

# ANNUAL SUSTAINABILITY REPORT 2021







# About this report

GRI 2-1, 2-2, 2-3

This is the Annual Sustainability Report of the Montesanto Tavares Group (GMT). It was produced in accordance with the guidelines of the Global Reporting Initiative (GRI) and provides information for the period from January 1 to December 31, 2021.

The document presents the main initiatives of the Group's companies, together with targets and projects for the medium- and long-term, stressing the Group's responsible actions. Furthermore,

it emphasizes the importance of ethics, transparency and sustainability in its operations and relations with employees, partners, suppliers and clients.

For more information, comments, questions or suggestions, please use the following email:

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# MESSAGE FROM THE CHAIRMAN







# Confidence in the future

GRI 2-22

The year 2021 was, once again, a quite challenging one. The second year of the Covid-19 pandemic brought major impacts to the lives of each of us and on the global economy. In addition to the day-to-day restrictions (such as social isolation and other initiatives to limit contamination by the virus), we suffered from labor scarcities, logistical problems and even supply shortages, against a backdrop of high inflation and rising interest rates. In January, the macroeconomic projections were more encouraging. However, new waves of the disease, with spikes in the number of cases, forced companies to constantly review their planning and action strategies.

It was no different for the Montesanto Tavares Group. We are committed to developing and caring for people, and thus we work to ensure everyone's safety (partners, suppliers and employees). Agribusiness is of fundamental importance for Brazil and, for this reason, it cannot be allowed to come to a halt. This sector

drove the growth of the Gross Domestic Product (GDP) to 4.6% for the year. It makes our country the "world's breadbasket." Specifically in the coffee segment, in 2021 we faced two serious climate problems: a lasting drought and the most severe frost of the last 30 years in some of the main growing areas. Thus, domestic production (according to the US Department of Agriculture (USDA) was approximately 56.3 million bags, 20% lower than in 2020, when it reached 69.9 million bags. The rise in prices, both internally and on the New York Stock Exchange, helped offset higher production costs, but required great flexibility.

The Group's three trading companies, which sell coffee in more than 60 countries on all continents and account for most of our income, posted total revenue of nearly 2.5 billion reais. Overall, we bought 3.7 million bags, counting both the physical and futures markets – a volume slightly above the 3.5 million bags in the previous year, which demonstrated our capacity to deal with unforeseen events. Besides guaranteeing the

origination of coffee from the growers, we also reprocess the beans in general warehouses and assure the entire customs clearance process and delivery to clients. In Brazil, we conducted this work through Atlantica and Cafebras. And, in the United States, we are headquartered at Ally Coffee, which buys in the main producing regions and sells to manufacturers and traders around the world.

Throughout the year, we also invested heavily in our farms – a major long-term GMT project. Our target is to reach 12,000 hectares of coffee trees planted in a decade. In 2021, we had 2,300 hectares of planted area and harvested 49,000 bags, of which 13% were classified as specialty coffees. This was an excellent result not only from the point of view of quality but also in terms of quantity, taking into account the drought, frost and biennial nature of the crop. We remain steadfast in our goal of acquiring new land and adapting it for planting – a long process, but one for which we are very well prepared, always

following the industry's best practices.

The Montesanto Tavares Group believes that sustainability is a quest that impacts not only the producers but also the communities in which they operate. Therefore, it seeks the collective and progressive growth of the entire production chain, always respecting the environment and pursuing better living conditions. Thus, for two years we have been acting in line with the Sustainable Development Goals (SDGs) of the United Nations. In 2021, we invested heavily in internal actions to "tidy up the house" and make the processes related to the construction of an ESG agenda more effective and transparent.





# Confidence in the future

In addition to conducting a review of the Code of Conduct and Ethics, we established a Sustainability Committee that reports directly to the Board of Directors. We defined these priority initiatives for control of greenhouse gas (GHG) emissions: the introduction of a program for the recovery of forests and springs (called Mútua), and the creation of our own seal of approval for good practices for growers – two projects that are to take shape starting in 2022. No matter how uncertain the future may be, we believe in Brazil and we want to keep on working to make agribusiness increasingly relevant and responsible. This is what we do on a daily basis, it is what we bet on, both with the farms and the trading companies. We always stand with the grower in an ethical and sustainable manner.



*Agribusiness is of fundamental importance for Brazil and, for this reason, it cannot be allowed to come to a halt.*

**Ricardo Tavares**

*Chairman of the Board of Directors of the Montesanto Tavares Group*





# THE MONTESANTO TAVARES GROUP







# Passion for coffee

GRI 2-1, 2-6

The Montesanto Tavares Group operates in a number of segments in the coffee market and is divided into two main activities: the Atlantica, Cafebras and Ally Coffee trading companies, which are grouped in Montesanto Tavares Group Participações S.A. and are responsible for negotiating with growers and buying and selling beans in more than 60 countries on all continents; and Montesanto Tavares Farms S.A., which is responsible for managing farms located in Brazil for the purpose of growing coffee. Throughout this report, we present some of the information in consolidated form and other portions divided among the Group's companies.

GMT is a privately held corporation with the participation of a Canadian institutional investor. It is headquartered in Belo Horizonte and has offices in Minas Gerais and São Paulo, as well as in the United States and Switzerland, along with operations in Colombia, Costa Rica, Ethiopia, Dubai, Sweden and Germany. Its six farms are located in Minas Gerais and Bahia (as can be seen on the map on page 9). The Group's history, which began in 2000, is closely linked to the idea of improving, encouraging and developing the coffee culture in Brazil and in the world.







# Global operation

In 2021, Montesanto Tavares Group companies shipped 2.9 million bags of coffee, including coffee produced on their own farms, to 63 countries on all continents. Customers range from leading industry companies to small local roasters. In the same year, Fazenda Bela Vista and an expansion area for Fazenda Riviera were acquired. The map shows the locations of the offices and regional representatives.



- **Headquarters:** Belo Horizonte
- **Ally Offices:** Greenville (USA) and Lausanne (Switzerland)
- **Representatives:** Colombia, Costa Rica, Ethiopia, Dubai, Sweden and Germany







Message from the chairman

The Montesanto Tavares Group

Corporate governance

Economic Financial performance

Personnel management

Sustainability management

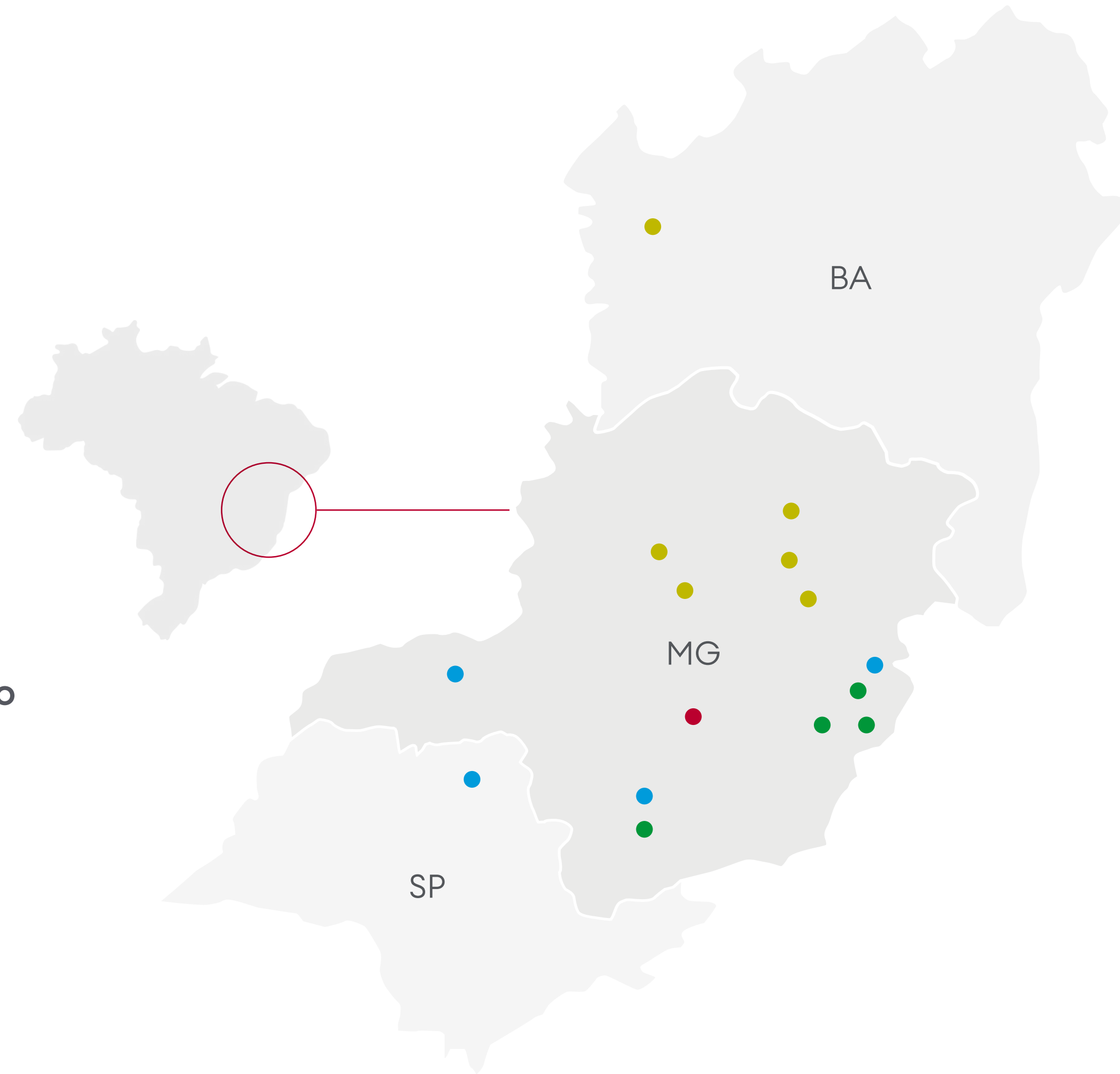
Social investment

Trading companies

The farms

GRI Appendix

# Presence in Brazil



- **Headquarters:** Belo Horizonte
- **Atlantica Offices:** Varginha, Manhuaçu, Caparaó and Alto Jequitibá
- **Cafebras Offices:** Patrocínio, Varginha, Alto Caparaó and Franca (SP)
- **Farms:** Primavera, Matilde, Riviera, Atlantica Agro, Bela Vista, Mimoso (BA)





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GRI Appendix

# Our values



Environmental, social and governance practices - ESG



Service quality



Belonging and ownership posture



Innovation and dynamism

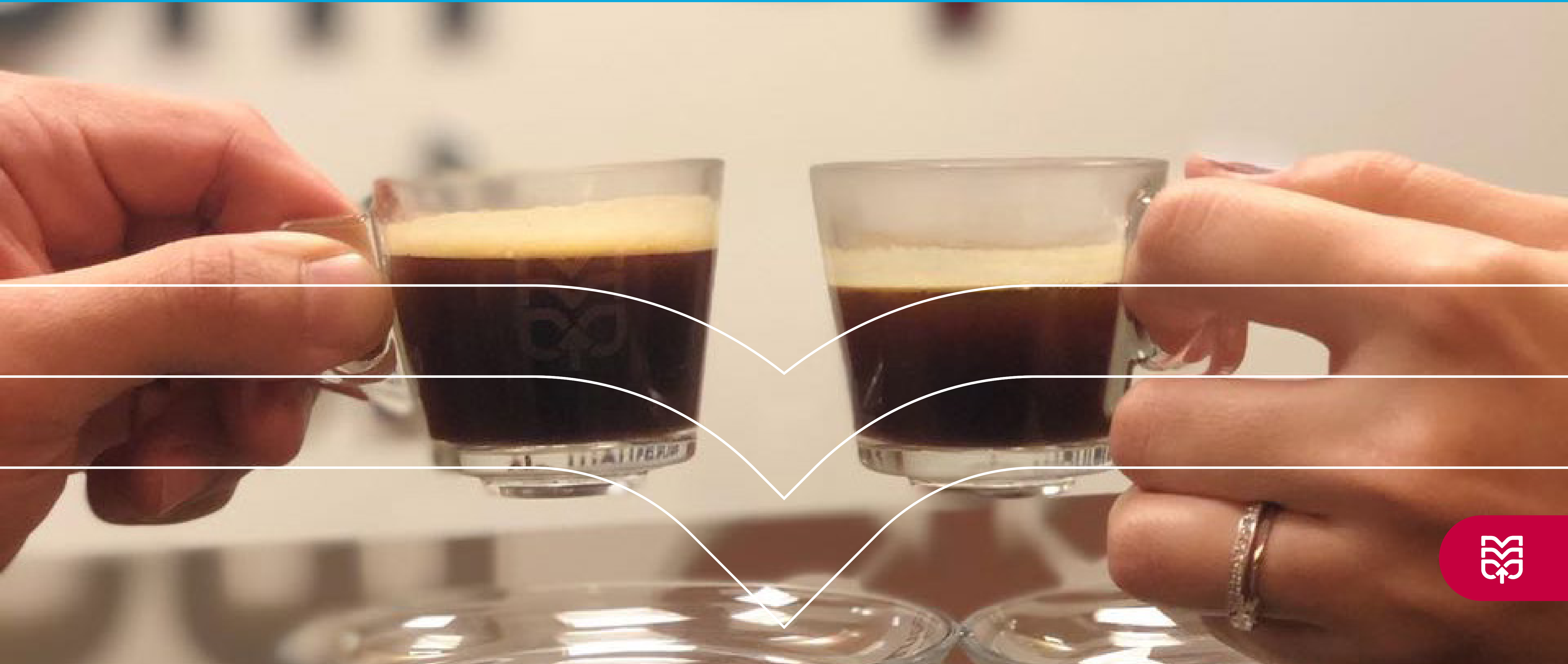


Diversity and appreciation of people





# CORPORATE GOVERNANCE







# Keeping an eye on best practices

GRI 2-9, 2-12, 2-15, 2-24, 206-1

Over the course of 2021, the Montesanto Tavares Group took new strides toward structuring its governance in accordance with the market's best practices. With the Compliance department taking the lead, a revision of the Code of Conduct and Ethics was completed. It now includes aspects related to the new General Data Protection Law, as well as values and purposes related to the ESG strategy, already shared with all teams, and that includes specific training on the most applicable topics. The material is available in Portuguese and English and is valid for all of our companies. By December, nearly 90% of the employees had signed the commitment agreement with the new Code of Conduct and Ethics.

A Sustainability Committee was established at the same time, reporting directly to the Board of Directors (BoD). During the first meetings, actions related to the control of greenhouse gas emissions (GHGs) were defined as priorities, as was a project to create our own seal of approval for the certification of growers. The development of the Mútua Program for the recovery of forests and springs was also on the agenda (learn more in the Sustainability Management chapter). In addition, the Hedge Policy was revised, defining thresholds and limits more in line with the financial market's best practices.

Always seeking to expand the scope of its sustainability actions, the BoD also plans to enter into partnerships with other companies and

entities. For 2022, it is expected to approve the Related Parties and Conflict of Interest Policy, the Anti-Corruption and Money Laundering Policy and the Data Privacy and Security Policy (these topics are already covered in the Code of Conduct and Ethics). The documents complement others effectively in force within the Group, such as the Compensation Policy (divided into three audiences: executive shareholders, executive board and employees), the Risk Management Policy, the Market Risk Policy and the Dividend Distribution Policy. Another new development planned for 2022 is the outsourcing of a whistleblower channel.

