2-16

The Risk and Compliance Committee members are appointed by the Board of Directors, to which they report. The Committee is made up of the CEO, CFO, Corporate Services Director and an independent member appointed by the coordinating shareholder.

The Committee meets monthly to advance the management of all the Company's risks, including environmental, social and human rights risks, as well as organizational routines related to licenses and corporate aspects. The Committee also holds monthly operational meetings with affiliated companies to monitor and address mapped risks, as well as the implementation of action plans.

## Ethics Committee

GRI 2-9

The Ethics Committee is responsible for ensuring compliance with the Lavoro Group's **Code of Conduct and Ethics** as well as other codes, manuals, protocols, road-maps, procedures and policies related to the **Integrity Program** in relation to all its internal and external stakeholders.

It has a deliberative nature and is responsible for prevention, guidance and monitoring of cases of non-compliance with the rules established by internal policies and processes, as well as dealing with communications and complaints received through the Transparency Channel.

It is made up of at least three members of the Company's senior management elected by the Board of Directors.

## Executive Board

GRI 2-9 • 2-11 • 2-13

The Executive Board is responsible for managing and representing Lavoro, implementing strategic and operational guidelines, including economic, operational, environmental and social topics, and monitoring targets, results and priority corporate projects.

In the 24-25 harvest, the executive board will be made up of seven members reporting to the Latam CEO, five of whom are vice-presidents, a CEO for the Colombian operations and another for the Crop Care division.

In order to identify relevant issues for the Group's operations, Lavoro and Crop Care maintain a formal relationship with external audiences, such as the financial sector and agribusiness entities. For the internal public, the CEO and vice-presidents regularly update employees on the Company's day-to-day affairs, management, progress on targets and results, in live online meetings called Canal Direto (Direct Channel).

## DIVERSITY OF GOVERNANCE BODIES

GRI 405-1

BOARD



86%



14%

EXECUTIVE BOARD



90%



10%

# COMPLIANCE, ETHICS AND INTEGRITY

GRI 2-23 • 2-24 • 3-3

The Compliance Department is responsible for the secretariat of the Ethics Committee and the Lavoro Group Integrity Program. The Program covers all employees and third parties in an impartial and equitable manner, including holding companies and all acquired companies. It formalizes our commitment to conducting business ethically and with integrity, in compliance with applicable legislation, such as the Anti-Corruption Law in Brazil, the Anti-Bribery Law in Colombia, environmental and labor laws, and the UN Global Compact Principles, to which we are signatories.



The **Integrity Program** includes, among other additional policies:

- **Code of Conduct and Ethics** applicable to employees and suppliers;
- **Transparency Channel** for reporting irregularities;
- **Committee charters**, with guidelines for the Risk Management and Compliance Committee and the Ethics Committee;
- **Supplier and Service Provider Relationship Rules;**
- **Corporate policies applicable to all audiences**, such as Harassment and Discrimination Prevention, Consequence Management, Due Diligence and others.

The Code of Conduct and Ethics is the basis for all the Group's policies and practices and makes official the behavior and actions expected from managers, employees and third parties, regardless of their hierarchical position or the company with which they are affiliated. Among the topics covered are corruption, moral and sexual harassment, the environment, health and safety, prevention of human rights violations, conflicts of interest and data privacy, among others.

## ENGAGEMENT

GRI 2-9 • 2-16

At Lavoro, 100% of employees are informed about the Integrity Program, as are selected new business partners, who must sign an acknowledgment and adhesion form. Moreover, when we integrate new companies into the Lavoro ecosystem, we carry out training on the subject, both in Brazil and Colombia<sup>1</sup>.

Every new employee, partner and supplier must sign the Code of Conduct and Ethics in order to guarantee consistency and integrity in all our operations.



Other Lavoro Group policies are publicly available **here**.

<sup>1</sup> In Colombia, the program is called Programa de Transparencia y Ética Empresarial (PTEE), as determined by the country's legislation.



## HUMAN RIGHTS GRI 2-23

As a signatory of the UN Global Compact in Brazil, Lavoro undertakes to support and respect the protection of internationally recognized human rights and to ensure that it does not participate in violations of these rights. In 2023, the Lavoro Group scored 17 points higher on the Global Compact Human Rights Thermometer, with 55% overall adherence and 69% adherence on the axis that assesses the management of human rights in its own operations.

Human rights themes are set out in documents such as the company's codes of conduct and ethics (internal and for third parties), in the contractual clauses of the terms signed with suppliers and buyers, with regard to the legal aspects of the issue.

Specifically, we actively monitor and have methods of verifying the inclusion of clients and suppliers in the National Register of Employers of the Secretariat of Labor Inspection (Dirty List of Slave Labor) or the involvement of stakeholders in lawsuits whose subject matter constitutes suspicion or violation of

human rights in the field of work, such as child labor, work analogous to slavery or degrading, as well as violations of life.

We also have a systematized, automatic process that verifies the partial or total overlap of clients' rural properties with areas of full protection, such as indigenous and quilombola territories, or areas of special ecological interest and biodiversity protection.

If a materialized case or strong suspicion is identified, there are appropriate protocols for internal reporting of cases, analysis and deliberation, under the supervision of the Ethics Committee and the Risk Committee.

In the 2024/2025 harvest, updates to the policies linked to the Integrity Program are planned, aimed at improving the approach to human rights issues, among others, in the internal and external rules of conduct.

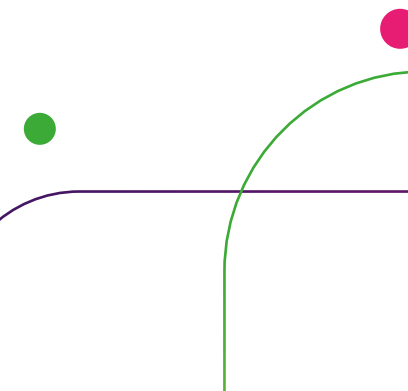
## DATA PROTECTION AND SECURITY GRI 418-1

We operate in compliance with the General Data Protection Law (LGPD) in force in Brazil, protecting the privacy and security of the information we have access to, whether it belongs to the Company, its clients or the general public. On the **Privacy Portal**, data subjects are informed of their rights and the procedures for requesting changes to or deletion of their registered data.

Risks linked to cybersecurity and the LGPD are monitored by a system that constantly monitors risks of breaches or cyber attacks from external sources, carried out by a specialized company, which produces monthly monitoring reports, including verification of incidents, potential vulnerabilities and recommendations for mitigating problems. The results are presented to the Risk Committee in a consolidated version, informing them of the action plans to be carried out or in progress. Every year, an intrusion test is carried out to verify the security of the controls applied.

If a risk or attempted cyber-attack is detected, we have a clear incident response procedure, aimed at recovering the environment as quickly as possible while maintaining the integrity of data and systems. If personal data is compromised, the procedure determines the activation of the corporate DPO. In the 2023/2024 cycle, there were no leaks or losses of protected data.

Questions and complaints about data privacy can be submitted to the Transparency Channel (find out more on page 34), which received no complaints on the subject during the 2023/2024 crop year.



## FIGHTING CORRUPTION AND CONFLICTS OF INTEREST

GRI 2-15 • 205-1 • 205-2 • 415-1

The **Anti-Corruption** and **Conflicts of Interest** policies are part of the Integrity Program and lay down guidelines, standards and procedures for preventing and combating potential occurrences in these areas, and also promote the prevention of the risk of fraud, complementing the Code of Conduct and Ethics. Among the guidelines is a ban on donations or contributions to candidates or political parties. Currently, all of the Lavoro Group's operations are assessed for risks related to corruption, using mechanisms that are appropriate to each situation.

Moreover, in the last crop year we significantly improved our Risk Management with the implementation of SOX, which ensures greater integrity, transparency and the mitigation of potential risks in operations (learn more on page 35).

## TRANSPARENCY CHANNEL

GRI 2-9 • 2-12 • 2-16 • 2-26

Lavoro's Transparency Channel is available to all employees, suppliers, clients, third parties and other stakeholders who need to report violations or possible infractions to the Code of Conduct and Ethics and the Integrity Program.

The report can be made anonymously or identified, when it will be possible to follow the progress of the communication made, in accordance with the protocol for handling complaints. The Channel is available in Portuguese, English and Spanish and the information is analyzed by an independent and specialized company in order to ensure total confidentiality.

Once the initial investigations have been carried out, each case is monitored and dealt with by the Ethics Committee and the Lavoro Group Compliance Department. Penalties provided for in the Consequence Management Policy are applied according to confirmation and evidence of the case found in the investigation and in the additional corporate investigation process. They can lead to dismissal, suspension and/or termination of employment.

The entire cycle of a report to the Transparency Channel, from confirmation of the fact reported to the imposition of consequences, takes a maximum of 150 days. When identified, those responsible for the complaints receive feedback on the cases reported.

In the last crop year, 119 complaints were received, of which 88 were considered valid and dealt with by structured compliance processes. Communications that constitute direct violations of the code of ethics and conduct are considered valid. The remaining communications and complaints were forwarded to areas of the Company according to the topic.



**88**

Valid  
complaints



**31**

Other  
complaints



Access the **Transparency Channel**.

Note: the method of disclosing complaints received was adjusted from the 2022/2023 harvest to the 2023/2024 harvest in order to standardize this indicator with other mandatory disclosures made by the Lavoro Group.



# RISK MANAGEMENT

## GRI 2-12

Responsibility for risk management in the Lavoro Group falls to the Integrated Risk Management Department, now integrated into the Corporate Services area. The department receives support from the Company's internal departments so that the mapping and identification of risks is constant and diligent. The Risk Committee acts as an advisory body and reports its activities to the Board of Directors.

Proper risk management has a direct impact on the perceived transparency, reinforcing our position in the market and increasing the confidence of investors and other stakeholders. Currently, the main risks mapped by Lavoro are:

## Internal controls

### GRI 418-1

Over the past year, the Company's risk management has been significantly improved, driven by the IPO and compliance with the Sarbanes-Oxley Act (SOX). The implementation of SOX requirements not only establishes structured controls, but also increases senior management's responsibility for performance. This ensures that all critical processes are monitored and managed with efficiency and integrity.

Advances in internal controls also impact ESG aspects by adapting to best global governance practice standards. Environmental and social aspects are also constantly monitored through the Traceability Program (find out more on page 40), and considered in the general processes for identifying and managing impacts, risks and opportunities.

## MAPPED RISKS



### BUSINESS AND INDUSTRY

- Changes in the global market and economic and political conditions affecting the agricultural sector;
- Adverse effects of climate change on Latin American agribusiness;
- Actions taken by our farmer customers and suppliers, including improper working or manufacturing practices;
- Developing and maintaining relationships with a sufficient number of qualified suppliers;
- Disruptions in the agricultural input and transportation markets;
- Fluctuations in results and operating metrics that could reduce the market price of our shares.



### ACQUISITIONS AND FINANCIAL INFORMATION

- Difficulties with any acquisitions, partnerships or joint ventures carried out;
- Difficulty in comparing and assessing our business, financial condition, results of operations and prospects by investors due to recent acquisitions.



### COMMON SHARES AND SECURITIES

- Volatility of public securities and stock prices;
- Enhanced controls and procedures, as well as disclosure and corporate governance standards and other US requirements.



### REGULATORY, PRIVACY AND CYBERSECURITY ISSUES

- Health and environmental risks associated with our production, handling, transportation, storage and marketing of products;
- Strict adherence to environmental, health and safety, food and agricultural input and consumer protection laws and regulations;
- Changes in tax laws, incentives, benefits and regulations;
- Failure to comply with our customers' privacy laws.



### LATIN AMERICA

- Adverse economic or political conditions in the countries where we operate in the region.

## 4

# INNOVATION FOR MORE SUSTAINABLE AGRICULTURE

Sustainable transformation .....	37
Innovation for a regenerative agriculture .....	42





# SUSTAINABLE TRANSFORMATION

GRI 2-12 · 2-28

We believe that our business strategy and our regional coverage can positively impact the agricultural sector through actions that promote sustainability in the value chain. The initiatives developed in the last crop year increase business transparency and help reduce the environmental impact of operations in the field and at our industrial units.

