



LAVORO

**Sustainability
Report**

2021/2022



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Report**
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1 Lavoro Group Presentation



2021/2022 Crop Year

Market presence



197
stores



5
production units



about 1,000
agronomists in the field and in the branches



over 60,000
customers



Coverage

47 million hectares
aproximate coverage

20 million km
covered in the field

BRAZIL

157 branches in 10 states

146 standard stores

11 express stores

5 distribution centers

3 silos

4 production units

COLOMBIA

40 branches in 14 departments

13 standard stores

1 express store

26 distribution centers

1 production unit

Human capital



64%
men

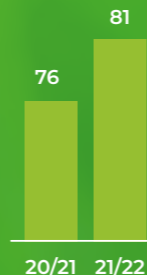


36%
women



5-point

increase in GPTW against the previous year



66,000
benefitted individuals through the supported social projects

Growth

NET REVENUE

BRL 7.7 billion



MIX (REVENUE)	LAVORO
Pesticides	50%
Fertilizers	24%
Seeds	17%
Specialties	6%
Other	3%



NET REVENUE FROM INPUTS

+57%
growth

EBITDA

+158%



GROSS PROFIT

+80%
growth



A MIX OF CULTURES

Soybeans	49.4%	Forests	2.0%
Corn	20%	Beans	1.8%
Potato	3.7%	Vegetables, Fruits & Flowers	5.0%
Cane	3.5%	Cereals	1.5%
Rice	3.0%	Pasture	1.6%
Coffee	3.0%	Other	2.8%
Citrus fruits	2.6%		

Data: 02/2022.

Market share

8,1% Brazil **10,2%** Colombia

NPS

7 points
growth (60 > 67 points)

+11,5%

Statement from the CEO

GRI 102-14

We have made a great deal of progress in satisfying our customers, but Lavoro's drive to innovate does not end at customer service, it gains even more strength with our proposition for a more sustainable agriculture.

Agribusiness in Latin America is undergoing an brisk transformation process, increasingly taking the lead in global food production. Lavoro plays an important role in this transformation, as it delivers a new service model to small and medium-sized producers. This new model, among other things, adds greater technology and improved services to support not only productivity gains, but also an advance in sustainability.

The results of the 2021/2022 cycle once again confirm that it is possible to better serve the producer and promote the advancement of sustainable agriculture while creating a high-growth and profitable company. This crop year we had the best year ever, with record financial results, advances in strategic agendas, and, most importantly, a closer relationship with our customers.

Over the last cycle, nothing made us happier than the increase we managed to achieve in customer satisfaction levels. Anyone in the field knows how important trust is. Our Net Promoter Score (NPS) went from 60 to 67 points. And 70% of respondents expressed a high probability (of 9 or 10) of recommending us to a friend or colleague. This survey was conducted with 16,000 customers from 112 branches, which is why the figures are so significant. This improvement reflects the effectiveness of our groundbreaking service model, which combines the physical presence of almost 1,000 salespeople and over 190 stores with a digital platform that allows our around-the-clock presence in the rural producer's journey.



Lavoro's drive to innovate does not end at customer service, it gains even more strength with our proposition for a more sustainable agriculture. Expanding the portfolio of high-technology products and supporting the adoption of biological inputs and specialties by the farmer are some of our priorities. For this reason, in 2022, we channeled a significant amount of resources to the acquisition, together with Agrobiológica, of a 500,000 square meter industrial site in Itápolis, in São Paulo, which will exponentially increase our supply of biological inputs. Likewise, we created the Essenziale line of specialty fertilizers. This means further research, development, and production capacity to bring clean, innovative, and low-carbon technologies to the field.

Over this cycle, we have also made intensive use of technology to support our sustainability journey.

Through digital monitoring tools and a proprietary assessment protocol, we created our Traceability Program, which will allow us to take a leap forward in ensuring social and environmental compliance. The combination of the advances mentioned above led us to launch the Lavoro Sustainability Seal, with which we will recognize, encourage and disseminate our customers' good practices on their farms.

On the internal agenda, the safety and well-being of our employees remained among our priorities. We maintained care and precautions to prevent Covid-19 transmission in our operational procedures. In addition, we reinforced awareness actions and safety training, acknowledging the fact that, for both Lavoro and our staff, growing requires constant updating. We achieved, once again, the Great Place to Work (GPTW) recertification, with an increase of 5 points against the previous cycle,

and 91% in the pride of belonging to Lavoro. As a result, we are among the best companies to work for in Brazil and among the preferred organizations in candidate lists, a differential in our industry. The various advances in this cycle were followed by solid growth results and profitability gains. We continue to execute our agenda of organic and inorganic expansion, as well as gains in efficiency and operational leverage. The financial results, the satisfaction of our customers and employees, and the progress made in our strategic agenda show that we are moving in the right direction. Global challenges, especially the Russia-Ukraine conflict and the ongoing Covid-19 pandemic,

combined with local challenges, have tested and proven the resilience of Lavoro's business model. Certainly, we still have a lot of work to do to continue to lead the transformation process in the retail of agricultural inputs and we will frequently persevere in this direction. The 2021/2022 crop season confirms our mission as an innovative company in the industry and makes us even more optimistic about the opportunities ahead. Enjoy your reading.

Ruy Cunha
Lavoro Group's CEO

The 2021/2022 crop season confirms our mission as an innovative company in the industry and makes us even more optimistic about the opportunities ahead.

Message from the Board

GRI 102-14

At Lavoro, our purpose is to work for the leadership of the Latin American producers. Throughout these challenging times, this has never been more necessary. According to a recent study by the Food and Agriculture Organization of the United Nations (FAO), the number of people experiencing food insecurity reached around 770 million in 2021. Latin America takes on the responsibility to remain the main exporting region and the fastest growing one in terms of output. The Latin American producer therefore has a key role in reducing global food risk today and in the future.

Since 2017, the company has been dedicating efforts to create a real impact

in the region through our presence and relevance. We achieved a leading position in regional distribution in the last 21/22 cycle. In addition to the gain in scale, we introduces several advances in the quality of our service and contribution to the producer, improving technology and sustainability in our platform of products and services.

Also geared towards associating productivity and efficiency with sustainability, we invested over BRL 100 million in what should be one of the largest biological products plants in Brazil. With the expansion of Agrobiológica Sustentabilidade, Lavoro is consistently promoting the increased penetration of

these products in the field and scaling up regenerative agriculture. Sales of bio-inputs rose 68% in one year, showing that our customers are able to acknowledge and verify the efficacy of the product line. Building on this, we launched Essenziale, a brand of specialties that came to resignify what is essential to the producer, with products for each step of the production cycle, delivering higher productivity and lower environmental impacts.

The 21/22 cycle proved Lavoro's calling to innovate. This year, the resilience of our platform was also tested. The pandemic disturbed the supply of inputs on a global scale, especially key categories such as herbicides. Lavoro, like the other market



The Latin American producer has a key role in reducing global food risk today and in the future.

We continue to grow organically and inorganically, while gaining operating efficiency and leverage. Our net revenues from inputs increased 57% compared to the previous crop year, and our EBITDA indicator soared by 158%.

players, saw the levels of supply chain risk markedly rise. We spared no effort to overcome the problems. Sometimes, this implied higher costs, not passed on to customers, honoring commitments previously negotiated. Our approach was recognized, among other things, by the 7-point increase in the Net Promoter Score (NPS) over the last cycle, reaching an average of 67 points.

From the technology perspective, our actions were aimed at helping our customers to better manage their business and be more productive. Among the several initiatives implemented, our digital Compre Lavoro platform reached the marks of BRL 420 million in sales and 2,500 products available. Through the Minha Lavoro application, rural producers can now manage their account, ask questions, place orders and track delivery statuses. Our digital platform, in addition to the technical support of almost 1,000 technical sales representatives (RTVs) in the field, in Brazil and Colombia, provides a unique multichannel experience to the market.

Finally, our financial results also encourage us to rely on our ability to plan and deliver. We continue to grow organically and inorganically, while gaining operating efficiency and leverage. Our net revenues from inputs increased 57% compared to the previous crop year, and our EBITDA indicator soared by 158%.

With so many advances, we believe, as the Board, that Lavoro is taking solid steps into the future. Cycle 22/23 began with the strategic partnership with TPB Acquisition Corporation I, a special purpose acquisition company (SPAC) sponsored by The Production Board (TPB) and listed on the American stock exchange, NASDAQ. Pátria Investimentos remains in the controlling block. The transaction is expected to close in the fourth quarter of 2022, and further facts regarding the transaction will be the subject of the next report.

Peter Estermann
Lavoro Board of Directors

We are Lavoro

GRI 102-1

GRI 102-2

Lavoro Group was established in 2017 and today has a large footprint in Latin America, with operations in Brazil, Colombia, and Uruguay. Through acquisitions of more than 20 small and medium-sized companies, Lavoro has become the largest agricultural input distributor in Brazil as to revenue and market share.

The company offers farmers in the countries where it operates a comprehensive portfolio of agricultural inputs, including seeds, fertilizers, pesticides, biological inputs, specialties, and a range of other products. As a result of its strategic position as a key player in the world's largest agricultural exporting region, Lavoro has the ability to transform Latin American agriculture and contribute to food security and the promotion of sustainable practices in the field.

To address this challenge, the group was born out of a thesis by Pátria Investimentos, an investment management company, with a commitment to increase scale, benefit rural producers by providing access to diversified portfolios that ensure greater productivity, effective crop protection, and, most importantly, the role of the farmer. Besides its resale activities, through the Crop Care vertical business, the group produces

specialty fertilizers, crop protection products, and private label biological inputs. It is a business focused on improving soil health and productivity by reducing the use of synthetic chemical fertilizers, with lower carbon emissions and without the risk of pest and disease resistance that can occur with traditional chemical treatments.

Demonstrating the success of its acquisitions and organic growth, the group has expanded about 53% since 2020. As a result of its business model, focused on direct collaboration with farmers, Lavoro intends to boost its service offering, particularly in digital agronomy, helping farmers make the best decisions by selecting the optimal products through detailed analysis of soil chemistry, microbiome and climate data. Through careful and digitalized compliance analysis and social and environmental assessment in the composition of registration processes, credit granting, formalization of guarantees and grain barter operations, Lavoro positions itself as a partner of rural producers committed to the social and environmental regularity of agricultural production in the countries where it operates.



ADDITIONAL INFORMATION

LEARN MORE ABOUT PÁTRIA INVESTIMENTOS

With more than 30 years of history and over BRL 80 billion under management, Pátria seeks to transform industries and economic sectors while generating returns for investors and promoting long-term, sustainable development. It has a strong presence in Brazil, Colombia, Chile, and Peru. Its investment areas are Energy, Health, Food, Agribusiness, and Logistics. Pátria Investimentos is the main shareholder and creator of Grupo Lavoro.

SCALE OF THE ORGANIZATION

GRI 102-7

3

countries

197

stores

924

RTVs¹

3,379

employees²

+60,000

customers³

BRL 7.7 billion

net revenue

1. Expert sales representatives working directly in the field and also in the branches with commercial relationship and technical advice to farmers;

2. Includes no. of RTVs.

3. Small and medium farmers who purchased our products in the last 12 months.

Corporate profile

GRI 102-1

GRI 102-3

GRI 102-4

GRI 102-5

GRI 102-6

Headquartered in the city of São Paulo, Lavoro Group is formed by an ecosystem of companies led by two affiliate, closed-capital holding companies¹ – Lavoro Agro Holding S.A and Crop Care Holding S.A. Its operations are located in Brazil, Colombia and Uruguay, where it maintains an agricultural inputs trading company in its early stages.

Both platforms share the same value proposition. While Lavoro consolidates the resale and distribution of major brand supplies through a pool of companies and branch networks, Crop Care is positioned as a Brazilian company composed of 4 industries, dedicated to the production of post-patent chemical inputs, specialty fertilizers and private label bioinputs.

Its leadership is also based on its wide geographic footprint in the countries where it operates, with 13 administrative offices, 197 physical

stores (157 in Brazil and 40 in Colombia) and 1,021 RTVs, in addition to a digital channel².

In Brazil, it is present in more than 140 municipalities in 10 states, some of the main agricultural centers in the country, with relevant reach in Mato Grosso, Paraná, Minas Gerais, Mato Grosso do Sul, and São Paulo. Through such a structure, it serves small and medium-sized rural producers, a segment that in Brazil alone represents 524,934 farmers and accounts for 65% of the total agricultural land³. In Colombia, its presence extends to 28 cities in 14 departments (states).

1. In September 2022 (therefore, outside the reporting period as far as indicator reporting, but before its closure), the group announced the establishment of a special purpose company with The Production Board, and expects to have its shares traded on NASDAQ. Completion of the transaction in December 2022, according to reports in September.

2. Data from March 31, 2022.

3. Data from the 2017 Agro Census, from the Brazilian Institute of Geography and Statistics (IBGE).

Our companies ¹



1. The timeline considers the date of completion of the acquisition process, not the announcement of the acquisition.

Business units and markets served

GRI 102-2 GRI 102-4 GRI 102-6

LATAM

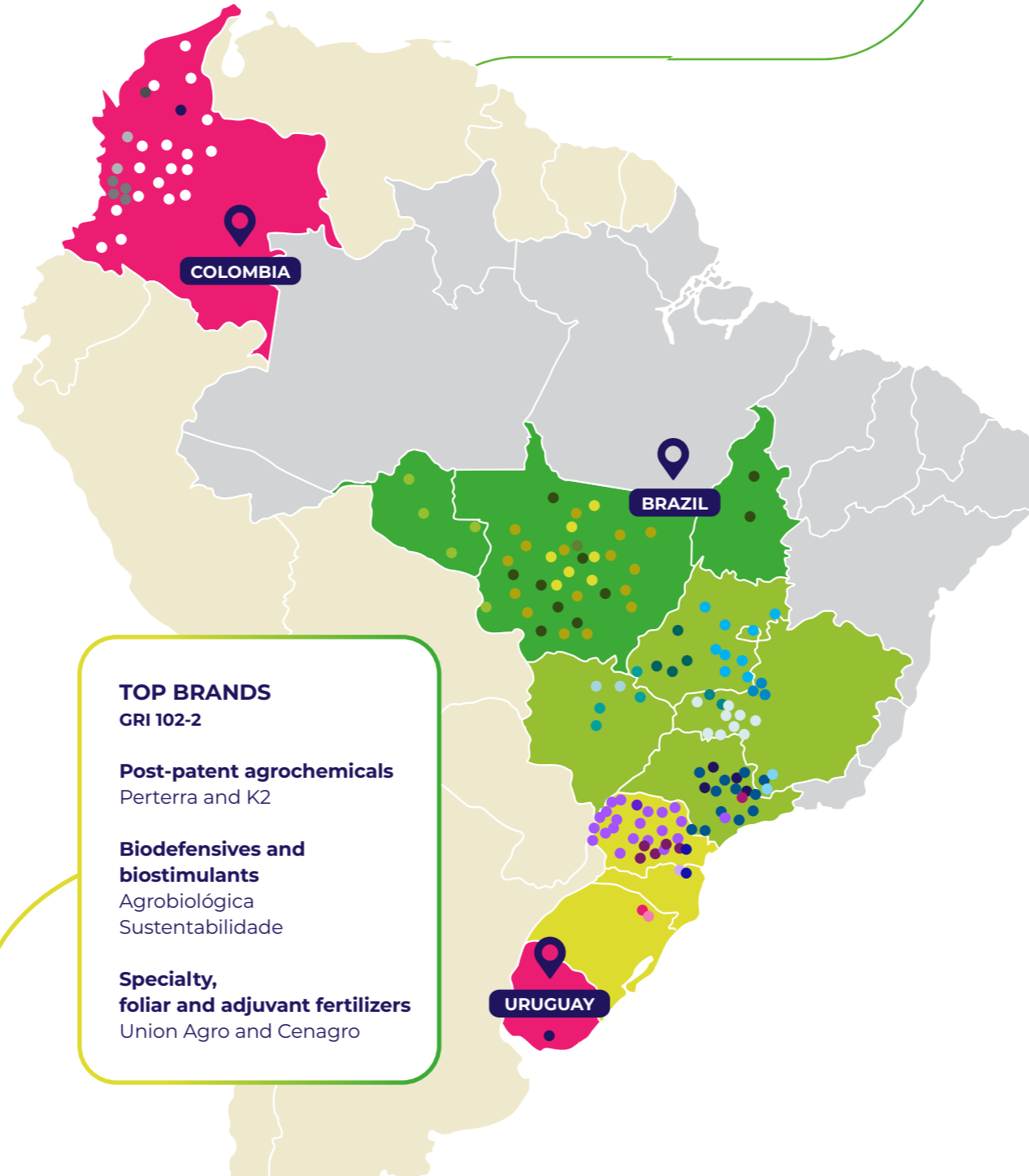
Input distribution and agricultural services companies in Colombia, with 40 units, being 13 resellers, 1 express branch and 26 distribution centers.