On a daily basis, important changes were consolidated in the structure of the financial,

logistics, human resources and sustainability departments, most aimed at unifying processes among the group's various companies. For the sales area, the main concern is to increasingly professionalize the operation, designed to ensure the business continuity. This involves subtle (but relevant) changes in the culture of the companies, still very much guided by the family history of the Group. For example, the decision to have variable compensation deferred over the long term, which leads to a commitment of the executive officers to future results. In 2021, there were no instances of non-compliance that resulted in legal, environmental or reputational impacts, nor were there any lawsuits related to unfair competition or trust practices.



*By December, nearly 90% of our employees had signed the acceptance agreement of commitment to the new Code of Conduct and Ethics.*





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GRI Appendix

# Organizational structure

Check out GMT's current governance model below.



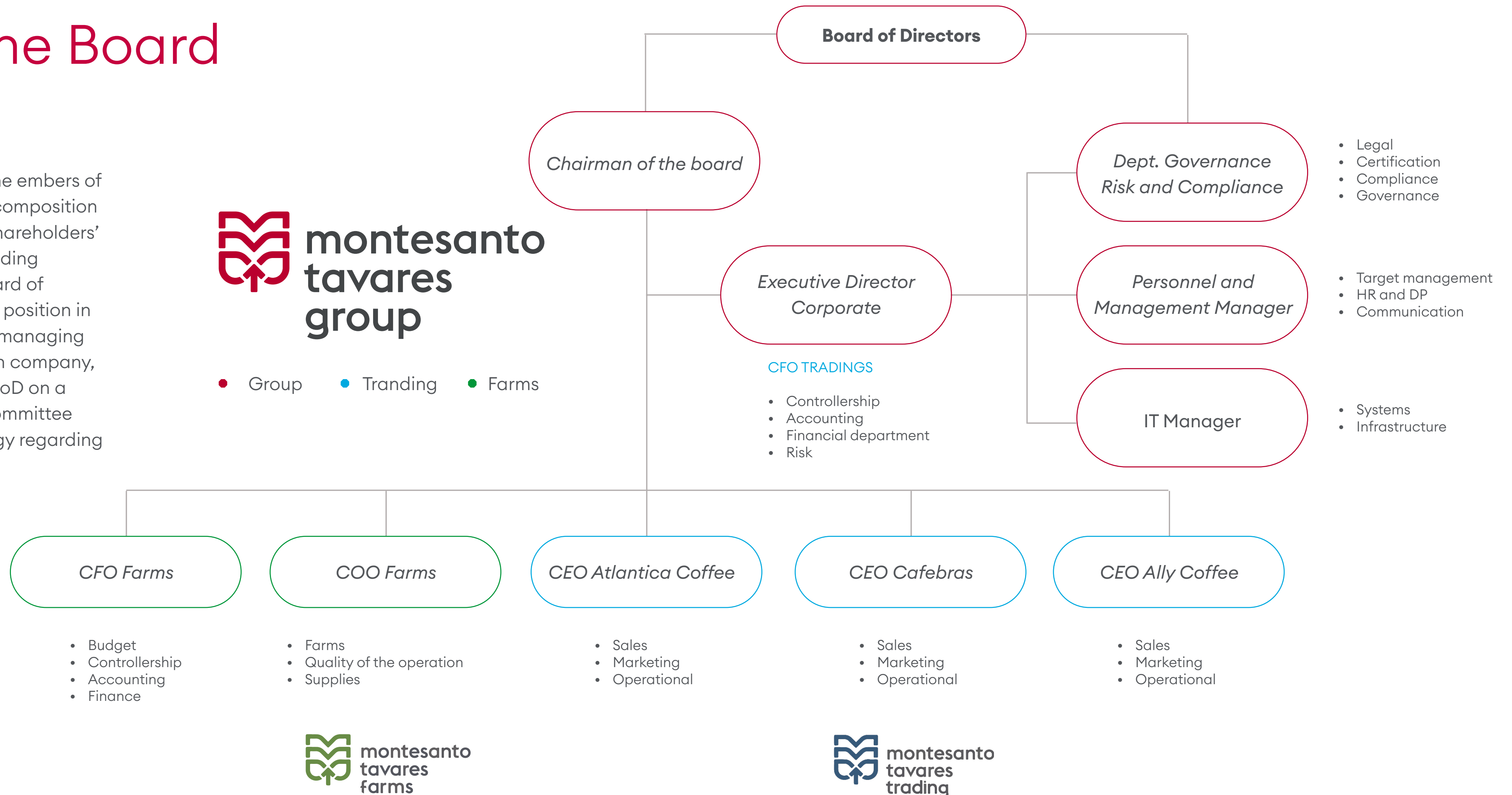




# The role of the Board

GRI 2-9, 2-10, 2-11, 2-13, 2-14, 2-17, 2-18

The Shareholders' Meeting defines the members of the Board of Directors (BoA), whose composition and attributions are defined in the Shareholders' Agreement and the bylaws of the holding companies. The Chairman of the Board of Directors does not hold an executive position in the Group, and the responsibility for managing the impacts lies with the CEO of each company, who present the main results to the BoD on a quarterly basis. The Sustainability Committee assists in defining the Group's strategy regarding ESG topics.







# Participation in associations

GRI 2-28

The companies of the Montesanto Tavares Group participate, each within their areas of interest and influence, in entities and sectoral organizations.



**Ally:** Specialty Coffee Association (SCA Coffee).



**Atlântica:** Brazil Specialty Coffee Association (BSCA) and Brazilian Coffee Exporters Council (Cecafé).



**Cafebras:** Brazil Specialty Coffee Association (BSCA) and Brazilian Coffee Exporters Council (Cecafé).

# Material topics

GRI 2-29, 3-1, 3-2

The Montesanto Tavares Group’s first materiality matrix was prepared in 2020 with the help of a specialized outside consulting firm. At the time, the process involved the identification of the Group’s main stakeholders who most impacted the operations; the survey of stakeholders’ perceptions (through 35 interviews); and the analysis of the results, which led to the definition of the material themes, duly approved by GMT’s leaders.

The work to construct the Montesanto Tavares Group’s materiality matrix was based on interviews (both with Company managers and external stakeholders) along with the analysis of materials and documents (such as the GRI Sustainability Topics for the Sector, The Robeco Sustainability Yearbook 2020 and the SASB Standards). Eight priority topics were defined and validated by the Sustainability Committee. Below is the breakdown of these eight topics.





# Material topics

**Sustainable development of growers** Strengthen family farming and value coffee growers through partnerships and direct relations, stimulating trust and respect; encourage the implementation of certifications to expand and develop the business; foster economic opportunities and access to finance; support individual producers, cooperatives and associations with tools, new technologies, documentation, training and access to good production practices for more efficient marketing and management; and establish transparent, safe and fair forms of marketing that value the work of the coffee grower and highly specialized suppliers.

**Value creation in the chain** To contribute to the sustainable progress of all links in the coffee chain, with prosperous growers and rural communities and healthy ecosystems; to generate connections and strengthen partnerships; to manage client relations; to originate with consistency; to seek to disseminate and stimulate the improvement of production, marketing and industrialization of products; and to reinvent global agriculture and food systems.

**Culture, development and employee well-being** To put people first and seek alignment between values, talking and doing; to establish a culture of excellence, meritocracy, ownership, entrepreneurial spirit, ambition and boldness; to attract, develop and retain a team of highly qualified professionals, who work as a team, with mutual respect and integrity; to value leadership and team talent, offering career opportunities and internal promotion; and to provide the best living conditions for employees, offering work tools for their well-being and differentiated benefits.

**Strategy and sustainability** To have a strategic vision aimed at sustainability, management of socio-environmental risks and socio-environmental impacts in the chain; to add value to the business; and to establish environmental policy, management systems and transparency of actions in the chain.

**Community** Respect the culture and traditions of the communities neighboring the coffee production areas; prevent and solve the operation's socio-environmental impacts on nearby communities; maintain a communication channel for conflict resolution; promote guidance and environmental education for the community; use local labor to generate jobs and direct and indirect socio-economic benefits; promote voluntary initiatives and actions for children, teenagers, women and the elderly with a focus on education, health, sports, healthy living and women's empowerment; and establish a formal relationship with trade associations and other stakeholders in the regions in which it operates.

**Innovation** Daring to do things differently; fostering and enabling innovation management, perpetuity and dynamic actions; stimulating a community that is open to inspiration, knowledge and targeting, providing even more accessible resources for the entire chain; offering modern structures with high-tech machinery; promoting engagement for a digitalized coffee chain; and working to genetically enhance coffee varieties.

**Good agricultural practices** Implement good agricultural production practices (such as precision farming, integrated pest management, biological control, proper use of pesticides, soil management, conservation and fertility and crop rotation, among others) that promote operational efficiencies and the proper use of resources; and carry out integrated waste management, based on selective collection and composting actions.

**Traceability, Assurance of Origin and Quality** Trace the origin and quality of the product; connect production to consumption, fostering transparency in the supply chain; promote a direct connection from consumer to the grower, appreciating the grower's story; develop online traceability; implement supplier screening; make product information available and use packaging where applicable; ensure product quality and food safety; consider health and nutrition issues; and using certification processes and programs to ensure environmental, social and sustainable agriculture requirements.



# ECONOMIC-FINANCIAL PERFORMANCE







# A year of swings

GRI 201-1, 201-4

Almost no one imagined that 2021 would be a year with so many ups and downs in the economy. The recovery recorded in the last quarter of 2020 pointed toward a year with good prospects – but what we saw was a real roller coaster. A scenario was expected in which the pandemic was more controlled; but what actually emerged were new waves of Covid-19. Uncertainty overshadowed what many were calling a new commodity boom – this time with few gains for Brazil.

**1** The exchange rate also swung in and out of the expected range. After closing December 2020 in the range of 3.80 reais per dollar, the main foreign currency closing rate exceeded 6 reais throughout the year, a worrying swing that was practically impossible to forecast. As most of the Group's credit lines are contracted in reais, this led to major impacts and movements.

**2** The price of coffee, which had remained for approximately three years at around 1.10 dollars on the New York Stock Exchange, jumped to 2.40 dollars. Here in Brazil, the price level moved from 600 reais per bag to exceed the barrier of 1,000 reais (and, in some cases, hit 1,500 reais, while the special beans traded for up to 2,500 reais/bag in the domestic market).

**3** The national and international macroeconomic scenarios brought back an old acquaintance of Brazilians: inflation. The IPCA, calculated by the IBGE, reached 10.06% in 2021, well above the target established by the Central Bank (5.25%) and the one registered a year earlier (4.52%). In all areas, there was a strong increase in costs (inputs, parts, machines, equipment plus everything that was imported), either due to the scarcity of products or the more expensive dollar.

**4** The interest rate followed this same course and rose higher than the projections. The Selic rate, set by the Central Bank, jumped from 2.25% per year (at the end of 2020) to 11.75% per year (in December 2021). As a consequence, banks continued to require high collateral, making it difficult to raise funds.





# A year of swings

In addition, Brazil suffered from drought and frost – two terrible enemies for coffee producers – which resulted in a crop failure of 8%. Even with so many difficulties, production at GMT's farms stood at 49,000 bags, 2% higher than expected, considering the biennial (low harvest) year, which helped boost financial results. Still in the investment and expansion phase in 2021, GMT Farms reported revenues of 73.1 million reais for the year, with a loss in the period of 7.9 million reais, better than budgeted, and a positive EBITDA of 3.7 million reais. The period was marked by the purchase of Fazenda Bela Vista and the expansion of Fazenda Riviera, within the Group's overall project to increase the area planted with coffee in the country.

In the holding company responsible for the trading companies, the year saw two very different moments: the first half was the best in the

Group's history, both in terms of trading volumes (mainly due to an increase in cash sales) and profits. Although performance and results came in within budget in the second half, they were disappointing in comparison with the previous six months. Thus, the final result of the year was 2.9 million bags shipped (i.e. effectively invoiced), of which 2.4 million went to other countries. This maintained GMT among Brazil's five largest exporters of Arabica coffee, accounting for approximately 10% of the total sold abroad. Sales reached almost 2.5 billion reais, with net profit of 70.3 million reais and EBITDA of 170 million reais (7% of revenue). The main achievements included the restructuring of governance, the consolidation of synergy between the different trading companies, the evolution of the ESG culture amongst employees and managers and the expansion of credit lines.

Another great piece of news for the trading companies was the first round of overseas funding, using inventories available in Brazil as collateral. The deal, closed with an Australian bank, guarantees a 40 million dollar credit facility at lower interest rates than those usually contracted. It should be noted that the business of buying and selling beans is fully leveraged and has lower margins compared to the coffee industry, for example.

Considering that the Brazilian Gross Domestic Product (GDP) grew 4.6% in 2021, driven by a 9.4% increase in agribusiness, it is quite reasonable to imagine that 2022 will once again be a year of major achievements in the sector – especially for the coffee business, which should reap a large harvest after the reduced results observed last year (due to the water deficit, with an approximate production in Brazil of 56.3 million bags).

From a macroeconomic point of view, however, there are still many clouds on the horizon, both because of the pandemic and also due to the political picture (with elections in October 2022) and the uncertainties of the global market in view of the war between Russia and Ukraine, which began in February. In addition, it is difficult to predict what could happen to coffee prices. In the recent past, the upward spikes have all been very brief; but the persistence of inflation, worldwide, may indicate a trend of maintaining 2021's closing levels.



