



ANNUAL SUSTAINABILITY REPORT

2022/2023

CONTENTS

1. Messages 3	4. Corporate Governance24	7. Social and Environmental Responsibility64
CEO's Message4	Governance Structure 25	Community Relations65
Message from the Board of Directors.....6	Risk Management30	Environmental Performance67
2. About Lavoro..... 8	5. Sustainable Transformation34	8. About the Report 72
Profile9	Supporting the Sector's Sustainability35	
2022/2023 Highlights12	Traceability Program39	
Our Business13	Forestry Leadership41	
3. Business Strategy16	Innovation44	9. Attachments74
Value Proposition17	Product Safety49	GRI Content Index.....75
Economic Performance19		Credits81
Value Chain21		
Relationships22	6. Our People50	
	Lavoro Culture51	
	Training and Development58	
	Occupational Health and Safety61	

1. MESSAGES

Message from the CEO4
Message from the Board of Directors6



MESSAGE FROM THE CEO

GRI 2-22

Driving the innovations required to produce a more sustainable farm, we are headed toward being a major participant in the transformation of the agricultural industry.

Lavoro's debut on the Nasdaq through its successful initial public offering which made us the first Latin American distributor of agricultural supplies to be listed on the American stock exchange, was one of the major turning points in our history of creating value for the agribusiness chain during the fiscal year 2022/2023. It is the acknowledgment of our level of maturity in running an ecosystem that currently comprises over 30 businesses and over 3,700 workers who serve over 74,000 customers. This advancement establishes us as a significant player in the worldwide arena, with a top-notch workforce and adhering to strict governance and financial transparency guidelines.

The public offering challenges us to be more efficient every day. This has placed the Lavoro group in a strategic position

with major international investors, providing opportunities to exchange experiences with significant players in the global agribusiness market.

It also compels us to be more diligent in promoting the ESG agenda, since agriculture plays a central stance in tackling the major challenges that governments and societies will face in the coming decades, such as fighting the effects of climate change. Having a management that abides by the principles of sustainability is no longer a distinguishing feature, but a requirement for us to remain in the market. It also means recognition for Brazilian agribusiness in its leading role on the global commodities scene.

There's a lot more to celebrate: this crop year we exceeded the threshold of 30 companies in the group, BRL 9 billion in turnover and 200 branches. Our organic and inorganic growth over the period has taken us to new regions of Brazil and Latin America, impacting the lives of more and more rural producers.



We have made progress with the market presence and volume of our private-label products under Crop Care's management, especially in the biological inputs segment. By investing in a new industrial site, we will ensure the necessary scale to supply producers with highly innovative and effective product lines. The site will be inaugurated in the 23/24 harvest and will be the largest biological pesticides factory in Brazil, allowing us to increase our production capacity fivefold. This business decision puts us at the forefront of innovation, technology and reducing the environmental impact of the sector.

We also keep innovating in the services we offer to increasingly meet the needs of small and medium-sized rural producers, looking for solutions adapted to their reality. Last year we launched agricultural insurance, in partnership with BrasilSeg, an insurance company belonging to the BB Seguros group, to provide more safety and autonomy for Brazilian rural producers.

Although we have been through a dynamic and challenging economic scenario, still facing high inflation rates, conflicts in Eastern Europe and uncertainties in local politics, our strategy of market consolidation coupled with business verticalization has once again proved to be very resilient and has allowed us to maintain the business's growth trajectory, with no slowdown: we achieved an increase of 21% in revenue and 62% in net profit compared to the previous crop year.

We recognize that there is still plenty of room and opportunity for us to generate more value for our customers, the business, shareholders, society and the environment. With the new possibilities for attracting capital presented by going public, we will move forward ever stronger, driven by our relentless pursuit of excellence and our dedication to promoting more sustainable, efficient and responsible agriculture.

RUY CUNHA
Lavoro's CEO

MESSAGE FROM THE BOARD OF DIRECTORS

GRI 2-22

We proudly present the Lavoro group's Sustainability Report for the 2022–2023 crop year, a time during which the Company made significant strides that spoke to its effectiveness as a catalyst for change in Latin American agriculture.

Lavoro successful public offering on the US Nasdaq stock exchange confirms the adoption of high standards of governance, ethics and compliance and showcases the value of our business model and our strategic decisions, helping to consolidate a sector that is still very fragmented. We believe that growing as a Company while helping Latin American farmers to be more productive, active, sustainable and efficient is what demonstrates that we are fulfilling our purpose.

Within this context, the business merger with The Production Board (TPB) has placed us even more at the forefront of innovation and technology in order to offer the best solutions

to customers, whether in distribution or in the production of inputs, through Crop Care.

As a result of these advances, in addition to continuing to improve operations and seeking efficiency in processes, the company now has a stronger corporate governance structure, made up of independent and international directors, who bring greater visibility, knowledge and opportunities to Latin American agribusiness.

Through these moves, we are committing ourselves to improving Lavoro's strategic discussions, with the aim of delivering greater value for the group's shareholders, and optimizing the return for all stakeholders involved. The ESG (Environmental, Social and Governance) agenda is growing increasingly important for the Company's success, not only from an appropriate risk management standpoint and as a value protection strategy, but also as a prism for new business opportunities for the whole chain.



Our business vision, in addition to guaranteeing today's results and a return for our shareholders and employees, directs Lavoro to invest in the future. The opening of Brazil's largest bio-input plant in this cycle is evidence of this.

The project received the GPCA Deal Awards as the best case in the investments in sustainability and the environment category, further reinforcing our commitment to responsible research and development for agribusiness.

The secret to success is to work on several fronts, such as diversifying our product portfolio, introducing new agronomic services, expanding our capacity to offer credit, insurance and perform barter operations.

We have captured operational synergies and designed an appropriate pricing strategy to ensure access to customers of all scales, as well as continuing to focus on digitizing our processes, and improving access to information and our actions in the market.

I'd like to end my letter by thanking Lavoro's and Crop Care employees, who play a critical part in the Company's growth plan, the executives for their effective business management, and the shareholders for their continuous faith in the Company. We are dedicated to working relentlessly to achieve our objectives and provide profits that are more closely linked with sustainability.

MARCOS HAALAND
Lavoro's Chairman

2.

ABOUT LAVORO

Profile	9
2022/2023 Highlights	12
Our Business	13



PROFILE

About Lavoro

GRI 2-6

The Lavoro Company is currently Brazil's largest distributor of agricultural inputs, in both revenue and market share, with a notable presence in Colombia and operations in Uruguay.

We offer farmers a comprehensive portfolio of agricultural inputs, including seeds, fertilizers, pesticides, biological inputs and other specialties. Thus, we fulfill our role of adding more scale and benefiting agricultural production by providing access to technologies that ensure greater productivity, protection and leadership.

Created in 2017 from a thesis by the management company Pátria Investimentos, the group operates on two business fronts. Through Lavoro Agro Holding, it fosters market consolidation in the agricultural input distribution sector, crossing the 30-retailer and 200-branch mark. With Crop Care, it manages industries that produce their own brands of crop protection and plant nutrition.

In our history, we have expanded the business both through strategic acquisitions through organic growth. In the 2022/2023 crop year, the

company grew by around 21% in net revenue, expanding into regions where we were not yet present, such as Rio Grande do Sul. Simultaneously, Crop Care showed substantial growth over the past year, marking a 91% increase in its net revenue, totaling BRL 633 million, while progressing with the renovation of Brazil's largest biological plant (learn more on [page 46](#)).

Today, we are broadening our activities by offering services to help farmers make the best decisions for their crops, by offering agricultural insurance and innovative services in soil chemical analysis, microbiome and climate data (learn more on [page 15](#)).

In March 2023, Lavoro became the first Latin American agricultural inputs distributor to be listed on Nasdaq, under the tickers "LVRO" and "LVROW". The transaction is the result of a business merger with TPB Acquisition Corporation I, a special purpose acquisition company sponsored by

The Production Board. As a result, Lavoro enhances its commitment to **best governance practices**, begins to expand the use of **innovative agricultural technologies**, and increases its **leadership position in sustainable agriculture**.

Pátria Investimentos strives to transform industries and sectors of the economy, while generating returns for investors and promoting long-term sustainable development. With more than 30 years of history and more than BRL 80 billion under management, it has a strong presence in Brazil, Colombia, Chile and Peru.

Its investment areas are Energy, Health, Food, Agribusiness and Logistics. Pátria Investimentos is Lavoro's main shareholder.



[CLICK HERE TO LEARN MORE.](#)



ORGANIZATION SIZE

3 countries

220 stores

1,080 RTVs*

3,759 employees

+74 customers

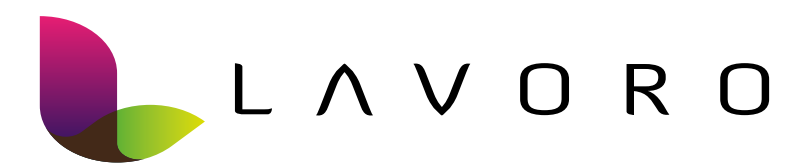
BRL 9.3 billion
in net revenue

Corporate Profile

GRI 2-1 | 2-6 | 2-23

With administrative headquarters in the city of São Paulo, Brazil, Lavoro is comprised of an ecosystem of companies led by two affiliated holding companies: Lavoro Agro Holding S.A and Crop Care Holding S.A. Our operations are located in Brazil, Colombia and Uruguay, where we maintain an emerging agricultural inputs trading company.

Distribution



P&D and industry



Both holding companies share a common value proposition. While Lavoro operates in Ag inputs retail and distribution from major brand supplies through a network of companies and stores, Crop Care is dedicated to developing its own brands. This holding company brings together the production of bio-inputs, bio-stimulants, special fertilizers, and an import business of post-patent agrochemicals.

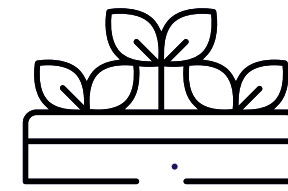
The synergy between the two business verticals makes it possible to offer a wide range of products and solutions for the agricultural sector, meeting the many needs of customers, expanding our reach in serving farmers and strengthening our leadership position in the market.

* Expert sales representatives working directly in the field and in the branches in commercial relations and providing technical advice to farmers.

Our extensive geographic reach throughout the nations in which we do business, comprising four administrative offices, 220 stores, five factories, six silos, and numerous other logistical and administrative divisions, as well as research, development, and product processing facilities spread across three different countries, further demonstrates our leadership. In Brazil, we are present in the main agricultural hubs, with important positions in Mato Grosso, Paraná, Minas Gerais, Mato Grosso do Sul, São Paulo and Rio Grande do Sul. Thanks to this structure, we are able to serve small and medium-sized farmers, a profile that accounts for 65% of all agricultural land in the country¹. In Colombia, we are present in 29 cities in 14 departments (states).

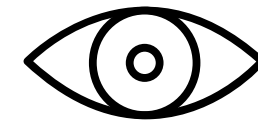
We undertake efforts to fulfill our Purpose: working to expand and solidify the farmer's central role, indispensable to the world.

¹ Data from the 2017 Agro Census of the Brazilian Institute of Geography and of Geography and Statistics (IBGE).



MISSION

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



VISION

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



VALUES

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

PILLARS

PRESENCE

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

STRENGTH

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

PRESENT

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

TRUST

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

MEMBERSHIP OF ASSOCIATIONS

GRI 2-28








In Brazil, the Lavoro ecosystem companies, at a national level, are members of the leading associations in the distribution sector, such as the National Association of Agricultural and Veterinary Input Distributors (Andav), the Brazilian Association of Post-Patent Defensives and BioInputs (AENDA), Soy Working Group (GTS) and the Brazilian BioInputs Association (ABBINS). We are also part of the Campo Limpo System for collecting packaging, managed by the National Institute for Processing Empty Packaging (INPEV).

At state and municipal level, companies are affiliated to dozens of associations that deal with institutional and commercial matters in their segment of activity with the collection of post-consumer pesticide packaging.

Moreover, the group is an active participant in the UN Global Compact's Platform for Action on Sustainable Agriculture in Brazil.




2022/2023 HIGHLIGHTS

Market Presence

-  **220** stores
Brazil: 191
Colombia: 29
-  **5** production units
-  **6** grain silos
-  **3** research and development of products labs
-  **20** logistics units - DCs, warehouses and deposits
-  **4** corporate offices
-  **8** administrative units and **1 foreign trade office**

-  **Over 74,000** customers
-  **66 NPS**
-  Market share
Brazil: **9.3%**, presence in 10 states
Colombia: **8.5%**, presence in 14 departments
-  Area of coverage
~50 million hectares
-  More than **1,000 agronomists** and technicians in the field and branches

Financial Performance




-  **BRL 9.3 billion** net revenue (+21% vs. 2021-2022)
-  Adjusted EBITDA* of **BRL 788 million** (+56% vs. 2021-2022)
-  **BRL 175 million** net profit (+62% vs. 2021-2022)

* Excludes non-recurring expenses such as (i) M&A expenses, (ii) expenses with Lavoro's listing process and payment of bonuses to employees related to the IPO, (iii) stock option plan, (iv) gain from beneficial purchase of acquired company, (v) consulting services provided by a related party.

Governance

- IPO** on Nasdaq/USA through a business combination with **TPB Acquisition I**
-  Expansion in the agricultural market
-  Best governance practices
-  Pioneering technological development

People

-  **34%**
-  **66%**
-  **80 points** in the GPTW survey

Sustainability

- Development of the **largest agrobiological plant** in Brazil
-  **24,000** customers registered in the **Traceability Program**
-  **60,000** own farms verified under the **Lavoro Protocol**
-  **39 million** hectares georeferenced and monitored by satellite

Social

-  **Around 1,000 people** benefited from nine social projects and entities supported through tax incentives
-  **Donation of about 70 tons of staple food baskets**, benefiting over 15,000 people in 15 municipalities, including two indigenous communities

OUR BUSINESS

Business units and markets served

GRI 2-1 | 2-6

LAVORO

Through long-lasting partnerships with the sector's main suppliers, we deliver a broad portfolio of products, including chemical and biological pesticides, solid, liquid and foliar fertilizers, seeds and specialties.

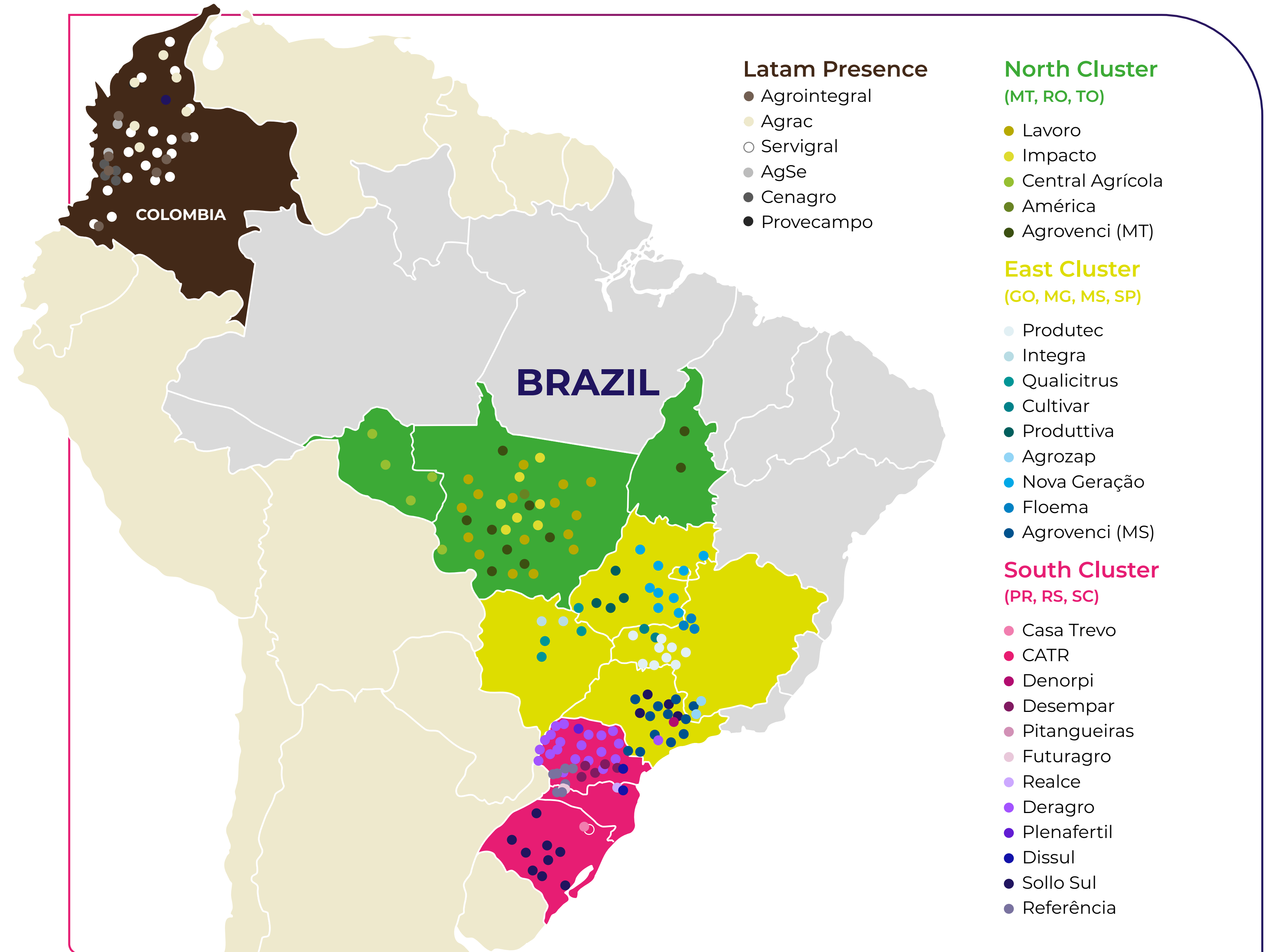
Through the prudent and sustainable purchase of businesses strategically positioned in agricultural areas, we have grown our activities throughout Latin America.