- Gral GRoup
- AgSe
- Cenagro
- Provecampo

CROP CARE

It includes 5 production units, 4 in Brazil and 1 in Colombia, responsible for the portfolio of private label products, 1 input trading and 1 import office. A new bioinput production plant will be inaugurated in the 23/24 crop season, in Itápolis (SP). Besides scaling up production capacity, it will work as an R&D station and a training hub for the biofuels market.

- Agrobiológica Sustentabilidade
- Perterra
- Union Agro
- Montevideo Office



TOP BRANDS

GRI 102-2

Post-patent agrochemicals

Perterra and K2

Biodefensives and biostimulants

Agrobiológica
Sustentabilidade

Specialty, foliar and adjuvant fertilizers

Union Agro and Cenagro

BRAZIL

Distribution companies for agricultural inputs in Brazil. It is subdivided into the regional North Cluster (with 48 branches in MT, TO, RO), East Cluster (62 branches in GO, SP, MS, MG) and South Cluster (39 branches in PR, SP, SC). It also includes 3 grain storage silos, 1 seed processing unit, and 5 DCs.

NORTH

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

EAST

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

SOUTH

- Casa Trevo
- CATR
- Denorpi
- Deragro
- Futuragro
- Pitangueiras
- Plenafertil
- Realce

DISTRIBUTION



INPUT PRODUCTION



Products and services offered

GRI 102-2

DISTRIBUTION AND REDISTRIBUTION



Through long-lasting partnerships with leading suppliers, Lavoro Group delivers a broad portfolio of products, including chemical and biological pesticides, solid, liquid and foliar fertilizers, seeds, and specialties.

PRODUCTION



Through the Crop Care division, the company develops its own portfolio of products, including post-patent crop protection, biological inputs, and specialty fertilizers.

SERVICES



Through the work of RTVs, it monitors the needs of farmers and the evolution of each crop, holding regular visits and offering services such as technical assistance, logistics solutions, grain barter, seed quality assistance, precision agronomy, planting advisory, product application, and harvesting.

Business drivers

GRI 102-16

Lavoro Group is a specialist in offering complete solutions from pre-planting to grain commercialization for the producer to leverage high productivity and profitability results.



VALUES

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

PURPOSE

Working to expand and solidify the farmer's central role, indispensable to the world.

VISION

Becoming the best agricultural inputs distribution company in Latin America, through the consolidation of the distribution market and a unique value proposition for our partners.

MISSION

Serving farmers in Latin America, providing inputs and services throughout their production cycle.

PILLARS

PRESENCE

Lavoro is present in the most strategic agribusiness regions in Latin America.

STRENGTH

A group with the much-needed financial support to ensure the sustainability of the farmer's business.

TIMELINESS

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

RELIABILITY

Experienced team focused on supporting the farmer. Atrict management of all orders. Delivery assurance.



MEMBERSHIP OF ASSOCIATIONS

GRI 102-13

In Brazil, the companies in the Lavoro ecosystem participate, on a national level, in the main associations of the input distribution and production sector, such as the National Association of Distributors of Agricultural and Veterinary Inputs (**Andav**) and the National Institute for Processing Empty Packages (**inpEV**). At the state and municipal levels, they are affiliated to dozens of associations that deal with institutional and commercial issues of their segment and with the collection of post-consumption pesticide packaging. In Colombia, there is no association membership.

The group is also an active participant in the Sustainable Agriculture Action Platform of the UN Global Compact in Brazil.

2 Business Strategy



Value proposition

GRI 102-10

Lavoro Group seeks to consolidate and expand its leading position in the agricultural input sales sector in Latin America, growing organically and inorganically, through the acquisition of companies and the opening of stores in new territories. It invests in innovation and sustainability in this segment, developing lines of organic inputs and private label specialties, produced with domestic technology, with high efficacy and lower environmental impact.

The company is constantly monitoring the industry, analyzing strategic opportunities to acquire or associate with companies that complement its business and generate value for customers and shareholders. Last year, the group reached Minas Gerais and Rio Grande do Sul, started activities in Uruguay, broadened its footprint in Colombia, and plans to expand its operations to Chile, Peru, and Paraguay.

GRI 102-10

The Lavoro ecosystem has a successful track record of acquisition and integration of companies, carried out by a qualified and experienced M&A team. Its centralized management model allows it to integrate these companies into its platform at a fast pace, identifying the synergies of each transaction. It thus expands its scale in the capacity to supply agricultural inputs, increases the sharing of stock management and logistics, among other gains.

At the same time, it promotes increments in the administrative process, with advanced tools for credit granting decisions and corporate services centralized by the holding companies, such as legal and accounting support, Information Technology (IT), and Human Resources (HR). Therefore, integration is an incessant search for efficiency gains, improvement of the standard of service in operations and acceleration of organic growth of the entire group.

2021/2022 Expansion

9 COMPANIES INCLUDED IN THE LAVORO ECOSYSTEM

Brazil

Agrozap, Casa Trevo, CATR, Floema, Nova Geração, Produttiva, Union Agro

54 stores

incorporated and open

Colombia

Cenagro, Provecampo

13 stores

incorporated

Lavoro Group in 2021

29

companies

26 companies integrated, 3 in process of closing



Lavoro Group invests in innovation and sustainability, developing lines of biological inputs and private label specialties, produced with domestic technology, with high efficacy and less environmental impact.



Economic performance

GRI 201-1

GRI 201 103-1

GRI 201 103-2

GRI 201 103-3

GRI 201-4

Despite all the challenges faced in the 2021/2022 crop year, such as the Covid-19 pandemic, currency fluctuations, inflation, and uncertainties about disruptions in supplies and products, Lavoro Group posted significant results in both sales and production of its private label lines, recording its best performance ever. **GRI 201 103-3**

The company also successfully continued its strategy of mergers and acquisitions and of opening new stores, which contributed significantly to the increase in sales volume, as well as maintaining its focus on improving processes, products, and services.

GRI 201 103-3

The results achieved are due to several strategic actions taken by top management. One of them was the investment made in logistics to rationalize inventories, transforming large stores into distribution centers for smaller stores.

Another initiative was the integration of the supplier base, with the centralization of negotiations and the establishment of stronger partnerships, which enabled access to better payment terms and preference in receiving supplies. **GRI 201 103-1, GRI 201 103-2**

LAVORO GROUP RESULTS*

GRI 201-1

+ 57%
growth
net revenue
from inputs

**BRL
7.7
billion**
net revenue

158%
EBITDA

401%
net income

*against 2020/2021.

*For complete data, visit the Investor Relations Portal.



CROP CARE RESULTS

GRI 201-1

+114%
net revenue

+184%
EBITDA

Lavoro Group consistently invests in innovation and in the portfolio of the Crop Care division, made up by biological products and specialty fertilizers. These solutions have high added value and ensure improved efficiency to the producer, due to their advanced technology. For Lavoro, offering private label solutions reduces dependence on international raw materials, which allows better margins and greater availability. **GRI 201 103-1, GRI 201 103-2**

The results of the 2021/2022 crop year prove this strategy right: Crop Care's net profit expanded by more than 295% compared to the previous period and outperformed the other Lavoro Group business units, as its net margin. **GRI 201-1**

In the 2021/2022 crop year, there were no government subsidies or grants in Brazil and Colombia, other than the tax exemptions granted as standard for production activity. **GRI 201-4**

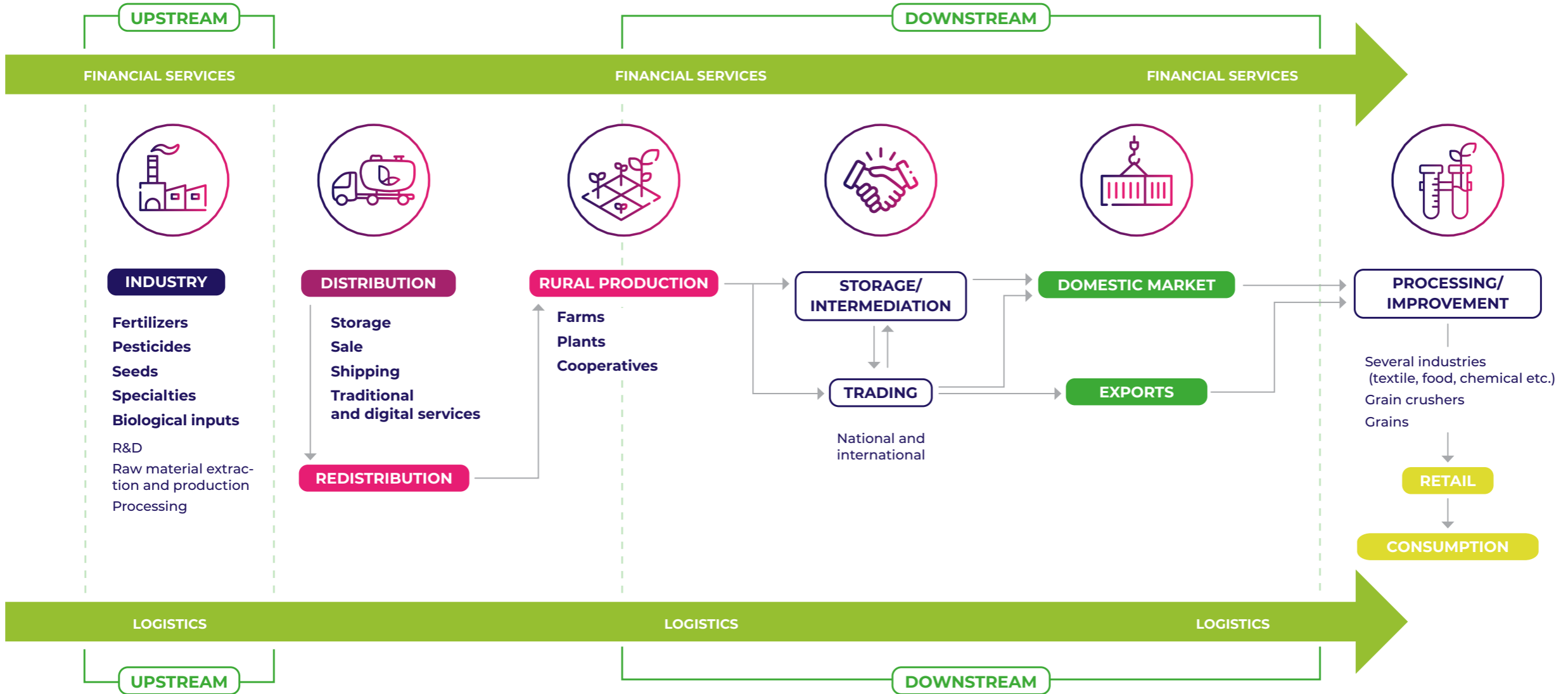
GRI 201-1 | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (BRL IN MILLIONS)

	2022/2021	2021/2020
Operating income		
Sales of merchandise, products and services	BRL 7,732,605	BRL 5,098,545
Losses due to non-recoverability of financial assets	(BRL 27,393)	(BRL 16,073)
Costs of products, goods and services sold	(BRL 6,415,286)	(BRL 4,362,657)
Gross value added	BRL 1,289,926	BRL 719,815
Depreciation and amortization	(BRL 132,110)	(BRL 74,516)
Net value added generated by the Company	BRL 1,157,816	BRL 645,299
Value added received on transfer	BRL 387,671	BRL 244,092
Other financial revenues	BRL 247,148	BRL 206,861
Active exchange variation	BRL 61,701	BRL 20,811
Deferred income tax and social contribution	BRL 89,725	BRL 37,541
Rents and royalties	(BRL 10,896)	(BRL 17,264)
Other	(BRL 7)	(BRL 3,857)
Total value added to distribute	BRL 1,545,487	BRL 889,391
Distribution of value added	BRL (1,545,487)	(BRL 889,381)
Number of employees	3,296	2,038
Amount paid in salaries	(BRL 188,464)	(BRL 99,024)
Benefits	(BRL 175,343)	(BRL 88,291)
FGTS	(BRL 14,633)	(BRL 9,751)
Management Fees	(BRL 27,052)	(BRL 13,594)
Other	BRL 139,801	(BRL 8,296)
Severance payments	(BRL 749)	(BRL 663)
Spending on indirect suppliers	(BRL 411,385)	(BRL 221,624)
Taxes	(BRL 186,050)	(BRL 90,134)
Return on third-party capital	(BRL 573,850)	(BRL 336,473)
Interest and other financial expenses	(BRL 439,956)	(BRL 294,615)
Commissions	(BRL 36,969)	(BRL 41,489)
Passive exchange variation	(BRL 63,650)	BRL 5,131
Other	(BRL 33,275)	(BRL 5,500)
Income for the year	(BRL 107,762)	(BRL 21,531)

DVA includes all lavoro group companies closed until 30/06/22. Not included: Provecampo, Floema, Nova Geração, CATR and Casa Trevo.

Value chain

GRI 102-2



VALUE CHAIN

Integrated in a complex and fragmented value chain, Lavoro Group seeks to be an agent of transformation, bringing information and education to the rural producer through its broad territorial presence and an extensive portfolio, including its own brands of biological inputs.

The Lavoro Crop Care ecosystem operates in the production, distribution and redistribution of inputs. Its business model is based on market consolidation by strategic location, with a strong footprint in Latam, serving over 53,000 customers in 197 branches between Brazil and Colombia. As a result, it contributes to the expansion of economic activity in the region, with about BRL 5.9 billion distributed to suppliers in the 2021/2022 cycle.



over **60,000** customers in Brazil and Colombia

197 points of sale

BRL 5.9 billion distributed to suppliers



FIELD PRESENCE

over **100** own events with customers

over **20** participations in trade fairs and business events

over **120** field days

Customer relationship

Lavoro Group adopts a multi-product, multi-brand approach to operating in several regions and a wide variety of crops, including soybeans, corn, potatoes, rice, flowers, forests, and others.

The company has long-standing relationships with the main agricultural input suppliers in the market, which allows it to offer farmers of all sizes and profiles input lines in the categories of pesticides, fertilizers, seeds, biologicals, and specialty lines (such as specialty and foliar fertilizers, adjuvants, and organo-mineral products). In addition, it has its own portfolio in

the Crop Care production vertical. This enables it to offer a customized approach and to better meet the needs of each type of crop, climate, and customer.

The sales team plays an important role in developing and building close and lasting relationships with producers. It is made up of agronomists who perform as RTVs and/or consultants, working closely with farmers right up to the harvest. The team totals over 1,000 professionals who provide support and technical recommendations made during regular visits, helping to establish integrated pest

management and to introduce the use of biological inputs and specialties in the field. Their main focus is to monitor the daily needs and the evolution of each crop, with a view to ensuring high productivity, from adequate soil nutrition to efficient and safe crop protection.

In addition, Lavoro Group is available through several communication channels. The dealers and private labels hold several events and meetings with rural producers so that the exchange of knowledge takes place as closely as possible.

SERVICES

GRI 102-2

Brazil

- **Technical assistance:** monitoring of crops and pests, product application counseling, monitoring of planting and harvesting.
- **Logistics solutions:** warehouses, scheduled and fractional deliveries, insured inventories.
- **Financial solutions:** grain barter, cost *hedge* solution, assistance for grain commercialization, rural insurance.
- **Seed quality assurance:** batch quality analysis, demo fields, troubleshooting.
- **Precision agriculture:** fertility maps, field sampling, soil testing, protocol creation, precision diagnostics, exact product recommendation.
- **Cashback program.**

Colombia

- **Technical assistance:** crop monitoring and pests, product application counseling, monitoring of planting and harvesting.
- **Customization:** unique formulations of liquid fertilizers and custom blends of solid fertilizers.
- **Application services:** full crop attention, including products in the right dose and at the right time (fertilizers and pesticides) and trained personnel.
- **Seed handling.**

BARTER TRANSACTIONS

GRI 102-2

Through Barter structured operations, Lavoro's customers can secure their full supply of agricultural inputs in exchange for future delivery of grains, mainly soybeans and corn, at harvest time. The company then trades these grains with a commodity trading company. Barter transactions are allies of farmers across the country, because they lock in their costs and allow them to use their future production as currency to buy farm inputs.