# PERSONNEL MANAGEMENT







# Safety, motivation and engagement

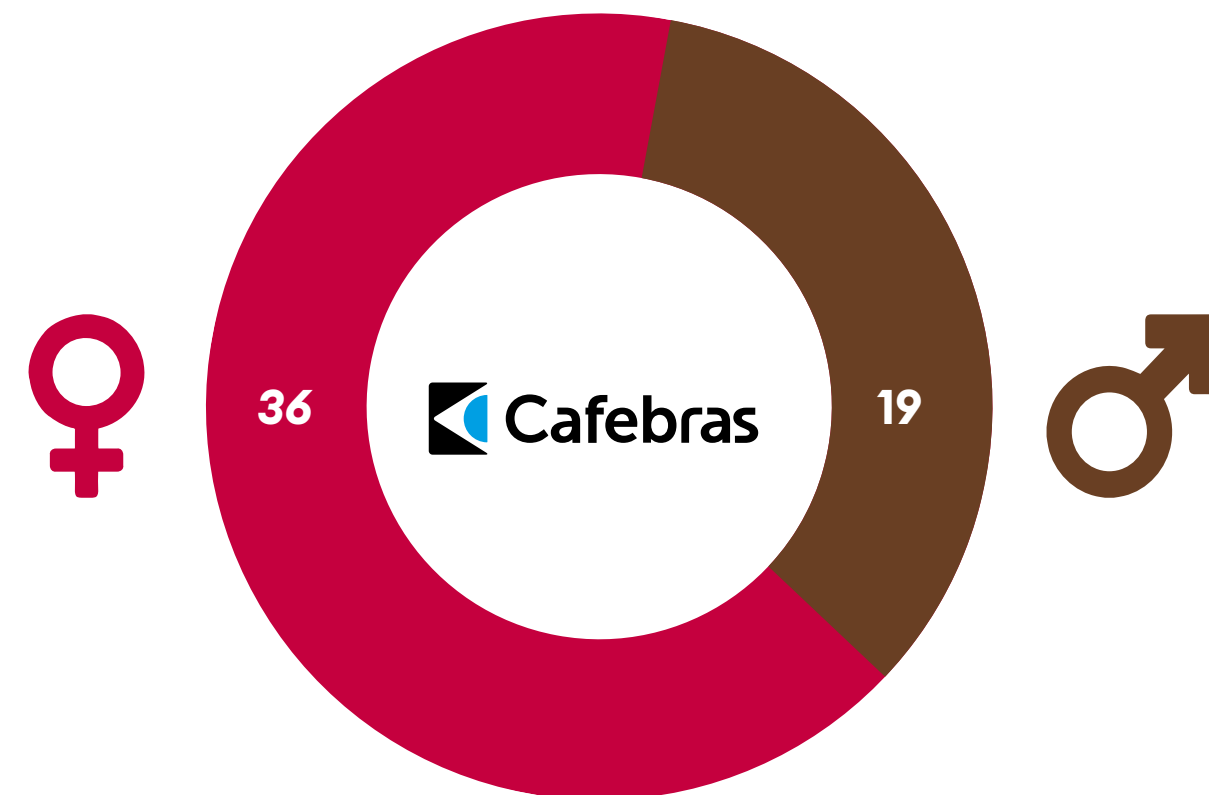
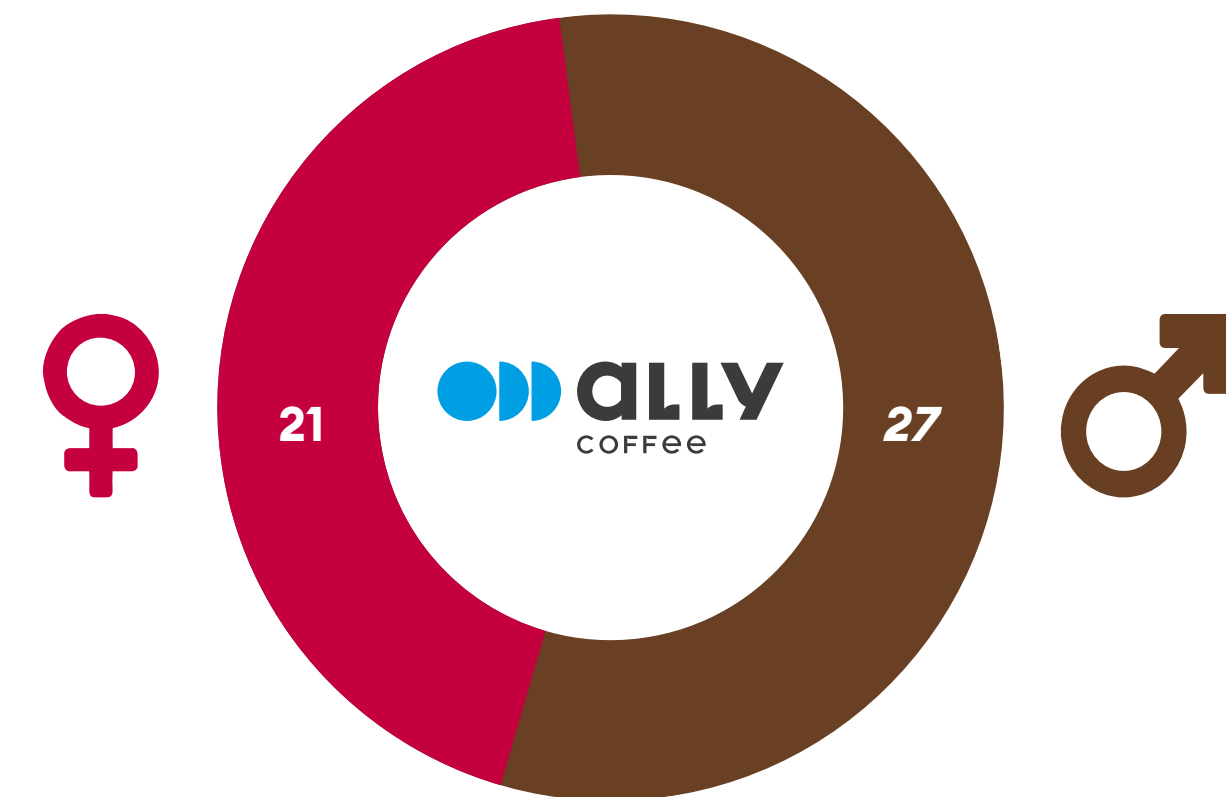
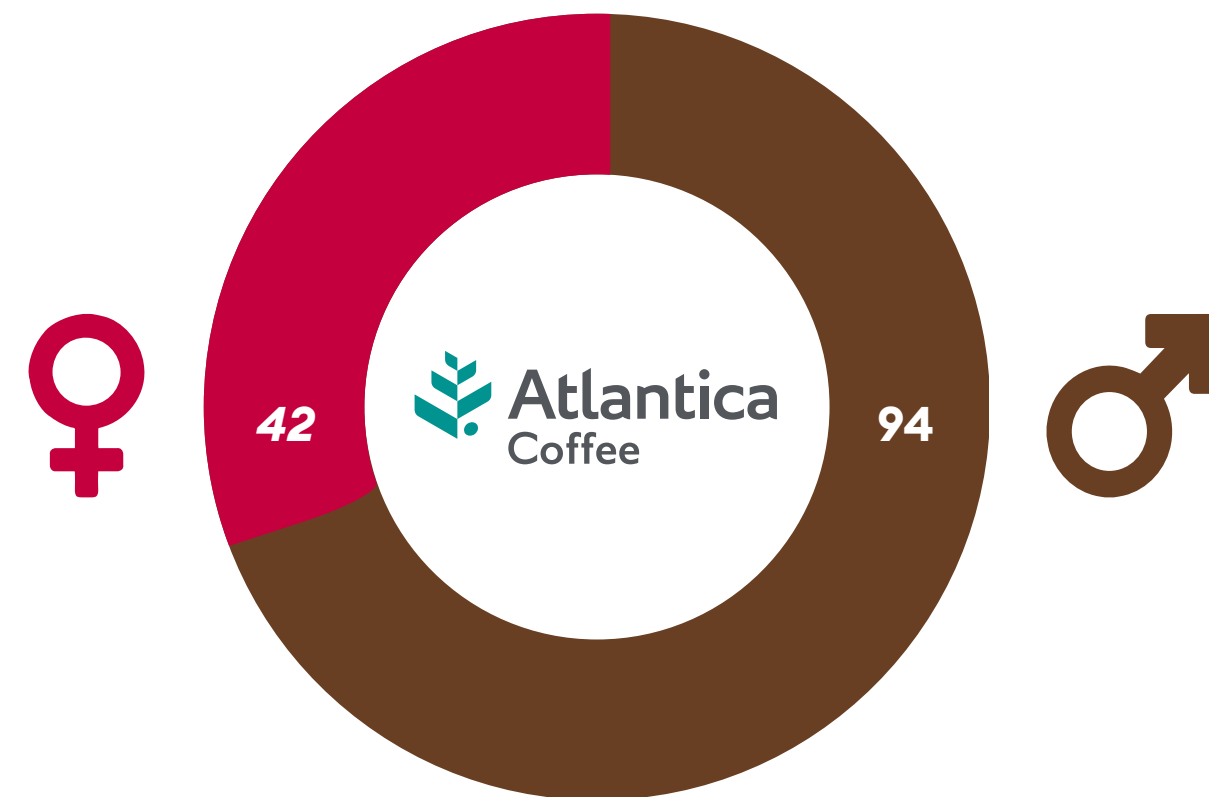
GRI 2-7, 2-8, 404-2

Fostering a motivating and healthy work environment is the premise that guides the Montesanto Tavares Group's personnel management policies and orientation. Hence the importance of investing in employee professional and personal qualification and in safety measures. This item is paramount and non-negotiable. Therefore, companies follow all standards and laws related to Occupational Health and Safety (OHS) management in all operational units.

In December 2021, the total number of workers registered in the Group was 604, divided as follows:

 **TRADING COMPANIES: 239**  
(140 men and 99 women)

 **FARMS: 365**  
(270 men and 95 women)







## Safety, motivation and engagement

In Atlantica, there were only two outsourced workers as of December 31, 2021, responsible for the cleaning and maintenance of the Manhuaçu and Alto Jequitibá offices. In Farms, there were 45 people in this situation, one Occupational Health and Safety technician, with a service contract, and 44 engaged in planting activities, with a fixed time of service limit.

In recent years, GMT has intensified actions to standardize processes and unify structures and strategies between all companies, always respecting the specificities of each operation. Skills assessment, for example, has been

conducted at Atlantica since 2018 using the SAP Success Factors tool, which analyzes each employee in terms of technical knowledge, focus on results, proactivity, relationships and collaboration. The meetings take place monthly and are known as Participatory Management. Cafebras evaluates teams once a year and Ally plans to start a structured skills assessment process in 2022. On the Farms, two breakfasts were organized with the team to present results and topics relevant to the organization.

## Training and capacity building

GRI 3-3, 404-1

As with the evaluations, the Group has been seeking to standardize training initiatives. In 2021, the main program in use was the Leaders Academy. Its objective is to expand the technical knowledge of managers, enabling them to meet the challenges of leadership. Over the year, 25 employees participated in the activities, 15 from Atlantica and Corporate, 5 from Cafebras, 4 from Farms and 1 from Ally. Some received coaching to improve their personnel management techniques. In the day-to-day activities, all Farms employees participate regularly in occupational safety training.

In addition to the specific training related to Occupational Health and Safety, other specific training initiatives include a coffee tasting course for four Ally employees and the awarding of scholarships (in the amount of 50% of the tuition) for 23 Atlantica employees.





# Compensation policy

GRI 2-19, 2-20, 2-30

The Group has not instituted a unified compensation policy, valid for all employees. As a general rule, market parameters (including surveys conducted by large consulting firms) are used to define pay ranges. Atlantica and Farms have implemented, since 2018, a job and salary plan approved by the Board of Directors (BoD), detailing the attributions, duties and responsibilities of each position. Only senior executives are bound by rules established by the BoU and valid for the four companies. In these cases, the total compensation is composed of a monthly fixed amount, an annual variable amount (based on meeting targets and divided between short- and long-term goals) and a benefits package.

In relation to collective bargaining agreements, the reality of each company is as follows:

- 1 At Cafebras, 100% of employees are covered by the collective agreement signed with the Patrocinio (MG) Trade Employees Union.
- 2 At Atlantica, 91% of employees are part of the MG000298/2021 collective bargaining agreement, but it is important to note that the company guarantees the same conditions for workers not covered by this accord.
- 3 Farms has signed a collective agreement with the Barreiras Union (BA), which covers 109 employees (29.9% of the total). In the other municipalities, it was not possible to sign similar agreements due to irregularities in the unions.
- 4 Since all of Ally's operations are outside Brazil, there is no collective bargaining agreement, as labor laws are different from those in Brazil.







# Main benefits

GRI 401-2



	USA	Brazil	Other operations	Brazil		Brazil	
		Fulltime		Fulltime	Parttime (or temporary) working hours	Fulltime	Parttime (or temporary) working hours
Life insurance		YES	NO	YES	YES	YES	YES
Health Insurance		YES	NO	YES	YES	YES	YES
Disability and invalidity assistance		NO	NO	NO	NO	NO	NO
Maternity/paternity leave		YES	YES	YES	YES	YES	YES
Pension fund/benefit plan		NO	NO	NO	NO	YES	YES
Share acquisition plan		NO	NO	NO	NO	NO	NO
Educational assistance (50%)		NO	NO	YES	NO	NO	NO
Fuel allowance		NO	NO	YES	YES	NO	NO
Dental plan		NO	NO	YES	YES	NO	NO
Food/meal voucher	NO	NO	NO	YES	YES	NO	NO





# Uninterrupted work

GRI 403-1, 403-2, 403-4, 403-5, 403-8, 403-9, 403-10

Agribusiness is one of the main drivers of the Brazilian economy and, as such, has not stalled at any time since March 2020, when the Covid-19 pandemic began. A number of the initiatives and protocols implemented in that first year were continued throughout 2021, such as encouraging constant hygiene, the use of masks indoors, more space between people on buses and in lodgings, and the use of technology for meetings and home office – besides, of course, the liberation, within legal precepts, of employees classified as belonging to a risk group. The vaccination campaigns were a success. In December, almost all employees already had completed the vaccination schedule, both in the trading companies and on the farms.

In almost all operations, 2021 was an easier year than 2020, as people already knew how to face the risk of contamination. On the farms, the number of fixed-term contract employees

(harvesters) has increased, making it necessary to readjust the logistics to accommodate everyone in the lodgings; in this context, the number of Covid tests carried out has also risen significantly. In case of any suspicious symptom (as detected by diagnostic forms and evaluations by health professionals and OHS technicians), the employee is examined and, if positive, isolated and released from work obligations.

The initiative proved to be of great help in the accommodations, especially during the coffee harvest period. In Minas Gerais, GMT owns three farms in close proximity to each other. Thus, it was decided to hire a nurse to assist in both prevention campaigns and also in the identification and follow-up of positive cases. Another successful action was a daily chat about the disease, helping to prevent the spread of the virus. Fortunately, no serious cases were recorded among employees and outsourced workers

during the year. The experience of these two years living and working under the effects (and restrictions) of the pandemic demanded a lot from each and every one of us. It was necessary to reinvent practices, value partnerships and stimulate solidarity. Even so, the Group performed very well, showing how qualified, dedicated and responsible our teams are. Despite increased physical distances, it bolstered the integration with and understanding of reality (and the difficulties).

It is worth noting that all initiatives related to Occupational Health and Safety meet the requirements of Brazilian law. All employees are covered and the system is managed by third-party companies, which assess the potential risks, carry out the exams, provide specific training and issue the reports required by the legislation. Atlantica and Cafebras have set up Internal Commissions for Accident Prevention (Cipa) and

the farms count on an Internal Commission for the Prevention of Rural Work Accidents (CIPATR). Both in Brazil and in the United States, all employees are covered by a health plan or insurance policy. There were no cases of occupational diseases or workplace accidents in 2021.



# SUSTAINABILITY MANAGEMENT







# Commitment to the planet

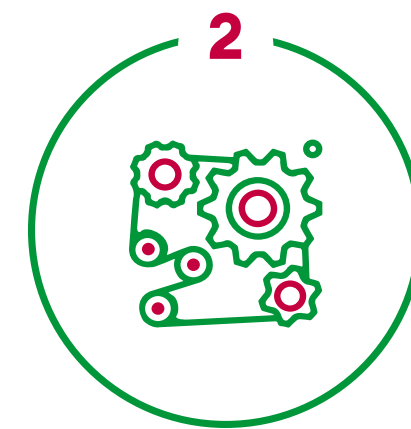
GRI 2-23, 2-24, 3-3

The Montesanto Tavares Group recognizes that sustainability is a quest and it operates within the context of coffee production extending its impact on the lives of growers, communities, employees, customers and all partners in the production chain. The Group's Sustainability Policy was drafted in 2020 with the intention of being more than just a document containing guidelines for its companies. It is also a sustainable program and a brand (Onward) that conveys these concepts. In 2021, the companies began to develop performance indicators in order to include sustainability aspects in their day-to-day business activities. Discussions also began on the Group's Strategic Plan, with sustainability as one of the underpinnings (and that should be completed in 2022).