Among the main drivers are initiatives designed to meet global demands for food security, managing climate change impacts, promoting sustainable farming practices and traceability of agricultural areas to prevent irregular deforestation on rural properties, as well as ensuring decent working conditions in the value chain and respect for human rights.

Lavoro's sustainability agenda is supported by the **Sustainability and ESG Policy**, which will be periodically updated in the 2024/2025 harvest to reflect the new materiality (learn more on page 38) and ensure that the Group's strategies remain effective and relevant. The Lavoro Group intends to advance sustainable practices, proactively responding to the sector's main risks and opportunities.

We are signatories to the Brazil Pact, an initiative of the Office of the Comptroller General that engages companies in a commitment to ethics, environmental preservation and respect for human and labor

rights. We are also participants in the UN Global Compact, through which we commit to contributing to the achievement of the 2030 Agenda, and we are signatories to the Soy Moratorium in the Amazon. Our sustainability initiatives are guided by the following SDGs:



## SOCIAL AND ENVIRONMENTAL COMMITMENTS FOR 2025<sup>1</sup>

- 100% traceability of customer base<sup>2</sup>
- No irregular deforestation
- No embargoes for deforestation
- No overlap with an integral protection area<sup>3</sup>
- No slave or child labor

<sup>1</sup> Scope: operations in Brazil.

<sup>2</sup> All rural producers whose operations are covered by the credit policy are tracked.

<sup>3</sup> Indigenous lands, quilombolas or fully protected conservation units. We also take part in external events, trade fairs and meetings with industry organizations to talk to agribusiness audiences and improve the sector, both in Brazil and Colombia.

# MATERIALITY REVIEW

GRI 3-1 · 3-2 · 3-3

In 2024, Pátria Investimentos<sup>1</sup>, Lavoro Group's largest shareholder, has developed a dual materiality analysis through a co-participatory process among the agribusiness companies under its management. This initiative, carried out with the support of a specialized consultancy, is designed to enable an assessment based on similar parameters by investors and investment analysts who provide funds to companies in the agribusiness segment. As a result, the connections between socio-environmental and financial impacts and the mechanisms for better risk management become clearer, making it possible to direct positive impacts within the agricultural sector throughout Latin America.

This process included defining the scope and objectives with a dual materiality approach; identifying impacts, risks and opportunities within operations, taking into account geographical location, value chain, sector studies and industry benchmarks; identifying financial impact themes; and engaging with stakeholders to validate the results, ensuring that the conclusions mirrored the expectations and concerns of all those involved.

Six key themes were identified, four of them prioritized by Lavoro, as well as the main indicators important for decision-making.

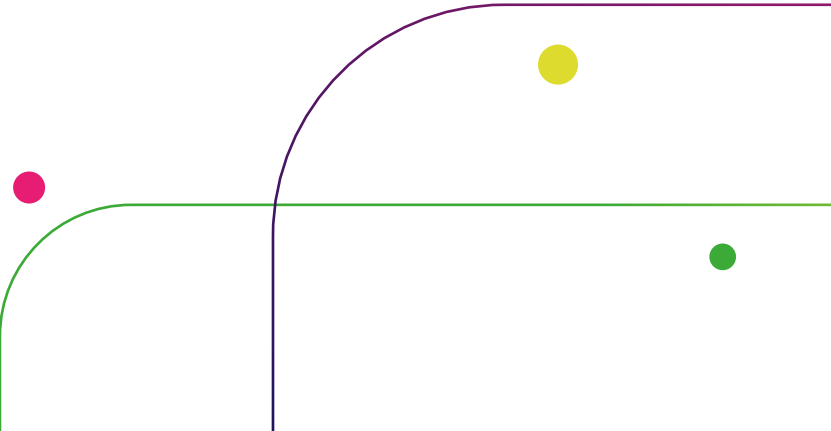
## MATERIAL THEMES IDENTIFIED<sup>2</sup>

GRI 3-2

Climate change
Biodiversity and ecosystems
Water and marine resources
Business conduct
Community impact
Workforce

<sup>1</sup> Leading alternative investment manager and majority shareholder of the Lavoro Group.

<sup>2</sup> In the previous survey, the material themes taken into consideration and identified using a different methodology were: Business expansion and farmer productivity, Business ethics and integrity, Innovation, Portfolio innovation, quality and safety, Sustainable agriculture, Operational health and safety, Responsible credit policy, Food safety.



## STAKEHOLDER ENGAGEMENT

GRI 2-29

Apart from co-participatory work, we actively listen to the organization's main stakeholders and the publics with influence on agribusiness through the profiles of the Lavoro Group and its resellers and industries on social networks, as well as through relationships with media outlets. These stakeholders include employees, executive and local leaders, the Board of Directors, agribusiness institutions, NGOs, business partners, clients, representatives of the financial sector, specialists, suppliers, financial institutions and public bodies linked to the environment.

We also took part in external events, trade fairs and meetings with industry organizations to talk to agribusiness audiences and improve the sector, both in Brazil and Colombia.

In 2023-2024, Lavoro's top leadership held a number of talks and presentations about the business to investment analysts and financial agents in the United States to bring more knowledge about the Company, the input resale sector, the potential for biologicals and Brazilian agribusiness as a whole. Latam's CEO also took part in more than 10 international conferences on agribusiness trends.



# ESG HIGHLIGHTS AND TARGETS

GRI 2-12

Lavoro's sustainability agenda is reflected in ESG targets set for the 2025-2026 period, which are regularly monitored through key performance indicators (KPIs) reported to senior management. These targets are also broken down into specific activities.

## Environmental



Expand portfolio offer with lower environmental impact



Zero illegal deforestation in the value chain

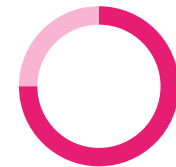


Mapping opportunities to reduce emissions in scopes 1 and 2

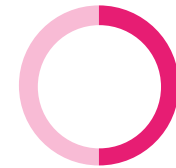


Engage 100% of priority suppliers in the Sustainability Policy

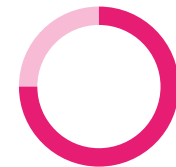
## Social



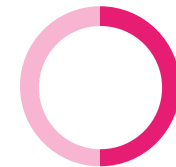
Achieve zero accidents by 2025



Increase talent retention on a yearly basis



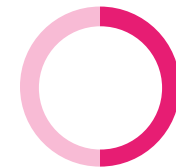
Enhance people's training, development and engagement



Promote leadership engagement in diversity

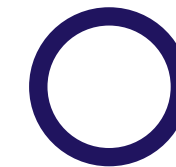


Reach at least 30% women in leadership by 2025

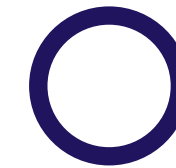


Zero the unjustifiable gender pay gap by 2025

## Governance



Achieve 100% compliance with environmental licensing in all our operations



Ensure anti-corruption measures in all forms in management



Achieving recognition for operational excellence practices



Under implementation



Implemented and under development



Advanced implementation



Finished

# TRACEABILITY PROGRAM

GRI 2-27 • 408-1 • 409-1

Besides complying with the Brazilian Forestry Code and other trade agreements in force in the sector, the Traceability Program makes it possible to identify points for improvement in the chain, promote transparency in commercial relations, as well as in the management and mitigation of environmental and credit risks and the creation of adequate guarantees.

Partners are analyzed according to the Trabalho Socio-Environmental Protocol, which checks for potential risks using public databases, such as the National Register of Employers and the Slave Labor Dirty List, and georeferenced satellite images. We also monitor points of adherence to our Code of Ethics and Conduct, lawsuits and government lists to prevent the financing of practices that violate human rights or encourage farming in illegally deforested areas.

The Traceability Program's efforts to prevent deforestation in the chain are also aimed at mitigating the sector's impacts on climate change and biodiversity, since we are present in all biomes.

Beyond verifying rural properties, we encourage the regularization of environmental liabilities so that rural producers remain part of the value chain. We provide guidance on resolving embargoes, recovering from irregular deforestation, complying with the



**26** thousand rural producers registered in the Traceability Program



**93** thousand rural properties under daily monitoring



**43.5** million hectares



**100%** of commodity operations verified



Environmental Recovery Plan (PRA), status in the Soy Moratorium for producers in the Amazon, among others. We believe that this approach not only boosts the value chain, but also makes producers aware that resolving liabilities is crucial to the full exercise of their activities, ensuring the best conditions for marketing their production.



# SUSTAINABILITY IN THE CHAIN

Managing social and environmental topics in our operations also includes sharing best practices and evaluating ESG performance in the supply chains of which the companies in the Lavoro and Crop Care ecosystem belong. Several of our companies are strategic suppliers to different sectors of the economy and to multinationals in global chains.

**Futuragro Florestal**, a member of the Lavoro Group and market leader in the sale of inputs for planted forests, is considered a priority partner in the pulp and paper segment. In the 2023/2024 harvest, it has further strengthened its relationship with these companies by actively integrating the sustainable supply programs of the sector's main multinationals.

Part of this process included the participation of Lavoro Brasil in engagement sessions, training and careful assessments on socio-environmental topics.

In November 2023, we completed diligence on the sustainability and corporate responsibility criteria of the Chilean company CMPC. We became participants in Klabin's **Climate Commitment** and **Supply Chain Sustainability Program**. In partnership with Suzano, we became part of its **Climate Change in the Value Chain Program**, with the aim of identifying the maturity of priority suppliers and engaging them in improving their ESG management.

To remain a preferred business partner, the Lavoro Group has also started its first Ecovadis certification process, a platform that will classify our corporate sustainability, with a deadline of December 2024. We will also be reporting our data to the Carbon Disclosure Project (CPD). The scores obtained in these processes will be made public and will be included in the next edition of this report.

The relationship with B2B clients also yielded important recognition in Colombia. **Servigral**, a company part of Lavoro Latam that carries out the complete crop treatment cycle, received the Gold Customer award for the Comfenalco family compensation fund. **“Empresas de la Gente, Unidos Por un Valle del Cauca Empleable<sup>3</sup>”** is a recognition of Servigral as an employer brand, for its contribution to the development of the region, through the creation of new job opportunities in different areas.



<sup>3</sup> Popular Companies, United for an Employable Valle del Cauca. Valle del Cauca is a department of Colombia located in the west of the country.



# INNOVATION FOR A REGENERATIVE AGRICULTURE



At Lavoro, we want to offer a portfolio of technological solutions that meet farmers' needs, blending innovation and sustainability. This is reflected in carefully selected and effective product lines, and in continuous investment in the development of our own brands of agricultural inputs with high efficacy and performance with a positive environmental impact, such as a complete line of biopesticides, adjuvants based on vegetable oils, and organo-mineral and foliar fertilizers essential for high yields. Currently, 80% of the volume of biological products sold by the subsidiaries is private label.

We have also entered into exclusive partnerships with global leaders in agricultural technology, such as **Pattern Ag**, a reference company in soil metagenomic analysis<sup>4</sup> and digital agronomy, and **Stenon**, a leader in real-time soil analysis. Together, these partnerships allow us to go beyond simple chemical soil analysis to include more complete and complex assessments.

<sup>4</sup> Study of genetic material recovered from environmental samples, allowing the identification and characterization of microbial communities present in various environments, such as soil and water.





## Soil DNA analysis

This service transforms traditional fertility analysis into an integrated analysis, whose bio-indicators are used to optimize agronomic planning, through a personalized software experience.

The **Pattern Ag** analysis performs an inspection of the soil's DNA and its results generate a personalized recommendation of the most suitable pesticides, enabling Lavoro's agronomists to set up a strategic product protocol for each client, adapted to each farm's current situation, with a view to the rational use of chemicals and fertilizers and productivity gains.