BRL 1.1 billion
in transactions

787,000 tons
soybeans and corn

over
BRL 100 million
sale of inputs
included in the
operation



Relationship with partners

GRI 204 103-1

GRI 204 103-2

GRI 204-1

GRI 102-2

GRI 102-9

Lavoro Group buys most of the products it sells, and is the main player in the agricultural inputs market. Due to its scale, the company has significant competitive advantages in a market featured by high fragmentation and a large presence of small local dealers. **GRI 204 103-1, GRI 204 103-2**

As a key partner of the main multinational input manufacturers, it maintains close relationships with the main suppliers of seeds, chemical and biological pesticides, fertilizers and specialty products. Its network of branches is also supplied with exclusive lines of private label products.

In many cases, distribution rights arrangements are entered into with those that meet adequate quality standards and the need to access products and supplies in a timely and efficient manner. **GRI 204 103-2** However, to mitigate any risks that may affect the supply of its stores and manufacturing units and impact its customers, the company's strategy is to diversify the inventory of a same input with different suppliers. **GRI 204 103-1**

Since 2020, the company has maintained a centralized purchasing structure, which is responsible for all negotiations with its suppliers. This structure is made up of managers with in-depth knowledge of the sector, in the main product lines of the portfolio, who consolidate the supply needs. In the reported cycle, spending with local suppliers totaled about BRL 5.88 billion, the highest being on pesticides, with BRL 3 billion, followed by fertilizers, with BRL 1.35 billion, seeds, with BRL 1.14 billion and, finally, specialties, with BRL 370 million. **GRI 204 103-2, GRI 204-1**

This model allows scale economies, especially in commoditized and non-patented products, and to establish strategies to optimize the supply of patented or high-tech products to better meet the needs of the various types and sizes of farmers and ranchers. It also enables management synergies, with integrated planning and logistics and warehousing services for all regional clusters in the store network, fully connected by the company's digital platforms. **GRI 204 103-2**

Lavoro Group's main suppliers are positioned among top-tier multinational manufacturers and comply with regional jurisdictions. They maintain local headquarters in both Brazil and Colombia, which gives a national prevalence to the companies' supply chain in both countries.

GRI 102-9

FERTILIZER SUPPLY

In acknowledgement of Russia's war situation against Ukraine, Lavoro limited the acquisition of NPK of Russian origin to one-off purchases, a volume that represented between 10% and 15% of the total marketed during the season. Within the mix of revenues from inputs, fertilizers account for 21% of the total. It should be underscored that this input is essential to large scale agriculture and the company's focus is to avoid shortage as far as possible, seeking alternative supplies whenever necessary.



SUPPLIER SELECTION

GRI 204 103-2

GRI 204 103-3

GRI 102-9

GRI 102-10

All suppliers of products or services must proceed transparently and in strict compliance with applicable laws, codes, rules and regulations, opposing acts of corruption, unfair competition, money laundering, and social and environmental non-conformities. In this sense, they are selected based on the quality of their products, commercial terms, market reputation and adherence to the Code of Conduct and Ethics and the Code of Conduct for Suppliers and Customers.

All transactions with suppliers follow the Input Purchasing Policy, which determines the standards to be followed in the acquisition of products needed to meet the demands of all customers, according to the profile of each crop. Its objective is to ensure the maximization of results, prioritizing the hiring of socially responsible companies, committed

to the well-being of their employees and to the sustainable development of society and the environment. The policy also establishes that the company should promote, whenever possible and pertinent, joint actions with suppliers, aiming at their technical and managerial development. **GRI 204 103-2,**
GRI 204 103-3

About 150 suppliers, of the pesticides, fertilizers, seeds and specialties categories, are classified as strategic. **GRI 102-9** The 10 largest suppliers accounted for about 57% of total purchases, and about 11.6% of the group's distribution revenues derived from products purchased from its main partner. **GRI 102-9** There were no significant changes in the supply chain in the 2021-2022 crop year. **GRI 102-10**





Territorial expansion

Within the Lavoro strategy, the organic growth of the ecosystem aims to increase capillarity, productivity, and market penetration with a greater presence for subsidiaries and private labels. In Brazil, 17 new stores were opened by the different state dealer networks.

Different variables are considered for the establishment in a new territory, such as the productive potential of each region, climatic risks, specific needs, the reach of the existing network, and the local competitive dynamics.

One of the main strengths for the achievement of the company's organic growth goals is its experienced team of technical sales representatives (RTVs), which have the ability to expand the territorial footprint of the companies and Lavoro's portfolio through their

constant presence in the field. As the front line in specialized customer service, they their curriculum includes a combination of field experience, technical expertise, and innovative thinking. Keeping this team well trained is an important strategic asset for a business model that seeks to support productivity growth in the field, connecting small and medium farmers to a diversified portfolio, with technological innovation to provide more efficiency and less impact.

The ability to remain able to provide an extensive list of products and services is an important differentiator for Lavoro This saves the customer time managing multiple suppliers, and also simplifies and facilitates budget planning and execution of their production.



Digital strategy and innovation

Lavoro Group is a leader in the digital transformation of the Latin American agricultural input market and is in a unique position to lead the industry's advances. The digitalization of the company's operations and dealers is intended to ensure reliability, increase productivity and promote agility for rural producers.

Since 2020, Lavoro has established an omnichannel presence, built by extensive research of the Digital and Marketing teams, in order to understand the main needs of producers throughout their buying journey. The combination, always flexible, of digital and face-to-face service meets the purpose of creating and offering the best solutions for each stage of this journey.

Digital transformation is standardizing and simplifying corporate processes, besides allowing a better integration of the group's companies. In the 2021/2022 crop year, SAP ERP and Salesforce systems were consolidated

as digital solutions for the back office and sales force, as well as investments in data intelligence to improve decision-making.

Now, the ambition is to transform Lavoro Group's knowledge, projects and solutions into a major digital hub for Brazilian agribusiness. This concept will be materialized by Lavoro Connected Farm. Still under development, this innovative solution integrates the existing digital initiatives: the Compre Lavoro marketplace, the Minha Lavoro App, the Torre de Controle and Lavoro Labs.

Lavoro Connected Farm will allow the group to be ever closer to customers' needs, offering all products and services before they need them, in a simple and integrated manner. Besides increasing customer loyalty, connectivity will bring operational efficiencies and support the company's long-term growth of the company.

TRAINING

112
SAP training programs

2,654
hours of training

1,464
certificates issued

SEMEAR PROGRAM

1,724
hours of training

862
participants



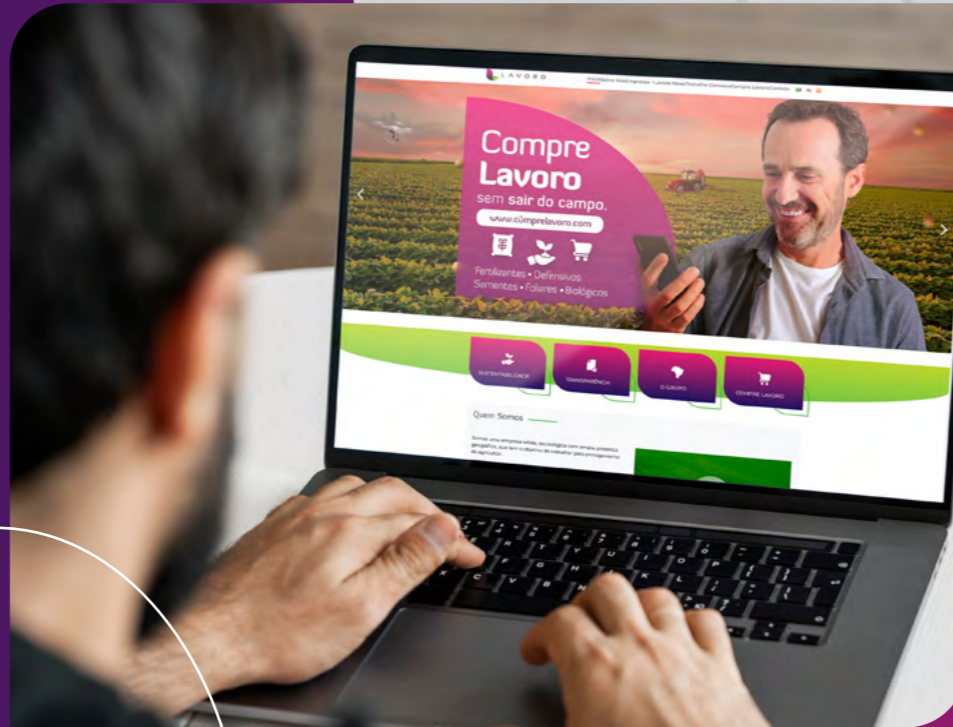
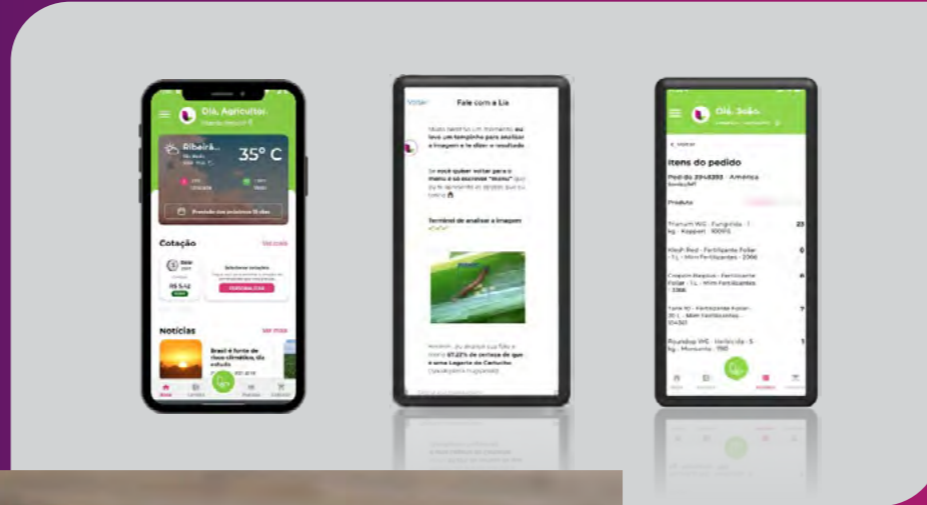
AT UNILAVORO

The continuing education program was conducted for implementation and advanced use in systems such as SAP, Salesforce and others. The goal, besides technical training, is to create a digital culture and simplify processes and decision-making.

MINHA LAVORO APP

Launched in November 2021, it is the easiest and fastest way for farmers to contact Lavoro and manage their business. Initially, it provides agribusiness news, commodity prices, weather forecast, information about your orders, your financial situation, nearby stores, and the entire list of products and services sold in our marketplace.

The app experience is supported by a digital assistant, LIA - Lavoro Artificial Intelligence, in a friendly and improved interface for customers. The plan is to provide a range of products and solutions, offered by Lavoro and partners, to streamline the customer's routine, in the palm of their hands, without them having to leave their location. Available on App Store and Google Play for users in Brazil, it will be expanded to Colombia.



COMPRE LAVORO E-COMMERCE

Launched in May 2020 and updated in November 2021, it is a digital marketplace that allows farmers to buy goods 100% online, making a wide range of products suited to their needs available. This digital solution already has more than 6,800 items available and the plan is to be in over 80 distribution points by the end of 2022.

TORRE DE CONTROLE

Launched as a prototype in December 2021, it is a producer database that consolidates information previously available in different systems. It aims to enable big data analysis in order to offer producers the right services at the right time.

LAVORO LABS

With a focus on digital agriculture, the team uniquely combines experience in technology and knowledge of agribusiness. Its goal is to be the preferred point of contact between agtechs and farmers, working on the digitalization of credit management, virtual storage and stock of crops, soil analysis, precision agronomy, among other areas.



3 Sustainability in the value chain



Lavoro as a promoter of sustainability

GRI 102-12

GRI 408-1

GRI 409-1

Conducting business in a sustainable manner is fundamental to Lavoro Group. By reaffirming its commitment to the UN Global Compact in Brazil, the company aligns its agenda with the 10 principles proposed in the areas of Human Rights, Labor, Environment and Anti-Corruption. Thus, it seeks to contribute to the Sustainable Development Goals (SDG) of the UN's 2030 Agenda, especially SDG 2 (Zero Hunger and Sustainable Agriculture), SDG 8 (Decent Work and Economic Growth), SDG 12 (Responsible Consumption and Production) and SDG 15 (Life on Earth). By committing to sustainability, Lavoro wants to build a positive legacy for the company, its customers, the environment, and the communities where it operates. **GRI 408-1, GRI 409-1**

To move in this direction, the group is guided by a Sustainability Policy and has a management team responsible for defining the corporate sustainability and ESG strategy, coordinating actions in topics considered priority, such as food safety, climate change, promotion of sustainable agriculture, deforestation control and analysis of working conditions in the value chain, among others.

WE SUPPORT



SOCIAL AND ENVIRONMENTAL COMMITMENTS UNDERTAKEN – 2025¹

- 100% customer base traceability²
- No irregular deforestation
- No embargoes due to deforestation
- No overlapping with strictly protected areas³
- No slave and child labor

1. Scope: operations in Brazil. / 2. Customers included in the risk assessment will be monitored in the credit granting process. / 3. Indigenous, Quilombolas Lands or full-protection Conservation Units.



ESG Agenda Highlights

E

- Foster high productivity in the field.
- Innovation in biological solutions, low carbon inputs, foliar fertilizers and and organo-mineral fertilizers.
- Engagement of teams and customers in a culture of maximum safety on fronts such as traffic and handling and use of chemical pesticides.
- Implementation of cross-cutting ESG Targets.



- Performing *social and environmental due diligence on customers, suppliers, and potential M&A targets.*
- Support for charity initiatives, such as food donation campaigns, solidarity planting and harvesting.

S

G

- Robust governance, risk management and internal control structure.
- Implementation of a traceability program for customers and suppliers, with recognition by means of the Lavoro Seal.



The above initiatives are further described in the chapters on Governance (page 34), Environmental Performance (page 50) and Social Performance (page 56).

TARGETS

To advance the sustainability agenda on all fronts, ESG Targets have been established for all operations, focused on areas such as sustainable agriculture, deforestation prevention, portfolio, health and safety, human capital development, equity, and recognition of good socio-environmental practices. Lavoro Group expects to achieve these targets by 2025, with progress monitored through key performance indicators (KPIs) that will be reported regularly to senior management.

12 topics
materials and sector

20 targets
for performance and management

60 KPIs

These targets are important because they embed sustainability issues as a management driver, accelerating transformation processes and giving a clear sense of priority to the process participants as to the ESG performance of the Lavoro ecosystem. In addition, they signal that the commitment to sustainability is real and relevant – that is, that there is indeed an influence of these aspects in decision-making and an integration of sustainability into the business.

ENVIRONMENTAL

Sustainable agriculture

- Achieve market leadership in pesticides for agriculture by 2025
- Expand its private label portfolio with lower environmental impact (toxicity, packaging, CO₂ emissions)

Climate change



- Map reduction opportunities for scopes 1 and 2 emissions by 2023¹
- Map reduction opportunities for scope 3 emissions by 2023
- Develop climate strategy by 2025 on a TCFD basis² (mitigation, risk adaptation and opportunity management)

Social and Environmental compliance



- Cut illegal deforestation down to zero in the value chain by 2025

Social and environmental risk assessment



- Engage 100% of priority suppliers in Lavoro's Sustainability Policy by 2025

Packaging and reverse logistics



- Reduce environmental impact through packaging, private label and reverse logistics strategies

1. Direct emissions from operations and emissions by electricity consumption; by business unit/cluster.
2. Task Force on Climate-Related Financial Disclosures.