BRAZIL

The Input Distribution and Redistribution segment operates B2B and B2C, with approximately 190 stores, as well as corporate offices, silos, storage units of different sizes and an industrial seed treatment unit.

COLOMBIA

Operates with 39 units, including distribution stores and warehouses, a product development laboratory, a liquid fertilizer manufacturing unit and input processing units.





CROP CARE

The Crop Care holding company is responsible for our portfolio of own-brand products in the biological, organo-mineral, chemical and specialty fertilizer markets. It has six production units, four in Brazil and one in Colombia, one supplies trading company and an import office in Montevideo. In Itápolis (SP), a new bio-input production plant is under construction and is scheduled to open in the 23–24 crop year (learn more on [page 46](#)).



SERVICES

Through the efforts of our Consultants and Technical Sales Representatives (RTVs), who pay farmers regular visits and offer technical help in the field, we are able to support farmers and keep an eye on their requirements and the progress of each crop. Among the services offered are:

- Soil/leaf analysis
- Application of supplies (sale of pesticides and fertilizers applied)
- Support in the search for agricultural and/or livestock credit
- Grain storage and marketing
- Technical assistance in the field (farm visits, advice on planting and treating crops, and using bio-inputs)
- Grain barter (learn more on [page 15](#))
- Complete installation and maintenance of on-farm bio-rooms
- On-farm bio-input production monitoring
- Agricultural insurance
- Logistics services (product storage and scheduled delivery)
- Industrial seed treatment (TSI)
- On-farm seed treatment

SOIL ANALYSIS

With a focus on bringing the best in digital innovation to our customers, in the last crop we established two partnerships to accomplish soil analysis using innovative and exclusive technologies, available to customers in Brazil and Latin America.

Using a soil metagenomic approach, Pattern Ag offers an exclusive platform for predicting nutritional risks and deficiencies in Brazilian crops. The process uses DNA sequencing analysis and software to help map the land and agronomic data to identify what can disrupt or boost crop productivity in different Brazilian regions.

The FarmLab equipment, already available in Asia and Europe and brought to Brazil through a partnership between the Lavoro group and Stenon company, uses

sensor technology to generate soil analysis on demand in real time, economically and almost instantaneously. It is a tool that makes it possible to accurately identify the levels of chemical elements needed for plant growth and yield optimization, such as nitrogen, phosphorus and magnesium, in addition to measuring other soil parameters such as temperature, pH and humidity in seconds.

Both forms of soil analysis guarantee a much more accurate recommendation for the use of inputs, providing better cost management and optimizing land use, water consumption and carbon footprint.



[CLICK HERE TO FIND OUT MORE ABOUT PATER AG.](#)

BARTER

Lavoro's Barter Program is both a service and a payment method that allows farmers to purchase all the supplies they need from Lavoro retailers in exchange for a share of the crop's production. With the possibility of locking in the grain price, farmers of all scales mitigate the risks of price fluctuations in various commodities, such as soybeans, corn, coffee, and cotton.

These operations are important for our customers in terms of financing, as they allow them to use their future production as currency to buy agricultural inputs when planting, in an efficient manner.

It is also an important commercial tool, as it increases customer loyalty to the extent that they can concentrate all their purchases with Lavoro, with a guaranteed supply of fertilizers, seeds, chemical and biological inputs, and special products.



[TO FURTHER UNDERSTAND ABOUT BARTER OPERATIONS, CLICK HERE.](#)

BRL 800 million
in revenue from Barter operations

Around 429,000
tons of soybeans and corn



Brazilian rural producers may now receive **agricultural insurance solutions** from us thanks to our relationship with BrasilSeg, an insurance firm inside the BB Seguros group, a partnership we formed in 2023. Farmers are able to protect their investments from both financial and climatic hardship as a consequence.

3.

BUSINESS STRATEGY

- Value Proposition 17
- Economic Performance..... 19
- Value Chain21
- Relationships22





VALUE PROPOSITION

GRI 2-6

The Lavoro company currently holds a leading position in Brazil's agricultural input sales sector, covering around 50 million hectares across the Latin American continent. We thus operate in a central - and crucial - position in the agribusiness chain in the region: we supply small and medium-sized farmers directly with the agricultural inputs and services that will increase their crops' efficiency and sustainability.

By opening additional locations, purchasing strategically important businesses in the area we serve, and developing agricultural inputs using cutting-edge technology and innovation that are highly efficient and have a minimal

negative impact on the environment, we have grown our business over the years.

Our expertise and centralized management model allow us to extract synergies during the acquisition and incorporation of each new company, leading to economies of scale in the acquisition of agricultural inputs for marketing, stock management, logistics and other general and managerial operations, such as legal, accounting, Information Technology (IT) and Human Resources (HR) support.

It is a business model that creates value all the way to the top. Since being incorporated into

Lavoro, the ag input retailers have witnessed their operational and financial performance growing at a faster pace, with more clearly defined value drivers, positively impacting their area of operation.

Last year, we reached the milestone of 200 stores, expanded our presence in Colombia and reached Rio Grande do Sul. In addition, we continue to carry out studies aimed at expanding in Latin America, extending our operations to Chile and Peru. This process is likely to get stronger and stronger as a result of going public in 2023 and the volume of capital invested in the Company.

EXPANSION IN 2022/2023



7 new companies included in the Lavoro ecosystem

BRAZIL: Casa Trevo, CATR, Sollo Sul, Dissul, Referência, Cromo Química

25 new stores incorporated and opened

COLOMBIA: Provecampo

2 stores incorporated

THE LARGEST LAVORO STORE IN LATIN AMERICA

In April 2023, a new Impacto Insumos branch was opened in the city of Sorriso (MT), our largest store in Latin America. The space houses a logistics center and serves rural producers in Sorriso and five other towns in the region.

The unit strengthens the Lavoro brand: besides a modern service area to welcome farmers, it houses a verticalized stock with capacity for over 2.5 million liters of pesticides and 500,000 liters of specialties, as well as a warehouse with capacity for 2,000 bags of seeds.



OUR COMPANIES*

2017

PATRIA

Thesis Development

2018

Grupo Gral
cosechas abundantes

LAVARRO
A solução

2019

GRUPO PITANGUEIRAS

IMPACTO
INSUMOS AGRÍCOLAS

2020

AGROVENCÍ

AgSe
Agricultura y Servicios

CENTRAL AGRÍCOLA

GP Grupo Produtec
Produtividade e Tecnologia

2021

América
Insumos Agrícolas Ltda.

Integra

AGRO BIOLÓGICA
SUSTENTABILIDADE

denorpi

Realce
GRUPO PITANGUEIRAS

CULTIVAR
agrícola

QUALICITRES
Sempre ao lado do produtor

DERAGRO
desde 1991

F FUTURAGRO

PLENAFERTIL
Soluções em Fertilizantes

2022

CENAGRO

Produtiva
AGRONOMIA

UnionAgro

AGRO ZAP

NOVA GERAÇÃO
N+G

Sollo Sul
INSUMOS AGRÍCOLAS

Dissul
INSUMOS AGRÍCOLAS

2023

CASA TREVO
COMERCIAL AGRÍCOLA LTDA.

CATR
Comercial Agrícola Ltda.

PROVECAMPO
Soluções para el campo

Floema
Consultoria e Nutrição de Plantas

Referência
agroinsumos **

CROMO
QUÍMICA

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

** Acquisitions completed during the crop closing period.

ECONOMIC PERFORMANCE

GRI 3-3 | 201-1 | 201-4

Solid growth

In the 22/23 cycle, Lavoro enjoyed a strong performance, both in terms of revenue and profitability, expanding the number of customers, new acquisitions and increased production of private-label lines, recording growth of 21% in the year. **GRI 3-3 | 201-1**

Amidst persistent wars in Eastern Europe and substantial obstacles for agriculture in Brazil and Colombia, the outcome was attained despite both national and international macroeconomic conditions.

Our performance in dealing with these factors was reinforced by our expertise in the sector and our business model, which provides us with a good capacity for execution and adaptation. In this respect, the results achieved in the crop year are chiefly due to the increase in sales brought about by the opening of more stores, covering more treated hectares and creating greater contact with rural producers. Over the course of the year,

we surpassed the mark of 1,000 representatives in the field and assigned to branches, which strengthens our portfolio of customers and potential customers.

Another noteworthy growth is in the production of private-label supplies by the industries linked to the Crop Care vertical, which attained significant profitability, with an increase of 91% over the crop year 2021/2022.

A highlight of our commercial performance came from investments in innovating the portfolio of bio-inputs, bio-stimulants, products for crop nutrition and treatment not only ensured greater efficiency for the producer, but also reduced dependence on international products and raw materials to supply the market, allowing us to better respond to global economic impacts. These results show the soundness of our strategy of investing in organic and inorganic growth. **GRI 3-3 | 201-1**

RESULTS*



GRI 201-1

over **21%** growth

BRL 9.3 billion
net revenue

over **56%**
adjusted EBITDA

over **62%**
net income



GRI 201-1

over **91%** growth

BRL 633 million
net revenue

over **265%**
adjusted EBITDA
BRL 148 million

* Data from 2022/2023 compared to 2021/2022.

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

Financial results

GRI 201-1

The following table shows the results that materialize the success of Lavoro's strategy.

Direct economic Value Generated and Distributed (BRL in millions) GRI 201-1

OPERATING INCOME	2022/2023	2021/2022
Sales of merchandise, products and services	BRL 9,347,670	BRL 7,732,605
Losses due to non-recoverability of financial assets	(BRL 36,769)	(BRL 27,393)
Costs of products, goods and services sold	(BRL 7,590,290)	(BRL 6,415,286)
GROSS VALUE ADDED	BRL 1,720,611	BRL 1,289,926
Depreciation and amortization	(BRL 167,486)	(BRL 132,110)
NET VALUE ADDED GENERATED BY THE COMPANY	BRL 1,553,125	BRL 1,157,816
Value added received on transfer	BRL 545,879	BRL 387,671
Other financial revenues	BRL 371,639	BRL 247,148
Active exchange rate variation	BRL 63,938	BRL 61,701
Deferred income tax and social contribution	BRL 134,772	BRL 89,725
Rents and royalties	(BRL 20,844)	(BRL 10,896)
Other	(BRL 3,626)	(BRL 7)
TOTAL VALUE ADDED TO DISTRIBUTE	BRL 2,099,004	BRL 1,545,487
DISTRIBUTION OF VALUE ADDED	(BRL 2,099,004)	(BRL 1,545,487)
Number of employees	3,778	3,296
Amount paid in salaries	(BRL 218,770)	(BRL 188,464)
Benefits	(BRL 306,396)	(BRL 175,343)
FGTS	(BRL 21,281)	(BRL 14,633)
Management Fees	(BRL 18,158)	(BRL 27,052)
Other	(BRL 108,106)	(BRL 139,801)
Severance payments	(BRL 1,287)	(BRL 749)
Spending on indirect suppliers	(BRL 517,212)	(BRL 411,385)
Taxes	(BRL 38,645)	(BRL 186,050)
Return on third-party capital	(BRL 1,087,831)	(BRL 573,850)
Interest and other financial expenses	(BRL 931,485)	(BRL 439,956)
Commissions	(BRL 52,040)	(BRL 36,969)
Passive exchange rate variation	(BRL 79,169)	(BRL 63,650)
Other	(BRL 25,137)	(BRL 33,275)
INCOME FOR THE YEAR	BRL 218.682	(BRL 107,762)

Tax approach

Core values like legality, transparency, and consistency across our value chain — including in tax assessment and collection — and maintaining a friendly and cooperative relationship with the tax and administrative authorities guide Lavoro group's tax strategy.

In this connection, the tax structure is constantly monitored by the tax compliance department. IRPJ/CSLL charges are calculated based on actual profit, taking into account ICMS tax benefits in accordance with current legislation. The monitoring of effective tax rates and the regulatory review are overseen by the Tax Committee and audited by the external audit team. **GRI 207-1**

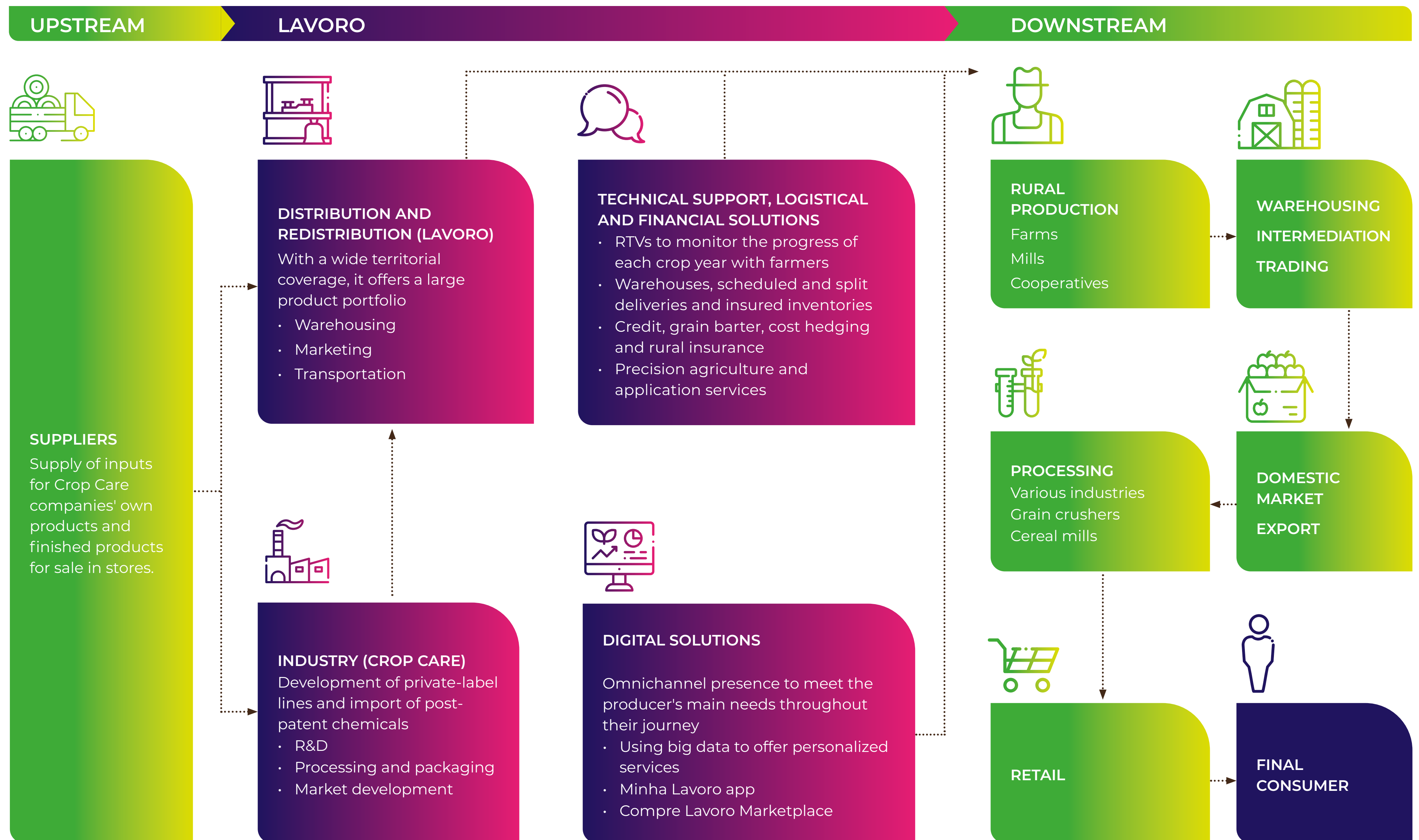
In the 2022/2023 crop year, no government subsidies were received in Brazil and Colombia, apart from the tax exemptions granted as standard to the production activity. **GRI 201-4**

VALUE CHAIN

GRI 2-1

We operate inside a complex and fragmented value chain, but with great potential to impact the economy and even the population's food security. Given this context, we are aware of our responsibility to operate as a central player in this ecosystem, in the production, distribution and redistribution of inputs.

Moreover, we want to be a transformation agent in agriculture, bringing information and education to farmers through technical assistance, logistics and financial solutions, in favor of their leading role.





RELATIONSHIPS

Skilled presence in the field

The previous several years have seen steady growth for our Company thanks to our strong and enduring relationships with our customers. To create value for these small and medium-sized farmers and rural entrepreneurs, we have adopted a multi-product and multi-brand approach, focusing on various crops such as soybeans, corn, wheat, cotton, flowers and planted forests, among others.

As well as having our own portfolio aimed at protecting crops and increasing productivity, with lines that meet the needs of each type of crop, climate and producer profile, we have long-standing relationships with the main suppliers of agricultural inputs on the market. This ensures that farmers of all scales and profiles have the availability and best conditions for supplying input lines in the pesticide, fertilizer, seed, biological, and specialty line categories.

So as to maintain the relationship and provide personalized support to rural producers throughout the crop cycle, we have a team consisting of more than 1,000 agronomists working as Technical Sales Representatives directly in the field, which not only offers technical support, but also our digital services and solutions to over 74,000 customers.