**Click here** to learn more about Pattern Ag.

### BENEFITS

**4** nematodes analyzed

**10+** soil diseases

**Full soil** chemistry

**7+** foliar diseases

**7+** fertility bioindicators

### RESULTS FROM THE 23/24 PILOT HARVEST

**34 thousand** tests carried out

**120 clients** assisted

Hundreds of samples collected on site

Analyses carried out in the United States

Partnership signed to analyze Agrobiológica client plantations and Union Agro across Brazil

## Instant and on-site verification

In partnership with **Stenon**, soil analysis is carried out in real time with the help of exclusive, portable and simple-to-use equipment that collects data when inserted into the soil by the RTV. It features exclusive German **FarmLab** technology, adapted to tropical agriculture, and is the only one in the world that can measure soil nutrient levels instantaneously. This means there is no need to collect and send samples for analysis. Everything is done on the farm.



### RESULTS FROM THE 23/24 PILOT HARVEST

**Pilot** carried out in Paraná (RS)

**440 thousand hectares** served

**National expansion plan**

**200 clients** assisted

**30 branches** offering the service



**Click here** to learn more about Stenon.

# BIOINPUT RESEARCH AND DEVELOPMENT CENTER

Over the last crop year, **Agrobiológica Sustentabilidade**, a Crop Care associate, took a meaningful step towards strengthening sustainable agriculture after inaugurating the **Johanna Döbereiner Advanced Research Center**, located in Itápolis (SP), dedicated exclusively to the development of new bio-inputs.

Covering an area of 1,800 m<sup>2</sup> and 35 rooms equipped for different activities, such as incubation, insect rearing and molecular analysis, the laboratory was designed to meet the growing demands for innovative and effective solutions, customized to local ecosystems. To expand the center, we also invested in hiring a specialized research and development team, dedicated to boosting four main lines of ongoing research: bioherbicides, biofungicides, bioinsecticides and bionematicides.

Apart from the research activities, the center also houses a training and capacity-building hub, for the qualification of professionals engaged in the biological chain, to ensure that farmers are closely monitored and given proper guidance. By training the team in the field, we believe we will be able to educate and support farmers in adopting regenerative agricultural practices and promoting nature-based solutions at scale and aimed at high outputs, minimizing negative impacts in the fight against pests and crop diseases.



The investment in applied research is an expression of our commitment to more sustainable agriculture, where safe and efficient technologies minimize the impact on the environment and guarantee profitability for producers.

## TRIBUTE TO JOHANNA DÖBEREINER

The new R&D center is named after agronomist Dr. Johanna Döbereiner, one of the pioneers in the use of nitrogen-fixing bacteria in association with plants. The discovery came at a time when few believed that the technique could compete with mineral fertilizers.

The studies conducted by the researcher revolutionized soybean cultivation and had a major impact on Brazilian agriculture.



# SUSTAINABLE PACKAGING

Traditionally, the industry uses high-density polyethylene (HDPE) drums to bottle liquid pesticides. In order to improve the environmental footprint of its products, Agrobiológica Sustentabilidade sought a way to replace these containers with another model that has a lower impact on the environment and better performance.

In the 23-24 harvest, the Company finished the development cycle of the **Bag-in-Box project - innovation in sustainable packaging**. During filling, it will adopt a model consisting of a carton box with light plastic bags inside. This change not only significantly reduces the greenhouse gas (GHG) emissions associated with the production and disposal of plastic, but also reduces the volume of plastic consumed and discarded each harvest.

The development stages for the new packaging were carried out between 2022 and 2024, with a pilot focused on improving the container's design, redefining the filling and quality management processes, as well as obtaining regulatory approval from Ibama (the Brazilian Institute for the Environment and Renewable Natural Resources). In 2024, after field tests evaluating the product's performance and the acceptance of the packaging by rural producers, the pilot was completed.

On this journey, a number of environmental and operational gains have been identified (see opposite), paving the way for Bag-in-Box to be widely adopted on our production lines from the 2024/2025 harvest onwards.

Opting for a new packaging model makes the production process more efficient, as it reduces production time and energy costs, allows for aseptic filling of products, and promotes greater ergonomics as it is significantly lighter than traditional drums, making it easier to handle in the factory operation and by workers on customers' farms in the fields.



## BAG-IN-BOX

**-39%** in the balance of CO<sub>2</sub> emissions relating to the annual consumption of packaging;

**-72%** CO<sub>2</sub> emissions from packaging manufacturing;

**-59%** emissions in inbound transportation when purchasing this packaging;

**-68%**<sup>1</sup> in the mass of waste generated to be transported for disposal in the InPev system;

**-80%** of the pre-fill and post-consumption packaging stock area.

<sup>1</sup> Average reduction

# PRODUCT SAFETY

GRI 3-3 • 416-1 • 417-1

We strictly follow the legislation of the countries in which we operate, ensuring that all processes related to the development, production, registration, handling, storage, transportation and use of inputs and chemical substances comply with local regulations. Labels and prescriptions are standardized to provide precise information on active ingredients, purposes and directions for use.

We have a specialized regulatory team, which takes care of all the registration and labeling processes for products manufactured in-house, and a team to guide the issuance of agronomic prescriptions on a daily basis at all branches during the marketing of inputs in accordance with the regulatory bodies of the respective country.

In the field, our agronomists and agricultural technicians are qualified to advise farmers on the correct and effective application of each type of agrochemical, according to the instructions on the package leaflet, as well as the correct recommendations for the purchase and use of nitrogen or organo-mineral fertilizers and the selection of cultivars, purchase and treatment of seeds.

In Brazil, the products manufactured by Crop Care and marketed by Lavoro require prior approval from the Ministry of Agriculture, Livestock and Supply (MAPA), the National Health Surveillance Agency (Anvisa) and Ibama, which, in addition to assessing efficacy and purpose, also assess any potential negative impact. In Colombia, an environmental compliance matrix enables risk management and ensures compliance in commercial operations with chemicals and fertilizers, as well as in the manufacture of liquid fertilizers under Cenagro's own brand.

## NEW BRAZILIAN REGULATIONS

Faced with the new Brazilian law No. 14.785/2023, which changes the rules for approval, use and marketing of products containing agrochemical substances, Lavoro Group has taken proactive action to adapt to the scenario. The regulatory team closely followed the approval process of the legislation with the associations of which we are a part in order to be previously informed about the impacts of the law and take the necessary measures to ensure compliance of products and processes.

## NEW REGISTRATIONS

In 2023 and 2024, the regulatory team was able to approve six new registrations, four of which are post-patent herbicides. All products are part of Perterra's portfolio and are category 4 or 5, indicating that the products are low in toxicity or unlikely to cause acute harm to life or human health, according to Anvisa's classification. Even so, the proper use of personal protective equipment (PPE) and training in the handling, application and disposal of pesticides is imperative.





## 5

## OUR PEOPLE

Environment, culture and trust .....	48
Engagement and well-being .....	52
Career and development .....	54
Occupational health and safety .....	57





# ENVIRONMENT, CULTURE AND TRUST

GRI 2-7 • 3-3

Given the challenging context of the last crop year, operating in a competitive sector such as agribusiness, it was essential that we continued to invest in our people. During this period, we worked on the continuous recruitment and engagement of employees, offering training (find out more on page 54), improving the working environment (find out more on page 50) and promoting integration among the companies that are part of the Group.

We started a new harvest with 3,767 employees across all operations, an increase of 1.3% in headcount. This is due to factors such as the stabilization of acquisitions of new companies and the adjustment of activities to the economic climate, as well as adjustments in the management of back office activities. However, there was a significant increase of 25% in the number of employees linked to commercial and operational activities at Crop Care companies, and a general increase in the number of Technical Sales Representatives at agricultural resellers in Brazil - of 194 new professionals hired in the cycle, 64 represent an increase in the number of employees.



**3,767 professionals in all of the Lavoro Group's operations.**



# EMPLOYEE PROFILE

GRI 2-7 • 2-8 • 401-1 • 401-2 • 405-1

## TOTAL LAVORO GROUP EMPLOYEES



**1,329**



**2,438**

**36**

INTERNS

**14**

**43**

YOUNG APPRENTICES

**18**



**36%**  
new hires

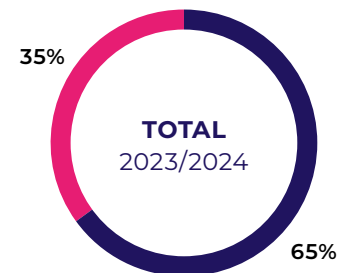
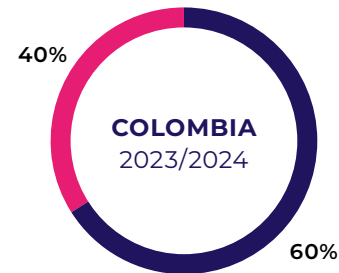
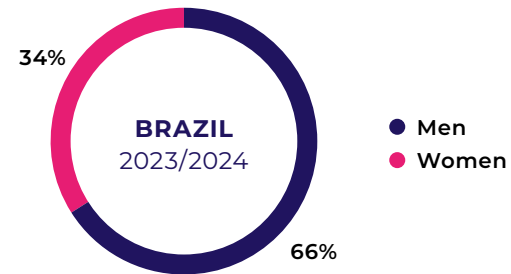


**38%**  
terminations

Detailed information on the Lavoro Group's employees can be found in the Attachments on page 73.

## INFORMATION ON EMPLOYEES<sup>1</sup>

GRI 2-7 • 2-8 • 405-1



<sup>1</sup> All employees are permanent.



# CONTINUOUS CLIMATE IMPROVEMENT

We use all the surveys carried out with our employees to improve the organizational environment. Following the renewal of the GPTW - Great Place to Work seal in the previous crop year, we continue to pay attention to the need to draw up action plans that are in line with the reality of each region. Last year, the Climate actions were defined based on three priority pillars: **feedback**, **communication** and **development**.

To plan action for operations in Brazil, in 2024 an analysis was made of almost 900 feedback sessions between leaders and subordinates recorded in the performance evaluation system. This made it possible to identify employees' development requirements and suggest improvements for individual development and/or succession plans (more information in Careers and Development, on page 54).

These actions are ongoing in the regional offices, with the Climate Committees managing the plans. What's more, all employees can contribute ideas and initiatives and organize themselves to implement them.

In Colombia, the last crop year was dedicated to understanding the different cultures that make up Lavoro Colombia, with the aim of preparing companies for a confident transition to a more solid culture. Among the

initiatives were celebratory and recognition practices, such as time in the company. The Lavoro DNA campaign had 82% participation and selected representatives for seven values:

- Live Our History;
- Adherence to Lavoro Values;
- Prioritize customers;
- Take charge and be the protagonist of your own development;
- Promote innovation;
- Respect Diversity;
- Understand your role in the business.



## CONECTAreas

The ConectAreas Workshop is an initiative that is part of the GPTW Action Plan and was created collectively by the holding company's administrative employees in order to improve the organizational climate and foster increased knowledge about the work and responsibilities of the areas that operate in the Curitiba office, where the Lavoro Solutions Center - CSL - is located.

In the 2023/2024 harvest, five meetings were held, with around 75 employees attending each session, and an NPS 95 evaluation by the participants.

- 1° - Tax Department
- 2° - Legal Compliance
- 3° - Legal Contracts
- 4° - CSL Registration
- 5° - CSL Payroll and Benefits



# EQUALITY AND EQUAL OPPORTUNITIES

GRI 401-3 · 405-1 · 405-2

Because of the Lavoro Group's regional coverage in South America, workforce diversity is something that is inherent to the business. All employees must sign the Code of Conduct and Ethics and participate in the Integrity Program, reinforcing our commitment against any form of disrespect, gender or racial prejudice, and moral or sexual harassment.

Our efforts on the gender agenda are ongoing, cementing our commitment to increasing the presence of women in the agricultural sector. All the companies in the Lavoro ecosystem in Brazil are members of the Empresa Cidadã (Citizen Company) program, which guarantees maternity leave extended to 120 days and paternity leave extended to 30 days, according to employee requests. In Colombia, the law provides for a period of stability when returning to work after maternity leave, of three months, known as "*fuero de maternidad*".

Since 2022, we have been monitoring the gender pay gap and making the data public. In Brazil, women's pay is equivalent, according to the general average, to 95% of men's pay (find out more on page 73). Specific situations that require correction are mapped out at regional level. Measures to mitigate unjustifiable differences can



be drawn up once the ongoing project to restructure the jobs and salaries plan has been completed, and is scheduled for the 2024-2025 harvest.