SOCIAL

Health and safety: zero accident culture



- Achieve zero accidents by 2025³

Human capital development



- Reduce the voluntary turnover rate by 10%
- Strengthen capacity building, people development and engagement
- Promote the engagement of leaders in diversity

Equity



- Achieve at least 30% women on the Board by 2025
- Have women in at least 30% of the leadership positions by 2025 (directors and managers)
- Reduce the unjustifiable gender pay gap to zero by 2025

GOVERNANCE

Social and Environmental compliance



- Achieve 100% compliance in environmental in all our operations

Strategic social and environmental risk management



- Integrate social and environmental risks into the operational and financial risk matrix of the business by 2025

Corruption Prevention



- Ensure formal anti-corruption mechanisms in all forms of management

Recognition

- Earn recognition for operational excellence practices

3. Fatal accidents and lost-time accidents; reduction compared to 2021's baseline.

Industry challenges

Increasingly, agribusiness is advancing the discussion on ESG topics. Issues such as deforestation, climate change, carbon emissions, intensive use of water and energy, social impact on communities, management transparency, among others, have become part of the stakeholders' list of demands for companies in the industry, in addition to their profitability.

Thus, it is clear that companies that adopt strategies and business models that take ESG topics into consideration assume a prominent position in the market, with solid foundations to boost their growth and ensure their continuity. By performing in full social and environmental compliance, rural producers are free to market their production to trading companies, food and energy industries, meat packing plants, among others, without any restrictions.

Therefore, the big players in agribusiness, such as Lavoro Group, are positioning themselves with medium and long-term commitments and investing in mapping and traceability of social and environmental impacts.



Traceability Program

GRI 307-1

GRI 408-1

GRI 409-1

Sustainability in the agribusiness value chain is one of Lavoro Group's strategic topics. As a key link in this chain, the company seeks to expand the positive social and environmental impact from end to end, through continuous improvement of its operations and commercial activities carried out by its subsidiaries and business units. Therefore, it started, in 2021, a Traceability Program for agricultural and livestock production under its direct influence in Brazil. **GRI 307-1**

To implement the program, it conducted a study of social and environmental risks and opportunities from the previous mapping of farms and customers in the Amazon and Cerrado. The second step was the creation of a social and environmental protocol for evaluation considering the main risks identified and the impacts that should be avoided or mitigated. Next, the company established its social and environmental commitments for 2025, which were widely discussed with top management, employees, specialists, and other agribusiness stakeholders, approved by the Board of Directors and with Pátria Investimentos. The establishment of commitments reinforces that Lavoro understands its role and is committed to not financing agricultural or livestock production that uses illegal deforestation in Brazil or other environmental irregularities. **GRI 307-1**

SUSTAINABILITY AND ESG POLICY

Lavoro Group's Sustainability and ESG Policy sets out the responsibilities and commitments shared by senior management, employees, customers, investors, partners, suppliers and other stakeholders. Its objective is to guide the management of risks and opportunities based on environmental, social and governance responsibility inherent to the company's operations.





Alfredo and Sissi Szabo, Lavoro customers – Deragro Pelado Farm, Guarapuava – PR

In addition to better risk management and the establishment of commitments to generate real positive impact on the chain, the Traceability Program brings several opportunities for the Lavoro Group companies and their customers. Among them are the development of penetration and commercial expansion strategies based on the geospatial mapping of the territories where the company is present, as well as the identification of payment possibilities for environmental services through conservation, regeneration, and adoption of best agricultural practices.

GRI 307-1

One of the main instruments used to implement initiatives that lead Lavoro to comply with these commitments and mitigate general risks in its chain is the company's Commercial and Credit Policy. This policy guides the establishment of limits to the credit granted to rural producers

during the purchasing process, an essential step for access to inputs and production planning for customers of different sizes. Its focus is to identify not only the financial health of rural producers, but also their adherence to ethical principles and the company's Sustainability and ESG Policy.

GRI 408-1, GRI 409-1

For full compliance, the policy determines that all clients must undergo an annual compliance assessment. This includes a strict due diligence stage to verify adherence to the Lavoro protocol of environmental, social and governance factors. **GRI 408-1, GRI 409-1**

The Lavoro Traceability Program will also allow us to recognize our customers for their best practices on each farm, valuing their concern for social and environmental regularity and conservation issues. **GRI 307-1, 408-1, GRI 409-1**

Lavoro Seal

GRI 307-1

GRI 408-1

GRI 409-1

CUSTOMER AND RURAL PROPERTY EVALUATION

As part of the Traceability Program, the Lavoro Seal is born, in 2022, from the process of improving the social and environmental assessment of customers and suppliers. It will be awarded annually to partners who are 100% compliant with social and environmental criteria, considering their adherence to the Code of Conduct and Ethics, the Sustainability Policy, and the company's good commercial and purchasing practices in an integrated manner.

The initiative is being implemented in a pilot format for the 2022/2023 crop season, with a progressive increase in the base verified in the following crops, until reaching 100% of customers and suppliers, in 2025. Those granted the Lavoro Seal are awarded a seal and a nominal, tailored digital certificate. It creates the opportunity for moments of sociability and celebration with customers, according to the relationship strategy of each regional or group company.

FINANCIAL

Through information entered by the sales force and by the financial area in the credit analysis platform, a processing of the relevant points registered is carried out to calculate the customer's degree of risk. If everything is correct during the financial assessment, the analysis is carried out to grant the credit. This stage also involves the verification of agronomic conformity in a collateral management system for the issuance of the Rural Product Note (CPR), including geo-monitoring by satellite imaging of the informed properties. **GRI 307-1**

Based on the customer's degree of risk, the system makes a suggestion of the limit amount to be financed, established based on the Commercial and Credit Policy, providing objective and impartial support to the sales consulting team.

COMPLIANCE

The Legal and Compliance departments are responsible for furthering the analysis of compliance in an automated digital tool, which checks 44 compliance databases, 12 of which are related to social, environmental and labor compliance. If notes are detected that violate the Code of Conduct and Ethics of customers and suppliers, the analysis is submitted to the Ethics Committee. **GRI 307-1, 408-1, GRI 409-1**

SOCIAL AND ENVIRONMENTAL

In 2022, Lavoro automated its social and environmental risk analysis, with the adoption of a tool that

queries data from public databases, and consolidates and analyzes it using artificial intelligence and big data and georeferencing resources. Eighteen social and environmental risk factors are verified, including the status of the Rural Environmental Registry for owned and leased farms, lists of Ibama, ICMBio and state environment departments, slave labor black list, Soy Moratorium criteria for illegal deforestation in the Amazon, risks of irregular deforestation in the Cerrado and other biomes, environmental embargoes and overlaps with fully protected areas, where agricultural or livestock production cannot be carried out. **GRI 307-1, 408-1, GRI 409-1**



4 Corporate Governance



Governance structure and pillars

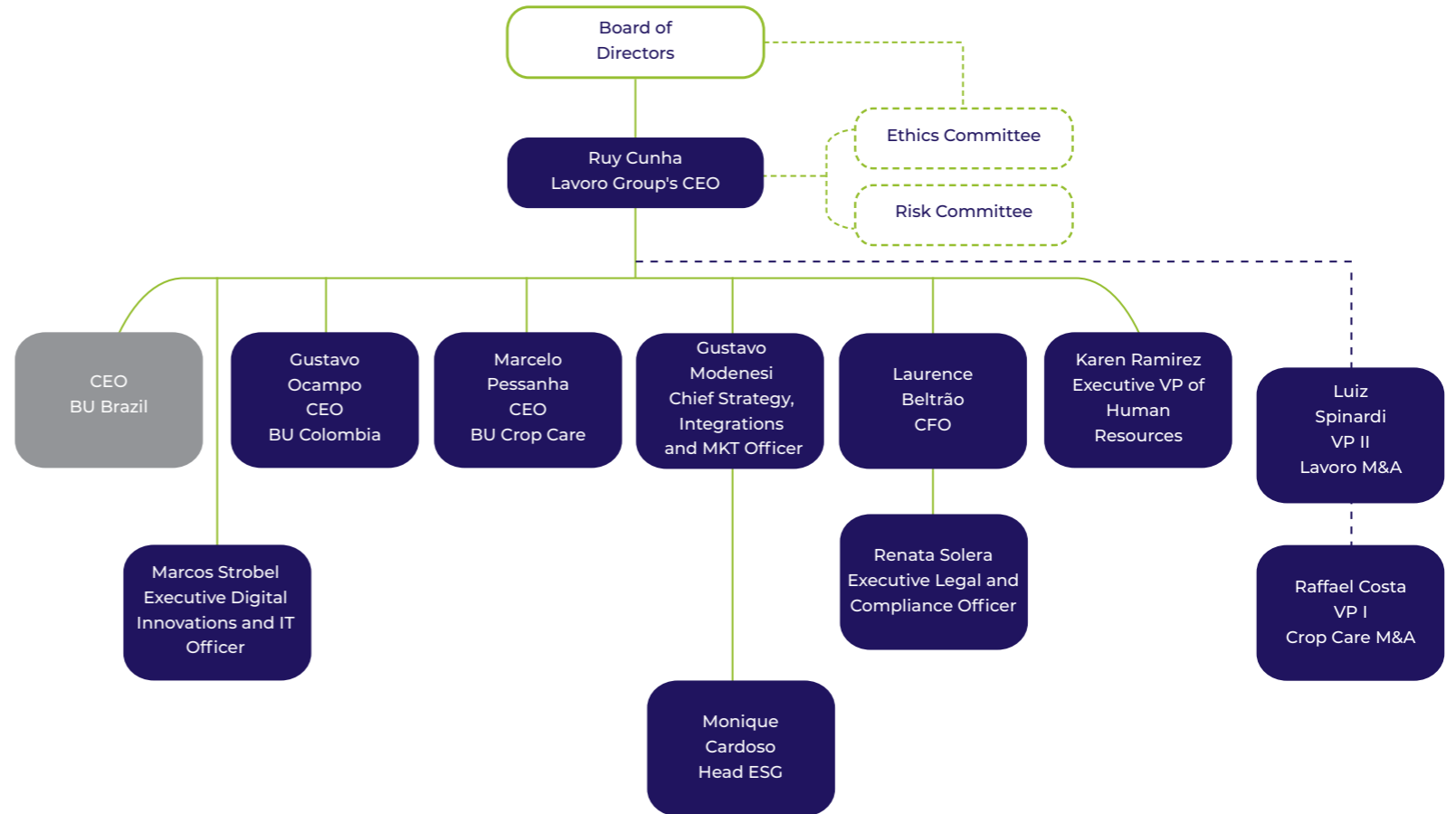
GRI 102-18 GRI 102-22

Lavoro Group maintains a robust corporate governance structure in order to carry out its operations with transparency and respect for all those who are impacted by them. This is how the company seeks to deliver even more value to all its stakeholders and maintain its competitiveness, which is fundamental to the success of the business.

The company adopts the best corporate governance practices, fully complying with the current legislation, especially the Corporations Act. The highest governance body of the organization is the Shareholders' Assembly, responsible for electing the Board of Directors, which, in turn, chooses the Statutory Board, responsible for appointing the other directors of the company. **GRI 102-22**

These bodies are responsible for the administration of the group, according to the roles determined by the organization's Bylaws and the internal regulations of the Board of Directors and by the legislation of the countries where the group operates. **GRI 102-18**

This same structure is replicated in the subsidiaries and/or affiliates that are joint stock companies. In some of them, directors are members of the holding company's Board of Directors.



Board of Directors

GRI 102-18 GRI 102-19 GRI 102-20 GRI 102-21 GRI 102-22
GRI 102-24 GRI 102-26 GRI 102-29 GRI 102-31 GRI 102-33

The Board of Directors is responsible for defining Lavoro Group's strategy and long-term management, determining the guidelines to be followed by the Statutory Management, including economic, social and environmental topics and the purpose and values of the organization. **GRI 102-19, GRI 102-20, GRI 102-21, 102-26** It is made up of 5 non-independent members, 3 of whom are representatives of Pátria Investimentos, the fund manager that is the majority shareholder of the Lavoro Group. The other two are part of the Lavoro Group's Board of Directors, one of them being the CEO.

These members are elected by the Shareholders' Assembly for a 2-year term, re-election permitted, based on their knowledge of the group's business and the sector. **GRI 102-24** The largest shareholders who define how many and which of their representatives will be on the Board. The Board of Directors meets on a monthly basis,

ensuring a transparency agenda, when an accountability report is made for the period and all issues relevant to management are addressed, including environmental, social, economic and governance issues, linked to risks and opportunities. **GRI 102-31, GRI 102-33** These issues are raised with the different areas through periodic meetings.

Lavoro and Crop Care also maintain a formal relationship with external audiences, such as the financial sector, led by the CFO, through which issues relevant to their operations are identified. It also has a Regulatory area in Brazil and Colombia, which handles issues related to private label pesticides, including labeling aspects. **GRI 102-18, GRI 102-21, GRI 102-29**

Regarding the group's social and environmental performance, at the suggestion of the board members, a bimonthly ESG reporting routine was established for senior management and the Sustainability area was created. **GRI 102-31**

Risk and Compliance Committee

GRI 102-22 GRI 102-30 GRI 102-33

The members of this committee are appointed by the Board of Directors, to which they report. It must necessarily include the CEO, CFO, and legal and compliance officers, as well as an independent member appointed by the shareholder who performs as the coordinator.

The committee meets monthly to advance the management of all risks, including ESG-related risks, and of organizational routines in relation to licensing and corporate aspects. It also holds monthly operational meetings with the members of the affiliated companies to monitor and address all the risks mapped, as well as the action plans. And, every three months, it meets with the Board of Directors.

All decisions made by the company's management that are risk-related must undergo a prior evaluation by the Risk and Compliance Committee for relevant recommendations.

Ethics Committee

GRI 102-22

It is a permanent collegiate body, composed of at least 3 members of the company's senior management elected by the Board of Directors, responsible for ensuring compliance with the Lavoro Group's Code of Conduct and Ethics and other codes, manuals, protocols, roadmaps, procedures and policies related to the Integrity Program, with the aim of maintaining ethics and integrity in day-to-day business and conduct in relation to all its internal and external stakeholders.

This includes actions of prevention/guidance, training, monitoring and response, in cases of non-compliance with the rules established by the company, giving appropriate treatment to communications and complaints received through the Lavoro Group's Transparency Channel.



LAVORO CONVENTION

Each year, the Executive Board and regional directors hold a general alignment meeting with employees across the group to communicate results and lessons learned, hold recognition sessions, and share corporate goals.

Executive Board

GRI 102-22

GRI 102-23

Lavoro Group's Executive Board is currently composed of 7 members, including the CEO, who are elected by the Board of Directors for 2-year terms, re-elections allowed. The Chairman of the Board is not part of this group.

The person in this position implements the strategic and operational guidelines established by the Board of Directors for the management of the group, including economic, environmental and social topics. **GRI 102-19, GRI 102-20**

In addition to the Ethics and Risk advisory committees, the company has internal advisory committees, the main ones being: credit, data protection, health, safety and environment, and ESG.

Once a quarter the Canal Direto meeting is held, in which the CEO and other members of the Board of Directors address the ESG topic with all employees, among other relevant issues in the period. And, in 2021, the Group implemented an ESG Committee to address strategic planning, management practices, and business operations in this field, as well as an ESG management, under the Strategic Planning Department, whose responsible executive reports directly to the Statutory Board and to the Board of Directors. **GRI 102-19, GRI 102-20, GRI 102-21, GRI 102-27**



Risk management

GRI 102-30

Lavoro Group maintains a risk management process in order to preserve and develop its values, assets, reputation and competitiveness, and to ensure business continuity.

MAIN RISKS MANAGED

BUSINESS AND INDUSTRY

Changes in economic and business conditions; changes in government policies affecting the agricultural sector; adverse weather conditions; actions taken by our farmer customers; customer retention; attracting new customers, including through new store openings and geographic expansion; maintaining, protecting and enhancing the brand; managing growth and international expansion effectively.

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.

LATIN AMERICA

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

REGULATORY, PRIVACY, AND CYBERSECURITY ISSUES

Difficulties or delays in obtaining regulatory approvals required for operations; health and environmental risks associated with our production, handling, transportation, storage and marketing of products; increased stringency in environmental, health and safety and food and agricultural inputs laws and regulations.

Compliance, ethics and integrity

GRI 102-16

Within Lavoro Group, the Compliance, which is under the Legal Department, is the area responsible for risk management. It is supported by the Risk Committee as an advisory body and reports its activities to the Board of Directors.