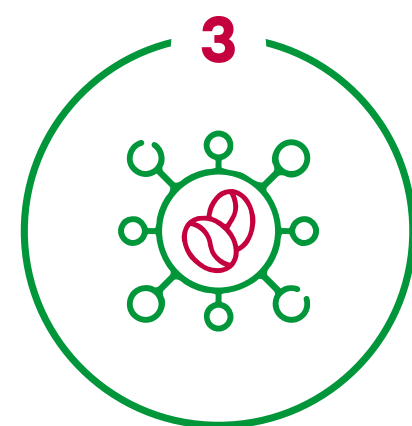
GMT has made three commitments:



Recognize and remunerate



Develop the supply chain



Connect production to consumption

Onward, for its part, means moving forward. It is with this mindset that the Group intends to build the future. Its actions emphasize GMT's commitment to local communities and take into account eight United Nations SDGs. They are directly linked to the defense of human rights, sustainable agricultural production and valuing work and the land. The document is available on the Group's website:

[www.montesantotavares.com.br](http://www.montesantotavares.com.br)







# Alongside the grower

GRI 3-3

In agribusiness, sustainability management involves everything from control over water consumption and greenhouse gas emissions to the detailed monitoring of growers' routines. The Montesanto Tavares Group is increasingly focused on this. On the one hand, all farms are certified and their activities always are based on the best market practices. On the other, the trading companies have been increasing, year by year, their dealings with certified producers – and they sell to clients, in Brazil and abroad, who take this issue very seriously. In fact, working in an ethical and responsible manner, and expanding a relationship of trust with partners, has always been part of GMT's tradition.

The relationship with farmers always comes first – both in helping them plant and harvest without harming the planet, and in fighting to ensure fair prices for coffee in all circumstances. Being close to the grower means understanding their anxieties and difficulties. And GMT understands this very well, as it is present at both ends of the chain, sowing on the farms and selling through the trading companies. Yes, it is essential to reduce the carbon footprint; but it is not just about preserving nature. The name of the game is constant improvement: working conditions, land management, community relations. To do everything it takes to perfect the value chain, with an eye on the future. Internally, this is reflected in the commitment of the employees, who feel motivated and engaged, proud to be part of the Group's companies.







# Attention to the chain of production

GRI 203-2, 3-3, 308-2, 413-2

Consumers increasingly approve and demand sustainably-grown coffees, with special attention to the environment and the community. Helping these producers develop and grow means improving the quality and reputation of Brazilian coffee, opening up new markets and assuring the perpetuity of this virtuous circle. GMT's sustainability/certification department regularly visits partners, disseminating sustainable management practices and checking the consistency of the initiatives adopted. In 2021, our five technical consultants (linked to Atlantica and Cafebras) visited some 450 rural properties. Certification audits were conducted by third parties and paid for by the Group. All told, 127 Cafebras suppliers and 316 Atlantica suppliers received the technicians, who did not identify any negative environmental impacts. Furthermore, the certified growers are able to sell their production at prices higher than those prevailing in the market for coffees of the same quality.

The companies monitor the possible impacts (positive and negative) of their operations. By

conducting technical training for the growers and expanding their knowledge base, GMT helps to develop the rural workforce, improving the professional skills of the local people. Likewise, participation in organizations promotes the dissemination of knowledge about the coffee market itself – not to leave out, of course, the direct impact caused by the generation of jobs, which drives the economy of the various regions in which the Group is present.

In 2021, the biggest problem faced by growers was losses due to climate events, which impacted some previously contracted sales. In all cases where the harvest loss was proven, GMT renegotiated contracts in order to contribute to the productive (and economic) restructuring of these families.

On the Group's own farms, control over the incidence of child labor, forced labor or work analogous to slavery is very strict and, therefore, we believe there is no risk of this occurring. Among the growers who supply our trading companies,

the surveying carried out by GMT, including Integrity Due Diligence, the constant checking of official lists and important partnerships with certification companies also is designed to mitigate the risk of such situations arising. Producers included in these lists are excluded from working with the Group. The Group's challenge is to raise the number of growers being visited and certified, to increase the frequency of the visits and offer more farmers an opportunity for certification and, consequently, receive greater information and face-to-face evaluations. To this end, a number of projects are in varying stages of development. The principal one is Own Seal of Approval, which will become an important tool for bringing together growers at different levels of maturity with a view to expanding awareness and knowledge regarding ESG issues and, at the same time, extending product origin guarantees offered to clients. (GRI 408-1, 409-1, 411-1)



*Helping these farmers to develop and grow means improving the quality and reputation of Brazilian coffee*



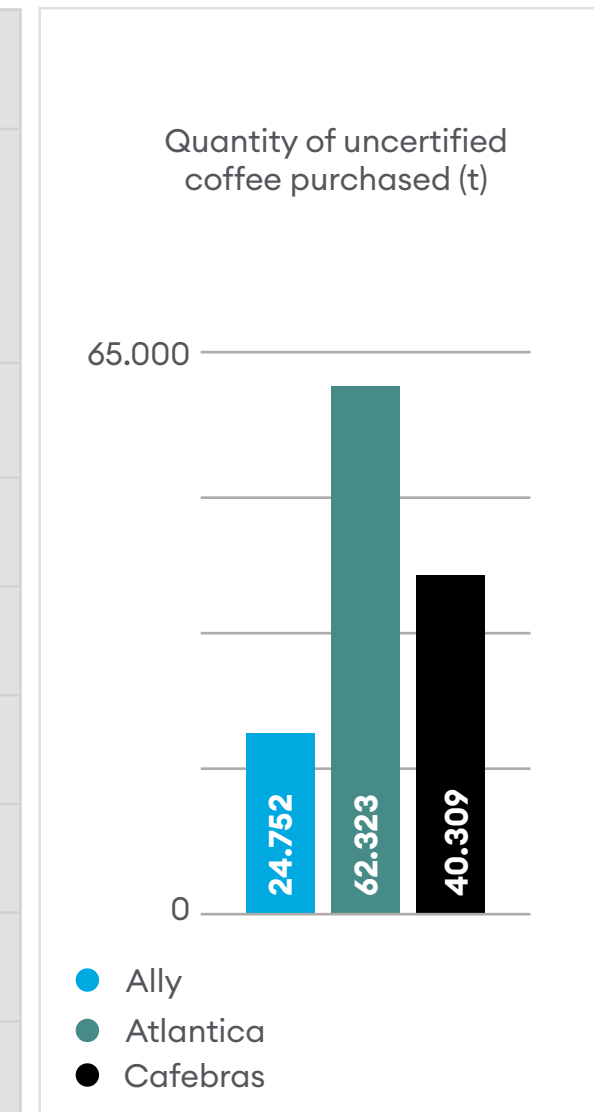


# Traceability and certification

GRI 3-3

In the coffee world, the issue of bean traceability is widely consolidated, which ensures the dissemination of good agricultural practices. It is not enough to just comply with the legislation. Certified growers can sell at higher prices, in Brazil or abroad. And the guarantors of the product's quality are companies that specialize in certifying the farmers. In the Montessanto Tavares Group, farms are certified and the partners selling to trading companies are encouraged to obtain this document, which establishes high standards of process control. This is especially true with regard to environmental issues (use of chemical pesticides and storage, handling and disposal of packaging, among other aspects) and in the relations with the surrounding communities. Currently, about 500 properties in 112 municipalities have some type of certification, in the Mogiana Paulista, Mogiana Mineira, Sul de Minas, Cerrado Mineiro, Matas de Minas, Norte de Minas and Bahia regions. The coffee produced on the Group's properties and around 34% of the coffee purchased by the trading companies are certified.

Certifications	Quantity of coffee purchased (t)			TOTAL
	ALLY COFFEE	Atlantica Coffee	Cafebras	
4C	500	5,657	5,622	11,779
C.A.F.E Practices	0	28,189	5,896	34,085
Certifica Minas Café	0	40	0	40
Fairtrade	261	0	269	530
Organic	605	0	363	968
Rainforest Alliance	4,179	7,299	6,437	17,915
<b>TOTAL</b>	<b>5,545</b>	<b>41,185</b>	<b>18,587</b>	<b>65,317</b>



In 2021, there were several adjustments to the certification protocols. Among them, the Rainforest Alliance and UTZ Certified merger entered into effect (on June 1), with the addition of new requirements to the protocol. For their

part, certifiers 4c and C.A.F.E. Practices also ramped up their seal of approval requirements, with more visits to and audits of growers. All these initiatives present a high level of transparency and sustainability advocacy –

from the environmental, social and business management standpoints. In the case of GMT's own farms, audits are conducted twice a year to identify possible problems and suggest improvements. This process is so important that the Group intends to launch, before the end of 2022, a pilot project for its own certification seal of approval for partner growers. Until this is in place, the Sustainability department has begun to structure controls for hiring suppliers based on social and environmental criteria, using the pre-existing certifications. Thus, Cafebras (which did not conduct this analysis in 2020) saw 127 of its 502 suppliers (25% of the total) duly approved by these criteria. At Atlantica, the number went from 20 in 2020 to 316 in 2021. Ally continues to use reports from Enveritas, an independent, non-profit organization that verifies coffee purchases with regard to Sustainability. (GRI 414-1, 414-2)





# New projects

In 2021, GMT structured three new projects, that went into operation in the first months of 2022. Mútua Matas e Nascentes involves a diagnosis of the impact of a given property on nearby forests and springs. The program came from Atlantica, which chose a group of 20 growers who are located in environmental preservation areas (EPAs) in the Zona da Mata (Forest Zone) of Minas Gerais. All work is carried out in partnership with the Universidade Federal de Viçosa. After an initial analysis, specialists install septic tanks to ensure that crop residues are properly treated, thus eliminating contamination of the springs. In addition, seedlings will be distributed to restore the region’s riparian forests. GMT bears the full cost, and it intends to expand this partnership to entities such as Sebrae and Embrapa.

Also in trading companies, a new Credit Committeewas created, aimed at defining credit limits for the purchase of coffee for future delivery. The established criteria include registration and financial information and delivery history analysis of each grower. From 2022, all Group partners must complete registration, including technical

evaluation of production, to obtain the sales certificate.

Our Greenhouse Gas Emissions Inventory (GHG) is considered a pioneering initiative in the Brazilian coffee industry. The idea is to understand the Group’s true impact in relation to climate change in order to be able to develop a plan for improving future actions. The preliminary results indicate that scope 1 and 2 operations sequester almost 12,000 tons of carbon from the atmosphere (that is, they are positive for the environment); and that scope 3 emissions (which includes the logistics of coffee distribution in different countries) largely exceed this initial capture of the process, as can be seen in the opposite chart. The survey will be carried out over three years, with the first in partnership with Minas Gerais company Plantar and the support of Canada’s WSP, a leading global environmental consulting company. Mainly to create concrete actions towards the carbon neutral goals of the Group and its clients.

## GHG inventory

Scope 1	Anthropogenic Emissions	2,658.659
	Biogenic Removal	-14,634.874
Scope 2	Emission	261.458
Scope 3	Emission	29,418.838

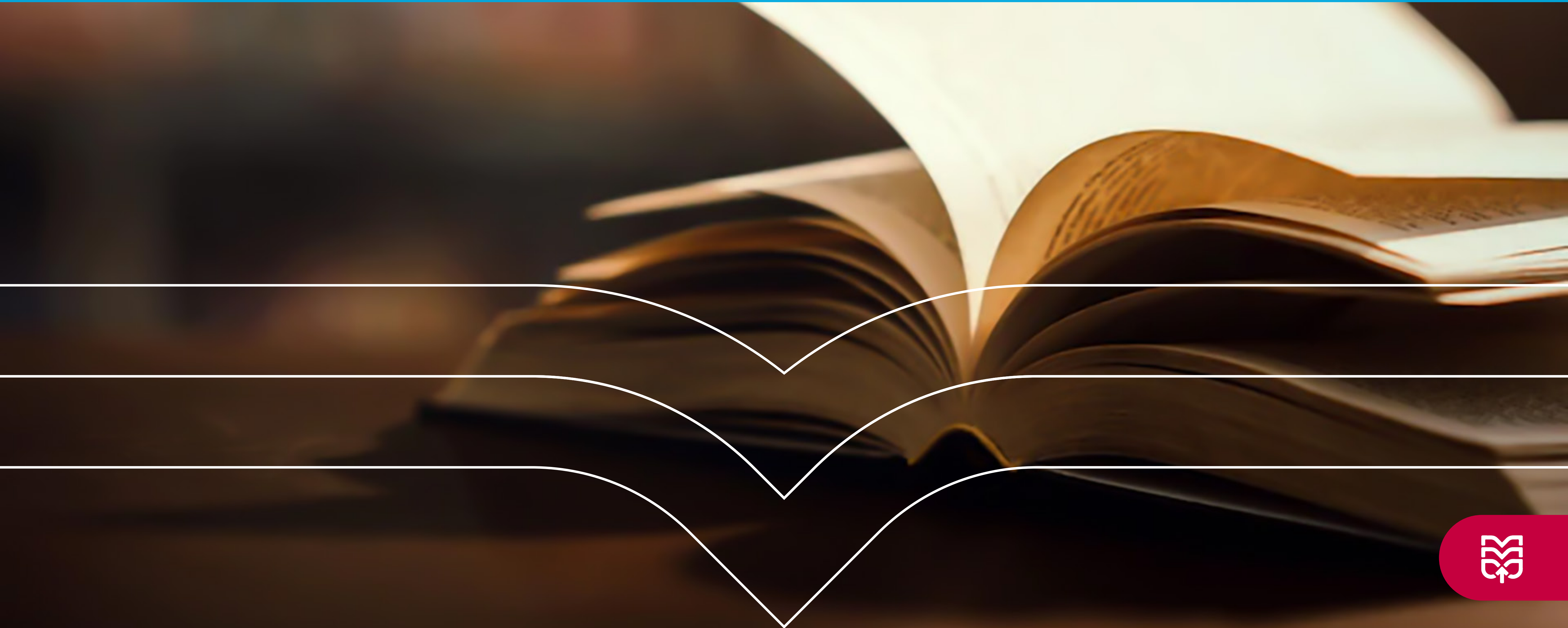
**Emissions balance sheet:** GHG emissions are calculated in tons of carbon equivalent (tCO2e), from emission outputs and removals.

## Carbon stock

	tCO <sup>2</sup> e
Coffee plantation areas	12,054.274
Planted forest areas	417,393.028
Native vegetation areas	18,900.351
<b>Forest carbon stock</b>	<b>484,347.653</b>



# SOCIAL INVESTMENT







# Transforming reality

GRI 3-3 , 413-1

Every year, the three trading companies of Montesanto Tavares Group Participações S.A. earmark 0.3% of their revenues to the Instituto Café Solidário (ICS), which offers art, culture, sport, leisure and professional activities for children and young people in situations of social vulnerability in the municipality of Buritizeiro (MG). Although 2021 was a year of major challenges, especially because of the Covid-19 pandemic, the institute remained firm in its purpose of shaping the future by transforming the reality of students.