Within the framework of our initiatives, we launched the **Affirmative Vacancies Talent Bank - Leadership and Commercial**, a strategic tool to identify and recruit female talent, fostering diversity in our teams. In this vein, every recruitment process encourages black professionals, women who are mothers, LGBT+ people, people aged 50+ or with disabilities, and young people who want to start their careers at Lavoro and grow in agribusiness together with us.

We also monitored the retention of female employees following maternity leave. In Colombia, 80% returned to work, and in Brazil, 92%, compared to 100% of men in both countries.



# ENGAGEMENT AND WELL-BEING

## COMPENSATION AND BENEFITS

GRI 2-20 · 401-2

In the last crop year, we moved forward in improving human resources policies linked to employee compensation, such as job description, promotion and merit policies, union readjustments, alternative working hours and home office, among others.

Specifically, continuous market research is also carried out with specialized consultants to update salary ranges and ensure that employees are paid in line with market standards. In Colombia, the benefits package reflects the reality of the country and may differ from the Brazilian benefits package.

### HEALTH PLANS

In a bid to facilitate the rational use of health insurance services, Lavoro entered into a partnership with the insurance management broker and now has an exclusive service to answer questions from employees throughout Brazil and improve the experience of using **health, dental and life insurance benefits**.



Support is aimed at various topics, such as understanding contractual rules, the coverage area, reimbursement processes, issuing medical authorizations, authorizing procedures and deadlines, access to apps, and the accredited network, among other requests.

The benefits packages for Brazil and Colombia may include:



Health and dental plans



Telemedicine service for emergency consultations<sup>1</sup>



Payroll loans



Profit Sharing Program



Support and care for parents of people with Autism Spectrum Disorder (ASD)<sup>1</sup>



Life Insurance

<sup>1</sup> Benefit eligible only to employees in Brazil.



# EMPLOYEE RELATIONS



To strengthen the culture of the Lavoro Group and have an active interaction with its employees, the company uses a variety of measures. Following the Climate surveys, it aims to pay attention to the direct requests of its workers in order to address their top concerns and create a perfect workplace for all.

## CANAL DIRETO

An online meeting held quarterly or in extraordinary editions by the CEO and Executive Officers to present results, strategy and actions being carried out during the period. Apart from the presentation, it is an open space where employees can ask questions and express themselves in a transparent manner. It is broadcasted simultaneously to all operations.

## AGROTALK

Main communication channel, via an app, with communications sent by e-mail and a daily newsletter on the most important topics. In the app, employees also have access to video streaming, a library, discussion forums, the HR Portal and the Transparency Channel.

## MANAGEMENT COMMITTEE

A meeting of directors from all regions with the aim of updating members on corporate strategy. Held quarterly, it provides communication among different directors and the Lavoro Group's strategy, ensuring integration and sharing of experiences.

## HR BULLETIN

Monthly newsletter compiling information on the people management universe, including promotions during the period, new job openings and initiatives to improve the climate.

## LIDERA RH

Lidera RH is a meeting between HR leaders and specialists and all the other managers in the organization. It is a channel for openness and sharing experiences so that leaders feel involved in the construction of human resources policies and decisions, as well as being able to share the challenges of managing people and areas.

# CAREER AND DEVELOPMENT

The commitment to employees' professional development saw progress in training aimed at the Company's middle management, professionals who hold strategic positions for succession, and who directly drive team performance. This specific focus was important for keeping teams engaged in achieving goals and results.

In parallel, we continue to offer mandatory and specific training for all positions, ensuring that all employees have access to development opportunities through the **AgroSemear** corporate university.

Within the Corporate Education program, an additional initiative stemming from the action plans based on the GPTW survey is creating educational partnerships to meet the development needs of employees in Brazil, as indicated in feedback, individual development plans or succession plans. These are partnerships with educational units, offering discounted courses and direct involvement of universities in employee development through in-house workshops on topics of interest.

AVERAGE TRAINING HOURS PER YEAR, PER EMPLOYEE **GRI 404-1**

	2023/2024			2022/2023	2021/2022
	Men	Women	Total	Total	Total
Mandatory training hours <sup>1</sup>	17,768	8,100	25,868	50,628	13,105
Averaged	7.3	6.1	6.9	13.6	3.9
Non-mandatory training hours	41,701	13,946	55,646	58,065	6,180
Averaged	17.1	10.5	14.8	15.6	1.9
<b>Total</b>	<b>59,469</b>	<b>22,046</b>	<b>81,514</b>	<b>108,693</b>	<b>19,285</b>
<b>Overall average</b>	<b>24.4</b>	<b>16.6</b>	<b>21.6</b>	<b>28.9</b>	<b>5.8</b>

<sup>1</sup>In Colombia and in the CropCare industries, there are mandatory trainings to ensure the integrity of functions. In Brazil, mandatory trainings are targeted at specific categories, which lowers the average. In general, these trainings refer to safety, health, and compliance.

The total number of training hours offered amounts to 81.5 thousand hours, of which 25.9 thousand are mandatory training (32%) and 55.6 thousand (68%) are additional training for the workforce. On average, each employee takes 6.87 hours of mandatory training and 14.77 hours of additional training, giving an overall average of 21.6 hours per employee.

Looking at the overall data, men receive 73% of the training hours and women 27%. This is explained by the concentration of male workers in the sales force. The figures for mandatory training also reflect this difference, with 69% of the hours going to men and 31% to women.

## UNILAVORO IS NOW AGROSEMEAR



AgroSemear is the Lavoro Group's learning platform for Brazil, focused on the user experience during the learning journey.

Using the platform, employees can select topics of interest to them so that courses in their area can be recommended. All the courses are grouped together in the **Learning Trail**, which includes those in progress and the recommended trails.

Note: In Colombia, the UniLavoro tool is still active.



# TRAINING PROGRAMS

GRI 404-2

## LAVORO MANAGEMENT PROGRAM (PGL)

To boost the development of management skills in leaders of administrative and commercial areas, over the past year we have held a number of classroom training sessions. As a complement to the training courses, we have prepared a guide for Lavoro's middle management, **Help Gestor**, which provides guidance on the role of leadership in the employee's journey. The guide covers 12 macro-themes: opening a vacancy; recruitment; hiring and starting work; benefits; ethical behavior; use of reimbursement platforms; fleet information; AgroSemear; working hours control; vacations; performance management and dismissal. These initiatives were inspired by GPTW surveys.



## SALES ACADEMY

Concentrating on the commercial area, the Sales Academy has existed since 2022, with trails dedicated to both leadership and sales excellence. The course consists of dynamic activities, with classroom lessons, videos, exercises and applied cases, covering topics such as portfolio analysis, territory management, negotiation, sales planning and financial management.



## LEADERSHIP SCHOOL

In Colombia, the Leadership School was followed up more closely with the purpose of better understanding the profile of the different company leaders in the country and strengthening them. Two cycles were held with three sessions each, plus two additional ones, totaling 20 hours. Topics covered included Strategic Vision, Focus on Results, People and Environment.

We achieved 81% participation from leadership assessed as strategic, reliable, ambitious and highly adaptable.

## UNILAVORO COLOMBIA

The most attended training sessions were:

- Healthy breaks;
- Negotiation;
- Collaborative work;
- Innovation in people management;
- Assertive communication;
- Time management and administration.

# EMPLOYEE PERFORMANCE

GRI 404-3

The performance evaluation is included in the Performance Management program and is carried out annually for groups of eligible employees. After the evaluation process, each professional, together with his or her manager, develops an Individual Development Plan (IDP), which is key to identifying and working on the skills and behaviors to be developed. In both Brazil and Colombia, the performance evaluation factors have been integrated into the corporate values.

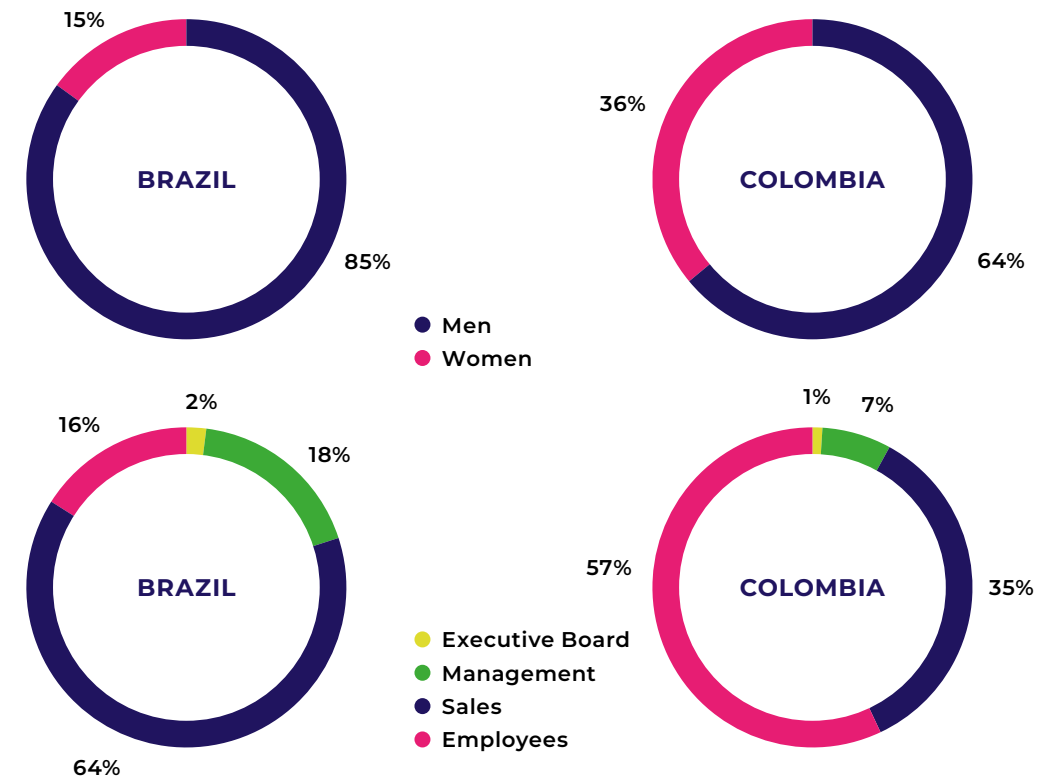
In Colombia, 100% of employees are eligible for a full evaluation cycle. In Brazil, all employees from the position of supervisor or higher, up to the board of directors, are eligible. Also, 100% of the commercial team, which is the main functional category, is evaluated. The others are entitled to structured feedback sessions at least once a year.

Eighteen training sessions were held in 2023/2024 for leaders and employees on the assessment process, explaining the competencies, scoring methods, development and recognition points, among other topics, in order to improve the process in the Brazilian regional offices. To support the evaluators, a performance management guide was drawn up which brings together the core elements that everyone in the Group must know and practice on a daily basis.

Also as part of the human and organizational development measures, the Succession Plan model was structured, an example of how we can fairly promote internal mobility, both horizontal and vertical, showing employees the next steps in their careers. The leadership was trained to understand how their employees are evaluated internally and how they can identify development opportunities for everyone and potential successors, anticipating opportunities for professional advancement.

## PERFORMANCE ASSESSMENTS

Distribution of eligible employees by gender and functional category:





# OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3 · 403-1 · 403-2 · 403-3 · 403-4 · 403-5 · 403-7 · 403-8 · 403-9



Health, Safety and Environment (HSE) management defines responsibilities, standards, procedures and deadlines to be followed to ensure a safe and healthy working environment for everyone. It is integrated into a system that records and evaluates occupational health and safety performance, as well as environmental and regulatory practices and training, allowing for a holistic and efficient view of the entire operation.

We recorded an **82% drop in the number of accidents at work with serious consequences, and a 15% drop in the number of incidents with mandatory reporting.** In the 23/24 harvest, we recorded no fatal accidents.

**100% of the Lavoro Group's professionals are covered by the Occupational Health and Safety Management System.**

At Lavoro Brasil, we follow the guidelines established by the Regulatory Norms (NR), which provide complementary guidelines for Occupational Safety and Medicine and cover the occupational risks linked to the trade of chemical pesticides, fertilizers and other agricultural products. These standards cover everything from the need to use Personal Protective Equipment (PPE) to how employees should handle hazardous materials, among others.