The area is also responsible for the Ethics Committee and for Lavoro Group's Integrity Program. This program applies to all employees and third parties, in an independent and impartial manner, formalizing the company's commitment to conduct its business with ethics, integrity¹ and in line with current legislation, especially the Anti-Corruption Law in force in Brazil, and the Anti-Bribery Law of Colombia.

The Integrity Program includes the Code of Conduct and Ethics for employees and suppliers, the Transparency Channel, the rules for donations and sponsorships, the Risk Management, Compliance Committee and Ethics Committee regulations, the rules for assessment of service providers and suppliers and a series of policies. **GRI 102-16**

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



CADASTRO ÍNTEGRO OF BRAZIL'S MINISTRY AGRICULTURE



Agrobiológica Sustentabilidade, a manufacturer of biological inputs from the Crop Care vertical, joined Brazilian Ministry of Agriculture (MAPA)'s Cadastro Agro Íntegro, in June 2022. By joining this registry, companies sign a public declaration undertaking to perform and contribute to a more honest, ethical, and transparent competitive environment in the private sector and in their relations with the public sector. Part of the process is the demonstration of their actions linked to the topic, for the short and medium terms.

Code of Conduct and Ethics

GRI 102-16

The Code of Conduct and Ethics sets the basis for all policies at the Lavoro Group. This document establishes the parameters and behaviors aspired by the company in its business and relationships, in line with the ethical and legal principles it upholds.

Its rules are general and apply indistinctly to all employees and third parties, regardless of their hierarchical level and the company to which they are linked. Therefore, reading the document is mandatory for all employees, suppliers, customers, and third parties, who must also sign a term of awareness and adherence to the document. **GRI 102-16**

GRI 102-16 | HEALTH PROGRAM POLICIES

Authorization and Delegation of Authority Policy

Anti-Corruption Policy

Policy to Prevent Conflicts of Interest

Due Diligence Policy

Risk Management Policy

Consequence Management Policy

Contingency Provision Policy

Policy to Prevent and Fight Moral and Sexual Harassment

Related-Party Transaction Policy

Transparency channel

GRI 102-17

All employees, suppliers, customers and third parties have an exclusive, secure communication channel to report any occurrences, whether suspected or formal complaints, as well as to ask questions or express concerns regarding the Code of Conduct and Ethics and the Integrity Program. This resource is accessible to employees from all units and remote employees in Latin America. Communications can be anonymous.

Information is received by an independent and specialized company, in order to ensure absolute confidentiality, and forwarded to be appropriately addressed by the Ethics Committee together with Lavoro Group's Compliance, with no conflicts of interest.

100% of the complaints and communications received are investigated and addressed by the Ethics Committee.

VISIT AND READ TRANSPARENCY CHANNEL



Anti-corruption and conflicts of interest

GRI 102-25

GRI 205-1

GRI 205 103-1

GRI 205 103-2

GRI 205 103-3

At Lavoro Group, practices that could be considered acts of corruption and conflicts of interest are not tolerated. Therefore, there are two specific policies on these topics, the Anti-Corruption Policy and the Conflicts of Interest Policy, in addition to adherence to the principles of the specific laws in force in Brazil and Colombia.

Commitment to ethics and integrity must guide the actions of all employees and third parties in the conduct of the company's business and activities. Both documents establish the guidelines, standards and procedures of the program to prevent and fight corruption and conflicts of interest for all group companies, simultaneously

complementarily applied to the Code of Conduct and Ethics and other policies of the Integrity Program, such as the Consequences Management Policy.

The process of identification, evaluation and treatment of suspected corruption and/or potential conflicts of interest is under the management of the Compliance Department and, when necessary, the Ethics Committee, which analyzes the reported situations, makes the necessary recommendations and applies the appropriate sanctions, when confirmed. At Lavoro Group, donations or contributions to candidates or political parties are not allowed.

GRI 415-1

All Lavoro Group operations are assessed for corruption-related risks on a case-by-case basis.

GRI 205-1



2021/2022 CYCLE - COMPLAINTS

- Complaints addressed – 88
- In progress – 26

Third-party assessment

GRI 205 103-1

Lavoro Group puts direct and indirect suppliers and third parties, with which it intends to engage through a due diligence procedure, to identify possible risks related to their contracting. Regardless of their size, suppliers have their data checked through compliance and anti-corruption tools in public registries. The same process is applied for the hiring of new company executives.

The procedure is also adopted in the acquisition study of new companies. After the acquisition, the transmission of the group's normative and compliance procedures must be made during the first one hundred days.

Therefore, it not only meets the demand of shareholders, who is concerned about investing in ethical businesses, but also collaborates to consolidate such practices in the market. As the company incorporates small companies in distant municipalities, where there are no large companies established, both in Brazil and Colombia, it ends up disseminating the best business management practices in the territories where it operates.



TRAINING

GRI 205-2, 404-1

Annual online and on-site refresher training on compliance is conducted with employees at all Lavoro Group branches, and regular company-wide communications are sent out.

Training and communication of the Integrity Program

GRI 205-2

Communication actions and training programs on the Integrity Program are passed on to all employees of the companies that become part of the Lavoro ecosystem in Brazil and Colombia, and to new employees. During onboarding, all employees are informed and trained on compliance, the Code of Conduct and Ethics and all policies that are part of the program, and must sign the terms of awareness and adherence to these documents. They must also complete a politically exposed person declaration and a due diligence questionnaire to avoid possible conflict of interest situations.

100% of the employees are aware of the Integrity Program, receive training on its terms, and are informed about its documents and policies.

MAIN TRAINING PROGRAMS AND COMMUNICATIONS HELD IN BRAZIL

SCHOOL OF COMPLIANCE UNI LAVORO

It contains 5 learning tracks, such as Integrity Program and its thematic refreshers, Information Security, and LGPD.

LAVORO LEGAL WORKSHOP

Started in March 2022, it brings classes on compliance topics to the company's main branches. Events held by June 2022: 11 workshops/ 6 Brazilian states/250 attendees (local leaders).

PILLS ON COMPLIANCE

Messages from the Compliance Officer, shared in bi-weekly e-mails sent by the Communication area.

TRAINING ON PREVENTION OF MORAL AND SEXUAL HARASSMENT

Compliance module within the Leadership Management Program (PGL). Type: on-site. Audience: main leaders in the commercial area. Length: 1h30/60 participants.



Data protection

Lavoro Group is committed to respecting and protecting the privacy and security of the information to which it has access, whether it belongs to the company itself, its customers or the general public. Thus, in its processes, it seeks to ensure that the security and processing of such data are dealt with in a transparent manner and in accordance with the best market practices and applicable legislation, such as the General Data Protection Law (GDPR), in force in Brazil.

The principles, guidelines and standards related to security and the processing of

information in the company are defined in 2 documents: the Corporate Information Security and Cyber Security Policy and the Privacy Policy. Both have been approved by the Board of Directors. All contracts, commercial or partnership, observe the principles of the law.

All stakeholders of the companies that make up the Lavoro and Crop Care holdings have access to the Privacy Portal on the corporate website. On this platform, data subjects can also contact us to request changes or deletion of their data from the company's records.



VISIT AND READ LAVORO GROUP DATA PRIVACY PORTAL



5 Innovation, quality and portfolio security



Sustainable innovation

Our greatest sustainability asset, and the greatest positive impact based on environmental and social criteria that we want to leave as a legacy, is to invest and grow a sustainable business from the source. Through the Crop Care platform, we provide to farmers of all sizes, through Lavoro dealers, biological products that help reduce their costs, while increasing their profitability, with less use of water, land and carbon emissions.

With a high investment in research and development, lines of bio-inputs and specialty fertilizers exclusive to Lavoro customers are developed in plants of Agrobiológica Sustentabilidade and Union Agro, in the state of São Paulo (BR), and Cenagro, in the region of Cali (CO), companies associated to Crop Care in 2020 and 2021.

The portfolio offering for regenerative agriculture is a priority. A new industrial site, with an expected investment of BRL 100 million, will increase by five times its production capacity of biological inputs. The plant was acquired in early 2022, has 500,000 square meters and is located in Itápolis (SP). Operations are expected to start in 2023, also featuring a modern R&D center.

With investment and market strategies, the specialties business should grow from 6% to 10% within the group's revenues, considering the portfolio offering at resellers.

In the 21/22 crop year, the Essenziale line of specialty fertilizers was launched, including 13 products. Agrobiológica Sustentabilidade approved the registrations and launched 4 new bio-defensives in ready-to-use packages, and with an intensive campaign in the field, multiplied the adoption of biologics in the South, Southeast and Midwest regions. In Colombia, with a focus on vegetable, fruit and fruit growers, Cenagro worked to expand distribution and improve guidance to the farmer, with renewed fertilization plans available online.

All this increases the demand for labor. In Brazil, more than 40 expert consultants have been hired exclusively to engage farmers and provide technical advice on integrated management with biologicals. Another 10 RTVs work exclusively with the Essenziale brand. In less than two years, Agrobiológica went from less than 30 to 150 employees, and is expected to hit 300 by the end of 2023.



New biologicals
plant Itápolis
(SP) 500,000 m²
R&D Laboratory

Biological revolution

With a focus on promoting sustainable and regenerative agriculture, every year, Lavoro Group expands its offer of biological inputs to traditional, entrepreneurial, family, organic or agro-ecological farmers. Developed from natural ingredients, they act on pests and plant diseases effectively, without additional risks to people during application and without harming the environment, allowing to maintain microorganisms and beneficial insects in the field.

The private labels of biological inputs are developed and produced by Agrobiológica Sustentabilidade, under the Crop Care platform. Its solutions, launched from an intense process and investments in research and development, include bactericides, fungicides, acaricides, insecticides, among others. There are a total of 13 registrations, including ready-to-apply defensive formulated products and products for on-farm use, multiplied in bio-rooms on the farm, in bioreactors. The most recent innovation is the Active Fungus technology, a solution of liquid fungi for solution for agriculture.

Agrobiológica is the first to obtain this registration in the country.

In management, they can be integrated or not with the use of traditional chemicals, according to the strategy agreed upon between the agronomists of the Agrobiológica team and the customers. Biopesticides are a sustainable, efficient and affordable solution, mitigating the risk of resistance. Biological inputs emerged as an alternative to traditional molecules, but may soon become the main strategy for crop protection. The motivation for the effort to further expand the area treated with biologicals in Brazil and Colombia is carried out by Crop Care and the Lavoro dealers through campaigns, conventions, field days, multiple visits to producers, demonstration fields, intensive training and hiring specialists.



AGROBIOLÓGICA IN NUMBERS

68% growth
21/22 crop

8%
market share

BRL 100 million
new investment
industrial site

5 registrations
approved, 1 proprietary
active ingredient

over 10,000
customers

over 11 million
hectares covered in Brazil

7.8 million ha
no longer receive
chemical defensives


BIOSHOCK CAMPAIGN IN MT

First and foremost, rural producers seek safety in crop performance. Innovation in the formulation and management are key to tackle pests that take their sleep, ensuring high productivity. With high efficiency, the Bioshock technology was launched in the BR-163 region, where two strong hubs of grain production are located, Sinop and Sorriso. To increase the knowledge of Lavoro dealers' teams and local producers, 25 training sessions for RTVs and 15 field visits were held.


Lavoro teams and Agrobiológica's experts worked to exponentially increase the use of biological pesticides by traditional soybean, corn and cotton producers. The use of bioinputs increased from 400,000 liters to 1 million liters that season, as producers seemed highly satisfied with the positive results achieved, which made them natural influencers.



LESS PLASTIC IN THE FIELD

 **91%**
drop in
the use of plastic

-77% 
trucks for packaging
delivery

 **58%**
drop
in power
consumption

BAG IN BOX BENEFITS

To be introduced in the 2022/2023 season, the ready-to-use bioinputs will adopt a new, more sustainable packaging standard by replacing plastic drums. Packaging in the bag in box model generates energy efficiency gains in the filling and storage areas, does not require cold storage and promotes a significant drop in the use of plastic in the field.



ESSENZIALE

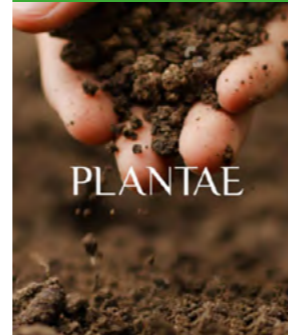
Productivity is essential

The new Essenziale specialties line reached the market in 2022, featuring plant nutrition as an essential high yield driver.

Its portfolio consists of 5 product lines serving all production cycles in the field, from planting to harvesting. They consist of inputs developed with cutting-edge technology, to nourish, stimulate, and enhance each stage of cultivation, providing higher productivity.

The products were also developed aiming at lower environmental impact. In addition to being non-toxic, soil products rely on an embedded technology that allows the slow release of active ingredients and high concentration, helping to reduce the number of inputs in the field and, consequently, fuel consumption.

ESSENZIALE PRODUCT LINE



PLANTAE

Two products for the pre-sowing/ planting/seeding stage that improve rooting and nutrient uptake.



VEGETAE

Three products for the vegetative segment that improve vegetative development and flowering in different crops, and promote a better nutritional balance.



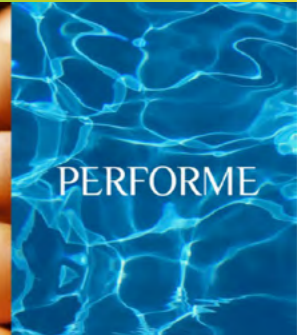
FLORAE

Two products for the pre-flowering segment that improve flowering and flower setting, and increase nutrient uptake and yield.



PRODUZE

Three products for the reproductive segment that favor the fruiting period in different crops, increasing the filling of grains, as well as production quality.



PERFORME

Three types of adjuvants that improve spray efficiency, adhesion and absorption of the products used together.



Product labelling and safety

GRI 417-1

GRI 417 103-1

GRI 417 103-2

GRI 417 103-3

In a business essentially based on the recommendation of agronomists, who are experts in various crops, such as grains, pastures, forests, vegetables, flowers, among others, accurate and secure labeling information is a primary condition. Likewise, the process for registering private label products needs to be equally strict. **GRI 417 103-1**

Lavoro Group, whether in distribution or in the production of inputs, pays special attention to labeling and prescriptions, strictly complying with the requirements demanded by the regulatory agencies of the countries where it operates, to ensure the supply of products that are best suited to the needs of farmers, especially regarding agrochemicals, which must be used conscientiously. **GRI 417 103-2**

Lavoro's companies, whether in production or distribution, comply with the standardization of labels and prescriptions, accurately

informing the active ingredients or surfactants present in the formulations, in addition to the purpose of the product. We follow the legislation of each country regarding handling, storage, transportation, and application of inputs and chemical substances. In Colombia, management relies on an environmental compliance matrix for distribution and commercialization. The manufacture of fertilizers at Cenagral rates at 98% in terms of the required compliance. **GRI 416 103-2, GRI 417 103-2**

In Brazil, they are compulsorily approved by MAPA, Anvisa, and Ibama, meeting all the requirements set forth in Decree 4.074/2002 and complementary norms. Thus, the correct use in accordance with the instructions on the labels and leaflets approved by the 3 bodies is ensured to have no negative impact on human health, biodiversity, and the environment. **GRI 417-1** For the registration of new products, complete studies and dossiers are carried out, in

addition to efficacy tests and guidelines for use.

The regulatory team is made up of professionals in the areas of Chemistry, Veterinary Medicine, Biomedicine, and Agronomy, and counts on the support of expert consultants, when necessary.

In the field, to guide the correct and effective application, RTVs have the necessary qualifications and are responsible for advising farmers so that the application and use indications for each product are followed, according to its package leaflet.

Lavoro offers high quality products and rigorous labeling for a safe application.



PRIVATE LABEL, LOW-RISK PRODUCTS

Biological inputs and specialty fertilizers are not considered toxic agricultural inputs, so they do not receive toxicological classification by the regulatory agencies, neither in Brazil nor in Colombia. Still, in order for this private label portfolio to be properly recommended to farmers and ranchers, an expert team offers technical training to RTVs before they start commercializing.

Along the same lines as the specialty portfolio, none of the post-patent agrochemicals registered for marketing by Perterra and distributed by Lavoro dealers is classified as highly toxic by Anvisa.