To avoid crowds and to help control the spread of the virus, the ICS set up a rotation scheme, with half of the participants each day, always obeying the hygiene protocols and wearing a protective mask. Thus, 154 residents of the small town in northern Minas Gerais were able to continue the activities offered throughout the year. As always, everyone gets a snack and lunch (or dinner) while at the site. On average, 387 meals are served every day to students and monitors – with plenty of fruit and vegetables harvested from the garden itself and zero ultra-processed foods. Over the

year, fashion and sewing courses, music and choir, painting, digital media, dance, capoeira, theater and literature courses were offered. In March, the graduation of the first vocational course for young people between 15 and 17 years old was celebrated. The classes had started in February 2020, before the pandemic even began, and were adapted to the online format. Besides the Portuguese and English activities, the main subjects were management and business, technology and innovation. Fifteen girls and boys completed all the stages and received their diplomas. The main achievement of 2021 was the Pé na África (Foot in Africa) show. The institute raised 90,000 reais through the Aldir Blanc Law cultural incentive public notice, and organized a large musical and theatrical show. It featured, with dance and a fashion show of clothing made in the fashion workshop – all inspired in the history of the African continent. The presentation, recorded and available on [YouTube](#), turned into a real Christmas party, with typical foods and the participation of many families.





# THE TRADING COMPANIES







# Internal and external challenges

GRI 2-6

2021 was a very challenging year for the group's trading companies. The companies, are responsible for the origination of coffee from rural producers, reprocessing of coffee in general warehouses, sales and exporting of raw coffee beans (which includes customs clearance and delivery to the customer). In Brazil, the operations are carried out through Atlantica Coffee and Cafebras and in the United States and Europe where the headquarters of Ally Coffee are located. The first two negotiate with Brazilian farmers to sell their products, preferably, abroad. The third operates offices and representatives also in the Middle East and Latin America, buys in the main growing regions and resells to industries and traders on five continents.

Even knowing that it would be a year with volumes lower than 2020, several external factors led to the consolidated numbers coming in slightly

under budget. Ships and containers were in short supply to deliver a portion of the bags sold, and the return of inflation, a global phenomenon that is proving to be one of the consequences of the Covid-19 pandemic, harmed the business. In addition, there was a reduction in the demand for specialty coffees – there are no very precise explanations for this fact, but it was probably due to changes in consumer habits, more wary of an increase in the cost of living.

In Brazil, producers also suffered from frost and drought. Thus, in a year when production would naturally already be low, this drop caused prices to skyrocket. From a financial point of view, the sharp rise in the New York Stock Exchange listing (a jump from \$1.10 to \$2.40) helped mitigate the impacts of rising production costs. Even though all operations are hedged, the strong devaluation of the real against the dollar led the financial market

to expand the requirements for granting credit, representing yet another challenging element in the year.

In the year, Atlantica sold 1,559 million bags; Cafebras, 936,000 bags; and Ally, 454,000 bags. In total, this volume was 7% below the Group's forecast. Market volatility affected future business more strongly – 52% less than in 2020. As always, sales of specialty coffees, more expensive, helped offset losses by reducing volumes.







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# Highlights 2022



- R\$ 1.27 billion  
Gross revenue
- Commercial and Superior Coffees From Brazil
- 136 employees.
- 1,559 million  
Bags exported
- Origins of the Coffee:** Cerrado Mineiro, Sul de Minas, Matas de Minas, Morgiana Mineira, Norte de Minas, Mogiana Paulista, Goiás, Bahia, Espírito Santo, Rondonópolis (MT), Oeste Paulista, Chapada de Minas



- R\$ 786 million  
Gross revenue
- Specialty and Commercial Coffees from Brasil
- 55 employees.
- 936,000  
Bags exported
- Origins of the Coffee:** Cerrado Mineiro, Sul de Minas, Matas de Minas, Morgiana Mineira, Norte de Minas, Mogiana Paulista, Goiás, Bahia, Espírito Santo



- R\$ 386 million  
Gross revenue
- Specialty coffees from Brazil and other origins
- 48 employees
- 454,000 bags sold
- Origins of the Coffee:** Brazil, Colombia, Costa Rica, El Salvador, Ethiopia, Guatemala, Honduras, México, Nicaragua, Peru, Kenya, Thailand and Vietnam





# Integration and synergies

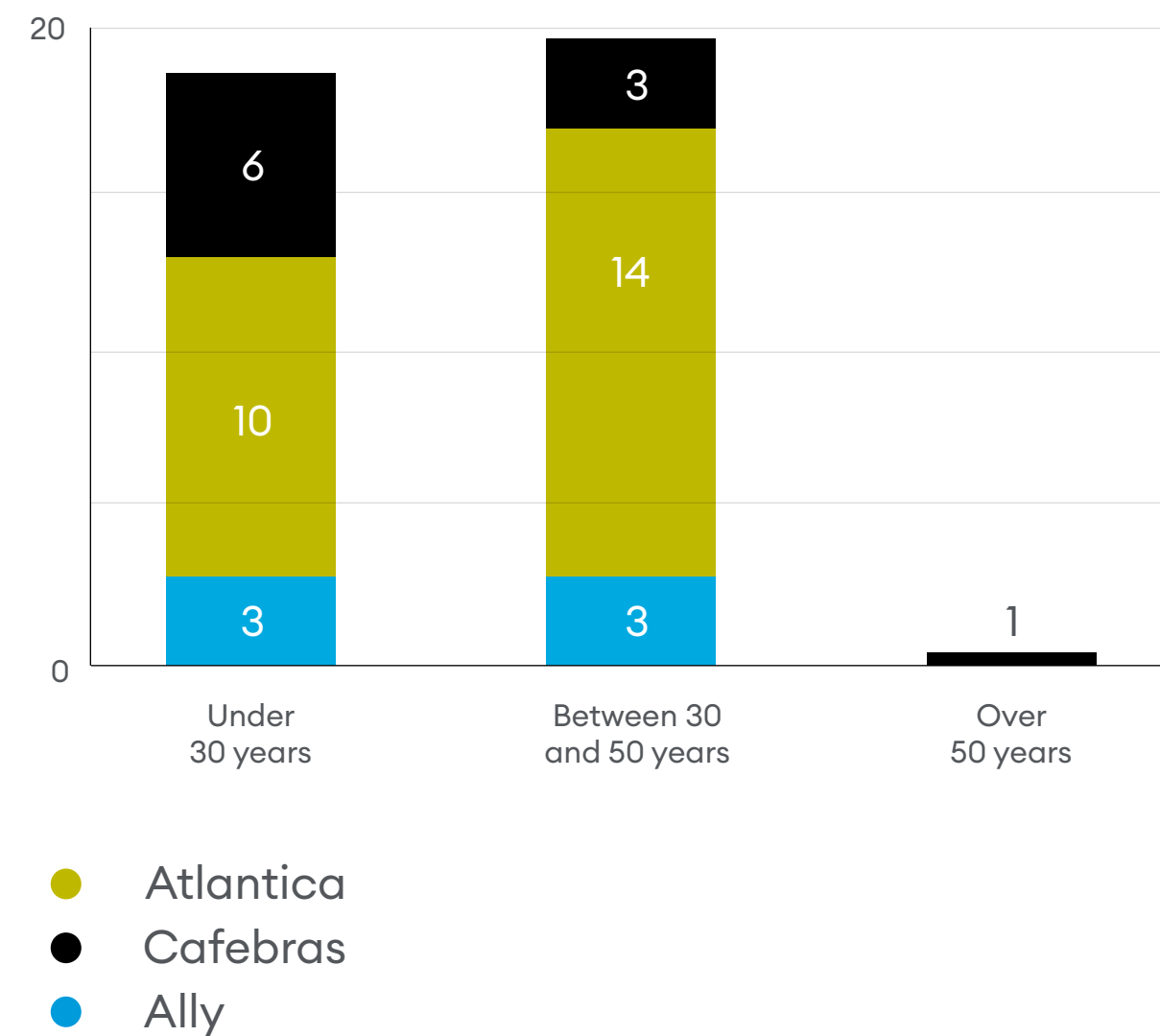
GRI 203-1, 401-1

Outside Brazil, Ally reported in 2021 its best financial performance since it was founded in 2015. Over the year, the company moved its headquarters from the state of Florida to Greenville, South Carolina, and opened an office in Germany to expand business on the continent (the global portfolio gained close to 300 new customers and today sales are divided into 50% for the United States, 40% for Europe and the rest between Asia and Oceania). A new base was also inaugurated in Costa Rica. The site houses the office and the quality control laboratory, as well as serving as a meeting point for local producers. As a result, Ally hired 48 fixed employees (27 men and 21 women), all working fulltime and broke down as follows:

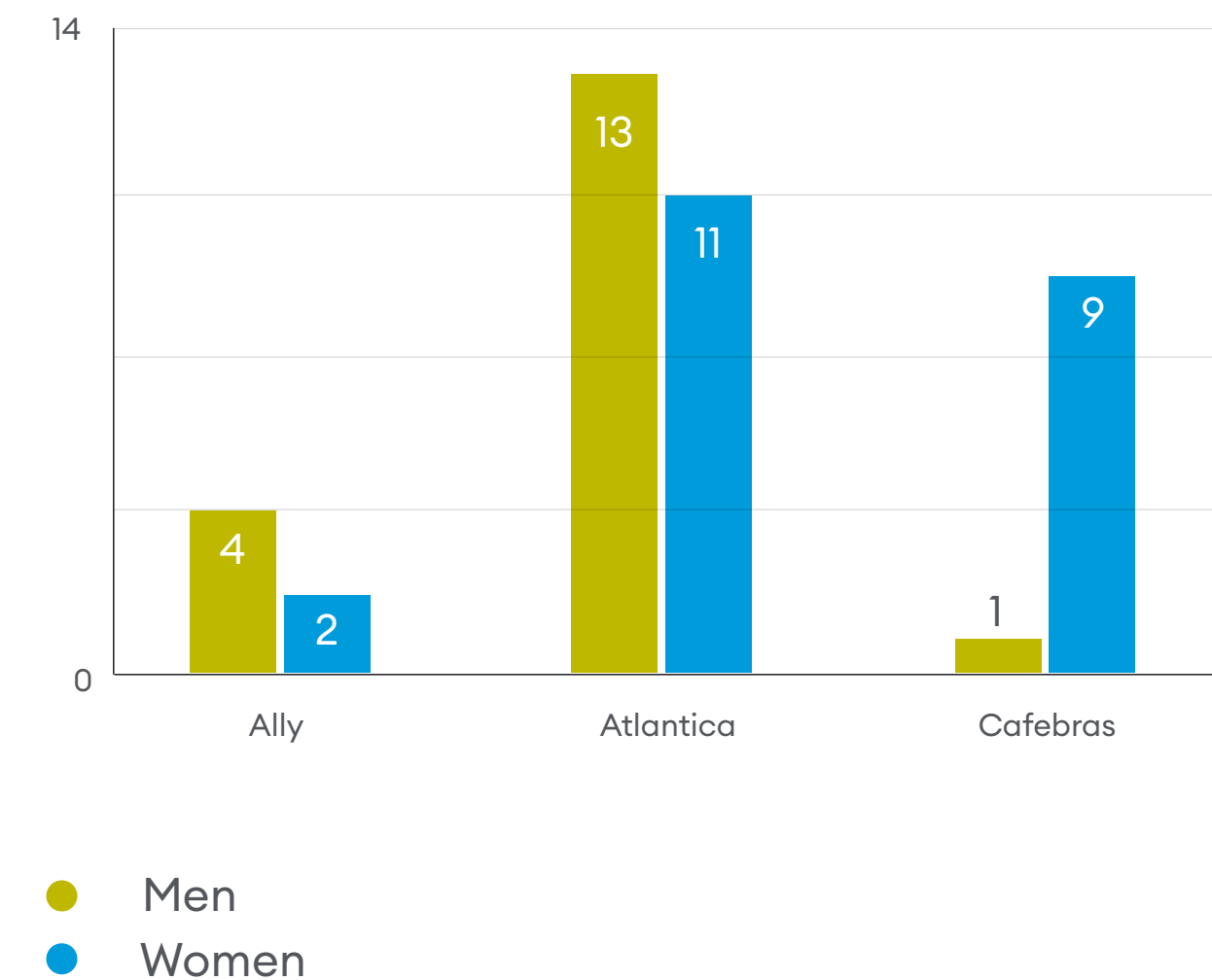
- 19 in North America
- 15 in Central and South America
- 11 in Europe
- 3 in Asia and Africa

Overall for the trading companies, the numbers of new hires are as follows:

Total number and rate of employees hired, by age group



Total number and rate of employees hired, by gender



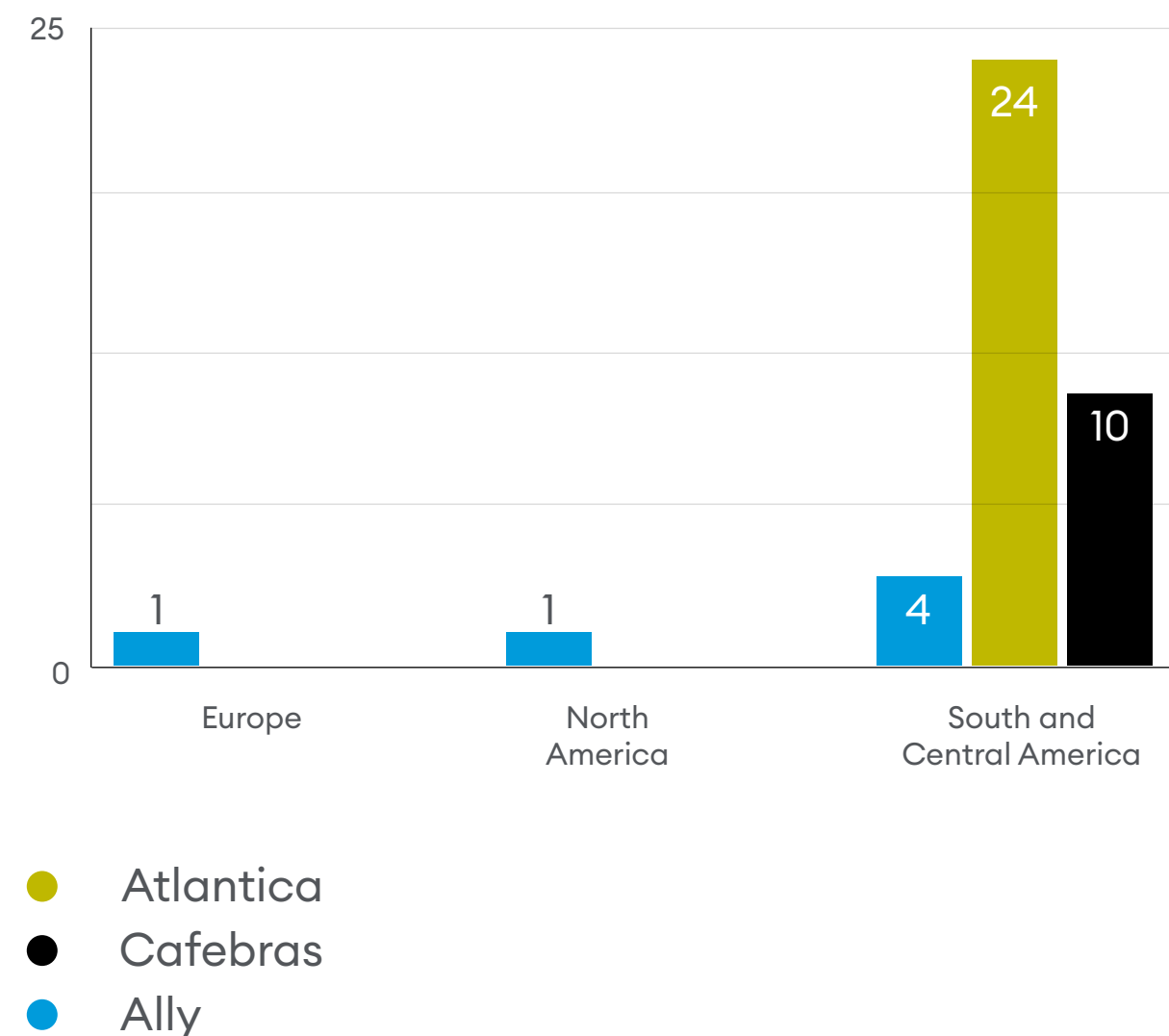




# Integration and synergies

GRI 308-1

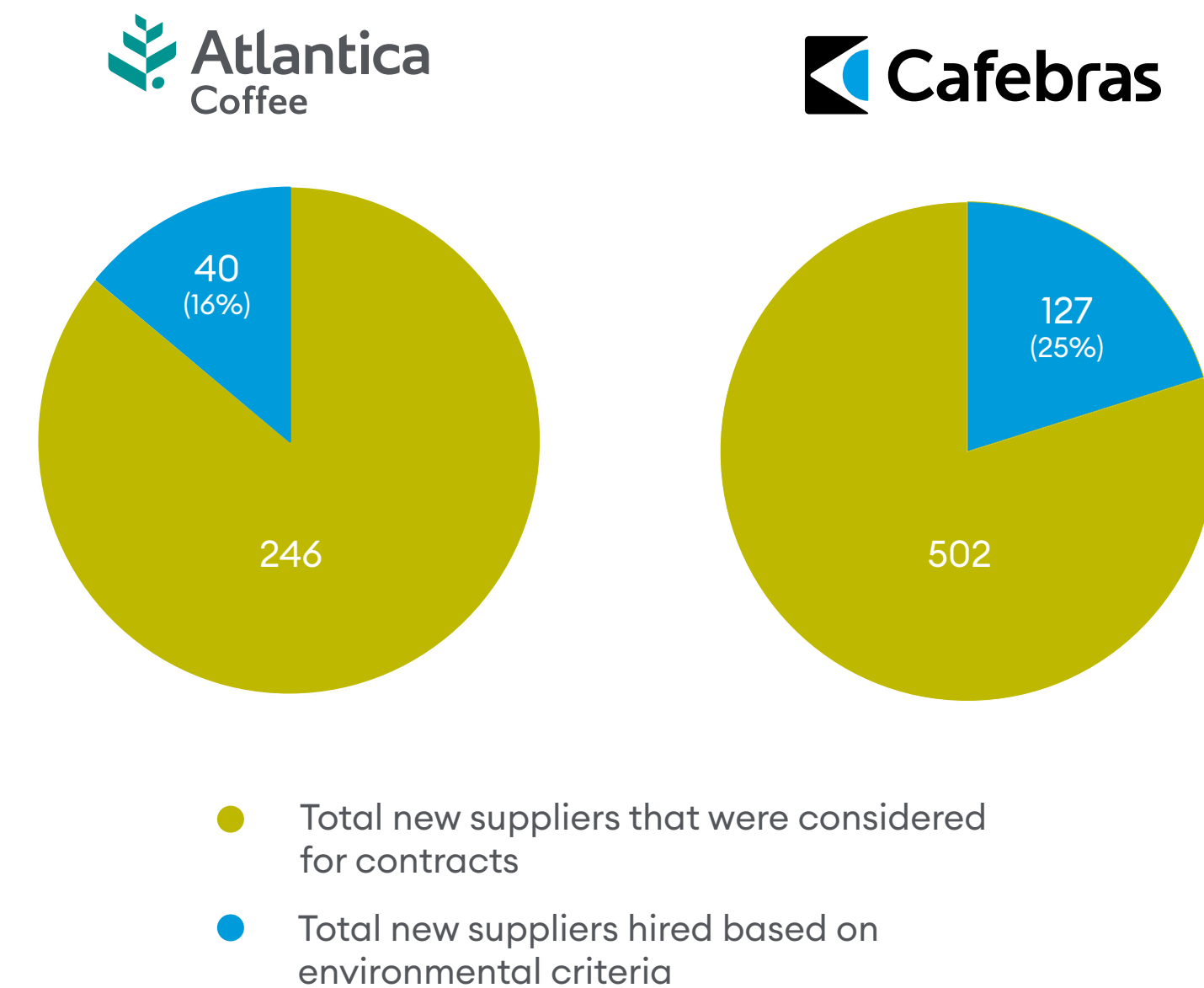
Total number and percentage of employees hired, by region



Another important achievement in the year was the consolidation of some administrative areas. Both Logistics and Human Resources at Ally started to be managed by teams that already provided this service to Atlantica and Cafebras here in Brazil. In addition to the integration of the teams, this movement has also been successful from a financial point of view. The goal is to increasingly unify the actions related to Legal, Finance, Accounting, Risk Management, Certifications and Sustainability, always seeking synergies among the Group's three companies.

In Sales, the great challenge is to continue offering distinctive services that take into account the particular needs of each customer. Relations with suppliers, product excellence and confidence in deliveries become increasingly important. The same goes for Sustainability initiatives. The greater the clarity in the communication of actions, the higher the perception of value and partnership by clients and society.

Percentage of new suppliers (contractors) selected based on environmental criteria





# THE FARMS







# New planting areas



One of GMT’s major projects is managing farm operations. The goal is to reach 12,000 hectares of coffee trees in a decade, placing the Group among the largest producers in the world. In 2021, with 2,500 hectares of plantation areas, 49,000 bags were harvested – of this total, 13% deserved the specialty coffee classification. The figure was 2% above what was projected, a very good result considering that frost and drought were responsible for a harvest shortfall of approximately 8% in Brazil as a whole. It is worth remembering that coffee is a perennial plant, and there is also the so-called “biennial effect” to consider: it is expected to have one year of higher production with the next yielding 30% to 40% fewer beans.

The fact that both the volume harvested and the quality came in above expectations shows the maturity of the teams – a reflection of the steady efforts of the Human Resources area (learn more in the Personnel Management chapter) along with a commitment of all involved to appropriate soil stewardship and the increasing implementation of

the best agricultural practices. In addition to the actions defined in the internal audit programs, all of GMT’s farms are certified by Rainforest. This means that standing native vegetation areas are not deforested and great care is taken regarding the preservation of forests and springs.

An example of good utilization of natural resources are the ponds for storing rainwater and catchment for use in dry periods. This is allied to technology, helping prevent irrigation losses, through sensors that indicate exactly when and how much water must be used at a given moment in each section of the crop. This system is equipped with energy-efficient, low-pressure and flow sprinklers and is already in operation on the Riviera and Primavera farms. Another important initiative is the spreading of brachiaria (a type of grass) on the beds to supply the plants with organic carbon, reducing the use of mineral fertilizers. In the past, the most common practice was constant weeding to keep the soil very clear. This change began to be implemented in Brazil approximately ten years ago.

The objective of Montesanto Tavares Farms is the expansion of coffee planting areas. In 2021, the first steps in this direction were taken, with the purchase of two farms (Riviera and Bela Vista), in addition to the expansion of Primavera (see the table on the next page for more information on each of these GMT properties). In the year, there was a reduction of 200 hectares of planted area compared to 2020, the result of exercising an option to terminate the lease agreement. Thus, the total under cultivation was 3,000 hectares. By 2022, however, the intention is to plant coffee trees on up to 800 hectares. This represents almost 30% of the planned expansion to 12,000 hectares by 2032.

The two new farms had been intended for eucalyptus trees but now will be converted into coffee plantations. Coffee, in addition to being a perennial crop where the fruits are harvested and the plants are not cut, is a crop that employs many more people (one employee for approximately 200 hectares of eucalyptus compared to around 10 hectares of coffee). Thus,

a 100-hectare farm has 10 employees – which, during the harvest period, rises to 30. In total, GMT has 350 fulltime employees. Temporary workers usually remain on the site for four months to harvest the crop and prune the coffee trees. The direct jobs generated and the indirect effects undoubtedly bring benefits to local communities. The goal for the next five years is to constantly expand the coffee plantations. This requires teams with a high degree of knowledge about long-term preservation practices. The entire Group has been specifically coached from this perspective: respect for socio-environmental issues and the importance of meeting client requirements, because this is a win-win cycle. It is time to start growing sustainably.





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# Snapshot of the farms

							
	2,965 hectares RL: 663.84 APP: 312.34	1,229 hectares total RL: 252.63 APP: 47.85	1,130 hectares total RL: 262.49 APP: 50.76	1,599 hectares total RL: 290.58 APP: 49.67	3,761 hectares total RL: 769.92 APP: 101.27	27,981 hectares total RL: 9,155.92 APP: 7,475.85	 38,312 hectares total
	282 hectares of cropland	526 hectares of coffee planted	526 hectares of coffee planted	202 hectares of coffee planted	1,100 hectares of coffee planted	-	 2,437 hectares of cropland
	282 hectares of cropland	150 hectares for production expansion	549 hectares of coffee planted	805 hectares for production expansion	605 hectares para production expansion	3,000 hectares for production expansion	 4,560 hectares for production expansion
	18,014 bags in 2020	10,094 sacas in 2020	22,632 sacas in 2020	5,054 sacas in 2021	53,314 bags in 2020	-	 <b>Target</b> 10,000 hectares planted by 2030
	778 bags in 2021	4,872 bags in 2021	4,731 bags in 2021	9,500 bags in 21/22	33,623 bags in 2021	-	<b>Production</b> 380,000 Bags
	Pirapora - MG	Angelândia - MG	Capelinha - MG	Minas Novas - MG	Luis Eduardo Magalhães - BA	Buenópolis - MG	 2022/23 harvest estimated at 108,000 bags

\*APP: Permanent Preservation Area  
RL: Legal Reserve





# New Hires

GRI 401-1

Farms hires in 2021, between fulltime and temporary, are as follows:

Total number and percentage of employees hired, by region in 2021				
Region	Fulltime	Parttime	Total employees	
	Total number	Total number	Total number	Percentage
Pirapora/MG - Atlantica Agropecuária	13	60	73	11.55%
Barreiras/BA - Sequoia	56	243	299	47.31%
Minas Novas/MG - Riviera	21	56	77	12.18%
Angelandia/MG - Primavera Headquarters	24	100	124	19.62%
Capelinha/MG - Matilde	2	42	44	6.96%
Belo Horizonte/MG - Primavera Farms	15	0	15	2.37%
<b>Total</b>	<b>131</b>	<b>501</b>	<b>632</b>	<b>100%</b>

Total number and rate of employees hired, by age group in 2021				
Age group	Fulltime	Parttime	Total employees	
	Total number	Total number	Total number	Percentage
Under 30 years	69	207	276	44.00%
Between 30 and 50 years old	52	258	310	49.00%
Over 50 years	10	36	46	7.00%
<b>Total</b>	<b>131</b>	<b>501</b>	<b>632</b>	<b>100,00%</b>

Total number and rate of employees hired, by gender in 2021				
Gender	Fulltime	Parttime	Total employees	
	Total number	Total number	Total number	Percentage
Men	90	342	432	68.00%
Women	41	159	200	32.00%
<b>Total</b>	<b>131</b>	<b>501</b>	<b>632</b>	<b>100.00%</b>





# Protecting nature

GRI 304-3, 304-4

Four of the GMT farms have protected or restored habitat areas. At Atlantica Agro, in Pirapora (MG), there are 876 km<sup>2</sup>; at Sequoia, in Barreiras (BA), another 871 km<sup>2</sup>; and, together, Primavera and Riviera, in the municipalities of Angelândia, Capelinha, and Minas Novas (all in MG), total more than 957 km<sup>2</sup> of protected land. All have implemented an Environmental Plan to preserve forests and springs, both in the Legal Reserve areas and in the Permanent Preservation Areas. The main highlight is the São Francisco River APP, at Atlantica Agro, which is in an advanced stage of recovery.

In addition, fauna monitoring – to observe the presence of species included on the International Union for Conservation of Nature (IUCN) red list and on national conservation habitat lists – is carried out in areas affected by Montesanto Tavares Group’s operations. This work has been ongoing for three years, consecutively, and reveals that there are more than 200 species

classified in the category “least concern,” four “vulnerable” (three species of mammals and one of birds) and one “endangered” (in this case, a species of bird). The Fauna Control Report is conducted twice a year, during the rainy season and during the dry season, and the results, especially the large number of animals in the “least concern” category, indicate that the farms’ area of influence presents a good support capacity for the maintenance of the associated fauna.







# Protecting nature

GRI 304-1

Own operational units, leased or managed within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmentally protected areas

Year	Operating units (owned, leased or managed)	i. Region (geographic location)	ii. Surface and underground areas owned, leased or managed by the organization	iii. Position in relation to the environmental protection area (within the area, in its surroundings or covering parts of the environmental protection area) or the area of high biodiversity value located outside environmental protection areas	iv. Type of operation (office, manufacturing/production or extractive operation);	v. Size of the operating unit in km <sup>2</sup> (or other unit, if appropriate);	vi. Biodiversity value characterized by the attribute of the environmental protection area or area of high biodiversity value located outside the environmental protection area (terrestrial, freshwater or marine ecosystem)	vii. Biodiversity value characterized by the presence on a protection list (such as the IUCN System of Environmental Protection Areas Management Categories, the Ramsar Convention, national legislation).
2021	Riviera Coffee Agro	Chapadas de Minas – MG (-17,67242°, -42.29338°)	Own Agricultural Property	The property is partially within a sustainable management APA (100%). (IDE-Sisema, GRAS Tool)	Office, agricultural production and primary processing.	1,512.83 ha (CAR, Enrollments)	Terrestrial ecosystem and fresh water from springs. Cerrado Biome (IDE-Sisema Maps, GRAS Tool)	APA - Sustainable Management (IDE-Sisema Maps, GRAS Tool)
	Fazenda Primavera Agribusiness	Chapadas de Minas – MG (-17,67242°, -42.29338°)	Own Agricultural Property	Outside of environmental protection area. (IDE-Sisema, GRAS Tool)	Office, agricultural production and primary processing.	2,358.99 ha (CAR, Enrollment)	There are no AVC Areas. Terrestrial ecosystems and freshwater. Cerrado Biome and Atlantic Forest (transition) (IDE-Sisema, GRAS Tool)	Not located in these areas (IDE-Sisema, GRAS Tool)
	Fazenda Sequoia	Western Bahia – BA (-11.87137°, -45.72930°)	Own Agricultural Property	The property is partially in a sustainable management APA (45%). (GRAS Tool)	Office, agricultural production and primary processing.	3,780 ha (CAR, Enrollment)	Terrestrial ecosystem and fresh water from springs. Cerrado Biome (INEMA Maps, GRAS Tool)	APA - Sustainable Management (INEMA Maps, GRAS Tool)
	Fazenda Atlântica Agro	Northern Minas – MG (-17.48239°, -44.95068°)	Own Agricultural Property	Outside of environmental protection area. (IDE-Sisema, GRAS Tool)	Office, agricultural production and primary processing.	2,970 ha (CAR, Enrollment)	Terrestrial ecosystem and fresh water. Cerrado biome. (IDE-Sisema, GRAS Tool)	Not located in these areas (IDE-Sisema, GRAS Tool)

Note. Fazenda Matilde is included in the Primavera data.