In Colombia, occupational safety management strictly follows local legislation, which stipulates minimum compliance standards. Moreover, annual audits are carried out to ensure that all operations are in line with best safety practices.

To ensure governance and transparency, the topic is regularly reported to leadership and senior management through formally constituted Committees.



## VALUING MENTAL HEALTH

Mental health monitoring was intensified during the covid-19 pandemic and has become a permanent program, **Lavoro Pela Vida**, applicable to all Group companies. Mental health themes are monitored by tracking employees' medical notes and leaves of absence.

For mental health assistance, all employees have access to a hotline in the event of a complaint or diagnosis, provided by a specialized service, free of charge. During the consultation, trained professionals identify the best indication, such as referral to treatment, which can be carried out by the health service available as a benefit.

Every year, we hold a special prevention program for mental health problems in Yellow September, engaging all employees.



# RISK MAPPING AND PREVENTION

GRI 403-2 • 403-2 • 403-7

In crop year 2023/2024, the Lavoro Group's expansion and the need for more systematic risk management led to improvements in the environmental management system. Currently, the main impacts are related to activities involving the application of inputs on uneven terrain, specific to service operations in Colombia, and traffic incidents, since around a thousand vehicles are driven by employees every day, especially in Brazilian commercial activities.

We hold annual health days, training sessions and environmental measurements with the aim of ensuring that workers are in safe places and healthy environments in which to carry out their activities. Part of the breakthroughs in the last crop year at Lavoro Brasil was the implementation of the **easy checklist**, a tool that standardizes the inspection of risks in stores and operational units and the monitoring of the implementation of preventive and corrective measures, recording a history of inspections that can be used to develop continuous improvement plans.

To keep track of employee accidents, over the last crop year we also implemented the **Lavoro Safety Index**, to effectively monitor variations in safety rates and draw up specific action plans. In the base year 2022/2023 it was 3.46 and fell to 1.5 in 2023/2024, a period in which we recorded 20% higher participation in Weekly Safety

Dialogues, a significant reduction in absence days in four out of five business units, and a 13% participation increase in mandatory safety trainings.

## OCCUPATIONAL ACCIDENTS **GRI 403-9**

	2023/2024	Index <sup>1</sup>	2022/2023	Index	2021/2022	Index
Number of fatalities as a result of work-related injury	0	0.000%	3	0.002%	3	0.002%
Number of high-consequence work-related injuries (excluding fatalities)	3	0.002%	17	0.009%	29	0.015%
Number of recordable work-related injuries	136	0.068%	161	0.081%	38	0.019%
Total accidents with the main types of accidents at work <sup>2</sup>	122	0.061%	141	0.071%	N/D	N/D
Total hours worked	11,746,392		8,385,123		N/D	

<sup>1</sup> The index is calculated on the basis of 2,000,000.

<sup>2</sup> In Brazil, the main types of occupational accidents are traffic accidents or those involving commercial workers. In 23/24, there were 57 vehicle accidents, 11 of which required mandatory reporting due to medical leave or the need for health treatment. In Colombia, accidents are mainly caused by pesticide applicators falling on unstable ground in rural areas.

In Colombia, investigating root causes was the key to making progress in risk mitigation. During the last cycle, we completed the investment to replace the metal compression application pumps with plastic pumps that run on electric batteries. This eliminated the risk of physical accidents due to the air pressure in the device. This change has also contributed to improved health conditions for employees, since the new equipment is lighter and requires less physical effort from the teams using these work tools.

During Occupational Health and Safety Week, held annually, over 800 people underwent health assessments and special activities such as the planting of 640 native tree seedlings in the four departments where we are present.

All employees have the right, under current legislation in Brazil and Colombia, to refuse to work when they identify exposure to any risk until the situation is remedied.

Furthermore, they are encouraged to report any concerns and/or violations of Occupational Health and



Safety rules. The accident reporting and investigation process follows standardized stages to investigate accidents, near misses and work incidents, as well as analyzing unsafe conditions and identifying the cause of these events, with the intention of extracting lessons learned and preventing similar situations from occurring in the future.

**We have a target of zero serious accidents per year by 2025.**

## “SAFE DRIVING” PROGRAM AWARDED

Lavoro Brasil's “Safe Driving” program was ranked 5th in the 100 Best Fleets award, promoted by NAFA Fleet Management Association and Instituto Parar, in November 2023.

The program represents the implementation of the Fleet Policy and the Consequences Policy, and is intended to introduce, from 2022, a culture of safety and protection of the lives of employees who use vehicles in their work routine.

In the 23/24 harvest, 11 accidents involving vehicles were recorded, compared to 51 in the previous cycle, a 78% drop. Among the initiatives that have contributed to this good result is a comprehensive training program for drivers and regular maintenance of vehicles to prevent risks.

The company has also taken on the task of real-time monitoring of journeys, using data generated by telemetry. This allows us to assess adherence to safe driving standards in aspects such as maximum speed control, abrupt movements (acceleration, braking and turning) and journeys after hours or in locations incompatible with the operation, as well as monitoring accident alerts. Each driver receives a monthly driving performance report, while leaders have access to a management dashboard with a view of their team.





# BUILDING A SAFETY CULTURE

GRI 403-4 · 403-5 · 403-7

Risk prevention and mitigation guidelines are communicated in the Health, Safety and Environment integration and shared frequently with employees through weekly Safety Dialogues and the HSE Committee. In Brazil, there are also internal accident prevention committees (CIPAs) and, in Colombia, meetings of the Joint Occupational Health and Safety Committee.

The mandatory HSE training in Brazil includes training in Safe Driving, CIPA Training, Brigade Training, Use, Safekeeping and Conservation of PPE, Handling and Operation of Hazardous Products, Working at Heights, Confined Space, among others. All employees who work in the storage, transportation, marketing and dispensing of pesticides receive mandatory training for licensing or additional training on safety when handling hazardous substances. These training sessions include demonstrations on the use, application, transportation and storage of chemicals and procedures in the event of accidents, leaks due to ruptured packaging or accidental spillage.

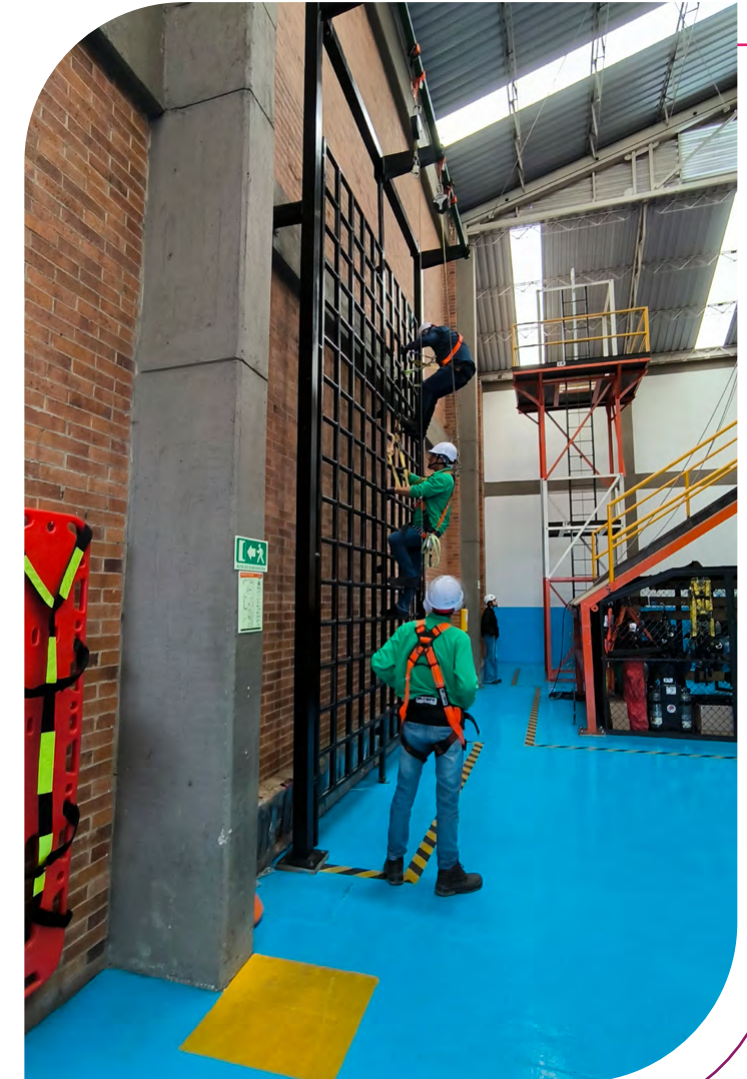
In Colombia, workers are involved from the start of the process to identify the risks and participate in designing control strategies. They contribute to the creation of risk matrices through interviews, and to the strategies for establishing controls. The

Joint Occupational Health and Safety Committee (COPASST), required by Resolution 2013, is made up of workers elected by their colleagues every two years, acting as representatives to ensure that their voices are heard in the definition of health and safety measures.

What's more, Colombian companies are obliged to carry out a psychosocial risk survey, in accordance with local regulations (Resolution 2.764). This survey helps to identify factors that can cause dissatisfaction and problems related to the work environment. The results are used to draw up annual continuous improvement plans.

**At Lavoro, all employees have a direct channel to the Health, Safety and Environment (HSE) team to report unsafe conditions.**

To prevent the main risks identified, such as chemical and biomechanical risks, activities are carried out to ensure safe and healthy working environments, with comprehensive training in first aid, firefighting, emergency evacuation, and other topics.



## 6

SOCIAL AND  
ENVIRONMENTAL  
RESPONSIBILITY

Environmental performance .....	63
Community Relations .....	69





# ENVIRONMENTAL PERFORMANCE

GRI 2-25 • 3-3

The environmental performance of input production, resale and indirect grain origination activities is captured in the Lavoro Group's direct operations and value chain. The fronts include internal monitoring of resource use, greenhouse gas emissions, regulatory aspects, observing the impacts of the portfolio on the environment, and verification of the agricultural practices adopted by clients, as well as respect for social and environmental compliance in direct operations and in the value chain..

We continually identify risks and opportunities, which allows us to act preemptively to mitigate the direct and indirect impacts of our activities on biodiversity and global climate change. We strive to offer products with a lower environmental impact, such as the use of biologicals at scale, and continually invest in nature-based solutions (find out more on page 44). We also seek to monitor our business operations so as not to encourage

farming in illegally deforested areas (find out more on page 40) and to engage our stakeholders - such as employees, clients and suppliers - towards a more sustainable agriculture (find out more on pages 41, 42 and 45).

All the companies that make up the Lavoro Group platform must comply with environmental legislation and undergo detailed studies regarding their practices and potential impacts at the operational level. The studies are carried out by means of document and field analysis and, following the acquisition of new companies, we continuously monitor them, especially in relation to regulatory aspects, the maintenance of licenses, and data related to greenhouse gas (GHG) emissions, water, energy and fuel consumption, and the proper disposal of waste.

## Water

In the 2023/2024 cycle, the Lavoro Group experienced a rise of around 56% in water withdrawal consumption compared to the previous period. The total volume of water withdrawn was 83.2 megaliters, of which 92% came from third parties (concessionaires or municipal supply companies) and 8% was extracted from underground sources (artesian wells). This increase is related to the incorporation of data from four new companies acquired in recent years, the expansion of plant operations and improvements in data recording and reporting.

In terms of effluent generation, the Lavoro Group accounted for 17.3 megaliters in the 2023/2024 cycle, equivalent to 18% of the total volume of water collected. The low rate is explained by challenges in data collection, which is being improved at the operating units. Moreover, part of the water collected is used in the production process. As a measure to manage this resource, we plan to start monitoring the volume of water incorporated into products at the units with the highest consumption.

### WATER WITHDRAWAL<sup>1</sup> GRI 303-3

Water withdrawal per source (in megaliters)	2023/2024	2022/2023	2021/2022
Water withdrawn from third parties (supply service by public or private providers)	76.18	51.22	49.68
Groundwater (artesian well)	4.01	2.23	2.31
<b>Total</b>	<b>83.19</b>	<b>53.45</b>	<b>51.99</b>

<sup>1</sup> For this cycle, data reflects coverage of around 70% of the operation, considering the businesses in Brazil and Colombia.