Contact information for customer service is found on the labels of all private label product. Assistance is provided by a qualified team to offer information, guidance on use and safety, and clarify any questions about the products and their proper and safe use.



REGISTRATIONS

The regulatory team prepares and follows up on the entire registration process for private label and post-patent products:

- 98** import authorizations
- 7** proprietary registrations approved
- 89** registration applications applied

6 Environmental performance



Commitment to efficiency

GRI 307-1

GRI 302 103-1

GRI 302 103-2

GRI 303-3

Lavoro Group is committed to conducting its business and activities with social and environmental responsibility, in order to contribute to a sustainable agriculture model and to minimize its impacts regarding climate change.



The company strictly complies with all environmental legislation relating to its operations and prioritizes continuous process improvement. The environmental risk and performance is verified from the acquisition process of new companies, when they go through a complete evaluation by qualified professionals and specialists, including both documentary analysis and auditing and data collection in the field.

After incorporation, this environmental data is followed up, so that it can be managed, which focuses on the measurement of greenhouse gas emissions, water, energy and fuel consumption, as well as the correct disposal of waste, especially hazardous and those with the possibility of

reuse. Thus, it is possible to adopt rational consumption patterns in all activities and implement initiatives to avoid waste, disseminating a culture of environmental responsibility throughout the chain. **GRI 302 103-1, GRI 302 103-2**

In addition to managing its impacts, Lavoro seeks, as a group, to generate a positive environmental legacy and this happens, mainly, through its portfolio. Therefore, it develops, produces, and mass-markets products with lower impact to people and the environment, such as biopesticides. And adopts as a practice the proper recommendation of agrochemicals, in the correct type, dose, and management.



GRI 303-3 | WATER WITHDRAWAL

Water withdrawal per source (in megaliters)	2021/2022	2020/2021
Water withdrawn from third parties (supply service by public or private providers)	49,68	25,30
Groundwater (artesian well)	2,31	1,94
Total	51,99	27,24

1. The 2021/2022 data on fundraising refers to the operations in Brazil and Colombia.

2. The 20/21 period did not include data from all the companies in the Eastern Cluster (Lavoro Brazil), nor data from Colombia, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions. Thus, data from the two periods are not comparable.

Waste management and reverse logistics for packaging

GRI 306-3 | GRI 306-4 | GRI 306-5



GRI 306-3, GRI 306-4, GRI 306-5 | WASTE GENERATION (IN TONS)

Direction	2021/2022		2020/2021	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous
Reuse	213,86	0,00	23,80	0,00
Recycling	78,51	0,00	358,20	0,00
Incineration	0,00	14,81	0,00	8,43
Total	292,37	14,81	382,00	8,43

1. Reuse consists of pallet wood recovered within Lavoro's operations.
2. Recycling consists of paper, cardboard, and plastic from uncontaminated secondary packaging, recovered within Lavoro and destined for reuse.
3. Hazardous waste refers to small volumes of chemicals isolated in sawdust from any accidental breakage of pesticide packaging. The collection is performed by an expert company and registered in destination certificates.
4. For 2021/2022, the 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. There was, in the reporting period, a change in the methodology for converting these volumes, so the data between the 2 reporting cycles are not comparable.
5. The 20/21 period did not include data from all the companies in the Eastern Cluster (Lavoro Brazil), nor data from Colombia and all Agrobiológica operations, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions. Thus, data is not comparable.



As the packaging of agricultural inputs may contain chemical residues, with risk of potential negative effects to the environment and to people, these items must be properly disposed of. In the distribution business, Lavoro Group fulfills its role by indicating to 100% of its customers the proper form and place for the disposal of chemical product packaging, according to the environmental laws that regulate the subject in the countries where it operates.

To ensure reverse logistics of their private label products, in Brazil, Perterra and Agrobiológica are members of the National Institute for Processing Empty Packages (inpEV), a non-profit organization maintained by pesticide manufacturers with the purpose of promoting the correct

disposal of their products' post-consumption packaging.

inpEV is a member of the Campo Limpo System, which acts as an intelligence center and is responsible for the operationalization of the reverse logistics of agrochemical containers throughout the country. In addition, the companies that make up the Lavoro ecosystem are associated with local packaging collection entities throughout Brazil. This integrated system to promote reverse logistics of containers meets the determinations of the National Policy for Solid Waste and the Federal Law 9.974/00, which established the principles for the environmentally correct management and disposal of empty containers of pesticides, based on shared responsibilities

among all agents in the value chain – farmers, distribution channels and cooperatives, industry and government.

In Colombia, reverse logistics is also a recurrent practice and integrates the Plan de Gestión de Devolución de Productos Post-consumo, determined by law since 2005. The management system for chemical product packaging is similar – a specialized company is responsible for the collection, transportation, processing and final disposal of the material, reintegrating it into the production system through recycling or reincorporation as raw material.

In addition to collection and disposal, the accredited company works with environmental education to prevent the informal market of counterfeit products, reuse of packaging, inadequate washing of containers before disposal, avoiding contamination of water bodies, and open burning of post-consumption agrochemical packaging or its improper disposal in Colombian landfills or dumps.

GHG emissions

GRI 305-1 GRI 305-2 GRI 305 103-1

GRI 305 103-2 GRI 305 103-3



GRI 305-1, 305-2 DIRECT AND INDIRECT GREENHOUSE GAS (GHG) EMISSIONS IN tCO ₂ eq		
	2021	2020
Scope/Category	Emissions (tCO ₂ eq)	Emissions (tCO ₂ eq)
Scope 1	2,593.38	1,668.12
Mobile combustion	2,556.01	757.42
Fugitive emissions	21.03	910.7
Liquid effluents	16.34	–
Scope 2	304.14	97.34
Purchase of electric power	304.14	97.34
Total emissions (tCO₂eq) Scopes 1 and 2	2,897.52	1,765.46

1. Companies considered in the 2021 inventory, distributed by cluster – East Cluster: Agrovenci, Cultivar, Integra, Produtec, Qualicitrus; North Cluster: Agrovenci, América, Central Agrícola, Impacto, Lavoro; South Cluster: Denorpi, Deragro, Futuragro, Pitangueiras, Plenafertil, Realce; Crop Care: Agrobiológica and Perterra/Holding. Offices: Desemparr and Pitangueiras. The 20/21 period did not include data from all the companies in the Eastern Cluster (Lavoro Brazil), nor data from Colombia, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions.

2. Mobile combustion: emissions related to the burning of fuel in light and heavy vehicles, forklift trucks, and the company's own equipment used to move people or cargo.

3. In line with the Paris Agreement, the base year 2021 emissions were calculated using the values for Global Warming Potential (GWP) as reference from the IPCC's 5th report (AR5), while the previous inventory used the AR4. The GHG GWP is an equivalence measure that determines the contribution of a greenhouse gas to global warming.

4. Fugitive emissions: refer to those that occur due to unintentional equipment gas leaks. The sources identified were CO₂ fire extinguishers and refills in air conditioners.

5. Liquid effluents: resulting from the anaerobic treatment of liquid effluents with the release of gases such as methane into the atmosphere. Scope 1: CO₂, CH₄, N₂O and HFCs. Scope 2: CO₂.

6. 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 order to make its operations increasingly sustainable, Lavoro Group is committed to implementing new processes and solutions to address the issue of climate change. **GRI 305 103-1**

As is well known, agriculture is highly dependent on the stability of the climate regime – changes in temperature, rainfall, and the frequent occurrence of extreme events can increase or decrease crop yields. Thus, the impacts of climate change on agricultural productivity can directly affect customers and, consequently, Lavoro's bottom line. For this reason, this topic also receives special attention in the company.

The company monitors the greenhouse gas emissions of its network of branches and production units in Brazil to identify the need for adjustments in the energy matrix, with better management of energy and fuel use in store operations, factories, and logistics.

One of the tools used to measure these impacts is the Greenhouse Gas (GHG) emissions inventory, which enables the accounting of emissions related to Lavoro Group's activities and assists in defining control targets and reduction opportunities. Lavoro Group's first GHG Inventory considered the 2020 emissions of the Brazilian operation, according to the criteria established in the NBR ISO 14.064:2007 Standard and the Brazilian GHG Protocol Program. **GRI 305 103-2, GRI 305 103-3**

SOLAR POWER IN MINAS GERAIS

To improve its energy matrix, Lavoro started, in April 2022, a partnership with the company Sou Vagalume to supply 23 branches with solar energy in the state of Minas Gerais. These units, altogether, total an average consumption of 22,000 kw/h per month, of which over 85% is supplied by solar power.

This is a pilot project and encompasses stores of the companies Agrozap, Produttiva, Produtec, and Qualicitrus. By the end of 2022, 2 silos in Paraná will have their energy consumption supplied also by solar power.

23 branches

supplied (MG)

over **85%**

of the consumption supplied by solar power

about **18,700 kw/h**

of the 22,000 kw/h month of total average consumption



The 2021 emissions inventory considers the 20 Brazilian companies that were part of the company's portfolio that year and follows the guidelines of the Brazilian GHG Protocol Program and the IPCC Guidelines for GHG Inventories. The survey covers the period from 01/01 to 12/31 of the years 2020 and 2021. The emissions of the operation in Colombia and the Uruguayan office, in addition to the new distribution companies incorporated, will be accounted for until 2024.

The largest emission source is related to the consumption of fossil fuels in the mobile combustion category of Scope 1, which represents the emissions from transport carried out by vehicles controlled by the company. This type of emission is characteristic of the distribution sector

and is intrinsic to the advisory sales and monitoring of crops. Agronomists and other professionals from Lavoro Group companies routinely visit farms in 10 Brazilian states and in the producing regions in Colombia, covering millions of kilometers annually.

The second largest source is related to electricity consumption by the Lavoro Group's Scope 2 operational units, and the third is for fugitive emissions, related to the refilling of fire extinguishers and air conditioners in annual maintenance procedures throughout the network of subsidiaries and production units. Since it is difficult to obtain data, Lavoro Group chose not to include Scope 3 emissions in the 2021 inventory.

GRI 302-1 | ENERGY CONSUMPTION WITHIN THE ORGANIZATION (IN GJ)

	2021/2022	2020/2021
Total fuel consumption from non-renewable sources	103,001.83	2,477.28
Total fuel consumption from renewable sources	10,479.49	0
Total power consumption	15,876.35	7,674.87
Total	129,357.67	10,152.15

1. Fuels from non-renewable sources: gasoline (regular and additive), LPG, VNG, biodiesel and diesel (S-10, regular and ADT). In the previous report, 2020/2021, the internal fleet data was not accounted for in this indicator due to a posting error, which included only the LPG consumption referring to the use of gas in the operation's forklifts. In 2021/2022, this specific consumption stood at 7,581.64 GJ. Over this cycle, the indicator was corrected, and this explains the significant change in volume. The data, therefore, cannot be compared.
 2. Fuels from renewable sources: ethanol (regular and with additives).
 3. Electricity supplied by concessionaires, public supply service providers.
 4. Conversion factors used for fuels: Brazilian Energy Balance (BEN) 2022 edition.
 5. The 20/21 period did not include data from all the companies in the Eastern Cluster (Lavoro Brazil), nor data from Colombia, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions.



In the comparison between 2020 and 2021, both mobile combustion and electricity consumption resulted in the considerable increase, which is reflected in the greenhouse gas emissions between one year and the next. This is due to Lavoro Group's organic and inorganic expansion. From one period to the next, the number of affiliated companies and their subsidiaries has grown, as well as the organic expansion of the number of stores. As a result, the coverage area and the need to use the company's own fleet more intensively to visit customers is growing. In this same context, there was also an increase in electricity consumption. The increase in the distribution network in Brazil also demanded a larger production capacity for private label inputs, generating higher electricity and fuel consumption.

The second reason for the increase in emissions was the qualification of information collection itself, which became more comprehensive, more accurately reflecting the consumption of the units.

The company continuously maps out opportunities to optimize its own transportation, with a focus on reducing emissions. One of these was the adoption of programmed routes, already implemented in some of the operating units. In the customer visit system, communication campaigns are carried out annually to encourage the field team to refuel flex vehicles preferably with fuel from renewable sources, ethanol, which already accounts for 17% of the total volume consumed.

BIOGENIC CO₂ EMISSIONS

GRI 305-1

Direct and indirect emissions of biogenic CO₂ occur through the transformation of biological carbon stocks (plants, animals, algae, and others), removed from the atmosphere through photosynthesis. Therefore, these emissions have no additional negative impact on the concentration of this GHG in the atmosphere. In 2021, Lavoro Group only recorded biogenic CO₂ emissions in mobile combustion.

BIOGENIC CO ₂ EMISSIONS (2021)		
Emitting source	Amount (biogenic tCO ₂)	Representation (%)
Vehicles – ethanol	760.04	63.56
Vehicles – gasoline	309.09	25.85
Vehicles – diesel	126.62	10.59
Total	1,195.75	

7 Social performance



Lavoro Culture

GRI 401 103-1

GRI 401 103-2

GRI 401 103-3

For the Lavoro Group, business success is the result of the daily efforts of teams of qualified and engaged professionals. Lavoro is getting stronger by incorporating what is best and unique in the culture of each company that joins the group, valuing regional and local aspects, but promoting shared values and commitments.

This is a great challenge in a company that, only in the last crop year, went from 2,000 to more than 3,000 employees with the integration of new companies to the group and the hiring of professionals to expand the sales force in cases such as the significant growth of Agrobiológica and the opening of new branches. However, the result of such careful performance is striking, as shown by Lavoro's GPTW score in the 2021/2022 cycle, 5 points higher than in 2020/2021.

It seeks to create a safe and stimulating environment for employees in all of Lavoro Group's offices, stores, and industrial units. Such alignment involves strict legal enforcement and internal processes driven by standardized policies and norms for regulatory, operational, communication and people management aspects. The business units have regional managers to ensure that the HR processes are implemented in a structured and humanized way in all the companies acquired by the company, harmonizing practices and corporate values.

GRI 401 103-1, GRI 401 103-2, GRI 401 103-3



Great
Place
To
Work®

LAVORO GROUP

3,379

professionals in all its
operations

Profile of employees

GRI 102-8

GRI 401-1

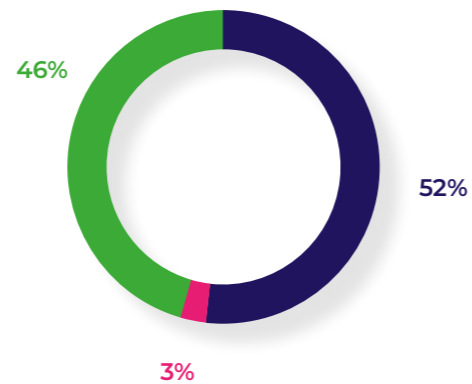
GRI 102-8 | INFORMATION ON EMPLOYEES AND OTHER WORKERS

	2021/2022
Men	2,118
Women	1,202
Total	3,320
Permanent	3,257
Temporary	63
Total	3,320

Note: Does not include interns.

■ Number of interns	59
■ Number of <i>trainees</i>	3
■ Number of young apprentices	52

Note: the 20/21 period saw a high number of acquisitions, whose data were not fully consolidated and therefore are not reported.



GRI 401-1 | NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

HIRES BY GENDER		2021/2022	2020/2021
Women	Number Rate	594 18%	350 17%
Men	Number Rate	875 26%	586 29%

HIRES BY AGE GROUP		2021/2022	2020/2021
Under 30	Number Rate	727 22%	442 22%
Between 30 and 50	Number Rate	684 21%	441 22%
Over 50	Number Rate	58 2%	51 3%
Total hires	Number Rate	1,469 44%	936 46%

DISMISSALS BY GENDER		2021/2022	2020/2021
Women	Number Rate	401 12%	218 11%
Men	Number Rate	728 22%	531 26%

DISMISSALS BY AGE GROUP		2021/2022	2020/2021
Under 30	Number Rate	440 13%	251 12%
Between 30 and 50	Number Rate	577 17%	437 21%
Over 50	Number Rate	112 3%	61 3%
Total hires	Number Rate	1,129 34%	749 37%

1. Interns were not considered in the survey.

2. The 20/21 period did not include data from all the companies in the Eastern Cluster (Lavoro Brazil), nor from Colombia, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions.