To further build the skills of this team, in the last cycle we launched the Lavoro Sales Academy, an internal training program aimed at further improving technical knowledge and sales management skills (more on [page 59](#)). Furthermore, our working methods and compensation ensure that our RTVs' and our farmer clients' interests are aligned, from the recommendation of management protocols to the products sold.

Our resellers and private-label have the role of promoting knowledge exchange as closely as possible. To accomplish this, they hold dozens of local field days, trade fairs, meetings with farmers, celebrations, as well as commercial and institutional participation in major regional and national events.

This cycle creates good results for our customers' crops, which come back to the Company as loyalty, organic growth and an improvement in our overall performance.

To regularly monitor our quality of service, we carry out an annual survey with our customers to assess customer satisfaction using the Net Promoter Score (NPS), which reached 66 points. The result suggests Lavoro's recognition, which continues as we grow and incorporate new ag input retailers into the ecosystem.



SALES TEAM

1,080

technical sales representatives (RTVs)



SALES ACADEMY

37

video lessons

12

modules



Our partners

GRI 2-6 | 3-3

Lavoro group is the main player in the agricultural inputs segment, selling and representing in the Brazilian and Colombian markets the most recognized brands in four major categories: seeds, fertilizers, pesticides, bio-inputs and specialities. Our scale lends us significant competitive advantages in a fragmented market with small local retailers. That's why it's important to maintain a close and ethical relationship with these suppliers.

In the 22/23 crop year, spending on direct suppliers reached the approximate mark of BRL 7 billion. The distribution of these resources differs according to the operations by region. In Brazil, the supply of inputs is concentrated in local purchases, with the top ten partners being multinationals based in Brazil. In Colombia supply is distributed between local purchases and imports from eight different countries. **GRI 204-1**

Leading global manufacturers with local offices in Brazil and Colombia are Lavoro Group's primary suppliers. GRI 2-6

We have implemented a centralized purchasing structure, with specialized managers for the main categories who consolidate the supply needs of all the units. We continually review the portfolio to select and filter the supplier base, reducing risks and maximizing the skills on offer and commercial advantages.

This model makes it possible to achieve economies of scale and brings management synergies, with integrated logistics and storage planning and services for all regional clusters, connected by the Company's digital platforms.



~ BRL **7 billion**
spent with suppliers

SUPPLIER SELECTION

GRI 3-3

In the supplier selection process, we take into account criteria such as the quality of their products, commercial conditions, their reputation in the market and adherence to the Code of Conduct and Ethics and Code of Conduct for Suppliers and Customers. According to these documents, companies must proceed in a transparent manner and in strict compliance with applicable laws, codes, rules and regulations, preventing acts of corruption, unfair competition, money laundering and socio-environmental non-compliance.

All transactions with suppliers must follow the Supply Purchasing Policy, which sets out the guidelines to be followed when purchasing products with the aim of maximizing results and contracting socially and environmentally responsible companies.

To this end, in 2022/2023, we continued moving forward in the management of this relationship and implemented a socio-environmental assessment process for priority suppliers, focusing on data analysis, the use of compliance tools and public registers, and voluntary self-assessment by partners.



FIND OUT MORE ABOUT OUR SOCIAL AND ENVIRONMENTAL ASSESSMENT OF SUPPLIERS ON PAGE 39.

4 CORPORATE GOVERNANCE

Governance Structure	25
Risk Management.....	30
Compliance, Ethics and Integrity	31



GOVERNANCE STRUCTURE

GRI 2-9

Lavoro and TPB Acquisition Corporation I, The Production Board's acquisition firm, announced a business merger in September 2022. Following this agreement, Lavoro went public on the Nasdaq in March 2023 (more about the process on [page 17](#)).

After the public offer process, we made investments to enhance our corporate governance, implementing more robust and transparent processes and structures aligned with international best practices.

Since this milestone, Lavoro's governance has undergone considerable evolution in order to meet the Security Exchange Commission standards, which regulates the American market for listed companies, and other legislation in force, in addition to the Brazilian Corporate Law.

The Production Board (TPB) is an investment holding company that aims to solve the most critical problems affecting our planet by reimagining global production systems in food, agriculture, biomanufacturing, human health, and life sciences.

Headquartered in San Francisco, USA, TPB builds businesses based on emerging scientific discoveries and exceptionally talented partners, providing capital, infrastructure and market insights to drive significant improvements in the cost, energy, time or carbon footprint of conventional systems. As a shareholder, TPB now holds a seat on Lavoro's Board of Directors.



WHAT CHANGES WITH GOING PUBLIC

- Lavoro becomes the first Latin American agricultural inputs distributor to be listed on the American stock exchange, under the ticker "LVRO" and "LVROW";
- Changes to the Board of Directors and Executive Board;
- Prompt certification by the CEO of any material breach of corporate governance rules;
- Creation of the Audit, Disclosure, and Compensation Committees.



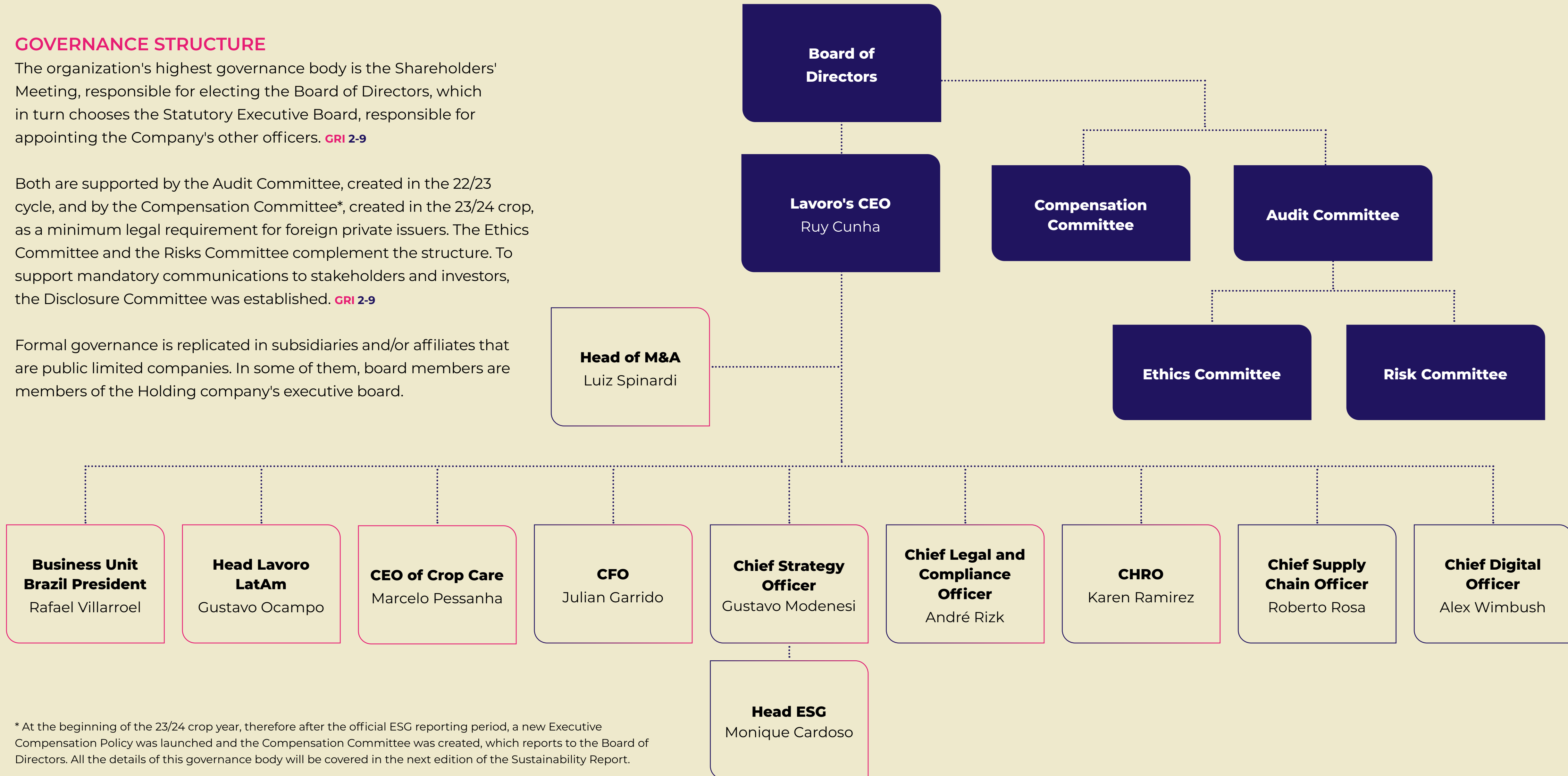
[FIND OUT MORE ON LAVORO'S INVESTOR RELATIONS WEBSITE.](#)

GOVERNANCE STRUCTURE

The organization's highest governance body is the Shareholders' Meeting, responsible for electing the Board of Directors, which in turn chooses the Statutory Executive Board, responsible for appointing the Company's other officers. **GRI 2-9**

Both are supported by the Audit Committee, created in the 22/23 cycle, and by the Compensation Committee*, created in the 23/24 crop, as a minimum legal requirement for foreign private issuers. The Ethics Committee and the Risks Committee complement the structure. To support mandatory communications to stakeholders and investors, the Disclosure Committee was established. **GRI 2-9**

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



* At the beginning of the 23/24 crop year, therefore after the official ESG reporting period, a new Executive Compensation Policy was launched and the Compensation Committee was created, which reports to the Board of Directors. All the details of this governance body will be covered in the next edition of the Sustainability Report.



Board of Directors

GRI 2-3 | 2-9 | 2-10 | 2-12 | 2-13 | 2-16

It's incumbent on the Board of Directors to set the strategy and long-term planning for Lavoro. In addition, the Board defines the guidelines to be followed by the Statutory Executive Board, covering economic, social and environmental aspects, as well as the organization's purpose and core values. **GRI 2-12 | 2-13**

Since going public in the 2022/2023 cycle, the Board has been made up of seven members, three of whom represent the majority shareholder, Pátria Investimentos, one member representing the minority shareholder, The Production Board (TPB), and another three independent members. The change aligns us with the best governance practices of publicly traded companies around the world, enriching

our experience and strategic decisions, while strengthening our relationship with stakeholders and keeping us aligned with global investors.

Each Director holds office for the fixed term. Our Board of Directors is divided into three classes, with only one class of Director being appointed each year, and each class (except for directors appointed prior to our first annual general meeting) serving a three-year term of office. **GRI 2-10**

In quarterly meetings, the Board discusses and approves corporate strategies, as well as addressing facts relevant to management, including environmental, social, economic and governance issues. **GRI 2-12 | 2-16**

Audit Committee

The Audit Committee assists the Board of Directors in overseeing the integrity of the Company's financial statements and internal controls, the independent auditor qualification and independence, as well as the internal audit function performance.

It is currently composed of three members appointed by the Board, with members who meet the requirements of independence and experience. **GRI 2-9 | 2-12**

The Audit Committee reports to the Board on a quarterly basis. This reporting includes the analysis of any matters arising in relation to the Company's financial statements' quality or integrity, compliance with legal or regulatory requirements, the Company's independent auditor's independence and performance, the internal audit role performance and any other matters that the Committee considers appropriate or is asked to include by the Board.

GRI 2-13 | 2-16



Disclosure Committee

All official and relevant communications made by Lavoro to its security holders or to the investment community go through the Disclosure Committee. It is the role of this committee to ensure that all information is accurate and complete, as well as presenting the Company's financial condition and results of operations in all material respects and must be produced in due time and in the manner required by applicable laws and stock exchange requirements. **GRI 2-16**

Thus, the Committee supports the Directors in fulfilling their responsibilities for the purpose of supervising the forecast and timeliness of the disclosures made

by the Company. It is made up of the Chief Executive Officer, the Chief Financial Officer, the Controller, the person in charge of Investor Relations and the person in charge of the Legal department, with the support of the Company's institutional communications department. **GRI 2-9**

The Committee meets as often as required by circumstances to (i) ensure the accuracy and completeness of the Disclosure Statements, (ii) assess the Disclosure Controls and determine whether any changes to the Disclosure Controls are necessary or advisable in relation to the preparation of the Company's future reports.

Risk Committee

GRI 2-9 | 2-12 | 2-16

Risk and Compliance Committee members are appointed by the Board of Directors, to whom they report. It should be made up of the CEO, the CFO and the legal and compliance officer, as well as an independent member appointed by the shareholder acting as coordinator.

The Committee meets monthly in order to make progress in managing all the risks related to the Company, including those related to environmental, social and human rights issues, and organizational routines in relation to licenses and corporate aspects. It also holds monthly operational meetings with the affiliated companies' members to monitor and deal with all the mapped risks, as well as the implementation and progress of the action plans.

Ethics Committee

GRI 2-9

The Ethics Committee is formed by at least three senior management members elected by the Board of Directors. It is responsible for ensuring compliance with the Lavoro's Code of Conduct and Ethics, as well as other codes, manuals, protocols, roadmaps, procedures and policies related to the Integrity Program.

This committee aims to ensure ethics and integrity in day-to-day business and in conduct towards all its stakeholders, both internal and external. It is deliberative in nature and is responsible for prevention, guidance and monitoring of cases of non-compliance with the rules established by internal policies and processes, as well as dealing with communications and complaints received through the Lavoro Transparency Channel.



LAVORO'S CODE OF CONDUCT AND ETHICS CAN BE ACCESSED BY CLICKING HERE.

Executive Board

GRI 2-9 | 2-11

Eight members, chosen by the Board of Directors, make up Lavoro's Executive Board. They are eligible for reelection after a two-year term.

Responsible for managing and representing our Company, the Executive Board implements the strategic and operational guidelines established by the Board of Directors, including economic, environmental and social topics. **GRI 2-13**

DIRECT CHANNEL

The Direct Channel is an open space in which collective results and goals are discussed, providing an update for all employees. It is also a way of participating in relevant projects, implemented changes and their objectives, and promoting engagement. During this meeting, employees at all levels have the opportunity to ask questions, clear up doubts and express their opinions, promoting transparent communication in line with the organization's objectives.

Apart from the statutory committees, the Company has internal advisory committees that play key roles, such as the Credit, Tax, Data Protection, Health, Safety and Environment Committees.

On a regular basis, the CEO and other members of the Executive Board update employees on the Company's daily affairs, management, progress on targets and results in live online meetings.

Furthermore, Lavoro and Crop Care have a formal relationship with several external audiences, such as the financial sector, led by the CFOs, as well as entities representing agribusiness. Through this interaction, issues relevant to operations are identified.

Executive compensation rules

GRI 2-18 | 2-19 | 2-20

Our executives, directors and managers are paid fixed and variable compensation. The compensation's fixed component is defined under market conditions and adjusted annually. The variable component consists of cash bonuses paid to Executive Directors and members of our management based on the achievement of previously agreed targets for the business. Benefits are also received in line with market practice in the countries where we operate. **GRI 2-20**

The Board of Directors' Chairman, who is the representative of the majority shareholder have ESG targets as a performance evaluation factor and variable remuneration component. Two targets are in force in the current cycle by Lavoro, one linked to emissions and climate change and the other to supply chain responsibility. **GRI 2-19 | 2-20**

Moreover, in the last crop year, we approved the Long-Term Incentive Policy (Lavoro Participation Plan), through which selected people are eligible to receive incentive compensation in the form of cash, assets or stock options from Lavoro. **GRI 2-20**

RISK MANAGEMENT

GRI 2-12

At Lavoro, we maintain a robust risk management process, the aim of which is to preserve and develop our values, assets, reputation and competitiveness, ensuring long-term business continuity².

Responsibility for risk management at Lavoro falls to the Compliance Department, which is part of the Legal Department. In this capacity, the department is supported by the Company's internal areas, so that risk mapping and identification is constant and diligent, and by the Risk Committee, which acts as an advisory body and reports its activities to the Board of Directors.

With a view to further improving our corporate governance practices after the public offer in line with the American stock exchange requirements, we are

working to enhance our risk structure in compliance with the Sarbanes-Oxley Act (SOX). The law establishes a number of internal controls, increasing the transparency of the group's information and ensuring a relationship of trust with our stakeholders.

Also, as of 2023, the Risk Committee began to specifically monitor the main ESG risks mapped during the crop year, and identified by our Traceability Program. To this end, a systematized process was established to monitor and manage any environmental, social and human rights violations that may occur in the value chain (more on [page 39](#)).

² The other risk factors managed by Lavoro can be found in the [Registration Statement for Certain Foreign Private Issuers](#).

Main risks managed*



BUSINESS AND INDUSTRY

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



ACQUISITIONS AND FINANCIAL INFORMATION

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



COMMON SHARES AND SECURITIES

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



LATIN AMERICA

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



REGULATORY, PRIVACY AND CYBERSECURITY ISSUES

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

* All risks are detailed in the 20-F document available on Lavoro's [Investor Relations](#) portal.

COMPLIANCE, ETHICS AND INTEGRITY

GRI 2-23

The Compliance Department is responsible for the Ethics Committee and the Lavoro Integrity Program. The program covers all employees and third parties in an unbiased and equitable manner, from the holding companies and all acquired companies, formalizing our commitment to conducting business ethically³, with integrity and in compliance with applicable legislation, including the Anti-Corruption Law in Brazil and the Anti-Bribery Law in Colombia, and with the UN Global Compact Principles in Brazil, to which we are signatories.