# Energy

Total electricity consumption rose by 12% compared to the previous year. This variation is due to the conclusion of the recent incorporations, introductions and openings of new branches in the clusters, such as Coram in the East cluster and the Referência, Casa Trevo and KTR units in the South cluster. In contrast, the operation in Colombia saw a 22% reduction in consumption, as a result of improvements in energy efficiency.

An important advance was the greater granularity in the measurement of electricity, now classified according to acquisition by concessionaire, free contracting environment and incentivized energy. For the next report, we will include these new categories, which reached 10% of consumption in the 2022/2023 period.

Over the last crop year, there was a significant increase in energy consumption from LPG gas, used in forklifts to move stock, which grew by 27% compared to the 2022/2023 period. This growth is directly related

to the increase in sales volume, and the incorporation of new companies and branches when measuring the consumption of this fuel. In Colombia, the replacement of LPG forklifts with electric ones has contributed to lower consumption of fossil fuels, with a 25% reduction in the last cycle.

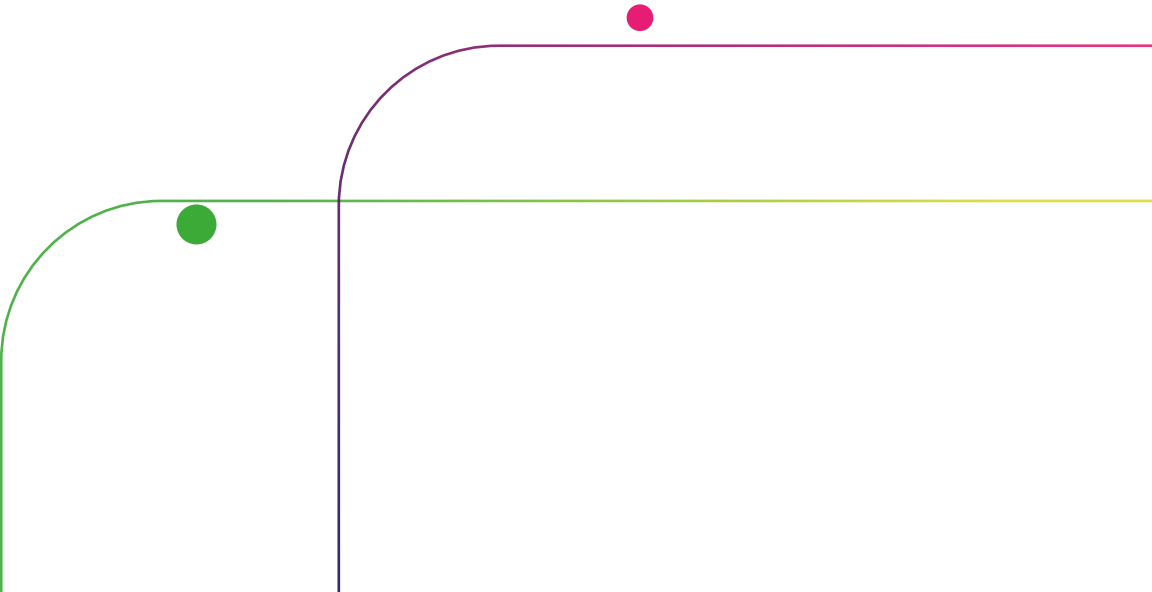
Another improvement in the quality of data collection is that we are now recording the consumption of firewood and fuel oil, contributing to a more detailed energy analysis. Finally, the consumption of ethanol as a renewable fuel increased approximately sevenfold, highlighting the efforts towards a more sustainable energy matrix.

## ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)

GRI 302-1

Energy consumption by source (Gigajoule)	2023/2024	2022/2023	2021/2022
Fuel consumption from non-renewable sources	139,078.95	82,157.00	103,001.83
Fuel consumption from renewable sources	27,302.84	3,867.57	10,479.49
Electricity	26,678.96	23,717.55	15,876.35
Total	193,060.75	109,742.11	129,357.67

Note: Fuels from non-renewable sources: gasoline (regular and additivated), LPG, and diesel (S-10, regular and ADT). Fuels from renewable sources: ethanol (regular and additivated) and biodiesel. Electricity supplied by concessionaires, public supply service providers.





# EMISSIONS MANAGEMENT

GRI 3-3 • 305-1 • 305-2

Climate change may affect agriculture in terms of productivity, crop quality and availability of essential natural resources, such as water, soil fertility and the predictability of rainfall and temperature patterns. Extreme weather events, such as prolonged droughts and floods, are becoming more frequent, causing significant damage to crops, as seen in the last El Niño and the flooding in Rio Grande do Sul.

Since 2020, we have been monitoring our emissions through the Greenhouse Gas (GHG) inventory, scopes 1 and 2, in accordance with the guidelines of the Brazilian GHG Protocol Program and the IPCC Guidelines for GHG Inventories, and over this period we have sought to improve the mapping of emission sources and data collection. As of 2025, we will also be monitoring scope 3, which covers emissions throughout the value chain.

The current inventory, for calendar year 2023, covers emissions from the activities of 40 companies, 33 of which are located in Brazil and seven in Colombia. The total value of registered emissions was lower than that reported in the previous year due to less data being collected as a result of the change in collection method. We are committed to expanding coverage for the next cycle.

## DIRECT AND INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (tCO<sub>2</sub>eq) GRI 305-1 • 305-2

Greenhouse gas emissions by scope	2023	2022	2021
Scope 1	7,625.83	9,438.3	2,593.38
Mobile combustion <sup>1</sup>	7,400.81	8,815.28	2,556.01
Fugitive emissions <sup>2</sup>	6.96	75.81	21.03
Liquid effluents <sup>3</sup>	-	-	16.34
Stationary combustion <sup>4</sup>	218.06	547.16	
Scope 2	301.49	241.39	304.14
Purchase of electric power	301.49	241.39	304.14
Emissão total (tCO <sub>2</sub> eq) Scope 1 and 2	7,927.32	9,679.64	2,897.52

Notes: The emissions inventory, as required by the methodology, follows the calendar year (January to December), and not the crop year (July to June of the following year). In 2023, the number of companies covered by the inventory rose from 29 to 40. Around 70% of monthly consumption could be recorded. Additional sources were considered.

<sup>1</sup> Mobile combustion: emissions related to the use of fossil fuels in light and heavy vehicles, forklifts and the company's own equipment used to move people or cargo. The emission factor for gasoline in Colombia has changed from 0.001684 to 0.005741, due to the recommendation to change the methodological source from BEN (Balanço Energético Nacional) to FECOC (Factores de emision de los combustibles colombianos).

<sup>2</sup> Fugitive emissions: refer to those that occur due to unintentional equipment gas leaks. The sources identified were CO<sub>2</sub> fire extinguishers and refills in air conditioners.

<sup>3</sup> Liquid effluents: resulting from the anaerobic treatment of liquid effluents with the release of gases such as methane into the atmosphere. Scope 1: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and HFCs. Scope 2: CO<sub>2</sub>.

<sup>4</sup> Stationary combustion: greenhouse gas emissions from the burning of fuel, in which oxidation takes place. The energy generated by combustion is generally used to produce steam or electricity.

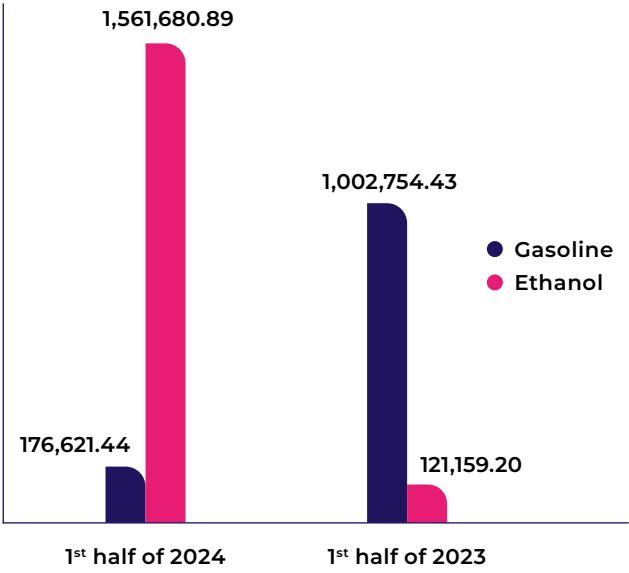
The Lavoro Group's main sources of emissions (~97%) come from the use of fuels in the fleet of light vehicles controlled by the company. Although vehicle emissions are a typical feature of the sector, as of 2024, we have engaged our teams to use biofuels in distribution companies in Brazil as a form of mitigation. From the next inventory, we will measure the drop in GHG emissions related to the use of biofuels in Brazil. However, we have already seen significant adherence to mitigation measures: ethanol consumption between January and June increased 12 times compared to the same period in 2023; at the same time, gasoline consumption fell more than five times in the same period.

Last year, it was required to correct the methodology for calculating emissions related to fuel consumption in Colombia. This methodological change led to a variation in the emission factor related to fuel consumption in Colombia. To quantify these emissions, we used the specific emission factor for gasoline in the country, which represents a lower incorporation of biofuels compared to Brazil. This had a significant impact on the calculation of tons of CO<sub>2</sub> equivalent, increasing the amount of emissions reported, even though gasoline consumption in operations varied by only 14.4% over the same period, a growth in line with the expansion of our commercial operations. In Colombia, there is no supply of biofuels for vehicles or feasibility of electrifying the fleet with guaranteed supply in rural areas.

Lavoro Group's second largest source of emissions is electricity consumption at its operating units. As part of the mitigation measures in scope 2, since 2022, 21 units located in the state of Minas Gerais (MG) have been supplied by 100% renewable energy from distributed generation solar parks.

For the 2024/2025 harvest, a feasibility study is underway to change the energy source of another 40 branches in the states of MG, SP, GO and MS.

GASOLINE AND ETHANOL CONSUMPTION (LITERS)



BIOGENIC CO<sub>2</sub> EMISSIONS

Biogenic CO<sub>2</sub> emissions are recorded separately because they are part of the natural carbon cycle. They account for the GHG emitted by burning biofuels, such as ethanol, which had been removed from the atmosphere by photosynthesis, so they have no additional negative impact on the concentration of CO<sub>2</sub> in the atmosphere.

BIOGENIC CO<sub>2</sub> EMISSIONS (TONS) **GRI 305-1**

	2023	2022	2021
Emitting source			
Vehicles – ethanol	1,779.08	518.02	760.04
Vehicles – gasoline	66.34	1,668.76	309.09
Vehicles - diesel	95.22	171.92	126.62
Vehicles - biodiesel	-	0.82	-
Stationary combustion - firewood	2,578.38	6,457.05	-
Total	4,519.03	8,816.57	1,195.75

Note: the data refer to the emission of biogenic CO<sub>2</sub> in mobile combustion.



# WASTE MANAGEMENT AND REVERSE LOGISTICS

GRI 306-3 • 306-4 • 306-5

The primary and secondary packaging is the main source of waste for the Lavoro and Crop Care companies, the destination of which is well defined by current legislation, with roles and responsibilities established for the whole chain. The correct handling of chemical product packaging aims to avoid contaminating people and the environment.

Following the shared responsibility provided for in Federal Law No. 9,974/00 and Brazil's National Solid Waste Policy, enacted by Law No. 2,305/10, Lavoro Group dealers are associated with local packaging collection organizations throughout Brazil. All instructions for handling and disposing of the packaging are given to the farmer in the agronomic instructions. The manufacturing companies, linked to Crop Care, are members of the National Institute for Processing Empty Packaging (inpEV), a non-profit organization maintained by the pesticide industry, which takes care of the recovery and reprocessing of packaging, ensuring the circular economy of these raw materials. Every year, over 90% of the pesticide packaging sold is recovered and reprocessed by the so-called Campo Limpo National System<sup>1</sup>.