LABOR FORCE



64%



36%

DIVERSITY TARGETS

- Promote the engagement of leaders in diversity
- Reach the mark of at least 30% women on the Board of Directors by 2025
- Have women in at least 30% of the leadership positions by 2025 (directors and managers)
- Reduce to zero the unjustifiable gender pay gap by 2025

EQUITY AND EQUAL OPPORTUNITIES

Lavoro Group believes that all employees and third parties should be treated with respect and dignity. The company addresses the issue of non-discrimination since the onboarding process of new employees, who must sign the Code of Conduct and Ethics, and with the completion of compliance training for all. In addition, gender and race diversity is one of the topics covered in the training courses on the prevention of moral and sexual harassment. In Colombia, specifically, the corporate documents address the importance of gender and race inclusion, especially regarding black employees and those of indigenous origin. The workforce also includes refugees and people reintegrated from the peace process that the country has been experiencing since 2016. **GRI 404-2**

Specifically on the issue of gender equity and equal opportunities, the Lavoro companies in both countries maintain a proportion of women about 10% above the industry average¹. In Brazil and Colombia, this proportion is similar, with a thin 1% variation. According to the strategy guided by the Global Compact principles, internal studies have been carried out on topics such as

remuneration and retention after maternity leave to identify any existing gaps and thus detect the need for appropriate action plans to promote equity.

As a result of this work, Women's Week was held, the Você+ Program was launched, in 2022, and the company joined the federal government's (Brazil) Citizen Company program to offer extended parental leave – 20 days for paternity leave and 180 days for maternity leave, including homosexual couples and adopting parents. In Colombia, maternity leave spans 126 days, and paternity leave lasts 2 weeks.

Targets were also set to increase the presence of women in Lavoro Group's senior leadership by 2025. To that end, targeted actions will be required for the attraction, selection, retention, development and promotion of talent and succession plans, starting with raising awareness across the entire company on the issue.

1. According to the 6th National Distribution Survey 2021 carried out with companies affiliated to the National Association of Agricultural and Veterinary Input Distributors (Andav), women represent 26.6% of the total number of employees respondents.



CONSIDERATIONS AND DEBATES MARCH/22

At Lavoro Group, the Women's Week was marked by actions focused on the appreciation for our professionals. In Brazil, 5 lectures were held online, featuring special guests, covering the following topics: Successful women in agribusiness

leadership; The importance of personal image and its message; Positive psychology and happiness for women; The leading role of women in agribusiness; and Manage your vitality, not your time.

In Colombia, all the units carried out the Mulher Luz activity, about the important contribution of women to the country's development.

Training and development

GRI 403-7

GRI 404-2

Lavoro promoted 13,878 training programs attended by 2,803 people, corresponding to 6,000 hours.

Continuous training is essential for Lavoro Group to maintain its competitiveness and promote employee development. For this reason, the company provides a series of training programs, both mandatory and complementary, that range from technical and compliance issues to the skills required for different positions and duties.

Most of the training is delivered online through the UniLavoro portal, available to employees in Brazil and Colombia. On this platform, in addition to taking specific courses for their position and area, each employee can choose study topics for personal development or to acquire new skills.

Training courses can be in-house, digital or hybrid. They can be offered by specialist and industry entities, as in the case of technical, mandatory and additional safety training, and also conducted in partnership with suppliers. In both countries, procedures

are similar. Among the highlights are the Business Training School, available to employees in Colombia, and the Compliance School, which is annually updated, for Brazilian employees.

The available training programs are informed to the employees by the company's internal communication means, such as the application, e-mail and whatsapp. The knowledge acquisition progress is monitored by measuring the specific results of each course, evaluations, work tables and in

the performance management processes. **GRI 404-2**

In the 2021/2022 crop year, Lavoro conducted over 13,000 hours of mandatory training targeting the Commercial (10,000 hours) and Administrative (2,900 hours) areas' teams. Additional training totaled about 6,000 hours completed by 2,803 individuals, and includes courses on anti-corruption, leadership, and sales, among other topics. **GRI 403-7, GRI 404-2**

GRI 404-1 | AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	2021/2022	2020/2021
Mandatory training hours	13,105	3,457
Non-mandatory training hours	6,180	NA
Total training hours	19,285	3,457
Average training per employee	5.8	1.7

1. The 20/21 period did not include data from all the companies in the Eastern Cluster (Lavoro Brazil), nor from Colombia, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions.
 2. NA: data not available.
 3. It was not possible to consolidate hours of technical training offered by service providers, associations and suppliers.



Brazil

6 training schools

51 courses available

Colombia

Course load offered

Superior 4 hours

Leading 12 hours

Tactical 12 hours

Operational 5 hours

MAIN TRAINING PROGRAMS – BRAZIL

PGL – LAVORO MANAGEMENT PROGRAM

Launched in 2021, it promotes the development of management skills for administrative and commercial leaders and seeks to prepare potential successors in several leadership positions and for a structured transfer of learning to the organizational context. The content was developed together with Fundação Dom Cabral professors. The classes are given quarterly in 4-day off-site immersions with a course load of 24 hours, 16 of which are training hours and 8 hours of lectures and integration activities.

MODULES

- Strategy and Execution Management.
- People and Team Management.
- Finance.
- Digital Transformation and Marketing.
- Engagement and Business Games.
- Learning Consolidation: a practical work carried out by the manager in their unit, which allows the actual application of the concepts discussed in each module and a presentation to the participants.

PGL FUNDAMENTALS

It focuses on middle-management development, with 2-hour training sessions, in which a leader and expert employee details a topic for the participants. The first



topics covered were Commodities and Barter Operations, Termination Process and Policies, Management for Results with PDCA Methodology, with an average attendance of 150 leaders per training course.

SALES ACADEMY

Launched in August 2021, it is a training program targeted at professionals in the commercial area. With 4 classes held in the South Cluster and 7 in the East Cluster, the training was given by specialists Marcos Mazza and Alessandro Lunardon, a reference in Strategic Sales Management and co-author of the book *Ser Mais em Vendas*.

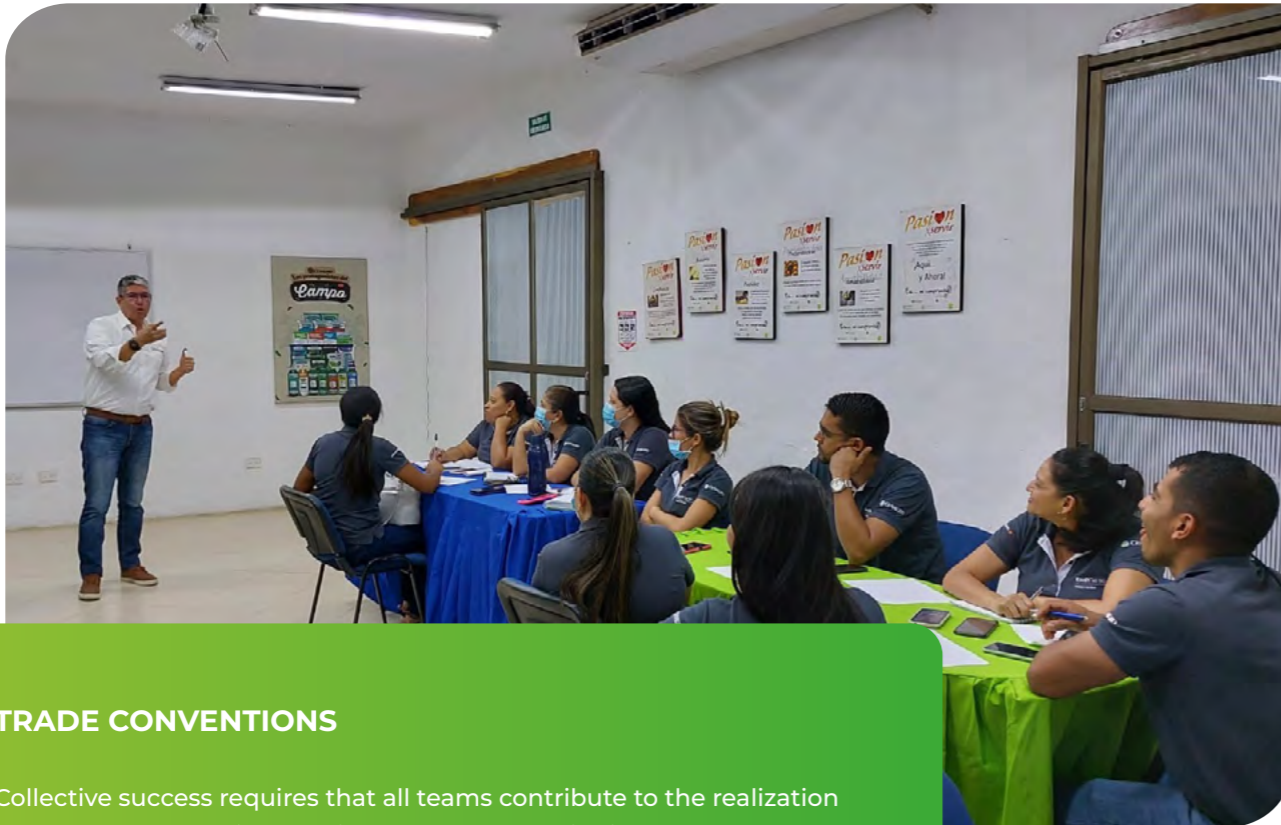
LAVORO MULTIPLIERS

Training program in which employees share their knowledge and best practices with colleagues from other areas. Run as a pilot project in the South Cluster, it currently has 22 internal multipliers.

LIDERA RH

This is a meeting of the HR vice-presidency with all the leaders of the organization (around 400 professionals), to talk about leadership challenges, from the simplest to the most complex. The goal is to engage leaders in the creation of policies and in human resources decisions.

MAIN TRAINING PROGRAMS – COLOMBIA



TRADE CONVENTIONS

Collective success requires that all teams contribute to the realization of corporate strategies. In this sense, at the beginning of each year, commercial conventions and mini-conventions are held, an opportunity to share the commercial strategy with all the teams, as well as the goals that must be achieved. In 2022, these meetings focused on Change Management and the Cenagro brand, making our talents aware that changes are good and generate new learning, personal and professional growth, and, therefore, corporate development.

SCHOOL OF LEADERS

It seeks to improve the necessary managerial skills, leadership, and strategic thinking, promoting an effective, action-oriented leadership culture, benefitting the achievement of results and preparation for succession. The 2021/2022 cycle included topics such as Situational Leadership, Labor Skills, Change Management, Change-related Stress and Anxiety Management. Available to all leaders, 3 hours per bimester.

TECHNICAL COMMERCIAL TRAINING

Conducted by the technical board, they are aimed at two audiences. For young talents, it levels knowledge on topics such as plant nutrition, active ingredients of products and their benefits, and crop fertilization plans (length: 8 hours). For commercial teams, it reinforces issues such as responsibility and precautions in the use of products. This training is updated and complemented in partnership with suppliers, who provide monthly content to the point-of-sale and external commercial teams, in a course load of 1 hour per week, detailing product attributes and indication of use.

BUSINESS STRATEGIES

For point-of-sale teams, it focuses on the management of services offered over the counter. For the external sales team, it is intended to qualify effective sales closing, promote customer loyalty, among others. Average of 2 hours per bimester.

AT UNILAVORO

Lavoro University has 9 Training Schools, with 59 courses and 100% staff training at the end of the 21/22 season at the **Cresce** and **Compliance** Schools.

Cresce is a full onboarding process, which offers all employees preparation and basic training for their new positions, relative to the business segment, in addition to institutional immersion.

Overall, schools cover:

- Social skills and talents
- Sales management
- Customer Service
- Occupational health and safety
- Regulatory and quality issues
- Digital transformation

GREAT PLACE TO WORK FOR ALL

Participation

2021/2022



2020/2021



Score

2021/2022



2020/2021



Pride to work

2021/2022



2020/2021



Environment, culture and trust

Creating and maintaining a respectful and appropriate work environment that stimulates employees and promotes their professional and personal well-being is a commitment Lavoro Group undertakes to. The company intends to foster retention of talents needed to develop its operations and supply its succession processes, ensuring business success and continuity.

This concern is put into practice through programs and actions related to compensation, engagement and communication, quality of life, recognition, and performance management. The results of such initiatives are regularly assessed through the GPTW Survey, an international acknowledgement earned by companies that value people and are considered a great place to work.

GPTW SURVEY

Since the 2020/2021 cycle, Lavoro Group has participated in the *Great Place to Work*[®] Certification Program, a global survey that encourages organizations to identify, create and maintain excellent work environments through the development of high-trust cultures.

Survey results are used as inputs in action plans to improve the work environment and develop initiatives that promote employee satisfaction. Among the action plans in progress, developed from the notes extracted from the survey results, are the Leadership Management Program (PGL), PGL Fundamentals, adjustments in the benefits package and adherence to the Citizen Company program, and a credit and financial education program.

Benefits

GRI 401-2

The benefits package is designed to according to the conditions of each business within Lavoro and Crop Care holding companies, offering reference recommendations. This is why operations in Brazil and Colombia may offer different benefits. **GRI 401-2**



BENEFIT PACKAGES MAY CONTAIN:

- Medical and dental assistance (to employees and family members, including spouses of the same gender)
- Life insurance
- Partnerships with drugstores
- Payroll loans
- Partnerships with gyms with access to more than 1,300 gyms offering 200 different types of physical activities
- Profit-sharing programs or bonuses for eligible positions



ENGAGEMENT AND COMMUNICATION

CANAL DIRETO

Online meeting held every quarter by the CEO and the executive officers to present results, the strategy, and actions being taken in the period. The event is open to all employees, who can ask questions on any topic to the executives and are answered live. The goal is to listen to people, promoting a transparent communication, and keep everyone abreast of the most relevant issues.

AGROTALK

A mobile application for internal communication, available to all employees, with updated information about everything that happens within the holding company and in all clusters and business units. The tool features a news wall with daily updates, as well as video, services, and a library section containing useful files, discussion forums, and the Seu Espaço tab, in which employees can, as in a social network, post their routine in the field, share local projects, activities with customers and partners, and interact with colleagues from different parts of the country. Users can also access the HR Portal and the Transparency Channel through the app.

Quality of life

Bringing together initiatives and additional benefits, Lavoura Group aims to stimulate team care and promote the well-being and quality of life of all employees. At the Colombian companies, awareness-raising work has been done around issues related to health habits and quality of life, and the Healthy Lifestyles epidemiological surveillance system has been developed. In Brazil, the topic is promoted under the Você + Program, developed in 3 fronts:



Cultural, leisure, development and wellness activities, as a hybrid model of work and birthdays off.



Physical, mental and emotional health actions, such as telemedicine and vaccination, among others.



Initiatives that promote inclusion and diversity, such as accessibility for persons with disabilities.

Remuneration

GRI 102-36

As a consequence of the growth model by incorporating new companies of different sizes and management patterns, employee compensation is defined by job similarity among the companies. A project for the description of all positions, with respective salary tables, is being implemented, as well as the construction of career paths, seeking to guide the development and equal opportunities for people to grow, regardless of the company of origin.

In Colombia, every two years, an overall market study is carried out with the support of an HR consulting firm, which serves as the basis for updating salary ranges, also taking into account the internal and external competitiveness of each position or employee.



Value promotion campaign Cenagro (CO)

LAVORO ASSESSED SKILLS

- Focus on Results
- Develops people
- Business owner attitude
- Leads by example
- Pursuit for Excellence

COMMERCIAL AREA SKILLS

- Focus on Results
- Focus on the customer
- Pursuit for Excellence
- Innovation
- Relationship and influence

Performance management

Performance appraisal and a culture of structured feedback are essential tools to measure performance and promote employee development into leaders or to hold key positions, as well as the sales force. It allows to verify of results, employees' potentials and skills, as well as the elaboration of development plans and the identification of potential successors for leadership positions or strategic roles.

In Brazil, a Performance Management Program is carried out, which encompasses 1,042 eligible employees, accounting for 40% of the total number of employees in the country and a 25% increase over the previous year. In Colombia, all employees undergo performance evaluation and/or assessment on organizational skills on an annual basis. In this case, referrals are made by the employee's manager and validated by a committee composed of the direct manager, colleagues and a HR representative.

Occupational health and safety

GRI 403 103-1

GRI 403 103-2

GRI 403 103-3

GRI 403-1

GRI 403-4

GRI 403-7

100% of the professionals in the Lavoro Group companies are covered by the occupational health and safety management system.