Among the Integrity Program components are the Code of Conduct and Ethics for employees and suppliers, the Transparency Channel, the rules for donations and sponsorships, the regulations of the Risk Management and Compliance Committee and the Ethics Committee and the rules for evaluating service providers and suppliers, as well as other additional policies. **GRI 2-23**

³ In Colombia, the program is called Programa de Transparencia y ética Empresarial (PTEE), according to the country's legislation.

Code of Conduct and Ethics

GRI 2-23 | 2-24

The Code of Conduct and Ethics is the basis for all the Lavoro group's policies and practices, establishing the guidelines expected of its Managers, Employees and Third Parties, regardless of their hierarchical position or the Company with which they are affiliated. Among the topics covered are corruption, moral and sexual harassment, the environment, health and safety, conflicts of interest and data privacy. **GRI 2-23**

The Code of Conduct and Ethics can be accessed by [clicking here](#). You can also find the other Policies of the Integrity Program in the table below:



**OTHER POLICIES CAN BE FOUND BY
CLICKING HERE.**

Integrity Program Policies **GRI 2-23**

[Rules of Procedure and Delegation of Authority](#)

[Anti-Corruption Policy](#)

[Conflict of Interest Policy](#)

[Due Dilligence Policy](#)

[Risk Management Policy](#)

[Consequence Management Policy](#)

[Contingency Provision Policy](#)

[Policy to Prevent and Combat Moral and Sexual Harassment](#)

[Related Party Transactions](#)

Training and communication

100% of employees are informed about the Integrity Program to support Lavoro group's continual evolution in the ethics and compliance sphere.

All employees of the new companies that make up the Lavoro ecosystem in Brazil and Colombia are informed and trained

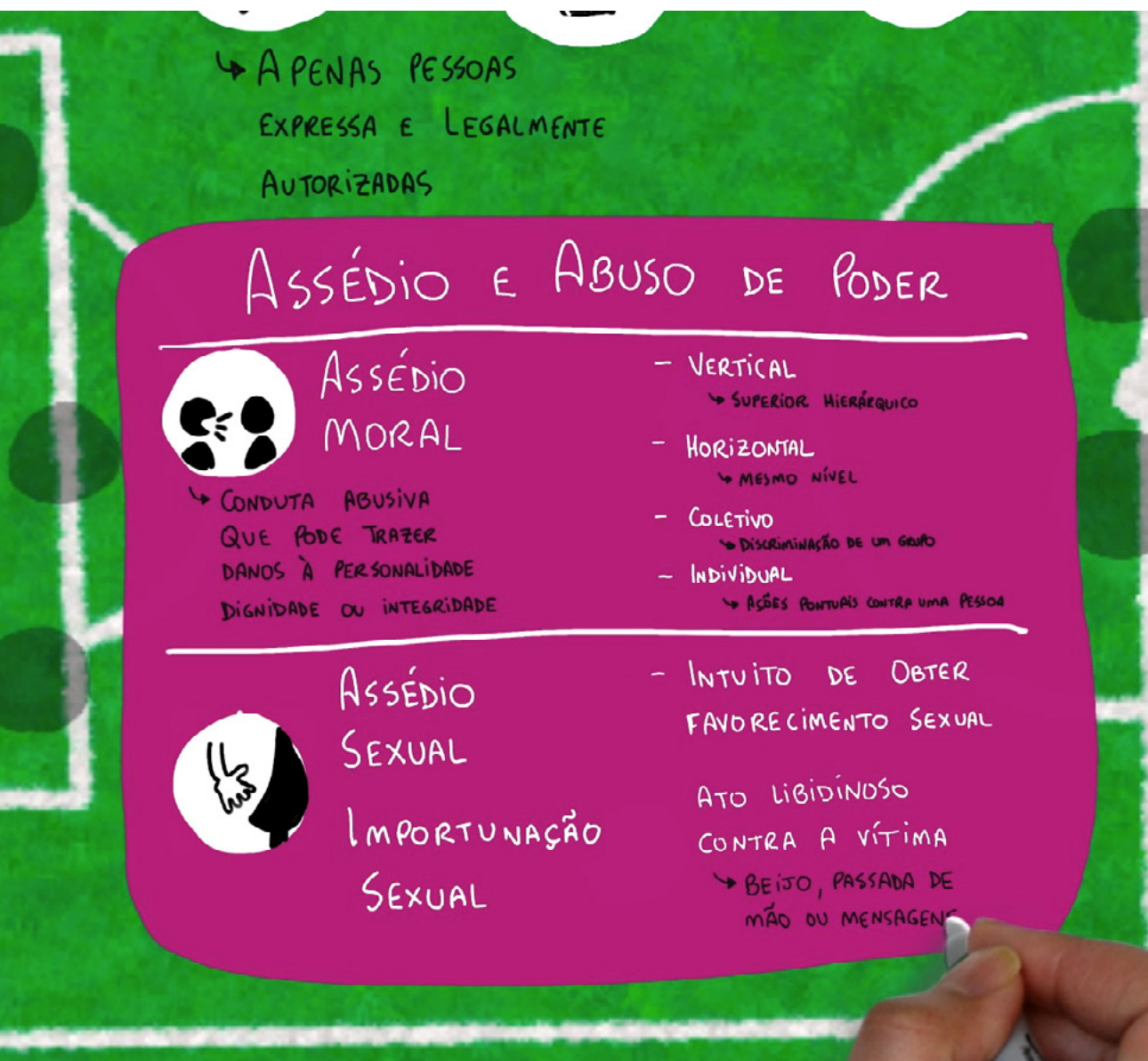
on compliance, as are the Company's new employees during their onboarding process. During this training, they are introduced to the Code of Conduct and Ethics and all the other policies related to the program and are asked to sign the terms of awareness and adherence to these documents. **GRI 2-24 | 205-2**

In the last period, 35 live training sessions were held, covering topics such as compliance, buying and selling shares, preventing corporate harassment and corruption, a code of conduct for customers and conflicts of interest, among others.

At **UniLavoro** there are five learning trails such as the Integrity Program and its thematic refresher courses, Information Security and LGPD.

We also communicate with employees on the subject through the **Compliance Pills**, published every two weeks.

We also hold the **Lavoro Legal Workshop**, which takes classes on compliance issues to the Company's main branches. The event included five workshops in four Brazilian states with employees and local leaderships.



Transparency channel

GRI 2-26

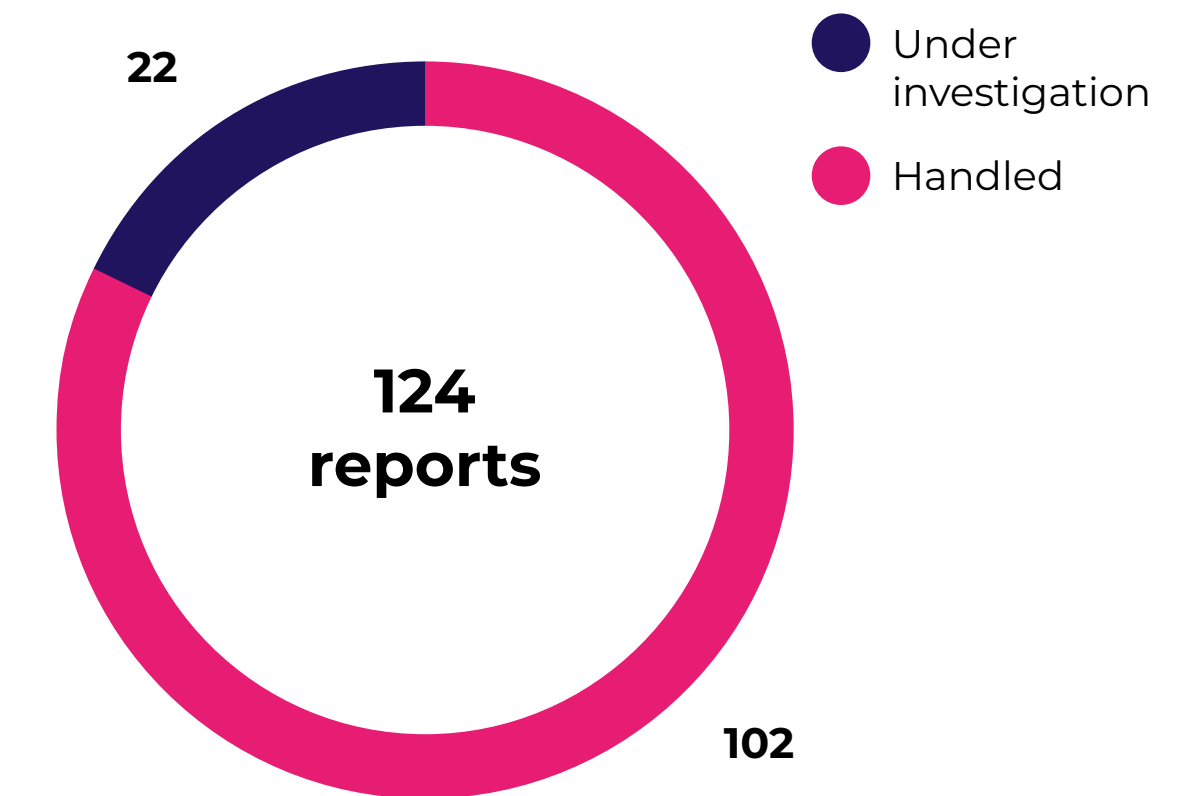
All employees, suppliers, customers and third parties may report violations or possible violations of our Code of Conduct and Ethics and the Integrity Program through the Transparency Channel, as well as clear up doubts or express concerns related to the topic.

The channel is available in Portuguese, English and Spanish and can be used anonymously if desired. The information is forwarded to an independent and specialized company in order to ensure total confidentiality.

Subsequently, the Ethics Committee and Compliance Department decide how to investigate the complaint and follow up on the cases that will be dealt with.

In the last crop year, we totaled 124 reports, 102 of which have been dealt with and 22 of which are being investigated. There was an 8% increase in complaints compared to the previous crop year, which is to be expected due to an increase in the overall number of employees and greater awareness and clarification about the Channel.

Complaints in the 2022-2023 cycle



Most of the cases recorded over the last five years have been classified as non-compliance with internal policies or potential cases of moral harassment. That's why, every year, we make every employee aware of these issues (more on [page 58](#)). Additionally, regional leaders closely monitor their indicators in order to create action plans.



[ACCESS THE TRANSPARENCY CHANNEL HERE.](#)

Anti-corruption and conflicts of interest

GRI 2-15 | 3-3 | 205-1 | 205-2

Lavoro does not tolerate practices that could be considered acts of corruption or conflicts of interest. We have two specific policies on the subject: the [Anti-Corruption Policy](#) and the [Conflicts of Interest Policy](#). These policies and commitments operate in conjunction with the Code of Conduct and Ethics and other policies of the Integrity Program, including the [Consequence Management Policy](#) (more on [page 31](#)).

Together, these documents establish the guidelines, standards and procedures of the program for preventing and combating corruption, as well as for managing conflicts of interest. Lavoro's guidelines include a prohibition on donations or contributions to candidates or political parties. **GRI 415-1**

Currently, all of the Lavoro's operations are assessed for risks related to corruption, using appropriate tools for each situation. **GRI 205-1**

The listing on Nasdaq in 2023 gave us the opportunity to further improve the compliance, ethics and integrity departments. We have strengthened the Integrity Policy with a focus on preventive and proactive approaches, as well as encouraging more effective communication in the event of complaints, allowing the corporate culture to be increasingly transparent and ethical.

Risk management has also been optimized, with the implementation of more robust due diligence practices, ensuring a more careful and strategic approach to assessing and mitigating potential risks (more on [page 30](#)).



Data protection and security

GRI 418-1

Pursuant to the Company's Code of Conduct and Ethics and the General Data Protection Law (LGPD) in force in Brazil, the Lavoro company is committed to respecting and protecting the privacy and security of the information to which it has access, whether it belongs to the Company, its customers or the general public.

The principles, guidelines and standards related to this issue are set out in the [Corporate Information and Cyber Security Policy](#) and the [Privacy Policy](#), both approved by the Board of Directors.

Through our Privacy Portal, available on the corporate website, data subjects are informed of their rights and can request that their data be changed or deleted from the Company's records. Questions and complaints about data privacy can be made on the Transparency Channel, but there were no reports during the 2022/2023 crop year.



[ACCESS LAVORO DATA PRIVACY PORTAL HERE.](#)



5.

SUSTAINABLE TRANSFORMATION

Supporting the Sector's Sustainability.....	35
Traceability Program	39
Forestry Leadership.....	41
Innovation	44
Product Safety	49



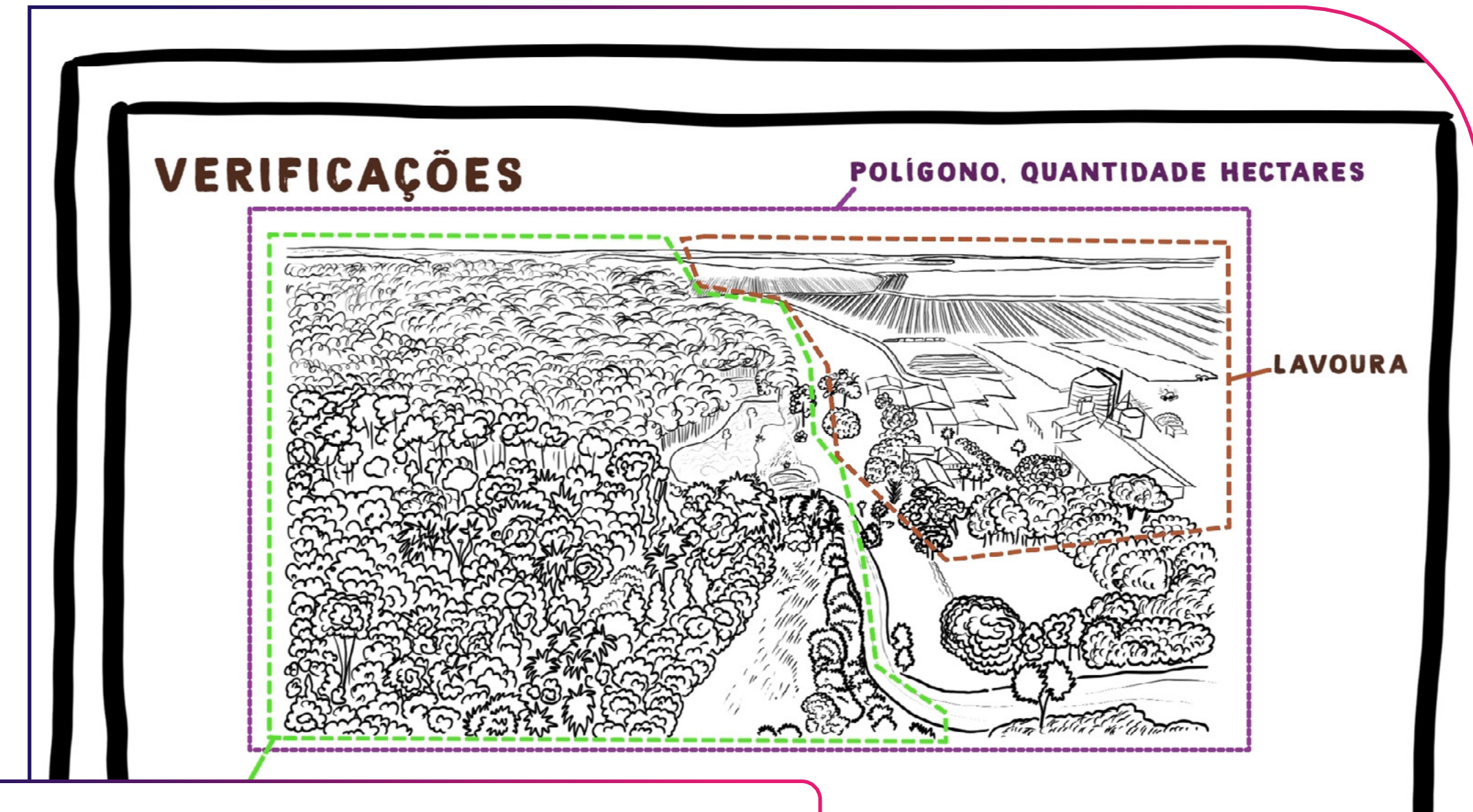
SUPPORTING THE SECTOR'S SUSTAINABILITY

At Lavoro, we recognize the critical role that agricultural production plays in global sustainability and we bring this to our mission. By striking a balance between large-scale food production, environmental conservation and the demands of society, the agricultural sector has the power to generate economic, social and environmental value from local communities to national economies.

Operating at a central point in the agricultural value chain, the Company recognizes its role in positively influencing the markets in which it operates.

Through our Sustainability and ESG Policy and the work of the management team responsible for the ESG department, we coordinate actions on issues considered to be priorities for the business, such as food safety, managing climate change impacts, promoting sustainable agriculture, controlling illegal deforestation and working conditions in the value chain, among others.

In line with best practices, we have established social and environmental commitments to meet local, regional and national regulations, trade agreements in the sector and multilateral determinations, contributing to the sustainability and conservation of the resources that are essential to agriculture.



SOCIAL AND ENVIRONMENTAL COMMITMENTS - 2025*

- 100% traceability of customer base**
- No irregular deforestation
- No embargoes for deforestation
- No overlap with an integral protection area***
- No slave or child labor

* Scope: operations in Brazil.