In Colombia, reverse logistics is coordinated by the Plan de Gestión de Devolución de Productos Post-consumo, in force since 2005. The collection, transport, handling and final disposal of the material, reinserting it into the production system through recycling, is carried out by specialized companies. During the crop year, Lavoro Colombia held regular collection sessions for post-consumer and reusable waste, both internally, at the units that apply and produce products, and externally, promoting reverse logistics with customers.

We began to record and report a greater volume of non-hazardous waste for recycling than in previous years, rising from 492.91 tons in 2022/2023 to 13,588.80 tons this season, when the volume of packaging disposed of in input application activities carried out in two Colombian companies was included. The sales volume has also increased, leading to greater disposal of paper, cardboard and plastic from secondary packaging in operations.

On the other hand, the data on hazardous waste disposal through incineration varied from 9.82 to 55.77 tons due to the incorporation of the residual volume

from input application and seed treatment operations. In all operations, in the event of contamination of secondary packaging or accidental breakage of chemical containers, the material is isolated, secured and sent for incineration by specialized contractors.



<sup>1</sup> Dados do Instituto Nacional de Processamento de Embalagens Vazias (inpEV).

WASTE GENERATION (TONS) GRI 306-3 • 306-4 • 306-5

	2023/2024		2022/2023		2021/2022	
Destination	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Reuse <sup>1</sup>	868.21	0.00	121.11	0.00	213.86	0.00
Recycling <sup>2</sup>	13,588.80	0.00	492.91	0.00	78.51	0.00
Landfill <sup>3</sup>	2,989.39	0.00	1,887.82	0.00	N/D	0.00
Incineration <sup>4</sup>	0,00	55.77	0.00	9.82	0.00	14.81
Total	17,446.40	55.77	2,501.83	9.82	297.37	14.81

<sup>1</sup> The internally reusable waste we are able to measure is wooden pallets from internal logistics operations.

<sup>2</sup> Volumes of paper, cardboard and plastic have been converted from liters (which is how most units control them) to tons, considering the density of such materials.

<sup>3</sup> The volume of common waste disposed of increased compared to the previous year due to the incorporation of data from new acquired companies that became part of the report and the opening of new branches in the period.

<sup>4</sup> Most of the hazardous waste comes from seed treatment activities carried out at authorized subsidiaries and from mixing activities for pesticide application at subsidiaries in Colombia. In the other subsidiaries, this volume is occasional.

ENVIRONMENTAL RECOVERY GRI 2-27

In March 2024, Cromo Química warehouse, part of the Crop Care holding company, was damaged by a fire that affected the entire unit. After the firefighters had contained the fire, it was noticed that, due to the water pressure during the firefighting, products had leaked into the external environment, reaching a small local water body.

As treatment and mitigation, the specialized company AMBIPAR was hired immediately to clean up the site and its surroundings, as well as contain the leak and clean up the stream. Technicians collected samples and carried out the necessary

analyses to manage potential contamination. There was a one-off fish kill (around 400kg) due to a change in water pH. The situation normalized after the clean-up.

All the relevant public bodies were involved in dealing with the incident. To date, fire department investigations have not identified a cause for the fire. Cromo Química has not been penalized for the aftermath of the fire. Approximately BRL 925,000 was invested in mitigating the damage and complying with the entire protocol for cleaning up the area and environmental recovery.

SUPPLIER EVALUATION

GRI 3-3

In 2023/2024, we continued to improve the structuring of a Supplier Social and Environmental Evaluation process. We carried out an internal study, through a Committee dedicated to the subject, to identify the priority categories and critical supplier companies - by criteria such as spend, general risk, socio-environmental risk and dependency.

From the study, we identified the need for improvements in the contract of the prioritized categories, the creation of a documental checklist and improvement in evaluation methods.

Companies in the following segments will undergo periodic evaluation: fertilizers, post-patent chemicals, outsourced labor, logistics (transport and storage), consultancies (business, IT and audits), fairs and events. Companies supplying temporary and outsourced labor underwent the evaluation in 2023, extending the pilot and providing input to refine the evaluation tool.

In 2024, we repeated the assessment of companies manufacturing our own-brand Perterra post-patent chemical pesticides, located in Asia. All the companies evaluated performed well on socio-environmental issues.



# COMMUNITY RELATIONS

GRI 408-1 • 409-1

We realize that the Lavoro Group's regional reach has a direct impact on the communities where we operate, especially on the lives of farmers, the local economy and the environment. With regard to respect for human rights and the rights of traditional communities, we ensure that the financing of operations by our clients, producers and rural producers does not take place in non-conforming or protected areas, avoiding economic exploitation in integral conservation units and indigenous or quilombola territories. We have also established means of systematically verifying the confirmed or potential occurrence of child labor or labor analogous to slavery, whether involving suppliers or clients (learn more on page 40).

Social initiatives were carried out with the company's own resources and those collected from employees and partners, totaling over BRL 550,000, in addition to the execution of another BRL 500,000 with tax waiver resources from the previous harvest.



## Plante amor, colha esperança 2023

During the 2023/2024 cycle, we continued with the annual food collection campaign "**Plante Amor, Colha Esperança**" (Plant Love, Harvest Hope) and donated 43 tons of food to charities in Brazil and Colombia, social projects and traditional communities, in partnership with the Christmas without Hunger Campaign, carried out annually by the NGO Ação da Cidadania.

The collection directly at the branches amounted to 13 tons, distributed to dozens of institutions across the country. The food packages destined for Christmas Without Hunger were sent to the municipalities of Estrela (RS), Paragominas and Dom Eliseu (PA) and Imperatriz (MA).

## Juntos pelo Rio Grande do Sul

Rio Grande do Sul saw major floods in September and November of 2023 due to extreme weather occurrences, and in May of 2024, more than 450 cities were entirely submerged under water. Tens of thousands of people lost their homes, over 70 individuals died, and almost 600,000 people were left homeless.

Lavoro employs around 200 people in the companies located in Rio Grande do Sul, Cromo (Crop Care), with two manufacturing and storage units, and the resellers Referência, Casa Trevo and CATR (South Cluster), which together have 14 branches, serving customers in crops such as soybeans, corn, wheat, vegetables, among others.

In all the incidents, our emergency response was primarily aimed at assisting employees. We did not record any loss of life or accidents, nor did we have any employees displaced from their homes. During the May floods, we focused our efforts on helping the communities in which we operate. We raised BRL 200,000 in donations in one week, in the **Juntos pelo RS**, campaign, which mobilized employees, customers and suppliers.

We donated over 17,000 items, including food, beverages, hygiene and cleaning products, and mattresses, to social organizations in nine municipalities. In partnership with the community, we use vehicles from our fleet to transport local donations.

The city of Estrela, in the Vale do Taquari (RS), where Cromo Química, a company linked to Crop Care, is headquartered, was one of the hardest hit in both episodes. None of our units were directly affected by the flooding, nor was there any damage to structures or loss of stock. However, product delivery logistics were severely affected, causing some delays.

**CROMO**  
QUÍMICA

**Referência**  
agroinsumos

**CATR**  
Comercial Agrícola Ltda

**CASA TREVO**  
COMERCIAL AGRÍCOLA LTDA





## Lavoro Programming and New Media Center

An initiative aimed at the productive inclusion of young people, the Lavoro Programming and New Media Center, through the “Brilliant Minds” project, offered a free course in Application Development in the city of Sinop (MT), with 100 vacancies.

A state of the art laboratory was set up at the Municipal Arts School and, with the support of specialized teachers, the students were able to learn more about the development of digital solutions, from conception to implementation on different platforms and publication in app stores. The project is sponsored by Lavoro and the companies Agrobiológica and Union Agro through the Federal Culture Incentive Law, produced by the São Paulo Institute of Art and Culture (ISPAC), with the support of Sinop City Hall (MT). Training took place between February and November 2024.



NÚCLEO LAVORO DE  
PROGRAMAÇÃO E NOVAS MÍDIAS

**Mentes  
Brilhantes**



## Giants of Prevention

In partnership with one of our main suppliers, the sales team in Rondônia (RO) carried out a sales campaign dedicated to raising funds to support initiatives to fight breast and prostate cancer.

The “Giants of Prevention” campaign brought awareness to customers and employees about the need for preventive examinations and health care.

Lavoro donated 5% of the profits from the campaign to institutions such as the Cancer Hospital in Rondônia (RO) and the Casa de Apoio in Cuiabá (MT).

**Microoisto  
GIGANTE**  
EM PREVENÇÃO





## 7

## ATTACHMENTS

Indicators .....	73
GRI Content Index .....	75
Credits .....	80





# INDICATORS

## Employees

### EMPLOYEES BY JOB CATEGORY **GRI 405-1**

	2023/2024					2022/2023				
	Men		Women		Total	Men		Women		Total
	Brazil	Colombia	Brazil	Colombia		Brazil	Colombia	Brazil	Colombia	
Executive Board	8	2	1	1	12	8	3	1	1	13
Management	223	39	40	17	319	229	15	36	12	292
Sales	869	180	199	106	1,354	768	224	115	109	1,216
Employees	852	233	730	156	1,971	948	220	808	158	2,134
Interns	2	27	9	12	50	4	23	7	18	52
Young apprentice <sup>1</sup>	18	-	43	-	61	35	-	17	-	52
<b>Total</b>	<b>1,972</b>	<b>481</b>	<b>1,022</b>	<b>292</b>	<b>3,767</b>	<b>1,992</b>	<b>485</b>	<b>984</b>	<b>298</b>	<b>3,759</b>

<sup>1</sup> In Colombia, there is no young apprentice category.

#### Job distribution:

**Executive Board:** considered Executive and Statutory Officers.

**Management:** leaders of administrative areas, functional and operational departments, commercial managers, branch managers and General Business Managers (GGNs).

**Sales:** RTVs, CTVs, supervisors, coordinators and commercial assistants.

**Other positions:** other employees, such as coordinators, analysts, supervisors and assistants.

**Interns** (from any area or category).

### RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN **GRI 405-2**

Job Category	2023/2024				2022/2023			
	Entry-level salary		Compensation		Entry-level salary		Compensation	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
Executive Board	80%	N/A	103%	N/A	91%	N/A	89%	N/A
Management <sup>3</sup>	94%	93%	94%	104%	109%	86%	98%	95%
Sales	76%	85%	73%	94%	74%	88%	80%	90%
Employees	98%	142%	96%	121%	95%	145%	90%	136%
Interns	110%	87%	101%	87%	113%	101%	123%	101%
Young apprentice	103%	N/A	102%	N/A	100%	N/D	100%	N/D

Notes:

1. Total compensation is made up of base salary, bonuses, PPR, commissions and benefits.

2. Colombia's executive board is made up of just one man.

3. Management: leaders of administrative, functional and operational areas, commercial managers, branch managers and General Business Managers (GGNs).

Sales: RTVs, CTVs, supervisors, coordinators and commercial assistants.

Employees: other staff, such as supervisors, coordinators, analysts and assistants.