GRI 403-8

Occupational health and safety is a value for the Lavoro Group and a very relevant issue in agribusiness, due to the marketing and use of chemical products. Therefore, the company promotes several actions to protect its employees and the third parties that work in its facilities, focusing on prevention and on maintaining a safe environment for everyone. The main impacts occur outside the company's physical limits, in the application activities for inputs and cargo handling in transportation, and at the customers' storage facilities, when orders are delivered. **GRI 403 103-1**

Due to its importance to the group, the topic has substantially evolved, both in the training of the occupational health and safety teams and in the investment in management software and process design, with the definition of performance indicators that allows assessing the efficacy of adopted activities and programs. **GRI 403 103-3**

Lavoro Group has a Health, Safety and Environment Policy (HSEP), which defines responsibilities, processes, standards, procedures and deadlines to be met as far as occupational health and safety. In Brazil, this

system is governed by the Regulatory Norms (NR), which deal with complementary provisions for Occupational Safety and Medicine related to the risks to which employees are exposed by the type of activity – wholesale trade of chemical pesticides, fertilizers and related products, such as NR 01, NR 04, NR 11, NR 12, NR 20, NR 31, NR 33, NR 35, NBR 9735 and NBR 9643, among others.

Colombia adopts the GTC45 methodology as a reference, which focuses on preventing risks from materializing. In this model, the risks are qualified and work plans are established, as well as the forms of control, which can be applied at the source, environment or individual level.

The Health, Safety and Environment area is in charge of managing the topic, relying on professionals dedicated to serving all the regional offices, ensuring the policy's dissemination by the business units and branches. The topic is reported to the leadership and top management through formally established committees.

GRI 403 103-2, GRI 403-1, GRI 403-4, GRI 403-7

Besides the actions of the HSE and Risk committees, maps are drawn bimonthly to identify non-conformities or risks. Once identified, these situations are measured, classified and addressed according to their potential to cause damage to health, safety, the environment and property. Finally, the efficacy of the implemented measure is controlled and assessed. **GRI 403-1**

This cycle is constantly communicated to employees through Safety Dialogues, held weekly, safety integrations, and specific training, and is presented and discussed monthly in the HSE Committee. **GRI 403-2, GRI 403-3, GRI 403-4**

All employees are also followed up by the Occupational Health Monitoring Initiative, with previously established appointments, prediction of roles and responsibilities, campaigns to promote workers' health as per the recommendations in public health policies and the epidemiological surveillance of Brazil and Colombia. **GRI 403 103-2, GRI 403-3, GRI 403-7**



AWARENESS AND OPPORTUNITIES FOR HEALTHCARE

DR. ALPER

App that provides personalized medical care 24 hours a day.

HEALTHCARE CAMPAIGN

- Influenza vaccination
- Yellow September (mental health)
- Pink October (women's health)
- Blue November (men's Health)



SAFETY CULTURE IN COLOMBIA

GRI 403 103-2, GRI 403-1, GRI 403-2,
GRI 403-3, GRI 403-4, GRI 403-7

In Colombia, the Occupational Health and Safety Management System follows the local legislation, with responsibilities assigned to all positions in the company and funds earmarked for the execution of the programs and work plans established each year, which undergoes annual verification and auditing. The risks are documented in an identification, evaluation and control matrix, implemented in all of the group's companies in the country.

The structure also relies on an occupational risk manager, who supports the planning process and carries out preventive medicine activities, training focused on accident and disease prevention, medical examinations for epidemiological surveillance systems, and hygiene actions. In addition, it maintains a network of service providers that is responsible for ensuring assistance in case of accidents, both emergency and follow-up.

In addition, employees are communicated about industrial hygiene and safety policies and regulations, training, and the results of the Occupational Health and Safety Management System in meetings of the joint committee on safety and health at work and by corporate e-mails and communication panels distributed throughout the group's facilities.



100% of Lavoro Group employees were trained on health and safety in the 2021/2022 crop season.

GRI 403-5

Zero accident mark as a goal

22 different safety training programs are conducted annually for all company employees.

GRI 403-5

GRI 403-7

GRI 404-2

Employees, third parties and visitors are required to use personal protective equipment (PPE) in all activities and areas determined by labor safety, especially in those classified as risk areas. Failure to follow this guideline is deemed a severe violation of the company's Code of Conduct and Ethics. Periodic checks are made to ensure the proper use of PPE by employees.

GRI 403-7

Among Lavoro Group's Health and Safety guidelines are the reporting and investigation of accidents. Therefore, all employees

are encouraged to report any concerns and/or violations of the Health and Safety at Work rules, in order to create and maintain a safe environment and prevent accidents. They can do so through the Internal Commissions for the Prevention of Accidents (CIPAs) in Brazil, the Health and Safety Committees in Colombia, or the Transparency Channel, with ensure protection against retaliation. Periodic training is conducted so that they are able to identify unsafe actions and apply the right of refusal.

GRI 403-4, GRI 403-7

In both countries, all employees working in the storage, transport, and commercialization of pesticides receive mandatory training for licensing or additional safety training in the handling of hazardous substances, offered by the group or in partnership with suppliers or associations. Training includes demonstrations on the use, applications, transportation and storage of chemicals and procedures in case of accidents, leaks due to package rupture or accidental spills.

GRI 403-5, GRI 404-2



GRI 403-9 | WORK-RELATED INJURIES 2021/2022

Number of fatalities as a result of work-related injury	3
Number of high-consequence work-related injuries (excluding fatalities)	29
Number of recordable work-related injuries	38

1. Reporting considers the most significant occurrences.
 2. Two deaths are due to traffic accidents involving employees and the other refers to a supplier.
 3. As for accidents, 18 occurred among employees from the Latam Cluster (Colombia) who work in the operation and are related to irregularities in the terrain where work activities are carried out.
 4. In 20/21, only 15 accidents with severe consequences and mandatory reporting were recorded in the Latam Cluster. No occurrences were reported at the other sites.
 5. The 2020/2021 period did not include data from Eastern Cluster (Lavoro Brazil), nor from Colombia, which were consolidated by the Lavoro Group as of the 21/22 crop year, as well as data from the new acquisitions.

GRI 403-5 | GRI 403-7 | MANDATORY SAFETY TRAINING

- MOPP (Handling of Dangerous Products). Target audience: commercial.
- NR-20. Target audience: stock keepers.
- NR-31. Target audience: commercial.
- SOP (Standard Operating Procedure). Target audience: stock keepers.
- NR 23 – Emergency Care Plan (PAE).

1. Mandatory training in Brazil.

Relationship with the community

Lavoro is committed to positively impacting the communities where it operates beyond the direct benefits generated by its operations.

It also seeks to promote social development, with a focus on including of the youth and on strengthening local and national public policies, to value its relationship with society, and to encourage other agribusiness companies to create social responsibility initiatives.

In the 21/22 crop year, the social responsibility strategy was reinforced by allocating part of its tax payments to cultural and sports sponsorships and to municipal funds that support children, teenagers and the elderly.



SOCIAL IMPACT

BRL 1.85 million

in resources invested from tax waivers via incentive laws

22 initiatives

cultural, sporting and social events supported throughout the year

60,000

people benefitted



30 municipalities

served in Brazil

6 states

São Paulo, Paraná, Goiás, Mato Grosso, Rondônia, Mato Grosso do Sul



CINE LAVORO

3,000 spectators

5 movies screened

12 sessions held

2 cities Chapadão do Sul (MS) and Sorriso (MT)





SUPPORTED INITIATIVES

CULTURE

Two shows and a theater festival; youth projects for training in arts and photography, folklore, sustainability; research in regional food culture; a film project.

SPORT

School inclusion and development activities for children and the youth; a major sporting event; a project for training performance athletes.



CHILDREN AND YOUTH

Projects approved in municipal funds focused on research in children's health, social inclusion and after-school care; strengthening public policies in education and assistance.

ELDERS

Entities that provide healthcare and community activities for the 55+ y.o. audience; maintenance of nursing homes for the elderly and the disabled.



ATLETICO CLUBE SÃO GABRIEL DO OESTE



- Implementation of the Under-17 Athlete Training Center
- 110 participants
- 10 matches held with the Lavoro jersey
- 3rd place in the Under-16 Championship of Mato Grosso do Sul

Focus on food

In addition to the funds invested through tax incentives, Lavoro Group made direct investments in other social actions over the 2021-2022 season, besides promoting solidarity and community engagement campaigns.

In partnership with the Sesc Mesa Brasil Program, the largest initiative to fight hunger in the country, Lavoro Group donated 60 tons of food to communities in the states of Mato Grosso, Goiás, Paraná and São Paulo, benefitting 20,000 people. The items were collected through a campaign named Plante Amor e Colha Esperança [Plant Love and Harvest Hope], held with the support of Adama Brasil, one of the largest crop protection companies in the world, in all Brazilian cities where there are Lavoro operations and stores.

In addition, about 150,000 meals were distributed voluntarily by Qualicitrus employees, one of the



FOOD DONATION

60 ton

29,000 benefitted individuals

3 states

group's companies, to people in vulnerable situations in the city of Limeira (SP). This number corresponds to 600 lunch boxes per day.



Producer engagement

COLHEITA DO BEM (MT)

An initiative that brings together partner producers and suppliers, as well as dozens of employees, in solidary corn planting and harvesting activities. The entire profit from the sale of the grains is donated to social institutions. It is carried out by the company América, in Mato Grosso.

PLANTIO SOLIDÁRIO (PR)

Since 2016, soybean planting and harvesting has been carried out in an area of 14.8 hectares inside the Cidade dos Meninos institution, supported by Deragro, in Ponta Grossa (PR). In 2022, the project generated over BRL 179,000. In seven years, over BRL 640,000 were raised on behalf of the entity.



9 areas for planting given by producers

235 ha grown

88 ton of fertilizers donated by 53 customers

over **BRL 2 million** in donations

15 entities benefited

6.700 people benefitted annually

8 About the report



About the report

GRI 102-45

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GRI 102-54

GRI 102-56

This is the second Sustainability Report published by Lavoro Group, represented by Lavoro Agro Holding S.A and Crop Care Holding S.A. holding companies. **GRI 102-48** The report is published annually and this edition now includes information about operations in Colombia. **GRI 102-48, GRI 102-49, GRI 102-52**

This document presents information about the organization's environmental, social, economic, and governance performance for the period from July 1, 2021 to June 30, 2022, deemed as the 2021/2022 crop year. **GRI 102-50** Thus, the operating results and the disclosure of financial information may vary in relation to the calendar year. The first edition of the report, disclosing data from the 2020/2021 crop year, was published in 2021. **GRI 102-51**

With the purpose of reporting, with transparency and objectivity, the main results related to the topics deemed material by the company, this report was drafted in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative – GRI Standards: Essential option. **GRI 102-54** The content is based on

interviews conducted with managers and other employees of the Lavoro Group and on data compiled by its teams, with the support of an expert consulting firm. However, it has not been verified by an independent external audit firm. **GRI 102-56**

Consolidated quantitative and financial data disclosed in this report refer to the companies that were, as data was surveyed, controlled by holding company Lavoro Agro (Agrovenci, Agrozap, AgSe, America, Cenagro, Central Agrícola, Cultivar, Denorpi, Deragro, Futuragro, Grupo Gral, Integra, Lavoro, Nova Geração, Pitangueiras, Plenafértil, Produtec, Produttiva, Qualicitrus, Realce) and holding company Crop Care (Agrobiológica, Perterra and Union Agro) in Brazil and Colombia, in addition to administrative offices, DCs and silos. **GRI 102-45, GRI 102-46**

The companies Casa Trevo, CATR, Floema and Provecampo were incorporated into the Lavoro Agro holding company less than 6 months before the closing of the crop year, so their quantitative data are not accounted for in the indicators. They will, however, be incorporated for the next report.



THE 2020/2021
SUSTAINABILITY
REPORT IS AVAILABLE ON
THE COMPANY'S WEBSITE

Materiality and ESG agenda

GRI 102-42

GRI 102-46

The purpose of this report is to disclose the economic, social, environmental, and management performance, focusing on the topics that are deemed material to the organization, those considered most relevant to the strategy of the companies that make up Lavoro Group.

These material topics were defined based on engagement with and active listening to the organization's key stakeholders, as described in this chapter. **GRI 102-46** For the surveying process, audiences with a direct relationship and influence in the agribusiness sector were considered. Stakeholder groups were then prioritized by the degree of commercial and institutional relationship with the group's companies, by their proximity to the end-activities, and by the impact that these activities may have on these groups. **GRI 102-42**

PRIORITY MATERIAL TOPICS GRI 102-47

- Expanding farmers' businesses and productivity
- Business ethics and integrity
- Innovation, quality and portfolio security
- Sustainable agriculture
- Occupational health and safety
- Responsible credit policy
- Food safety
- Climate change

The content of this report was defined according to its material topic. **GRI 102-46** In addition to prioritizing information about its initiatives on these topics, the company reports all performance data that can be measured. Once concluded, the report was approved by Lavoro Group's Board of Directors. **GRI 102-32**

Engagement of stakeholders

GRI 102-43

Engagement with stakeholders is conducted both directly and indirectly. The company provides information, conducts listening activities and provides frequent clarifications to stakeholders. It also undertakes to participate in events and relevant meetings with agribusiness sector entities, as they represent opportunities for discussions on behalf of improving the sector and fostering on corporate networking. **GRI 102-43**

MAIN STAKEHOLDERS

GRI 102-40

- Shareholders
- Employees
- Clients
- Direct and indirect suppliers
- Financial entities – banks and investment management companies
- Agribusiness associations
- Workers' unions
- Third sector organizations linked to social and environmental issues
- Institutional partners from the public and private sectors

Lavoro maintains transparent and active communication about its activities on Lavoro Group's profiles on social networks, as well as producing internal and targeted communications through the sustainability report, corporate websites, and cell phone applications to employees, customers, and society in general.

To review the materiality, engagement with stakeholders was carried out in a targeted manner, through specific individual meetings with representatives of shareholders, employees, executive and local leaders, the Board of Directors, agribusiness institutions, NGOs, business partners, customers, representatives of the financial sector, experts, suppliers, financial institutions, and representatives of public environmental bodies. Finally, experts in agribusiness sustainability in Brazil and Colombia were consulted. **GRI 102-43**

The companies Lavoro and Crop Care also hold dozens of Field Events in Brazil and Colombia, to enable the dissemination of technical and institutional information for customers and suppliers, and participate in major trade fairs and agribusiness events. For wider communication, the company's executives and leaders gave about 17 interviews, and the company was mentioned in 650 articles published in newspapers, news portals, magazines, digital channels and social networks. **GRI 102-43**

MAIN CONCERNS OF STAKEHOLDERS

GRI 102-44

In stakeholder meetings, events, and communications, the main concerns of our stakeholders were identified. Based on these concerns, sector trend analyses, and the organization's strategic direction, Lavoro Group's material topics were prioritized for advancement on the ESG agenda and for this 2021-2022 reporting cycle.

GRI 102-46 They are:

- Good agricultural practices
- Digitalization in agriculture
- Investment in effective and sustainable technologies for crop treatment
- Lavoro's business model, results and growth
- Labor and human rights issues within the value chain
- International issues concerning Covid-19 and the war in Ukraine

- Social and environmental issues, especially related to compliance and traceability and the advance of deforestation in the Amazon
- Occupational health and safety

The survey of stakeholders' concerns in targeted engagement actions also allowed the establishment of corporate sustainability goals, detailed in chapter 3.

Lavoro Group undertakes to continuously review its material topics and its agenda for good social and environmental performance, as it matures its understanding of the negative and positive impacts generated by the business and designs its sustainability strategy for reporting ESG information to investors, customers and other stakeholders.



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No information was omitted from this report.

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No information was omitted from this report.

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No information was omitted from this report.



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PREPARATION OF THE
SUSTAINABILITY REPORT

Lavoro and Crop Care Executive Board,
Planning Board, HR Board, Health,
Safety and Environment (HSE),
Financial Planning and Analysis
(FP&A).

GRI INDICATORS CONSULTING,
CONTENT, DESIGN AND GENERAL
COORDINATION ÓGUI CONSULTORIA
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PHOTOS
Lavoro Agro Collection

QUESTIONS AND COMMENTS
REGARDING THIS REPORT

GRI 102-53

Corporate Sustainability
Management

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