# Protecting nature

GRI 304-2

Nature of significant direct and indirect impacts on biodiversity	
Aspect	2021
i. Construction or use of factories, mines and transport infrastructure	Did not occur
ii. Pollution (introduction of substances that do not occur naturally in the habitat, from recurring and non-recurring sources)	Generation of solid waste and liquid effluents
iii. Introduction of invasive species, harmful organisms and pathogens	Did not occur
iv. Reduction of species	Did not occur
v. Conversion of habitats	Did not occur
vi. Changes in ecological processes outside the natural variation range, such as salinity or changes in the groundwater level	Did not occur

Significant direct and indirect impacts, both positive and negative	
Aspect	2021
i. Species affected	Birds and mammals
ii. Extent of impacted areas	Area where the activities of the enterprise are developed
iii. Duration of the impacts	Scaring occurs during the movement of machines and implements, scaring occurs
iv. Reversibility or irreversibility of impacts	Irreversible, but the impact is low

Note. Fazenda Matilde is included in the Primavera data.





# Conscious use of water

GRI 303-1, 303-3, 303-5

Water, of course, is fundamental to the production process – hence the importance of preserving it to ensure that it does not become scarce in the future. On the farms, water catchment is direct from nearby rivers or small dams built in streams, always within the limits established by the legislation and through the licenses obtained with the environmental agencies. GMT does not operate in regions with water stress, as one of the premises for acquiring land is precisely excellent water supply availability. Currently, all volumes withdrawn are under the limits that have been granted by the appropriate authorities (as shown in the table below).

To compensate for variations in the rainy season throughout the year, this water is stored to ensure the uninterrupted irrigation of crops. Consumption at our offices, accommodations, warehouses and coffee processing plants is just over 5% of the total.

The entire process is controlled by hydrometers, which measure the captured volume, and by time-metering, which measures the online time of the pumping systems. On the farms that do not yet use the drip technique (to reduce water loss), irrigation is conducted manually. The managers responsible for this sector meet weekly to analyze the data collected by meteorological stations, rain gauges and tensiometers installed in the field. The results of this initiative are visible: despite the increase in total water consumption, the volume per hectare was lower in 2021 (compared to 2020).

Since the entire irrigation process depends directly on the weather conditions during the year, in practice it is unrealistic to establish water consumption targets. For this reason, it is important to invest in these technologies to reduce water use per hectare. This is why the Group plans to install fluviometric stations on the Primavera, Riviera and Bela Vista farms by 2023.

Total volume of water removed from all areas and from areas with water stress by source (ML) [1ML=1,000,000L=1,000m³] by the farms				
Year	2020		2021	
Area	All areas	Areas of water stress	All areas	Areas of water stress
Surface water (total)	7,553.28	0	8,120.06	0
Volume total de água retirada (ML)	7,553,28	0	8.120,06	0

Total volume of water removed from all areas and from areas with water stress by source (ML) [1ML=1,000,000L=1,000m³] by the farms			
2020		2021	
All areas	Areas of water stress	All areas	Areas of water stress
7,553.28	0	8,120.06	0
7,553.28 ML	0	8,256.10 ML	0





# Disposal of water and effluents

GRI 303-2, 303-4, 306-1, 306-3, 306-5

On the farms, the water for human consumption is disposed of in septic tanks, while the water used to wash farm implements is disposed of directly into the SAO box (water and oil separator). The volumes are very low and therefore are not measured. All monitoring is carried out pursuant to the standards required by the environmental authorities. The processing plant's water, for example, is sent to tanks coated with a geomembrane, to be stored for subsequent application on roads, part of the effort to help compaction and abate dust.

Effluents are constantly monitored through laboratory analyzes that assure compliance with the minimum standards for disposal established by the State Environmental Policy Council (Copam). On the other hand, the generation

of waste (especially lubricant and pesticide packaging discards) is avoided through good planning practices. Each farm maintains a temporary storage system for these residues (mainly hazardous, Class I waste) and guarantees the appropriate disposal of all of it through a partnership with outsourced companies.

Waste is not managed by third parties, but the final disposal, mainly of hazardous waste, is handled by specialized firms. Each property monitors the environmental compliance of the collecting companies to verify that they are both qualified and legally and environmentally authorized for the final disposal of the aforementioned waste. [GRI 306-2](#)

Waste classified as hazardous: Pesticides, Organic chemicals, Iron and steel, Petroleum refining, Explosives, Inorganic pigments.

Waste classified as non-hazardous: Common waste, Restaurant waste (foodstuffs); Ferrous metal scrap; Non-ferrous metal scrap (tin, etc.); Paper and cardboard waste; Polymerized plastic waste; Rubber waste

Waste generated (in tons)	
COMPOSITION OF THE WASTE	2021
Category 1 (Class I hazardous)	3.862
Category 2 (Class II non-hazardous)	88.995
<b>Total waste</b>	<b>92.857</b>

Hazardous waste (in tons)	
DISPOSAL	2021
Landfill confinement	3.862
<b>Total</b>	<b>3.862</b>

Non-hazardous waste (in tons)	
DISPOSAL	2021
Landfill confinement	88.995
<b>Total</b>	<b>88.995</b>

Note.  
All disposal is outside the organization



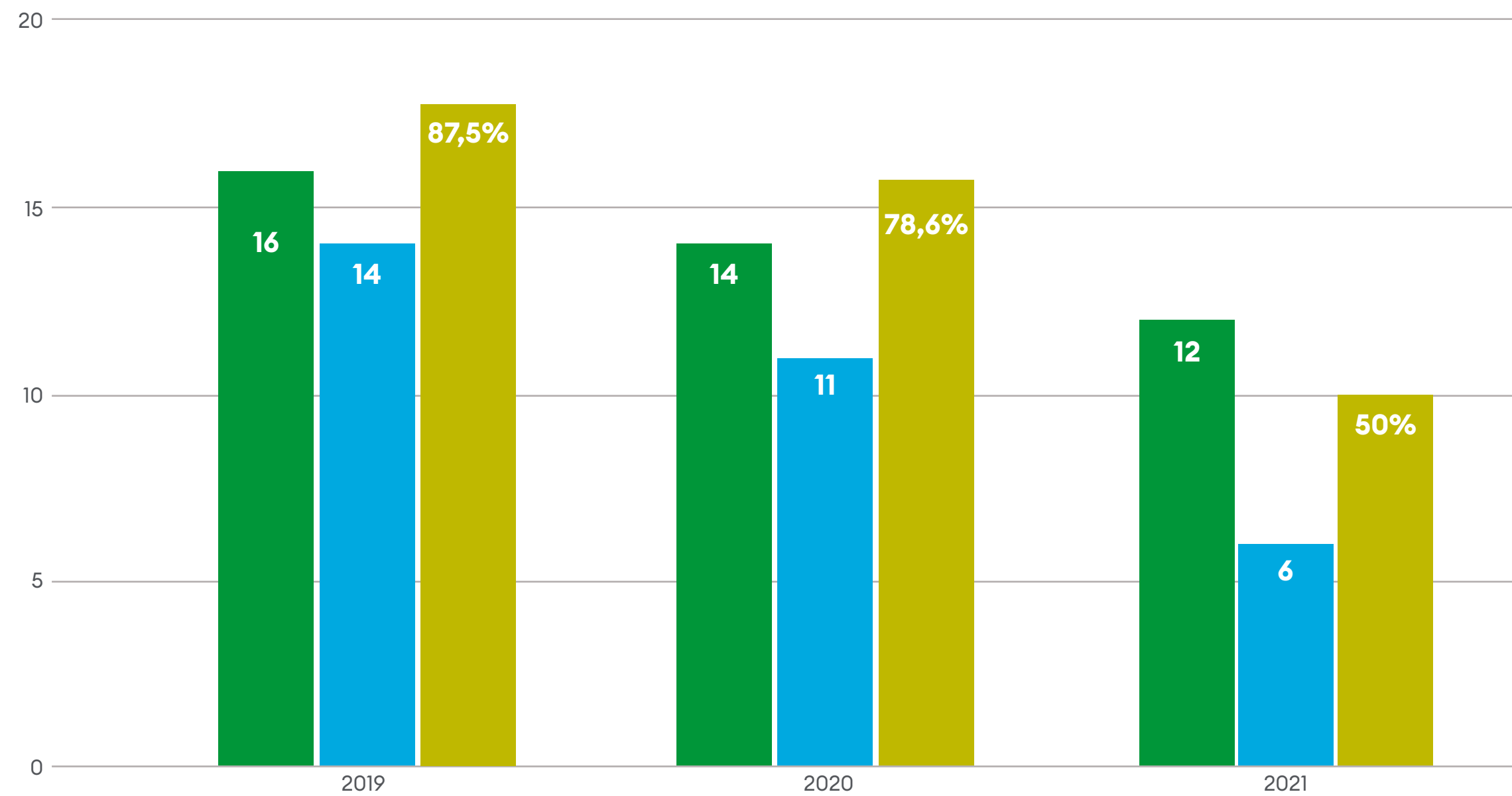
# GRI APPENDIX







202-2. Proportion of senior management hired from the local community



- Total number of members of senior management
- Senior management hired from the local community
- Percentage of senior management hired from the local community

202-2. Definition of “senior management” used: Officers.

202-2. Geographical definition of “location” adopted by the organization: Ally: United States and Europe. Atlântica/Cafebras/GMT Farm/Montesanto Group (Corporate): Minas Gerais.

202-2. Definition used for “important operating units”: Units with administrative and/or commercial, or industrial operations.





204-1 Proportion of spending on local suppliers



Atlantica Coffee (COFFEE SUPPLIERS)	2019	2020	2021
Total value of coffee purchases from suppliers by region (R\$ million)	757,835,338	963,954,261	1,199,955,116
Total value of purchases with local suppliers, that is, located in Minas Gerais (R\$ million)	653,744,210	844,380,563	1,084,368,820
Percentage	86.26%	87.60%	90.37%

Atlantica (PACKAGING SUPPLIERS)	2019	2020	2021
Total amount spent on purchases from coffee suppliers (R\$ million)	2,923,122	6,607,423	7,628,243
Total amount spent on purchases from local coffee suppliers, that is, located in Minas Gerais (R\$ million)	447,861	894,016	800,487
Percentage	15.32%	13.53%	10.49%



Cafebras (COFFEE SUPPLIERS)	2021
Total amount spent on purchases from coffee suppliers (R\$ million)	826,713,671.00
Total amount spent on purchases from local coffee suppliers, that is, located in Minas Gerais (R\$ million)	769,675,194.40
Percentage	93%

Cafebras (COFFEE SUPPLIERS)	2021
Total amount spent on purchases from coffee suppliers (R\$ million)	4,704,901.88
Total amount spent on purchases from local coffee suppliers, that is, located in Minas Gerais (R\$ million)	0
Percentage	-



Ally (COFFEE SUPPLIERS)	2019	2020	2021
Total value of coffee purchases from suppliers by region (R\$ million)	391,022,374.76	370,955,420.74	378,888,679.33
Total value of purchases with local suppliers (R\$ million)	347,093,606.36	330,181,815.77	332,073,750.54
Percentage	88.77%	89.01%	87.64%

Note. Original values in US dollars, conversion quotation used: R\$ 5.39





Waste disposal

306-4. Waste diverted from disposal (in tons)	
COMPOSITION OF THE WASTE	2021
Category 1	1.232
Category 2	0.00
Category 3	0.107
Total waste	1.339

	306-4. Within the organization	306-4. Outside the organization	306-4. Total
Hazardous waste (in tons)			
Recovery	2021	2021	2021
Preparation for reuse	0	0	0
Recycling	0	0	0
Other recovery operations (Reblending)	0	1.232	1.232
<b>Total</b>	<b>0</b>	<b>1.232</b>	<b>1.232</b>
Non-hazardous waste (in tons)			
Preparation for reuse	0	0	0
Recycling	0	0.107	0.107
Other recovery operations	0	0	0
<b>Total</b>	<b>0</b>	<b>0.107</b>	<b>0.107</b>
Avoided waste			
2.3. Avoided waste		2.87262	

Final disposal analysis for waste from farms in 2021:

**Atlantica Agro:**

- Hazardous: 4.9582 tons
- Non-hazardous: 0.107 tons for recycling
- Where 1.232 ton is destined for reblending.
- 3.72000 tons are destined for landfill

**Matilde:**

- 1,445 kg, i.e. 1.44542 tons
- Where 0.14200 ton is destined for landfill

**Primavera:**

- 898 kg, i.e. 0.898 tons

**Riviera:**

- 772.62 kg, i.e. 0.772 tons

**Sequoia:**

- No data, because MTR is only in Minas Gerais





Trading

401-1. Total number and percentage of the employees who left the company, by age group

	EMPLOYEES WHO LEFT THE COMPANIES IN 2021			
	Ally	Atlantica	Cafebras	TOTAL
Under 30 years	0	8	4	12
Between 30 and 50 years old	2	7	4	13
Over 50 years	0	1	0	1
				26

401-1. Total number and percentage of the employees who left the company, by region

	EMPLOYEES WHO LEFT THE COMPANIES IN 2021			
	Ally	Atlantica	Cafebras	TOTAL
Europe	1	0	0	1
North America	1	0	0	1
South and Central America	0	16	8	24
Asia and Africa	0	0	0	0
				26

401-1. Total number and percentage of the employees who left the company, by gender

COMPANY	EMPLOYEES WHO LEFT THE COMPANIES IN 2021		
	MEN	WOMEN	TOTAL
Ally	2	0	2
Atlantica	9	7	16
Cafebras	6	2	8
TOTAL	17	9	26

Farms

401-1. Total number and percentage of the employees who left the company, by age group

Age group	Fulltime	Parttime	Total employees	
	Total number	Total number	Total number	Percentage
Under 30 years	85	213	291	43.83%
Between 30 and 50 years old	76	245	325	48.95%
Over 50 years	12	33	48	7.23%
Total	173	491	664	100%

401-1. Total number and percentage of the employees who left the company, by gender

Gender	Fulltime	Parttime	Total employees	
	Total number	Total number	Total number	Percentage
Men	119	339	456	69.00%
Women	54	152	208	31.00%
Total	173	491	664	100%









401-1.Total number and percentage of the employees who left the company, by age group

Region	Fulltime	Parttime	Total employees	
	Total number	Total number	Total number	Percentage
 Atlântica Agro Pirapora/MG	15	49	64	9.64%
 Fazenda Mimoso Barreiras/BA	81	241	320	48.19%
 Riviera Coffee Agro Minas Novas/MG	5	53	63	9.49%
 Fazenda Primavera Specialty Coffee Angelandia/MG	59	106	163	24.55%
 Fazenda Matilde Capelinha/MG	1	42	42	6.33%
 Fazenda Primavera Specialty Coffee Belo Horizonte/MG	12	0	12	1.81%
<b>Total</b>	<b>173</b>	<b>491</b>	<b>664</b>	<b>100%</b>





401-3 Parental leave

	Company				
	Period	2021	2021	2021	2021
Total employees who were entitled to parental leave	men	27	94	19	270
	women	21	42	36	95
Total employees who took parental leave in the current year.	men	0	5	3	6
	women	0	4	1	4
Total employees who took parental leave, and whose leave ends in the current year.	men	0	5	3	6
	women	0	3	1	2
Total employees who took parental leave in the current year, and whose leave ends in the following year.	men	0	0	0	0
	women	0	1	0	2
Total employees expected to return in the current year.	men	0	5	3	6
	women	1	4	1	2
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	men	0	5	3	6
	women	1	4	1	5
Total number of employees that DID NOT return to work in the reporting period after parental leave ended	men	0	0	0	0
	women	0	0	0	0
Total number of employees who returned to work after parental leave and who were still employed 12 months after returning to work	men	0	4	1	4
	women	1	1	0	2
Return rate	men	N/A	100%	100%	100%
	women	100%	100%	100%	125%
Retention rate	men	N/A	100%	100%	50%
	women	100%	100%	0	50%





404-3. Percentage of total employees, broken down by gender and functional category, who received regular performance and career development reviews during the period covered by the report.