** Rural producers included in the risk assessment of the credit granting process will be monitored.

*** Indigenous lands, Quilombolas or fully protected Conservation Units.

STRENGTHENING THE ESG STRATEGY

Going public in 2023 represents not only new growth opportunities, but also a number of **opportunities to improve the ESG strategy**. As we get even closer to global investors, for whom sustainability issues are key in their investment portfolios, we are now directing new efforts towards transparency, sustainable value creation and shareholder engagement. This drives us to set more ambitious goals and policies in relation to sustainability, strengthening our ESG strategy and allowing it to become a benchmark in the market.



[CLICK HERE TO ACCESS LAVORO'S SUSTAINABILITY AND ESG POLICY.](#)

Guiding principles

GRI 2-28

We are participants in the UN Global Compact in Brazil and are committed to contributing to the achievement of the UN's 2030 Agenda, which aims to engage organizations all over the world in support of 17 Sustainable Development Goals (SDGs).

Through the inclusion of ESG principles that modulate management on the most different fronts of the Company's operations, we have guided the direct contribution of our businesses with the following SDGs:



SDG 2 – Zero hunger and sustainable agriculture

- Improving agricultural productivity through the use of resilient and sustainable practices



SDG 12 - Responsible consumption and production

- Environmentally responsible handling of chemical products



SDG 15 - Life on land

- Sustainable forest management to prevent illegal deforestation



SDG 8 – Decent work and economic growth

- Monitoring the use of environmental resources in production and monitoring labor practices



SDG 13 - Action against global climate change

- Monitoring and reducing greenhouse gas emissions



Additionally, through our employee management practices, we have a complementary impact on **SDG 5 - Gender Equality**.

Materiality

GRI 3-1 | 3-2 | 3-3

Lavoro's Sustainability and ESG Policy and its sustainability strategy were built on the basis of a materiality survey, which identified the main themes whose risks and positive and negative impacts are a priority for business management.

The survey was carried out by actively engaging and listening to the organization's main stakeholders and publics with an influence on agribusiness. Individual meetings were held with representatives of shareholders, employees, executive and local leaders, the Board of Directors, agribusiness institutions, NGOs, business partners, customers, representatives of the financial sector, specialists, suppliers, financial institutions and public bodies linked to the environment. Experts on sustainability in agribusiness in Brazil and Colombia were also consulted.

Eight material themes for the business were identified as a result, which should be the focus of our sustainability strategy.

Prioritized material themes GRI 3-2

Expanding business and farmer productivity

Business ethics and integrity

Portfolio innovation, quality and safety

Sustainable agriculture

Operational health and safety

Responsible credit policy

Food safety

Climate change

The consultation was carried out in the 21/22 cycle. In line with the swift evolution of the sector and the global market, we are committed to continually reviewing our material themes and our agenda for action in favor of good socio-environmental performance.

Stakeholder engagement

GRI 2-29

We engage our stakeholders directly and indirectly. In this respect, we provide information, carry out listening activities and provide routine explanations to these audiences, both on demand and on a voluntary basis.

We also maintain transparent and active communication about our activities on the social media profiles of Lavoro and its ag input retailers and industries and produce internal and external communications through the Sustainability Report, corporate websites and mobile apps, as well as communications for the general press and the sector.

In order to participate in the dialog with stakeholders in the agribusiness chain, we participate in external events, fairs and meetings with sectoral organizations, engaging in discussions to improve the sector and in commercial relations.

Moreover, Lavoro and Crop Care hold more than a hundred Field Days every year, events that promote meetings with customers and suppliers, both in Brazil and Colombia, and disseminate technical and institutional information. GRI 2-29

MAIN STAKEHOLDERS

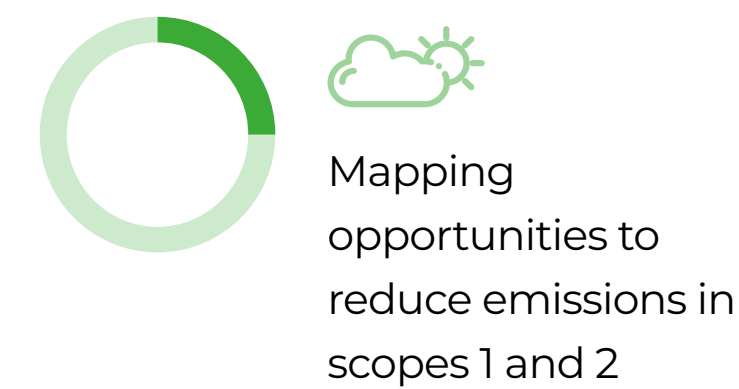
- Shareholders
- Employees
- Customers
- Direct and indirect suppliers
- Financial entities – banks and investment managers
- Agribusiness associations

ESG highlights and targets

To drive forward the business's sustainability agenda, the Lavoro company has set ESG targets for its operations, covering various topics such as sustainable agriculture, portfolio, health and safety, human capital development and recognition of good social and environmental practices. We are aiming to achieve these targets by the 2025-2026 crop year, regularly monitoring progress through key performance indicators (KPIs), which must be reported to senior management.

In 2022, the targets were approved by the executive board and, in 2023, they were rolled out to the areas in which the topics were focused. To this end, an engagement process was carried out that included over ten meetings with those responsible for managing the processes that deliver the desired results. The targets were broken down into activities and are being monitored by the collective and individual performance management system. **GRI 2-12**

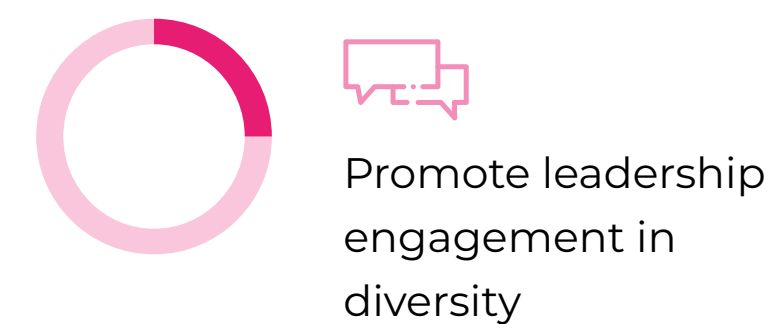
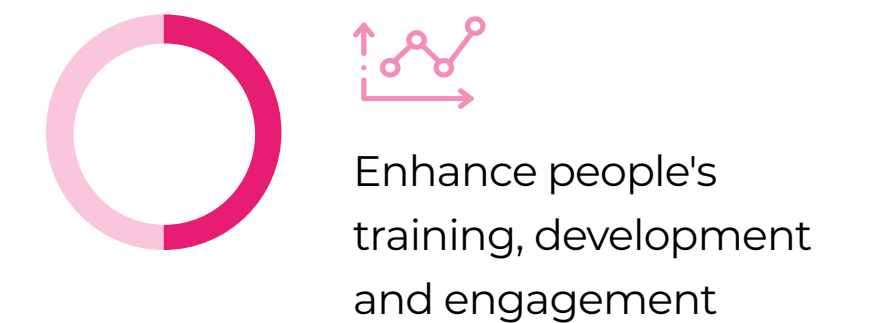
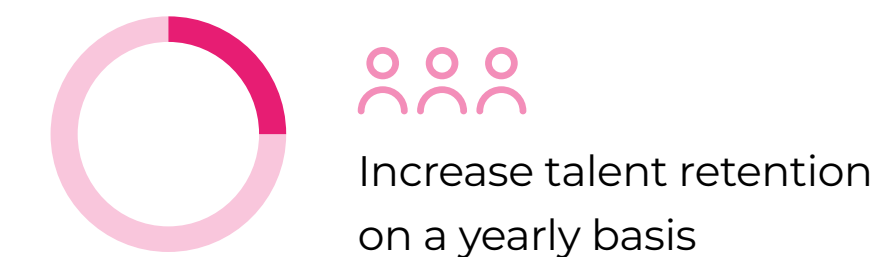
Environmental



Governance



Social



MONITORING ESG TARGETS 22-23*

59%
of targets with evident results

13%
no deliveries in the cycle**

- **33%** achieved
- **26%** partially achieved

28%
will start in the 23/24 cycle

* Activities planned for the cycle.

** Due to factors specific to each theme, the activities needed to achieve the targets were not scheduled to begin in the last crop year.

TRACEABILITY PROGRAM

GRI 2-27 | 408-1

Faced with the challenges of conserving biodiversity and preventing and mitigating the impacts of climate change, and in line with the Brazilian Forest Code and current trade agreements in global agribusiness, we want to use our central role in the sector (more on [page 10](#)) and our regional reach to promote and support measures that contribute to the sustainability of our entire value chain.

In our production and commercial activities, we economically promote segments such as forestry and the biological inputs and non-nitrogen fertilizers market, aimed at lower environmental impact of agriculture. In the risk management and the search for new business opportunities, we maintain a social and environmental supplier assessment process and created our Traceability Program, which allows us to identify points for improvement in the chain and promote transparency in commercial relations and the composition of credit and guarantees. With this environmental monitoring, we seek to prevent the financing of agricultural or livestock production that uses illegal deforestation or other nonconformities in Brazil.

The assessment of customers' backgrounds and the situation of their properties is carried out according to the Lavoro Socio-Environmental Protocol, which checks the main potential risks using dozens of public databases and georeferenced satellite images, with the support of digital tools. The analysis also checks for adherence to our Code of Ethics and Conduct, which all customers are invited to sign. **GRI 411-1**

Verification takes place during registration, registration updates and/or the credit analysis process. With regard to analyzing the risk of child and slave labor, we systematically monitor legal proceedings and consult the National Register of Employers and the Dirty List of Slave Labor to ensure that our clients are not involved in unacceptable practices. If confirmed or potential occurrences are identified, the Ethics Committee and Risk Committee assess the situation. **GRI 408-1 | 409-1**

HIGHLIGHTS OF THE TRACEABILITY PROGRAM

over 24,000
customers registered

over 60,000
rural properties being monitored

over 39 million
hectares

100%
of grain origination via tracked barter



RECOGNIZING OUR CUSTOMERS

During the 11th edition of the Corn Tour in Rondônia, a symbolic presentation took place at Sítio Corbélia, the event's headquarters, where farmer Antonio Schneider received a certificate. This gesture represented all the farmers served by the Lavoro companies.



Lavoro seal

GRI 2-27 | 408-1

The Lavoro Seal is our practice of recognizing customers and suppliers who are 100% adherent to Lavoro's Social and Environmental Protocol and Code of Conduct and Ethics.

Started in pilot format in the 2022/2023 harvest, we aim to verify 100% of eligible customers by 2025. The seal is a recognition that can be conferred by the units in a personalized digital certificate, which aims to create closeness with the customer and demonstrate its socio-environmental performance to the market.





FORESTRY LEADERSHIP

As part of Lavoro Company, Futuragro Florestal is a leader in the market for forest health inputs, with products aimed at production forests or reforestation areas, supporting foresters in a way that is committed to sustainable development.

To do this, it has had an exclusive technical and commercial division for 26 years, and a team made up of consultants who are recognized in the forestry sector and strategically distributed throughout the country.

Currently, forestry is among the top ten crops served by Lavoro's input distribution business, covering millions of hectares mostly dedicated to eucalyptus production, but also pine and ficus.

Based in Campo Largo (PR), Futuragro Florestal supplies customers of all sizes, supplying a variety of economic segments, such as the pulp and paper industry, the energy industry, the biomass and charcoal industry, the construction and coating industry, the furniture industry, the sawmill industry, the pharmaceutical industry and the cosmetics industry, among others.

Supporting the cultivation of planted forests requires a high level of specialization on the part of the technical team, made up of agronomists and forestry engineers, an exclusive and approved portfolio for this type of growing, and the development of appropriate management protocols to combine productivity, maintenance of soil health and environmental conservation.

Planted forests, whether for reforestation or production, are long-cycle crops, with an average of between 6 and 18 years in most cases. Our technical assistance follows the customer's production from the soil preparation stage, pre-planting and seedling emergence, checking growth, preventing and controlling pests, diseases and weeds, developing maintenance strategies, increasing productivity and defining the cutting season, in a continuous replanting cycle.



ENVIRONMENTAL RESPONSIBILITY

Lavoro Florestal is committed to being the perfect partner for the Brazilian forestry sector to be prepared to meet the high standards of global certification, designed to ensure that the wood used as raw material in production processes or products comes from ecologically appropriate, socially fair and economically viable management, in addition to complying with all the laws in force.

As in the agricultural sector, all customers who cultivate forests undergo Lavoro's annual assessment protocol, with around 20 verification items, and have their socio-environmental compliance monitored using georeferenced satellite images.

Lavoro's experts actively participate in discussions and technical and scientific events in the forestry sector, and

annually offer training to partners. They also provide training in preventing and fighting forest fires and can advise on appropriate management when faced with extreme weather events and the impacts of climate change, especially in regions with high water stress and risk of prolonged drought.

In addition to its commercial function of fostering a renewable-based economy, the planted forest sector complements the greenhouse gas sink function of native forests. In the process of planting crops, which require a low inversion of soil and maintain organic matter in the planting area, planted forests also contribute to the carbon stock in the soil, in the litter and in the aerial part of the trees. Even if they are to be cut down, this production is renewed cyclically, thereby keeping its environmental function.

LAVORO FLORESTAL RESULTS

100%

of customers registered and monitored

over

5,000

areas mapped and georeferenced

around

4.25 million

hectares of coverage

about

1.3 million

hectares of native forest

Presence in

764 cities

in 17 states



Supplier assessment

GRI 3-3

All the Lavoro companies' suppliers, direct, indirect and third parties, are subjected to a background check procedure in order to identify any risks related to their contracting, using compliance and anti-corruption tools in public registers. In the event of a critical issue in the process, the analysis is taken to the Ethics Committee and a decision may be made to discontinue the commercial or institutional relationship.

With a view to aligning ourselves with the best management practices in the value chain, in the 22/23 cycle we sought to expand this analysis and create a structured Supplier Social and Environmental Assessment process. An internal committee was set up exclusively for this purpose, in order to identify and prioritize the items to be analyzed, build the tool and the assessment method. A benchmark with reference companies also helped to identify and prioritize the activities to be carried out.

In the first half of 2023, a pilot phase was carried out with the submission of a questionnaire containing environmental, social and corporate governance themes to suppliers in two categories considered critical for Lavoro companies: Brazilian companies that supply nitrogen fertilizers and Chinese companies that manufacture our private-label post-patent chemical pesticides. The questionnaire included topics on the management of socio-environmental themes, licensing compliance, energy efficiency, GHG emissions management, labor relations, OSH issues and compliance practices, among others.

Over the 23/24 cycle, the next stages of the project will be carried out, which include, among other things, refining and standardizing the classification and prioritization of suppliers and implementing improvement opportunities in the implementation of the assessment and the collection tool. The process will be structured in the second half of 2023 so that it can be extended to a wider group of priority suppliers in 2024.



INNOVATION

Innovation plays a key role in the agricultural sector, helping to boost crop efficiency and the safe handling of products, as well as mitigating the environmental impacts of production. In this vein, we consider attention to recommended management and investment in Research and Development to be essential in order to drive the discovery of new technologies, practices and solutions that increase our generation of value for farmers and society.

Through the companies linked to the Crop Care holding, we work to be at the forefront of agricultural input development, providing biological products and special fertilizers for farmers of all sizes. These products help reduce costs and increase profitability and productivity, being developed and produced by Agrobiológica Sustentabilidade and Union Agro in the state of São Paulo (BR), and by Cenagro in the Cali region (CO).



Bio-inputs for sustainable agriculture

At Lavoro, we believe that biological inputs are the sector's current frontier of sustainable innovation. These are pesticides developed from natural ingredients, which act on pests and diseases with no extra risk neither to the environment nor to people during applications, allowing microorganisms and insects that are beneficial to the crop to be maintained.

The company at the forefront of this business is **Agrobiológica Sustentabilidade**, a member of the Crop Care platform and a pioneer in the biodefense market. We currently offer 13 private-label biological inputs, including ready-to-apply formulated pesticides and products for on-farm use, multiplied on the farm itself in bioreactors.

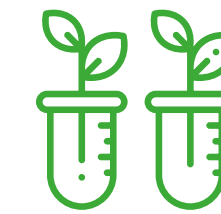
We also have the role of disseminating knowledge about the benefits of using bio-inputs in exclusive or integrated management, encouraging wider take-up by producers of traditional agricultural commodities and by exporters who need to meet the prerequisites of certifications or trade agreements.

To develop this market, we invest in campaigns, conventions, field days, partnerships with universities, technical visits, demonstration fields and intensive training. We have over 80 specialized consultants who work exclusively with this product line, with a focus on engaging producers and RTVs and working towards a more sustainable agriculture.

Agrobiológica operates two plants in the production of biodefensives, and it will open a third industrial site in Itápolis during this harvest season (more on [page 46](#)). By 2025, the Company is expected to create 200 new jobs.

Biological pesticides are agricultural products developed from an active ingredient of natural origin. They are used as a means of control in the field, eliminating diseases and pests that are damaging the crop. This is a more sustainable alternative, as it has less impact on the environment and produces positive results in less time.

On-farm platform



In the 22/23 crop year, Agrobiológica fully renewed its **on-farm service platform**, which consists of enabling the production of bio-inputs directly on farms, by rural producers and their teams, based on the combined supply of structure, inputs and training.



OnFarm Service is a package of services and technical support for installing bio-rooms with high production potential directly on the farm. Agrobiológica designs and prepares the environment according to the customer's production sizing, defines the technical specifications, builds the bio-room and installs the bioreactors. Then it trains the team, carries out customized tests, defines protocols together and, finally, provides the product line needed for multiplication on the farm. All to achieve maximum efficiency and productivity, ensuring the fundamentals for good crop performance and a significant reduction in costs.