NEW HIRES AND EMPLOYEE TURNOVER GRI 401-1

	2023/2024	%	2022/2023	%	2021/2022	%
Hires by gender in Brazil						
Men	627	32%	761	39%	875	26%
Women	341	33%	376	38%	594	18%
Hires by gender in Colombia						
Men	257	55%	N/D	N/D	N/D	N/D
Women	141	46%	N/D	N/D	N/D	N/D
Total hires	1,366	36%	1,137	38%	1,469	44%
Hires by age group in Brazil						
Under 30 years old	485	50%	674	23%	727	22%
Between 30 and 50	458	26%	432	15%	684	21%
Over 50 years old	25	11%	31	1%	58	2%
Hires by age group in Colombia						
Under 30 years old	173	75%	N/D	N/D	N/D	N/D
Between 30 and 50	204	50%	N/D	N/D	N/D	N/D
Over 50 years old	21	24%	N/D	N/D	N/D	N/D
Total hires	1,366	36%	1,137	38%	1,469	44%
Hires by region						
Brazil	968	100%	1,137	38%	N/D	N/D
Holding	65	27%	102	40%	N/D	N/D
North Cluster	240	46%	220	38%	N/D	N/D
South Cluster	223	24%	257	28%	N/D	N/D
East Cluster	222	28%	342	42%	N/D	N/D
Crop Care	218	23%	216	54%	N/D	N/D
Colombia	398	51%	318	43%	N/D	N/D
Total hires	1,366	36%	1,455	39%	N/D	N/D

	2023/2024	%	2022/2023	%	2021/2022	%
Terminations by region						
Brazil	1,123	100%	996	33%	N/D	N/D
Holding	83	35%	71	28%	N/D	N/D
North Cluster	300	58%	339	58%	N/D	N/D
South Cluster	281	30%	247	27%	N/D	N/D
East Cluster	311	39%	229	28%	N/D	N/D
Crop Care	148	29%	110	27%	N/D	N/D
Colombia	310	40%	262	35%	N/D	N/D
Total terminations	1,433	38%	1,258	34%	N/D	N/D

EMPLOYEES BY REGIONAL UNIT

GRI 2-7 · 2-8

	2023/2024	2022/2023
North Cluster	521	582
South Cluster	925	918
East Cluster	807	819
Crop Care	503	402
Holding	238	255
Colombia	773	742
Total	3,767	3,718



# GRI CONTENT INDEX

Universal Standards		Reference (page) / Direct answer
2-1	Organizational details	Lavoro Limited - Sociedade Anônima, a Brazilian publicly traded company in the United States.  Headquarters location: Av. Dr. Cardoso de Melo, 1450, 401, 4º andar - São Paulo — SP, Brasil, 04548-005, +55 (11) 4280-0709  It has operations in Brazil, Colombia and Uruguay.
2-2	Entities included in the organization’s sustainability reporting	Lavoro Agro Holding:  Brazil: Agrovenci   Agrozap   Casa Trevo   CATR   Central Agrícola   Cultivar   Denorpi   Deragro   Floema   Futuragro   Coram   Referência   Lavoro   Nova Geração   Pitangueiras   Plenafértil   Produtec   Produttiva   Qualicitrus   Realce  Colombia: Agrointegral Andina SAS   Agroquímicos para la Agricultura SAS - Agrac   Agricultura y Servicios SAS - Agse   Cenagro SAS   Cenagra SAS   Provecampo SAS   Servigral SAS  Crop Care Holding: Agrobiológica   Perterra   Union Agro   K2   Cromo Química   Union Agro   Perterra  In the 2023/2024 harvest, the acquisitions and integration of the companies Referência and Coram were finalized. During the period, América and Impacto Insumos companies were legally incorporated into Lavoro Agrocomercial, and Integra was incorporated into Produte. For this reason, they are not included in the list.
2-3	Reporting period, frequency and contact point	July 1st, 2023 to June 30th, 2024.
2-4	Restatements of information	Regarding indicator 2-21, the calculation methodology has been corrected. Last year, the methodology for calculating market share was also adjusted. Unlike the previous method, which was calculated based on the soy and corn pesticides segment, the current methodology considers and harmonizes all business segments.
2-5	External assurance	The Sustainability Report will be externally verified from the next edition. The financial data published in the report has already been audited since 2022. In 2024, the companies' financial and accounting audits became integrated, incorporating internal controls. The results are available on the Investor Relations website.
2-6	Activities, value chain and other business relationships	Pages 11, 13, 15, 18 and 25.
2-7	Employees	Pages 48 to 50.
2-8	Workers who are not employees	Brazil: 569 employees, of which 461 are third-party employees for administrative and consultancy services and 108 are service providers for temporary projects.  Colombia: 13 employees in property security, 23 in cleaning and maintenance and 1 in insurance.
2-9	Governance structure and composition	Pages 29 to 34.

Universal Standards		Reference (page) / Direct answer
2-10	Nomination and selection of the highest governance body	Page 30. In September 2024, we noted that Lavoro Limited's Board of Directors has now six members. For up-to-date information on the Board's composition, please consult the Investor Relations website.
2-11	Chair of the highest governance body	Page 31.
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 30, 31, 34, 35, 37 and 39.
2-13	Delegation of responsibility for managing impacts	Pages 30 and 31.
2-14	Role of the highest governance body in sustainability reporting	Page 4.
2-15	Conflicts of interest	Pátria Investimentos is the majority shareholder and controlling shareholder; There is no cross-shareholding with suppliers or other stakeholders; We have seven shareholder agreements with minority shareholders in force at Lavoro Brasil, one at Lavoro Colombia and three shareholder agreements at Crop Care. More information on page 34.
2-16	Communication of critical concerns	Pages 30, 31, 32 and 34.
2-17	Collective knowledge of the highest governance body	During the reporting period, the Chairman of the Board of Directors and representative of the main shareholder were involved in the identification process of the new materiality (page 38), which included the communication of ESG frameworks in force and applicable to agribusiness, the most common ratings, and the risks and opportunities pertaining to the sector.
2-18	Evaluation of the performance of the highest governance body	Currently, only the executive board undergoes an annual 360° evaluation, and there is still no formal evaluation process for board members. A benchmark to define the method, indicators and frequency is planned for the 2024/2025 harvest.
2-19	Remuneration policies	In September 2023, we introduced a three-member Compensation Committee. The Committee's main responsibilities include overseeing executive compensation and benefits plans, assisting the Board in managing the New Lavoro Equity Plan and other share-based incentive plans, overseeing the evaluation process for executive officers and supporting the Board in the succession plan for these executives.  The Clawback Policy was also implemented in August 2023, which provides for the recovery of certain executive compensation in the event of an accounting restatement resulting from material non-compliance with financial reporting requirements under US federal securities laws, in compliance with SEC and Nasdaq listing rules.
2-20	Process to determine remuneration	Executives, directors and managers receive fixed and variable compensation. They also receive benefits in line with market practices in Brazil. The fixed part of their compensation is calculated on a market basis and adjusted annually. The variable part consists of cash bonuses. Cash bonuses are paid to executives and members of our management based on the achievement of previously agreed targets for the business.  Besides the fixed and variable compensation mentioned above, since August 2022 Lavoro is supported by the Long-Term Incentive Policy of Lavoro Agro Holding S.A. (the "Lavoro Participation Plan"). Under the terms of the Lavoro Participation Plan, persons selected by Lavoro's Board of Directors ("Selected Employees") are eligible to receive incentive compensation in cash, assets or stock options from the Lavoro Group.
2-21	Annual total compensation ratio	2,594%



Universal Standards		Reference (page) / Direct answer
2-22	Statement on sustainable development strategy	Pages 5 and 7.
2-23	Policy commitments	In compliance with the rules in force at the SEC and Nasdaq, where Lavoro Limited is listed, the Clawback Policy was implemented. This is considered not only a measure to protect the value of publicly traded companies, but also a procedure that boosts the governance and transparency of publicly traded companies, and helps to prevent corporate fraud. The standard provides for the recovery of amounts paid to executives as variable compensation and bonuses when accounting inconsistencies are found and fraud is confirmed. Find out more about the Policies and commitments on pages 32 and 33.
2-24	Embedding policy commitments	Page 32.
2-25	Processes to remediate negative impacts	During the 2023/2024 cycle, the crisis management process was restructured, setting up a Crisis Committee and a manual for identifying, preventing and handling critical issues, covering local, corporate and environmental, reputational, financial and operational topics.  The core strategy is to prevent negative impacts on the production and distribution of agricultural inputs through actions such as: monitoring the technical standards for storing and transporting chemical pesticides; appropriate recommendations for using fertilizers and pesticides; contracting environmental insurance including emergency remediation; checking the social and environmental compliance of rural properties involved in operations; and rigorous enforcement of internal health, safety and environmental policies.  All interested parties can file complaints by several means available through the Transparency Channel (page 34).
2-26	Mechanisms for seeking advice and raising concerns	Page 34.
2-27	Compliance with laws and regulations	Pages 40 and 68.
2-28	Membership associations	Pages 14 and 37.
2-29	Approach to stakeholder engagement	Page 38.
2-30	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements. All companies, Brazil and Colombia, are considered here, observing the particularities of maintaining negotiation procedures in accordance with each country's labor legislation.
3-1	Process to determine material topics	Page 38.
3-2	List of material topics	Page 38.
3-3	Management of material topics	Pages 22, 25, 32, 38, 46, 48, 57, 63, 65 and 68.
201-1	Direct economic value generated and distributed	Pages 22 to 24.
201-4	Financial assistance received from government	Pages 22 and 24.

Universal Standards		Reference (page) / Direct answer
204-1	Proportion of spending on local suppliers	Page 25.
205-1	Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified	Page 34.
205-2	Communication and training about anti-corruption policies and procedures	Page 34.
205-3	Confirmed incidents of corruption and actions taken	There were no reports or confirmed cases of corruption in the reporting period.
207-1	Provide a description of the approach to tax	Page 24.
301-1	Materials used by weight or volume	This indicator will not be reported in the current crop year due to the lack of data required to collect it.
302-1	Energy consumption within the organization	Page 64.
303-3	Total water withdrawal by withdrawal source	Page 63.
304-2	Significant direct and indirect impacts on biodiversity from activities, products and services	We follow all the recommended standards for marketing, transporting and storing pesticides and fertilizers and all our operations are monitored by an agronomic instruction note, which indicates the dose, frequency and conditions of application, including weather conditions and the use of PPE, as well as the correct procedures for disposing of packaging. However, we are aware that we need to deepen the organization's knowledge of the risks and impacts of marketing agricultural inputs on the environment. In the 2025-2026 harvest, the company intends to start adopting the Taskforce on Nature-related Financial Disclosures (TNFD) framework in order to design an appropriate strategy, already tracing links of all the appropriate aspects of the Biodiversity and Forests theme, with the socio-environmental and financial performance in the operation and in the value chain.
305-1	Direct (Scope 1) GHG emissions	Pages 65 and 66.
305-2	Energy indirect (Scope 2) GHG emissions	Page 65.
306-3	Total weight of waste generated	Page 67 and 68.
306-4	Total weight of waste diverted from disposal	Page 67 and 68.
306-5	Total weight of waste directed to disposal	Pages 67 and 68.
401-1	Total number and rate of new employee hires and rate of employee turnover	Pages 49 and 74.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 49 and 52.
401-3	Return to work and retention rates of employees that took parental leave	Page 51.
403-1	Occupational health and safety management system	Page 57.
403-2	Hazard identification, risk assessment, and incident investigation	Pages 57 and 59.



Universal Standards		Reference (page) / Direct answer
403-3	Occupational health services	Page 57 to 59.
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 57 and 61.
403-5	Worker training on occupational health and safety	Pages 57 and 61.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 57, 59 and 61.
403-8	Workers covered by an occupational health and safety management system	Page 57.
403-9	Work-related injuries	Pages 57 and 59.
404-1	Average hours of training per year per employee, by employee category	Page 54.
404-2	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	Page 55.
404-3	Percentage of employees receiving regular performance and career development reviews	Page 56.
405-1	Diversity of governance bodies and employees	Pages 51 and 73.
405-2	Ratio of basic salary and remuneration of women to men	Pages 51 and 73.
406-1	Incidents of discrimination and corrective actions taken	During the period, no cases of discrimination of any kind were reported through the whistleblowing channels.
408-1	Operations and suppliers at significant risk for incidents of child labor	Pages 40 and 69.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 40 and 69.
411-1	Incidents of violations involving rights of indigenous peoples	We had no cases of violation of the rights of indigenous peoples. This risk is located in the downstream customer chain, and is continuously monitored within the Traceability Program (find out more on page 40) through the socio-environmental verification of rural properties. If a client's farm involved in our operations is located in indigenous or quilombola territories, the rural property is blocked.
415-1	Total monetary value of financial and in-kind political contributions made by the organization	Page 34.
416-1	Assessment of customer health and safety impacts of product and service categories	Page 46.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no proven cases of non-compliance in relation to health and safety impacts caused by products and services.
417-1	Requirements for product and service information and labeling	Page 46.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There was no evidence of complaints about breaches of customer privacy or loss of customer data. Find out more on page 33.

# CREDITS

## COORDINATION

Lavoro Group

## CONSULTING, EDITORIAL DESIGN, WRITING AND TRANSLATION

RICCA Sustentabilidade

## GRAPHIC DESIGN AND LAYOUT

RICCA Sustentabilidade