Job category		2021					
		Men	Women	Men	Women	Men	Women
Managerial positions – Female	number	-	5	-	3	-	4
	percentage	-	100%	0%	100%	0%	33%
Managerial positions – Male	number	8	0	12	-	8	-
	percentage	100%	0%	86%	-	67%	0
Higher level position – Female	number	-	12	-	20	-	6
	percentage	0%	100%	-	100%	0%	75%
Higher education level position – Male	number	10	-	13	-	2	-
	percentage	100%	0%	87%	-	25%	0%
Positions without higher education level – Female	number	-	4	-	14	-	26
	percentage	0%	100%	-	78%	0%	74%
Positions without higher education level – Male	number	9	-	30	-	9	-
	percentage	100%	0%	45%	-	26%	-
Total	number	27	21	55	37	19	36
	percentage	100%	100%	59%	88%	100%	100%





## GRI INDEX

UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENT		
THE ORGANIZATION AND ITS REPORTING PRACTICES		
2-1	Organization details	Page 2, 8
2-2	<a href="#">Entities included in the organization's sustainability report</a>	Page 2
2-3	<a href="#">Reporting period, frequency and point of contact</a>	Page 3
2-4	<a href="#">Reformulation of Information</a>	In 2021, there were ten material topics, although, with the evolution of the company's policies regarding the objectives and analyzing the similarities between some topics, "certification" was joined with "traceability," "guarantee of origin and quality and sustainable development and economic/financial performance" joined with "sustainable development of rural producers." So, in total, there were eight material topics that guide the company's actions and initiatives, in order to boost the existing ones and also encourage the creation of new economic, governance and socio-environmental commitments. GRI 204-1: The data collection model was changed so that the numbers in the tables are the value actually invoiced at the end of the fiscal year, the numbers for 2019, 2020 as well as for 2021 have already been updated under this approach.
2-5	<a href="#">External verification</a>	The report will not be submitted to external verification.
ACTIVITIES AND EMPLOYEES		
2-6	Activities, value chain and other business relationships	Page 8, 36
2-7	Employees	Page 22
2-8	<a href="#">Non-employee workers</a>	Page 22
GOVERNANCE		
2-9	<a href="#">Structure and composition of governance</a>	Page 13, 15
2-10	<a href="#">Nominating and selecting the highest governance body</a>	Page 15
2-11	Chair of the highest governance body	Page 15
2-12	<a href="#">Role of the highest governance body in the oversight of impact management</a>	Page 13
2-13	<a href="#">Delegation of impact management responsibilities</a>	Page 15
2-14	<a href="#">Role played by the highest governance body in the reporting process</a>	Page 15
2-15	Conflict of Interest	Page 13
2-16	<a href="#">Reporting critical concerns</a>	Critical concerns are reported through the weekly directors' meeting so that, if necessary, the matter is deliberated. If the resolution requires the consent and/or participation of the shareholders, the matter is reported directly to the shareholder for conclusion. Any matter that goes beyond the autonomy of the executive board is communicated immediately.
2-17	Collective knowledge of the highest governance body	Page 15
2-18	<a href="#">Performance evaluation of the highest governance body</a>	Page 15





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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENT		
GOVERNANCE		
2-19	<a href="#">Compensation policies</a>	Page 24
2-20	<a href="#">Procedure for determining remuneration</a>	Page 24
2-21	<a href="#">Annual total compensation ratio</a>	Confidentiality restrictions. The required information is sensitive to the company, and it is not possible to disclose such a requirement.
STRATEGY, POLICIES AND PRACTICES		
2-22	<a href="#">Declaration on the Sustainable Development Strategy</a>	Page 5
2-23	<a href="#">Commitment policies</a>	Page 28
2-24	<a href="#">Incorporation of commitment policies</a>	Page 13, 28
2-25	<a href="#">Negative impact remediation processes</a>	Until 2021, the companies did not have structured grievance mechanisms in place. In 2022, the Complaints Channel was contracted through an outsourced provider in order to guarantee confidentiality to those involved. The channel was added to the Group's website and is being included on the companies' individual websites, with dissemination in conjunction with the Code of Ethics and supplemental actions. Previously, the companies' websites carried hotline contact numbers or e-mail addresses. As for the trading companies, no situations were detected over the years where the presence of these companies implied a negative impact on stakeholders. The statement is verifiable by the low number of claims filed through state grievance mechanisms. Regarding possible impacts arising from coffee farms, these are measured during the licensing processes through surveys within the communities involved. Also with regard to the farms, the group maintains contact with associations, city halls, environmental agencies, police entities, Public Prosecutor's Offices and Fire Departments. These are the bodies that are usually sought out by the communities adjacent to the farms in case of any farm-related complaints. In 2021 we did not receive any complaint, request for clarification, fine or notification that had any relationship with stakeholders. Requests from the community for sponsorship of meaningful actions or donation of goods needed by the community are usually made through the farm supervisors and, after appropriate formalization, forwarded to the executive board to assess the possibility of assistance. In 2021, requests for water delivery donations in drier seasons were requested as were contributions to small events for the benefit of the communities. By 2022, grievance mechanisms, requests and communication channels are being improved in all companies.
2-26	<a href="#">Mechanisms for seeking recommendations and raising concerns</a>	Until 2021, the companies did not have a structured mechanism for receiving recommendations and/or the raising of concerns.
2-27	<a href="#">Compliance with local laws and regulations</a>	There were no significant cases of legal irregularities (significant cases are those with significant financial, reputational or environmental impact).
2-28	<a href="#">Participation in associations</a>	Page 16
STAKEHOLDER ENGAGEMENT		
2-29	Approach to stakeholder engagement	Page 16
2-30	Collective bargaining agreements	Page 24
MATERIAL TOPICS		
3-1	<a href="#">Process for determining material topics</a>	Page 17
3-2	List of material topics	Page 17
3-3	Management of material topics	Sustainable development of rural producers (Page 29), Value creation in the chain (Page 30), Employee culture, development and well-being (Page 23), Strategy and sustainability (Page 28), Community (Page 34), Innovation (Page 30), Good agricultural practices (Page 29) and Traceability, guarantee of origin and quality (Page 31)







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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
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ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Page 19
201-4	<a href="#">Financial support received from the government</a>	Page 19
MARKET PRESENCE		
202-2	Proportion of senior management hired from the local community	Page 50
ECONOMIC IMPACTS		
203-1	<a href="#">Investments in infrastructure and support of services</a>	Page 38
203-2	Significant indirect economic impacts	Page 30
PURCHASING PRACTICES		
204-1	Proportion of spending on local suppliers	Page 51
UNFAIR COMPETITION		
206-1	<a href="#">Lawsuits for anti-competitive behavior, trust and monopoly practices</a>	Page 13
WATER AND EFFLUENTS		
303-1	Interactions with water as a shared resource	Page 47
303-2	Management of water discharge-related impacts	Page 48 The volume of water discarded by the group is extremely low. The treatment of wastewater occurs through the use of the treatment methodology by decantation, biodigester and septic tank. The effluents resulting from these treatments are reused on crops and for paving roads. These residues are constantly monitored through laboratory analyses that confirm compliance with the minimum standards for disposal established by the State Council of Environmental Policy (COPAM) - Discharge of Sanitary Effluents - Tab. IV: Joint Normative Resolution COPAM/CERH-MG No. 01, COPAM - Discharge of Industrial Effluents - Tab. IV: COPAM - Discharge of Industrial Effluents - Tab. IV, and SMEWW 23rd Edition (Standard Methods for the Examination of Water and Wastewater).
303-3	<a href="#">Water intake</a>	Page 47
303-4	Water discharge	Page 48 It was not exceeded: We do not monitor discarded volumes because they are extremely low and undergo the recommended treatments in the septic tanks and SAO water boxes.
303-5	Water consumption	Page 47
BIODIVERSITY		
304-1	<a href="#">Own operational units, leased or managed within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmentally protected areas</a>	Page 5
304-2	Significant impacts of activities, products and services on biodiversity	Page 46
304-3	Habitats protected or restored	Page 44
304-4	<a href="#">Species included in the IUCN red list and national conservation lists with habitats in areas affected by the organization's operations</a>	Page 44







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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
<b>GENERAL CONTENT</b>		
<b>WASTE</b>		
306-1	Waste generation and significant waste-related impacts	Page 48
306-2	Management of significant waste-related impacts	Page 48
306-3	Waste generated	Page 48
306-4	<a href="#">Waste not destined for final disposal</a>	Page 52
306-5	<a href="#">Waste not destined for final disposal</a>	Page 48
<b>ENVIRONMENTAL ASSESSMENT OF SUPPLIERS</b>		
308-1	<a href="#">New suppliers that were selected using environmental criteria</a>	Page 39  For most of the coffees we buy, we schedule <i>on-site</i> visits to inspect the farms. These inspections are informal but discuss environmental issues with growers or representatives. However, no formal procedure is in place for the assessment. Currently the only distinction that can be made is for certified or non-certified coffees. The total volume is certified coffee versus non-certified coffee, reported separately.
308-2	Negative environmental impacts in the supply chain and actions taken	Page 30
<b>EMPLOYMENT</b>		
401-1	<a href="#">New employee hires and turnover</a>	Page 38, 40, 43, 53, 54
401-2	<a href="#">Benefits offered to full-time employees that are not offered to temporary or part-time employees</a>	Page 25
401-3	<a href="#">Maternity/paternity leave</a>	Page 55
<b>LABOR RELATIONS</b>		
402-1	Minimum notice period for operational changes	In relation to all companies in the group: there is no standard, a formal defined policy. There is, however, a commitment to maintain transparency and advance notice to the maximum. In the case of collective bargaining agreement transactions, no notice periods or consultation/negotiation arrangements are specified.
<b>LABOR RELATIONS</b>		
403-1	Occupational health and safety management system	Page 26  There is no formal implementation of a management system for the health and safety of workers at Ally; the company complies with all the legal standards of each of the various countries in which it operates. The scope of work for Ally, however, is only office management, with some travel to visit customers and suppliers, which may include coffee-producing farms and also industrial companies.





## GRI INDEX

UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENT		
LABOR RELATIONS		
403-1	Occupational health and safety management system	<p>Page 26</p> <p> <b>Atlantica Coffee</b></p> <p>At Atlantica Coffee (also including the Montesanto Group company), occupational health and safety management is handled by three specialized companies (from different locations) and monitored by the Organizational Development and Sustainability area.</p> <p>All employees (from all offices and the warehouse) are covered by the health and safety system, including outsourced workers. The health and safety system complies with current legislation.</p> <p> <b>Cafebras</b></p> <p>In 2021, the management system was internal in the company, with a Labor Safety company contracted to evaluate the existing risks, perform the exams and issue the PPRA/PCMSO Reports.</p> <p><b>Farms:</b> The management system used in farms strictly follows the recommendations indicated by the PGRTR occupational health and safety programs (Rural Work Risk Management Program) and PCMSO (Occupational Health Medical Control Program).</p> <p>The management system encompasses all employees except those linked to GMT Holding Farm (corporate headquarters in Belo Horizonte).</p>
403-2	Hazard identification, Risk Assessment and Incident Investigation	Page 26
403-3	Occupational health services	<p><b>Trading companies:</b> The information regarding workers' health is restricted to the Service Provider and the Organizational Development sector and treated as confidential. Employee medical records are kept confidential and remain in the service provider's service unit. Periodic examinations according to PCMSO in a outsourced clinic when requested by the employee.</p> <p><b>Farms:</b> Occupational Health and Safety Technician management activities and certification, risk elimination measures, EPC adequacy, administrative measures and lastly PPE supply and management. They are guaranteed through training mechanisms, free supply of Equipment, CIPATR meetings to discuss improvements.</p>
403-4	<a href="#">Worker participation, consultation and communication to workers concerning occupational health and safety</a>	Page 26
403-5	<a href="#">Training of workers in occupational health and safety</a>	Page 26
403-6	Promotion of worker health	<p><b>Trading companies:</b> Currently the company facilitates access to doctors by offering the employee's health plan as a benefit, and the employee is responsible for the co-participatory payment, that is, for the services used. The company is sympathetic to the worker's conditions and, when there are employee health-related issues, they find support in the company.</p> <p><b>Farms:</b> A. The organization facilitates workers' access to medical services through urgency and emergency care with first aid kits in the unit, as well as trained people to provide immediate help and the transfer to public health facilities (UPAs). B. Services related to workplace health risks are addressed through lectures held on the farms.</p>





## GRI INDEX

UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENT		
<u>LABOR RELATIONS</u>		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	<p><b>ALLY COFFEE</b> Not applicable (this practice does not exist).</p> <p><b>Atlantica Coffee</b> Business relationships that have significant impacts on occupational health and safety: coffee processing and storage. Personal Protective Equipment (PPE) and Collective Protective Equipment (CPE) are provided and the improvements indicated in the Environmental Risk Prevention Program (PPRA) are carried out.</p> <p><b>Cafebras</b> Not applicable. Due to the nature of operations, concentrated in offices, a health and safety approach linked to business relationships is not necessary.</p> <p><b>Farms:</b> Activities carried out by business partners that present the most health and safety risks: agricultural activities, such as harvesting and harvesting coffee beans, as well as activities with regard to equipment construction and assembly. Occupational health and safety training is conducted on a regular basis and personal protective and collective protection equipment is available, with signage alerting to dangerous areas and prohibited farm structures. For service providers, a complete dossier (training, PPE Sheet, ASO) on each worker is required as standard procedure.</p>
403-8	Workers covered by an occupational health and safety management system	Page 26
403-9	<u>Workplace accidents</u>	Page 26
403-10	<u>Occupational diseases</u>	Page 26
TRAINING AND EDUCATION		
404-1	<u>Average number of training hours per year per employee</u>	Page 23
404-2	<u>Programs for upgrading employee skills and career transition</u>	Page 22
404-3	Percentage of employees receiving regular performance and career development reviews	Page 56 Performance evaluation is carried out for 100% of the employees of Cafebras and the Atlantica holding company. Ally, Farms and employees of Atlantica's warehouse still do not have an evaluation program for their employees; however, they are being implemented for the year 2022.
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	There were no cases of discrimination reported or verified.
CHILD LABOR		
404-1	Operations and suppliers at significant risk for incidents of child labor	Page 30
<u>FORCED LABOR OR ANALOGOUS TO SLAVE LABOR</u>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 30





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413-1	Operations with local community engagement, impact assessments, and development programs	Page 34
413-2	<a href="#">Operations with significant potential negative impacts — actual and potential — on local communities</a>	Page 30
SOCIAL EVALUATION OF SUPPLIERS		
414-1	<a href="#">New suppliers that selected using social criteria</a>	Page 31
414-2	<a href="#">Negative social impacts on the supply chain and measures taken</a>	Page 31



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