OnFarm Full Fix consists of a team of technicians dedicated exclusively to maintaining the bio-rooms set up on rural properties and monitored by Agrobiológica.



OnFarm College provides technical training for 60,000 people, including employees, customers, distributors and other partners, spreading specialized knowledge.



OnFarm Line is a product and technology line for multiplication. Advances in the biological products sector are discussed at **OnFarm Insights**, which brings together researchers and customers throughout the year.

New industrial location

Following our strategic priority and the growth potential we see in the bio-inputs segment, we are investing BRL 100 million by 2025 in an industrial plant and a Research and Development center in Itápolis (SP), with 500,000 square meters of construction entirely dedicated to technology.

Agrobiológica Sustentabilidade's new plant was acquired in early 2022. Construction began in the same year and should be completed by the end of 2023. Current work is focused on overhauling and revitalizing the entire structure and setting up a biofactory, ensuring more efficient processes and high production capacity, as well as improving comfort and safety for the teams. The aim is for the plant to multiply our bio-input production capacity fivefold.

In the first half of the year, we completed the Distribution Center exclusively for biological supplies, with 4,700 m², a capacity of 9,000 pallet positions, loading and unloading docks, natural lighting, electric forklifts and a container for refrigerated storage.

With the start of operations at the Technology Center in Itápolis, we will be able to accelerate the development of Agrobiológica's pipeline, with the launch of 20 new products over the next 3 years.

The research and development center has an air-conditioned and pressurized laboratory to avoid contamination from external agents, with state of the art equipment and an exclusive effluent system. The structure dedicated to product development also has an exclusive bio-room, greenhouse and field of experiments in the green area, in order to ensure greater safety for the experiments and tests needed to develop products and create protocols.

Auditoriums and training rooms have also been installed so that the knowledge acquired can be shared with other employees and external audiences, such as researchers and farmers. The entire renovation is being carried out so that the plant operates with the best practices in eco-efficiency, avoiding waste and reducing environmental impact.

This investment embodies Lavoro's commitment to leading the way towards a more sustainable and innovative agricultural sector, driving research and the development of solutions that benefit not only productivity, but also the environment and farmers.

FOCUS ON DEVELOPING THE BIOLOGICS MARKET



~200
stores
in Brazil

13
private-label
products

13
million hectares
of coverage



10,000
user producers

Greater adherence: **MT, GO, MS, MG, RS**



over 60
handling
protocols

over 50
technical tours
and events

over 45
Field Days

over 25
Campaigns



ITÁPOLIS

LAND

AREA:

484,000 m²

48.4 hectares

BUILT-UP AREA:

16,120.00 m²

SECTORS

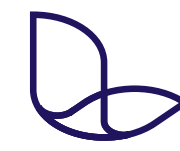
- 01. R&D
- 02. DC
- 03. Biofactory
- 04. Boiler
- 05. Warehouse/Maintenance
- 06. Training center
- 07. Cafeteria
- 08. Administrative area
- 09. Concierge/Reception

Digital services for farmers

We believe that the increasing introduction of different technologies in the field is one of the main ways to modernize and make agribusiness more efficient. That's why we're investing more and more in digitizing our operations and the services we offer farmers, in order to strengthen our relationship with our customers.

APP MINHA LAVORO

The **Minha Lavoro App** operates as a hub connecting rural producers with Lavoro companies. Directly from the farm, over 5,000 users are able to access a range of convenient features. The app has a virtual assistant - Lavoro Artificial Intelligence (LIA) - which provides a user-friendly interface, even for those customers less used to handling new technologies.



LIA
Virtual assistant with Artificial Intelligence



Climate



Commodity prices



Agricultural News



Grain trading



Credit information



Digital order signing



Grain storage in silos



Seed Calculator



Delivery requests



Request for RTV technical visit



Supply and negotiation quotations



COMPRE LAVORO

The **Compre Lavoro** marketplace makes it possible to sell products from our resellers and private-labels as well as products from partners 100% online.



[CLICK HERE TO DISCOVER OUR MARKETPLACE.](#)



over 4,000
product searches



over 1,4 mil
new potential customers



over 250,000
visits to the website



PRODUCT SAFETY

GRI 3-3 | 416-1 | 417-1

We follow each country's legislation regarding the development, production, registration, handling, storage, transportation and use of inputs and chemical substances. Likewise, we comply with the standardization of labels and prescriptions, accurately informing the active ingredients or surfactants present in the formulations, as well as the purpose of each product, handling and application, ensuring its conscious use and avoiding contamination of people and the environment. **GRI 3-3 | 417-1**

A specialized regulatory team takes care of all the registration and labelling processes for our in-house products, having carried out over 3,000 studies. Another team guides the issuing of agronomic prescriptions on a daily basis at our 200+ branches, for every input sales operation, strictly complying with the requirements of the regulatory bodies in the countries in which we operate. **GRI 3-3 | 417-1**

In the field, RTVs hold the necessary qualifications and are responsible for advising farmers on correct and effective application, so that the instructions on the package leaflet for each type of agrochemical are followed, as well as the correct recommendations for the purchase and use of nitrogen or organo-mineral fertilizers, and in the selection of cultivars, purchase and treatment of seeds.

In Brazil, the products manufactured by Crop Care and marketed by Lavoro require prior approval by the Ministry of Agriculture, Livestock and Supply (MAPA), Anvisa and Ibama, which in addition to efficacy and purpose, assess any potential negative impact. Perterra's private-label pesticides are classified under the category of least toxicity or unlikely harm to human health, biodiversity and the environment. **GRI 416-1**

In Colombia, management includes an environmental compliance matrix and the manufacture of liquid fertilizers under its own Cenagro brand. **GRI 3-3 | 416-1 | 417-1**

6.

OUR PEOPLE

Lavoro Culture	51
Training and Development.....	58
Occupational Health and Safety	61



LAVORO CULTURE

GRI 3-3 | 401-1 | 401-2

The scale reached by our operations drives us ever more to strengthen the engagement of our employees and the integration with each company that joins Lavoro and Crop Care ecosystem. We strive to ensure that everyone shares purposes and commitments, while always respecting the local context and particularities.

In the last crop year, as a result of our expansion and an increasingly heated market, we had a total of 3,718 employees, an increase of 12% over the previous year. We have worked to solidify the Lavoro culture, spreading our values via senior management, and we have invested in training people, also boosting our learning as a group as we reach new regions.

We value process standardization in all our offices, stores and production units, including legal, regulatory and operational aspects of people management to provide a unique experience.

GPTW survey's result confirms that we are on the right track: we continue to earn the seal that certifies us as an excellent Company to work for.

3,718
employees

in all Lavoro operations

Environment, culture and trust

For us, it's important that all Lavoro Company employees feel engaged and comfortable in their daily work. That's why we strive to create an environment that not only stimulates employees professionally, but also provides a space of respect, well-being and a sense of belonging.

Surveys and communication and feedback initiatives allow us to calibrate everything from basic processes such as compensation and benefits to the promotion of health, corporate education, advancement and succession.

EMBARQUE LAVORO

A new onboarding process was implemented in the last crop year to give new employees arriving at Lavoro, or those who already have a career in the acquired companies, a sense of belonging, creating integration with other teams.

The project has a full cycle comprising the stages of pre-onboarding, onboarding, face-to-face immersion and evaluation, lasting 90 days. During the cycle, new employees take part in live sessions, where they can also introduce themselves to their colleagues and are introduced to online content that covers institutional, legal and specific aspects, through a training trail at Uni Lavoro with 30 different topics.

GPTW SURVEY

Our employees are surveyed annually by the Great Place to Work (GPTW), a global survey that encourages organizations to identify, create and maintain excellent working environments.

Through this process, in the 22/23 crop year we held the third **Lavoro Climate Survey** in Brazil and the first one in Colombia. In total, we had almost 3,000 participations from employees, or around 78% in Brazil and 93% in Colombia. Through the survey, employees expressed their opinions in order to contribute to future actions that will make Lavoro more diverse and a better place to work.

As an overall result, we achieved an average score of 80 points. Apart from the score, feedbacks bring over 10,000 qualitative comments received, which show differing

degrees of confidence in the leadership, feelings about the work environment and the Company's vision, among others. The certification's main focus is to obtain information directly from the field in order to draw up action plans and initiatives for continuous improvement.

A team of climate ambassadors helps prioritize and develop action fronts. Among the main outcomes arising from the survey are the intensification of corporate education programs, a review of benefits packages, diversity and inclusion initiatives, the implementation of systematic employee appreciation mechanisms, the introduction of a clear hybrid work policy and the use of flexible working hours, as well as the implementation of celebration practices.

01. HR

- Forum to answer questions in each region, after the Collective Agreement has been defined
- Lavoro Positions Project
- Creation of the Corporate Education Area
- Continuation of Internal Multipliers
- Campaign to update CVs on the Gupy platform
- Promotion of internal openings on AgroTalk
- Subsidy Policy for External Training: Launch in the 22/23 crop year
- Analysis and ongoing studies to implement and improve benefits
- Compensation statement (fixed + variable) – launch in 2024

02. Direct Management

- Training on feedback and preparation of IDPs for managers and employees
- Definition and monitoring of targets and feedback for eligible employees and the entire leadership
- Formal feedback at least once a year

03. Recognition

- Continuity of action and recognition programs

04. Communication

- Corporate TV (pilot in some stores and offices)
- Monthly HR bulletin, with the main actions in the area

05. Diversity

- Conducting of the 1st Diversity Census applied in conjunction with the GPTW survey, which will be the source of specific actions directed at this issue

GREAT PLACE TO WORK FOR ALL

Employee profile

GRI 2-8 | 401-1 | 405-1

In the last crop year, we had a 12% workforce increase as the businesses inside the Lavoro ecosystem have grown.

Information on employees by regional unit GRI 2-7 | 2-8

	2022/2023
North Cluster (BR)	582
South Cluster (BR)	918
East Cluster (BR)	819
Crop Care (BR)	402
Holding (BR)	255
Colombia	742
TOTAL	3,718



Information on employees* GRI 2-7 | 2-8 | 405-1

	2022/2023		2021/2022**
	BRAZIL	COLOMBIA	BRASIL/COLOMBIA
Men	1,974	462	2,118
Women	1,002	280	1,202
TOTAL	2,976	742	3,320

* All employees are permanent (does not include interns).

** Data was not differentiated between Brazil and Colombia for the 2021/2022 crop year.

WOMEN



MEN



YOUNG APPRENTICES



INTERNS



Employees by job category * GRI 2-7

	MEN		WOMEN		TOTAL
	BRAZIL	COLOMBIA	BRAZIL	COLOMBIA	
Executive Board	8	3	2	1	13
Management	229	14	36	12	292
Sales	768	224	115	109	1,216
Employees	948	220	808	158	2,134
Interns	4	23	7	18	52
Young apprentice	35	0	17	0	52
TOTAL	1,992	484	985	298	3,759

* Executive Board: executive and statutory officers.

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

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

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

New employee hires and employee turnover GRI 401-1

HIRES BY GENDER*	2022/2023	%	2021/2022	%
Men	761	39%	875	26%
Women	376	38%	594	18%
TOTAL HIRES	1,137	38%	1,469	44%
HIRES BY AGE GROUP*				
Under 30	674	55%	727	22%
Between 30 and 50	432	27%	684	21%
Over 50	31	15%	58	2%
TOTAL HIRES	1,137	38%	1,469	44%
HIRES BY REGION				
Brazil	1,137	38%		
Holding	102	40%		
North Cluster	220	38%		
South Cluster	257	28%	N/D	N/D
East Cluster	342	42%		
Crop Care	216	54%		
Colombia	318	43%		
TOTAL HIRES	1,455	39%		
TERMINATIONS BY REGION				
Brazil	996	33%		
Holding	71	27%		
North Cluster	339	58%		
South Cluster	247	27%	N/D	N/D
East Cluster	229	28%		
Crop Care	110	27%		
Colombia	262	35%		
TOTAL TERMINATIONS	1,258	34%		

* The total number of hires by region is higher than the sum of hires by gender and age group, because it takes into account the Crop Care employees, who could not be accounted for in the previous categories.

EQUALITY AND FAIR OPPORTUNITIES

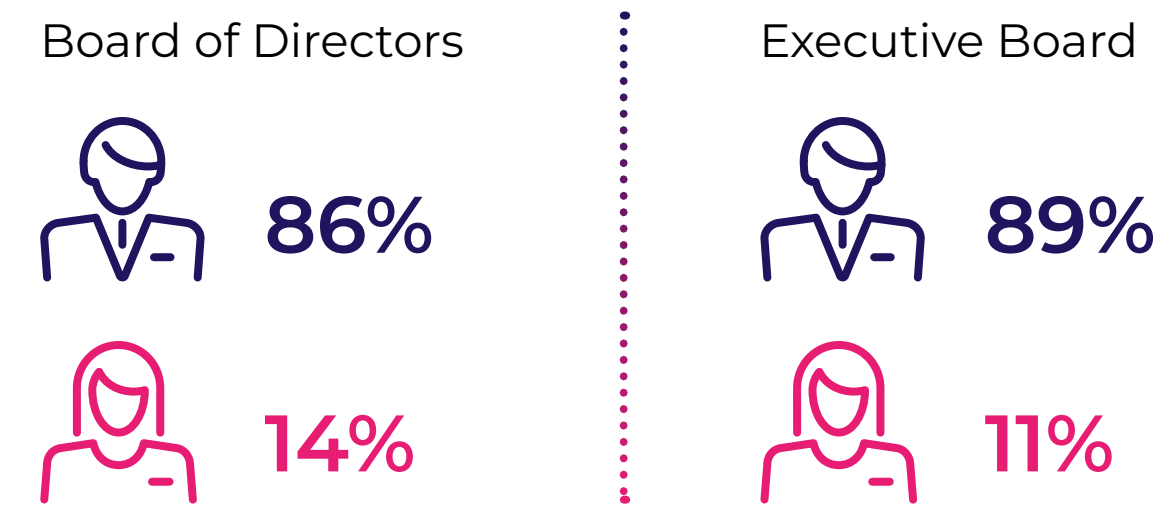
We are committed to promoting an inclusive and respectful working environment for all. Our employees begin to share these and other values when they sign the Code of Conduct and Ethics, and participate in the Integrity Program trainings, which include the topics of harassment prevention, gender and race.

In Colombia, the corporate documents also highlight the importance of including black employees and those of indigenous origin. The local workforce includes refugees or migrants from other countries who have been reintegrated as part of the peace process the country has been experiencing since 2016.

In Brazil, we carried out the first Diversity Census, a survey carried out in conjunction with the GPTW survey, which will allow us to identify all the profiles of our teams and promote greater inclusion in our environment. On the gender agenda, however, there are a series of ongoing actions and targets, focused on focus on promoting equal opportunities, in in line with the strategy guided by the principles principles of the Global Compact.

Considering the total public, 52 men and 64 women took paternity/maternity leave in the crop year. Of these, 98% of men and 92% of women returned to work after leave. Considering a period of 12 months after returning, 63% of men, compared to 40% of women, remained in the organization. **GRI 401-3**

Diversity in governance bodies **GRI 405-1**



Since 2021, Lavoro has been intensifying its efforts to increase the number of women in its workforce, especially in the sales team. For this reason, on average, women are professionals with less time at work, which can be reflected in the pay factor. In Brazil, women's pay is on average 97% of men's, while in Colombia the average is 105%. For next year, the Company is committed to carrying out a more in-depth study to find out which salary differences in certain functions, regions or business units may be unjustifiable, and whether there is a need for correction.

Ratio of basic salary and remuneration of women to men **GRI 405-2**

JOB CATEGORY	Entry-level salary		Compensation ¹	
	BRAZIL	COLOMBIA	BRAZIL	COLOMBIA
Executive Board	91%	N/A ²	89%	N/A ²
Management ³	109%	86%	98%	95%
Sales ⁴	74%	88%	80%	90%
Employees ⁵	95%	145%	90%	136%
Interns ⁶	113%	101%	123%	101%
Young apprentice	100%	N/D	100%	N/D

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

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

³ Management: managers of administrative, functional and technical areas, commercial managers, DM managers and General Business Managers (GGNs).

⁴ Sales: RTVs, CTVs, supervisors, coordinators and commercial assistants.

⁵ Employees: other staff, such as supervisors, coordinators, analysts and assistants.

⁶ Interns in any department or category.

TEAM DIVERSITY

34.5%

women, 6.5% above the sector average

DIVERSITY GOALS

- Promoting leaders' engagement in diversity
- Reach the mark of **at least 30% women** on the Board of Directors by 2025
- Reach the mark of **at least 30% of women** in leadership positions by 2025 (directors and managers)
- **Reduce to zero the unjustifiable wage gap** between men and women by 2025



Compensation and Benefits

GRI 2-20 | 401-2

Lavoro employees' pay is defined by the similarity of positions among people, since we work with the incorporation of different companies, with different sizes and management models.

In the last crop year, we consolidated all the job descriptions and pay scales and created career development tracks for employees in the business units, regardless of their company of origin. With this project, we were able to set up a new compensation and recognition policy and objective criteria for promotion and succession. The study was completed in the 22/23 crop year and the action plans are already being implemented in the 23/24 crop year.

Apart from the project, market surveys are carried out every year to gauge not only the compensation but also the benefits offered to the employees of the companies that make up the Lavoro Company. The base salary can vary according to the region in which the companies are located, and inherent issues such as tenure, level of education and experience in the job.

Similarly, in Colombia, a comprehensive market study is carried out every two

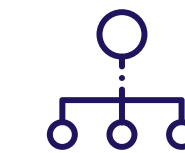
years with a specialist human resources consultancy. This provides the basis for updating salary ranges in line with best practices in the local market.

The benefits package granted to employees reflects the reality of each company linked to the Lavoro and Crop Care holdings. Thus, the Brazilian and Colombian operations may offer different benefits. **GRI 401-2**

BENEFIT PACKAGES MAY INCLUDE:



Health and dental plans



Profit Sharing Program



Partnerships with local gyms



Pharmacy Partnership



Payroll loans



Life Insurance



Engaging internal employees

In order to stay close to our employees and bolster the Lavoro Culture, we maintain a range of internal communication and engagement initiatives:

- **Canal Direto:** online meeting held every quarter by the CEO and the executive officers to present results, the strategy, and actions being taken in the period. Besides the presentation, it is an open space where employees can ask questions and express themselves in a transparent fashion.
- **Agrotalk:** the main communication channel, via an app, with communications sent by email and a daily newsletter on the most important topics. In the app, employees also have video streaming, a library, discussion forums, access to the HR Portal and the Transparency Channel.
- **Management Committee:** a meeting of directors from all regions with the aim of updating members on the companies' strategy. Held quarterly, it provides communication between the different directors and the Lavoro group's strategy, ensuring integration and the exchange of experiences.
- **HR Bulletin:** monthly newsletter consolidating information on the people management universe, including promotions that took place during the period.
- **Lidera-RH:** it is a space for sharing about Lavoro's leadership challenges. Lidera RH is a meeting attended by the vice-president of HR and all the other leaders in the organization. It provides a channel for transparency and the exchange of experiences, so that leaders feel involved in the construction of human resources policies and decisions.

TRAINING AND DEVELOPMENT

GRI 404-1

Faced with a booming market and the need for highly qualified workers, it is essential for Lavoro to invest in continuous training and employee development initiatives. Accordingly, the strategy and investments in corporate education were intensified in the last crop year, as part of a strategy to retain and value talent.

In addition to the compulsory and additional training required to carry out different roles, the range of training offered has expanded significantly. We also revamped UniLavoro, our Corporate University, which includes online content for all employees. Launching the Sales Academy in Brazil was a highlight of this process (more on [page 22](#)).

A significant increase in mandatory and non-mandatory training has thus been recorded, increasing the average hour of training per employee fivefold. In total, 108,693 hours of training were offered to 3,759 employees. The training covered all of the Company's positions, with highlights for the commercial and management areas. **GRI 404-1**

In the last crop year, we increased training hours fivefold, reaching 29 hours per employee.

Average hours of training per year per employee* GRI 404-1

	2022/2023	2021/2022
Mandatory training hours**	50,628	13,105
Non-mandatory training hours	58,065	6,180
TOTAL TRAINING HOURS	108,693	19,285
Average training per employee	28.92	5.8

* The data refer to Lavoro Brazil and Lavoro Colombia.

** The mandatory training courses are mostly on safety, health, mandatory training for the job and compliance.



MAIN TRAINING PROGRAMS

GRI 404-2

Lavoro management program – Fundamentals (PGL) – aims to boost the development of management skills for administrative and commercial leaders, as well as offering learning to prepare potential leaders. Over the past year, the PGL has offered more than ten classes, covering topics such as Intrapreneurship, Purpose and Leadership, Project Management, Unconscious Biases, Strategy and Management, Assertive Commissioning and Feedback for leaders, among others.

Lavoro multipliers – A group of employees specially trained to pass on knowledge and best practices to colleagues in other areas, on demand, thus contributing to their training. We currently have over 30 multipliers ready to share knowledge about internal processes and systems, Excel, Power BI, SAP, change management, project management tools, among others.

Eduka Lavoro – For employees at all levels, is aimed at democratizing soft skills training in order to support, develop and strengthen the core abilities of high-performance teams. Training includes topics such as Personal Marketing, Emotional Intelligence and Agile Methodologies.

Sales Academy – Aimed at Lavoro's commercial area, it was implemented in 2022 for all team members, with one track for leadership and another focused on sales excellence. Very dynamic, with live and recorded classes, exercises and cases, the course includes topics such as portfolio analysis, territory management, negotiation, sales planning and financial.



The six companies located in Colombia maintained a high level of training, which is traditional in the operations of this business unit. A total of 44 different training courses were held, both online and in person:

- Internal Controls
- Healthy breaks
- Negotiation
- Collaborative work
- Innovation in people management
- Assertive communication
- SAGRILAF – compliance and anticorruption

Cresce Program

The Cresce program offers new employees an institutional immersion and basic training for their respective positions. It is offered through UniLavoro, covering knowledge such as:

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






Performance management

GRI 404-3

In the performance management system shared by all Lavoro and Cropcare companies, employees and their managers can assess their skills, give and receive feedback, to understand their potential and achieve their results. Based on this assessment, employees and their managers draw up their Individual Development Plan ("PDI"), identifying behaviors and skills to be developed.

In Colombia, 100% of employees undergo a performance evaluation, which is carried out by the manager and validated by a committee made up of the immediate manager, their peers and a representative from the HR department. In Brazil, the evaluation system is similar, and employees in the position of coordinator or above are eligible, as well as the entire sales team.

100% of the leadership and sales team received performance and career development reviews in the last crop year. GRI 404-3

SKILLS ASSESSMENT		
Lavoro		Commercial area
Focus on results		Focus on results
People development		Focus on the customer
Business owner attitude		Innovation
Leads by example		Relationship and influence
Pursuit for excellence		Pursuit for excellence



Essa é a nossa natureza!





PARABÉNS AOS VENCEDORES CAMISA 10 LAVORO



CAMISA 10 NACIONAL BOLA DE OURO LAVORO:
FRANCIELLE PASSOS CORREIA
COORDENADORA DE CUSTOMER SERVICE LAVORO CUIABÁ

CAMISA 10 - EMPLOYEE RECOGNITION CAMPAIGN

Last year, we held an employee recognition campaign - Camisa 10 - putting the Company's values into practice. It was a time **to recognize the employees** who most represent the group's principles, not only reinforcing and spreading the culture, but also their performance and sense of belonging.



OCCUPATIONAL HEALTH AND SAFETY

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

Our Occupational Health, Safety and Environment (HSE) Policy lays down the responsibilities, processes, standards, procedures and deadlines to be followed in the occupational health and safety pillars. The topic is managed and monitored through the management system, which involves health, safety at work and the environment, as well as people management, allowing all safety management, training and accident reports to be analyzed in a more comprehensive and efficient manner. **GRI 3-3 | 403-1**

Currently, the main impacts are related to the application of inputs on uneven terrain, specific to service operations in Colombia, and traffic incidents, since around a thousand vehicles are daily driven by employees, especially in Brazilian commercial activities. **GRI 3-3**

100% of Lavoro Company employees are covered by the occupational health and safety management system. GRI 403-8

In Brazil, the processes are guided by the Regulatory Norms (NR), which provide complementary guidelines for Occupational Safety and Medicine, addressing the risks to which employees are exposed due to the nature of their activities, such as the wholesale trade of chemical pesticides, fertilizers and the like. In Colombia, Health and Safety Management at work follows the guidelines of local legislation, which establishes minimum standards of compliance, as well as annual checks and audits. **GRI 403-1**

To ensure governance and transparency, the theme is regularly reported to leadership and senior management through formally set up committees.

GRI 3-3 | 403-1 | 403-4 | 403-7

RISK MAPPING AND PREVENTION

In a preventive approach, Lavoro promotes health sessions, training and environmental measurements to ensure that workers are in safe places and healthy environments to carry out their activities. We often carry out mapping to identify non-compliance or health and safety risks in the operation. Once identified, risks go through a process of measurement, classification and handling according to their potential to cause damage to health, safety, the environment and property. **GRI 403-2 | 403-3**

Furthermore, Lavoro technicians pay regular visits to stores and units to keep a close eye on issues related to safety at work, whether operational or administrative. These visits make it possible to identify possible areas for improvement and implement preventive measures to ensure a safe environment for all employees. **GRI 3-3 | 403-2 | 403-7**

The two most significant risks in the processes carried out by companies in the Lavoro and Cropcare ecosystems are Chemical and Biomechanical risks. That's why all employees in Brazil and Colombia, from the beginning to the end of their working lives, are monitored by Occupational Health Monitoring, which monitors and takes care of everyone's

occupational health, taking into account the risks to which each person is exposed.

GRI 3-3 | 403-3 | 403-7.

Due to the peculiarities of the activities carried out locally, in Colombia we have the Hazard Identification, Risk Assessment and Control Matrix GTC 45 (Colombian Technical Guide 45) in all our branches. Appropriate safety instructions are shared with the teams that provide services on customers' farms. Specialized professionals inspect the safety and maintenance status of fertilizer and pesticide application equipment and the personal protective equipment (PPE) worn by workers. In the last cycle, in order to reduce the risk of accidents at work, the fumigation pumps were replaced by electric models, which do not require the use of an air compressor. **GRI 403-2**

In Brazil, store or factory employees engaged in activities classified as operational risk use PPE and are trained in its use, safekeeping and conservation. Failure to use PPE is considered a serious breach of the Company's Code of Conduct and Ethics. **GRI 403-7**

All employees have the right, under current legislation in Brazil and Colombia, to refuse

to carry out work when they find themselves exposed to a risk until the situation is corrected. All employees are encouraged to report any concerns and/or violations of Occupational Health and Safety rules in order to create and maintain a safe environment and prevent accidents.

The accident reporting and investigation process follows standardized steps to

investigate accidents, near misses and work incidents, as well as analyzing unsafe conditions and identifying the cause of these events, in order to draw lessons learned and prevent similar situations from occurring in the future. **GRI 403-2**

The goal is to achieve zero serious accidents by 2025.

Work-related injuries **GRI 403-9**

	2022/2023	INDEX*	2021/2022	INDEX
Number of fatalities as a result of work-related injury	3	0.002%	3	0.002%
Number of high-consequence work-related injuries (excluding fatalities)	17	0.009%	29	0.015%
Number of recordable work-related injuries**	161	0.081%	38	0.019%
Total accidents with the main types of accidents at work***	141	0.071%	N/D	N/D
Total hours worked	8,385,123.00		N/D	

* The index is calculated on the basis of 200,000.

** The increase in the overall number of accidents is due to the increase in the number of companies incorporated and the better data recording in Brazil through a new computerized system, as well as greater awareness among workers of the need to reporting incidents.

*** In Brazil, the main types of occupational accidents are traffic accidents or those involving commercial workers. In Colombia, accidents are mainly caused by pesticide applicators falling on unstable ground in rural areas.

SAFE DRIVING PROGRAM

In 2022, the Safe Driving Program was implemented, with the aim of establishing a culture capable of protect the lives of all employees who use cars in their work routine, such as Sales Representatives. Its focus is to achieve a concrete change in behavior, with operations in Brazil.

The program is structured as a complete cycle that includes:

- Corporate policy outlining the standards and behaviors expected for driving vehicles, and the rights and responsibilities of the Company and drivers;
- Mandatory Safe Driving Trail training, carried out via UniLavoro, as part of the Sales Academy, and in the onboarding of new employees - daily or occasional drivers;

- Lectures with specialists;
- Annual preventive retraining, or in the event of traffic or accidents, or in the event of poor performance in driving standards.;
- Telemetry in vehicles that allows location, speed tracking, identification of unsafe driving patterns, such as speeding, sudden braking, fuel consumption, distances traveled;
- Preventive maintenance schedule;
- Occurrence of accidents, infractions, fines;
- Quarterly evaluation of driver performance and recognition of the best drivers during the period.



HEALTH AND SAFETY COMMUNICATION AND TRAINING

Risk prevention and mitigation guidelines are communicated transparently during Health, Safety and Environment Integration and shared frequently with employees through weekly Safety Dialogues and the HSE Committee. In Brazil, there are internal accident prevention committees (CIPAs) and, in Colombia, meetings of the Joint Commission for Safety and Health at Work. In addition, themes relating to safety, health and the environment are part of the internal communication agenda.

GRI 403-4 | 403-7

The mandatory HSE training includes training in Safe Driving, CIPA Training,

Brigade Training, Use, Safekeeping and Conservation of PPE, Handling and Operation of Dangerous Products, Working at Heights, Confined Space, among others. All employees who work in the storage, transportation, marketing and application of pesticides are given mandatory training for licensing or additional training on safety when handling hazardous substances. This training includes demonstrations on the use, application, transportation and storage of chemicals and procedures in the event of accidents, leaks due to ruptured packaging or accidental spillage.

GRI 403-5 | 404-2



7.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Community Relations 65
Environmental Performance 67



COMMUNITY RELATIONS

We firmly believe that our operations in a region have a direct impact on farmers, local communities, and the environment, influencing livelihoods and contributing to the sustainable development of the community. Our responsibility also lies in preventing the negative impacts that our activities may cause, so we keep a close eye on our environmental and operational licenses, insure our cargo against potential environmental damage, and carry out preventive maintenance of facilities and vehicles.

With regard to respect for human rights and the rights of traditional communities, we ensure that the financing of operations by our customers, rural producers, does not take place in non-conforming or protected areas, thus avoiding economic exploitation in fully protected areas and indigenous or quilombola territories. We have also set up means of systematically verifying confirmed or potential incidents of child labor or labor analogous to slavery, whether involving suppliers or customers (see more on [page 39](#)).

Another way of putting our corporate responsibility into practice is by supporting social actions taking place in the territory. Throughout the 22-23 cycle, we repeated our traditional annual food collection drive, and allocated funds to nine social institutions and projects, through tax waivers under the culture and sports incentive laws and funds for children and adolescents and the elderly.

BRL 1.37 million

in resources allocated

10 initiatives

16,000 people benefitted

24 cities served in **8 states**





PLANTE AMOR, COLHA ESPERANÇA

Through the Plante Amor, Colha Esperança (Plant Love, Harvest Hope) initiative, Lavoro collects and donates food in the various Brazilian cities where its branches are located as well as with its suppliers.

This campaign's third edition, which ended in January 2023, achieved a record collection in excess of **70 tons of food**, 8% more than the volume achieved in 2021. Moreover, employees, customers and partners were able to make contributions via PIX.

In distributing donations, 65% were earmarked for the national campaign Natal Sem Fome (Christmas With no Hunger), led by the NGO Ação da Cidadania (Citizenship Action), one of the largest civil society solidarity mobilizations in the country, which distributes food throughout Brazil, not just at Christmas, but throughout the year. Lavoro contributed 3,800 staple food baskets, helping more than 15,000 people in 15 municipalities in three states, Minas Gerais, Tocantins and Rondônia, including two isolated indigenous communities. The other 35% of the donations were distributed to 100 institutions selected by the employees, covering several states - Tocantins, Rondônia, Minas Gerais, Mato Grosso, Mato Grosso do Sul, Goiás, São Paulo, Paraná, Santa Catarina and Rio Grande do Sul.

SUPPORTING SOCIAL PROJECTS

In compliance with the Sustainability and ESG Policy, funds from tax waivers and donations were donated to social projects in the last crop year by the companies linked to Crop Care - Agrobiológica, Union Agro and Perterra. The allocation of part of the taxes complies with a strategy based on defined pillars:

- Productive inclusion of young people through culture, sport and training activities
- Support for socially vulnerable children and the elderly

The amount available was allocated to nine initiatives, including projects in the fields of education, culture, health, youth entrepreneurship and the inclusion of the elderly and people with disabilities. Sponsorships are also intended to strengthen the social organizations benefiting and to promote food security for those assisted.



ENVIRONMENTAL PERFORMANCE

GRI 2-25 | 3-3 | 303-3 | 307-1

The strict compliance with environmental legislation is our priority. During the process of acquiring new companies, we carry out studies of their environmental practices and impacts, through documentary and field analysis, in order to identify possible risks or liabilities. **GRI 307-1**

After the acquisition, we keep track of environmental data, especially those related to greenhouse gas emissions, water, energy and fuel consumption and the proper disposal of waste. We also train companies to embrace a conscious consumption culture, supporting them in implementing initiatives to avoid wasting resources. **GRI 2-25**

Water withdrawal* GRI 303-3 | 303-4

WATER WITHDRAWAL PER SOURCE (IN MEGALITERS)	2022/2023	2021/2022
Water withdrawn from third parties (supply service by public or private providers)	51.22	49.68
Groundwater (artesian well)	2.23	2.31
Total water withdrawn	53.45	51.99
Effluent volume	3.39	N/D

* The figures refer to operations in Brazil and Colombia.

Energy consumption within the organization (in GJ) GRI 302-1

	2022/2023	2021/2022
Total fuel consumption from non-renewable sources*	82,156.99	103,001.83
Total fuel consumption from renewable sources**	3,867.57	10,479.49
Total power consumption***	23,717.55	15,876.35
TOTAL	109,742.11	129,357.67

* Fuels from non-renewable sources: gasoline (regular and with additives), LPG, and diesel (S-10, regular and ADT).

** Fuels from renewable sources: ethanol (regular and with additives) and biodiesel.

*** Electricity supplied by concessionaires, public supply service providers.

Waste management and reverse logistics for packaging

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

In the agricultural inputs market, our primary focus revolves around the proper handling of packaging and chemical products. At Lavoro, it's no different. Complying with local legislation is crucial, as improper disposal can result in environmental contamination and adverse effects on public health.

In Brazil, we follow the guidelines of Brazil's National Solid Waste Policy, established by Law No. 2.305/10, and Federal Law No. 9.974/00, which lays down principles for the management and environmentally correct disposal of empty crop protection packaging based on shared responsibility in the value chain. In order to comply with this requirement, the Lavoro companies are members of local packaging collection organizations throughout Brazil.

As for Crop Care products, the companies Perterra, Agrobiológica and Union Agro are members of the National Institute for Processing Empty Packaging (inpEV), a non-profit organization maintained by pesticide manufacturers with the aim of promoting the correct disposal of post-consumer packaging for their products.

In Colombia, reverse logistics is coordinated by the *Plan de Gestión de Devolución de Productos Post-consumo*, in force since 2005. The process is carried out by a specialized company responsible for collecting, transporting, treating and finally disposing of the material, reinserting it into the production system through recycling or reincorporation as a raw material.

Waste generation (in tons)* GRI 306-3 | 306-4 | 306-5

Destination	2022/2023		2021/2022	
	Non-hazardous	Hazardous**	Non-hazardous	Hazardous**
Landfill	1,887.82	0.00	N/A	0.00
Reuse***	121,11	0,00	213,86	0,00
Recycling****	492,91	0,00	78,51	0,00
Incineration	0,00	9,82	0,00	14,81
TOTAL	2,501.83	9,82	297,37	14,81

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

** Hazardous waste refers to small volumes of chemicals isolated in sawdust from any accidental breakage of pesticide packaging. The collection is performed by an expert company and registered in destination certificates.

*** Reuse consists of pallet wood recovered within Lavoro's operations.

**** Recycling consists of paper, cardboard, and plastic from uncontaminated secondary packaging, recovered within Lavoro and destined for reuse.



Materials used, broken down by weight or volume* GRI 301-1

NON-RENEWABLE MATERIALS

	Type	Quantity	Source
Agrobiológica	Fita Pet Verde	6.16 tons	100% domestic
	Film Stretch	11.22 tons	100% domestic
	Plastic jerry cans 5L, 25L, 20L, 1L	-	100% domestic
Union Agro	Sulphur	12,070 tons	External
	Mineral Oil	1,148 m ³	External
	Urea	5,273 tons	External
	Manganese	2,286 tons	External
	Natural Borates	4,615 tons	External
	Magnesium sulphate heptahydrate	11,056.25 tons	External
Cenagro**	Phosphalt rock 28%	19,700 tons	External
	Monoammonium phosphate	7,416 tons	External
	Dolomite	12,250 tons	External
	Soluble potassium chloride	8,950 tons	External
Agse**	Nitrax K 21-0-3	676.95 m ³	External
	Potassium chloride	313.57 m ³	External
	Bonker	218,000.42 cm ³	External
	Granulated urea	3,078.7 tons	External
	Nitrax UAN K 32-0-3	54.37 m ³	External

* Data reported for the industries that make up the Lavoro Company, private-label producers.

** The data are the top five most consumed in the period.

Materials used, broken down by weight or volume GRI 301-1

RENEWABLE MATERIALS

	Type	Quantity	Source
Agrobiológica	Cristal Organic Sugar	120 tons	100% domestic
	Cardboard boxes	36.53 tons	100% domestic
Union Agro	Cardboard boxes	46 tons	External
	Pallet	880 tons	External
Cenagro	Cardboard boxes	5.42 tons	External



Emissions management

GRI 3-3 | 305-1 | 305-2 | 305-4

At Lavoro, we recognize the pressing reality of climate change's impact on agriculture. Understanding the necessity for swift and global action, It´s our duty to advocate for change in our sector, considering our operational regions.

In this respect, we offer products with a lower environmental impact (more on page 46) and we seek to engage our stakeholders – such as customers and suppliers – in a range of measures to increase the sustainability of agriculture (page 40), such as tackling illegal deforestation.

Looking at our own operation's impacts, since 2020 we have been measuring our CO₂ emissions through the Greenhouse Gas (GHG)

emissions inventory, following the guidelines of the Brazilian GHG Protocol Program and the IPCC Guidelines for GHG Inventories.

In the 22-23 cycle, we reviewed all scope 1 and 2 emission sources, including those that had not yet been accounted for, with the aim of identifying opportunities for reduction and better management of energy and fuel use in operations in a more assertive manner. We also expanded the inventory coverage by 45%, including new companies that are part of Lavoro and Cropcare and all operations in Colombia. This inventory covers emissions from the activities of 29 companies, 23 of which are located in Brazil and six in Colombia. This explains the variation in measurement between one report and another.

Direct and indirect Greenhouse Gas (GHG) emissions in tCO₂eq* GRI 305-1 | 305-2

	2022**	2021
Scope 1	9,438.3	2,593.38
Mobile combustion ¹	8,815.28	2,556.01
Fugitive emissions ²	75.81	21.03
Liquid effluents ³	-	16.34
Stationary combustion ⁴	547.16	
Scope 2	241.39	304.14
Purchase of electric power	241.39	304.14
TOTAL EMISSIONS (tCO₂eq) SCOPES 1 AND 2	9,679.64	2,897.52

* Companies considered in the 2022 inventory distributed by cluster - East Cluster: Agrovenci, AGrozap, Cultivar, Integra, Prodeutec, Produttiva, Qualicitrus/Qualiciclo; North Cluster: Agrocontato; Agrovenci; América Insumos, Central Agrícola, Lavoro Agrocomercial; Soutg Cluster: Denorpi, Deragro, Desempar, Pitangueiras, Futuragro, Plenafertil, Realce; Crop Care: Agrobiológica and Perterra/Holding; Colombia: Agrac, Agointegral, AgSe Group, Cenagraal, Servigral.

** The emissions inventory, as required by the methodology, follows the calendar year (January to December), and not the crop year (July to June of the following year).

¹ Mobile combustion: emissions related to the burning of fuel in light and heavy vehicles, forklift trucks, and the company's own equipment used to move people or cargo.

² Fugitive emissions: refer to those that occur due to unintentional equipment gas leaks. The sources identified were CO₂ fire extinguishers and refills in air conditioners.

³ Liquid effluents: resulting from the anaerobic treatment of liquid effluents with the release of gases such as methane into the atmosphere. Scope 1: CO₂, CH₄, N₂O and HFCs. Scope 2: CO₂.

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

By drawing up an emissions inventory, Lavoro strives to fulfill its commitments to sustainable development, ensuring better transparency and control over environmental performance while also ensuring greater efficiency and reducing the impact produced by its activities.

Lavoro group's main sources of emissions (~97%) are from the use of fuel in the fleet of light vehicles controlled by the Company and the consumption of electricity at the units. Vehicle emissions are a typical occurrence in the input distribution sector, as our professionals make regular visits to different farms and production regions, including Colombia. There are more than a thousand cars traveling millions of kilometers.

To mitigate this impact, we work on developing scheduled routes, which cover the same properties in a shorter distance. The focus in the 23/24 crop year will be on educating the team about fueling flex-fuel vehicles with ethanol, a renewable fuel source, including a pilot project under development for fueling exclusively with this source.

When it comes to managing the use of electricity, we buy on the free market, opting for supply from 100% renewable sources in units where the intensity and volume of energy allows.

One of the corporate ESG targets set in the last crop year is to carry out a feasibility study every year to change the energy matrix of the units, as has already been done in Minas Gerais. For the 23/24 crop year, the change is scheduled for two of the six grain silos.

BIOGENIC CO₂ EMISSIONS

Biogenic CO₂ emissions are accounted for separately because they are part of the natural carbon cycle. They account for the GHG emitted by burning biofuels, such as ethanol, which had been removed from the atmosphere by photosynthesis, so they have no additional negative impact on the concentration of CO₂ in the atmosphere.

Biogenic CO₂ emissions (tons)* GRI 305-1

EMITTING SOURCE	2022	2021
Vehicles – ethanol	518.02	760.04
Vehicles – gasoline	1,668.76	309.09
Vehicles - diesel	171.92	126.62
Vehicles- biodiesel	0.82	-
Stationary combustion - firewood	6,457.05	-
TOTAL	8,816.57	1,195.75

* Biogenic CO₂ emissions data refers to mobile and stationary combustion. In 2021, it was not possible to account for stationary combustion, which explains the difference in the comparison between one year and another.



8.

ABOUT THE REPORT





ABOUT THE REPORT

GRI 2-2 | 2-3 | 2-4 | 2-5

This is the third Sustainability Report published by the Lavoro Company, covering the holding companies Lavoro Agro Holding S.A and Crop Care Holding S.A. The report is published annually and includes information on operations in Brazil and Colombia. **GRI 2-3**

It provides information on the organization's environmental, social, economic and governance performance for the period between July 1, 2022, and June 30, 2023, which is the 2022/2023 crop year. **GRI 2-3**

Operating results and the disclosure of financial information may therefore fluctuate in relation to the calendar year.

In order to report transparently and objectively, the main results related to the themes considered material by the Company, this report has been prepared in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative - GRI Standards: Core option.

The content is based on interviews with Lavoro managers and professionals and on data compiled by their teams, with the support of a specialized consultancy. Furthermore, the report is approved by Lavoro's Board of Directors and senior executives. **GRI 2-14**

GLOBAL REPORTING INITIATIVE (GRI)



In the chapters and sub-chapters, the indicators are identified with the symbol "GRI XXX-X". You may also find the full list on [page 75](#).



FIND OUT MORE AT:
[GLOBALREPORTING.COM/](https://www.globalreporting.com/)

9 ATTACHMENTS

GRI Content Index	75
Credits	81



GRI CONTENT INDEX

Universal Standards		Reference (page) / Direct answer
General Disclosures		
THE ORGANIZATION AND ITS REPORTING PRACTICES		
2-1	Organizational details	Lavoro Limited - Sociedade Anônima, a Brazilian publicly traded company in the United States Headquarters location: Av. Dr. Cardoso de Melo, 1450, 401, 4º andar - São Paulo - SP, Brazil, 04548-005, +55 (11) 4280-0709 It has operations in Brazil, Colombia and Uruguay.
2-2	Entities included in the organization's sustainability reporting	Page 73
2-3	Reporting period, frequency and contact point	July 1, 2022 to June 30, 2023.
2-4	Restatements of information	Change in the company's legal status occurred when Lavoro went public through a Spak operation in march 2023. Acquisition of seven new companies through M&A processes, linked to the Lavoro and Crop Care holdings.
2-5	External assurance	The Sustainability Report is not externally verified.
ACTIVITIES AND WORKERS		
2-6	Activities, value chain and other business relationships	Pages 9, 17 and 23.
2-7	Employees	Pages 53 and 54.
2-8	Workers who are not employees	Brazil: Union Agro: five people, including cleaning and security; Agrobiológica: 11 people, including cleaning, gardening and concierge Agrobiológica (Leme): five people, including concierge and cafeteria Technical Field Consultant: 25 people. Colombia: 27 people, including cleaning, security and maintenance services.
2-9	Governance structure and composition	Pages 25, 26, 27, 28 and 29.
2-10	Nomination and selection of the highest governance body	Page 27
2-11	Chair of the highest governance body	Page 29
2-12	Role of the highest governance body in overseeing the management of impacts	Pages 27, 30 and 38.

Universal Standards		Reference (page) / Direct answer
2-13	Delegation of responsibility for managing impacts	Pages 27 and 29.
2-14	Role of the highest governance body in sustainability reporting	Page 73
2-15	Conflicts of interest	Page 33
2-16	Communication of critical concerns	Page 28
2-17	Collective knowledge of the highest governance body	During the reporting period, the Board of Directors was informed of updates to the ESG risk strategy and mappings according to demand, with no specific periodicity. Risks and opportunities regarding Lavoro's ESG performance were addressed. The themes covered the communication of the sustainability strategy agreed by the board, the risks of socio-environmental violations, details of the Traceability Program, the impacts of the European Green Deal on the sector in which Lavoro operates, potential opportunities in the biological and carbon credit markets.
2-18	Evaluation of the performance of the highest governance body	Page 29
2-19	Remuneration policies	Page 29
2-20	Process to determine remuneration	Pages 29 and 56.
2-21	Annual total compensation ratio	In Brazil, where the Company's CEO is located, the ratio is 19.73.
STRATEGY, POLICIES AND PRACTICES		
2-22	Statement on sustainable development strategy	Pages 4 and 6.
2-23	Policy commitments	Page 31
2-24	Embedding policy commitments	Page 32
2-25	Processes to remediate negative impacts	Page 67
2-26	Mechanisms for seeking advice and raising concerns	Page 32
2-27	Compliance with laws and regulations	Pages 39 and 40.
2-28	Membership associations	Pages 11 and 36. In Colombia, there is no association participation.
2-29	<i>Approach to stakeholder engagement</i>	Page 37
2-30	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements.

Universal Standards		Reference (page) / Direct answer
3-1	Process to determine material topics	Page 37
3-2	List of material topics	Page 37
3-3	Management of material topics	Pages 19, 23, 43, 49, 51, 61, 62 and 70.

Specific Standards		
Economic Disclosures		
ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Pages 19 and 20.
201-4	Financial assistance received from government	Page 20
PROCUREMENT PRACTICES		
204-1	Proportion of spending on local suppliers	Page 23
ANTI-CORRUPTION		
205-1	Total number and percentage of operations assessed for risks related to corruption and significant risks related to corruption identified	Page 33
205-2	Communication and training about anti-corruption policies and procedures	Pages 32 and 33.
205-3	Confirmed incidents of corruption and actions taken	There were no confirmed cases of corruption during the reporting period.
TAX		
207-1	Provide a description of the approach to tax	Page 20
MATERIALS		
301-1	Materials used by weight or volume	Page 69

Specific Standards

Environmental Disclosures

ENERGY

302-1	Energy consumption within the organization	Page 67
-------	--	---------

WATER AND EFFLUENTS

303-3	Total water withdrawal by withdrawal source, including in areas with water stress	Page 67
-------	---	---------

303-4	Breakdown of total water discharge by types of destination, including in areas with water stress	Page 67
-------	--	---------

EMISSIONS

305-1	Direct (Scope 1) GHG emissions	Pages 70 e 71.
-------	--------------------------------	----------------

305-2	Energy indirect (Scope 2) GHG emissions	Page 70
-------	---	---------

305-4	GHG emissions intensity	
-------	-------------------------	--

WASTE

306-3	Total weight of waste generated in metric tons	Page 68
-------	--	---------

306-4	Total weight of waste diverted from disposal in metric tons	Page 68
-------	---	---------

306-5	Total weight of waste directed to disposal in metric tons	Page 68
-------	---	---------

Social Disclosures

EMPLOYMENT

401-1	Total number and rate of new employee hires and rate of employee turnover, by age group, gender and region	Pages 51, 53 and 54.
-------	--	----------------------

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 51 and 56.
-------	--	------------------

401-3	Return to work and retention rates of employees that took parental leave, by gender	Page 55
-------	---	---------

Specific Standards

OCCUPATIONAL HEALTH AND SAFETY

403-1	Occupational health and safety management system	Page 61
403-2	Hazard identification, risk assessment, and incident investigation	Pages 61 and 62.
403-3	Occupational health services	Pages 61 and 62.
403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 61 and 63.
403-5	Worker training on occupational health and safety	Pages 61 and 63.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 61, 62 and 63.
403-8	Workers covered by an occupational health and safety management system	Page 61
403-9	Work-related injuries	Pages 61 and 62.

TRAINING AND EDUCATION

404-1	Average hours of training per year per employee, by gender and employee category	Page 58
404-2	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	Pages 59 and 63.
404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Page 60

DIVERSITY AND EQUAL OPPORTUNITY

405-1	Diversity of governance bodies and employees with percentage of individuals by gender, age group, minority or vulnerable groups and other indicators of diversity	Pages 53 and 55.
405-2	Ratio of basic salary and remuneration of women to men	Page 55

NON-DISCRIMINATION

406-1	Incidents of discrimination and corrective actions taken	During the period, no incidents of discrimination of any kind were reported through the whistleblowing channels.
-------	--	--

Specific Standards

CHILD LABOR

408-1	Operations and suppliers at significant risk for incidents of child labor	Pages 39 and 40.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 39

PUBLIC POLICY

415-1	Total monetary value of financial and in-kind political contributions made by the organization by country and recipient/beneficiary	Page 33
-------	---	---------

CUSTOMER HEALTH AND SAFETY

416-1	Assessment of customer health and safety impacts of product and service categories	Page 49
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In the 22/23 cycle, the Lavoro companies did not register any cases of non-compliance in health and safety caused by their products and services.

MARKETING AND LABELING

417-1	Requirements for product and service information and labeling	Page 49
-------	---	---------

CUSTOMER PRIVACY

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There was no evidence of complaints concerning breaches of privacy and loss of customer data.
-------	--	---

CREDITS

REPORT COORDINATION

Lavoro Company
Corporate Sustainability and ESG Management
Investor Relations

CONSULTING, EDITORIAL DESIGN, WRITING AND TRANSLATION

[RICCA Sustentabilidade](#)

GRAPHIC DESIGN AND LAYOUT

[RICCA Sustentabilidade](#)

QUESTIONS AND COMMENTS ABOUT THIS REPORT

Corporate Sustainability and ESG Management
monique.cardoso@lavoroagro.com

LAVORO AGRO S.A.

Dr. Cardoso de Melo Avenue, 1450, 5th floor, office 501
Vila Olimpia – Sao Paulo (SP)
CEP: 04548-005

