



AGRO GALAXY

2020
SUSTAINABILITY
REPORT

Message from the President

GRI 102-14

We believe that agribusiness – a sector that currently represents 21% of the Brazilian Gross Domestic Product (GDP) – should develop in an integrated manner with environmental, social and governance (ESG) issues. The origin of AgroGalaxy's is in line with this purpose: assuming our role in the responsibility for the use of natural resources, the development of the regions where we operate and the construction of governance geared towards sustainability.

For this end, we rely on some actions, such as: continuous technical assistance to rural producers so that they can produce more using less resources (soil, water, land, inputs); credit solutions limited to producers with legalized lands that are not linked to deforestation (satellite monitoring is one of the tools for this analysis) or our contribution to agriculture that emits less greenhouse gases (GHG). Outdated practices that disregard environmental and social issues are not part of our operations.

Even with a challenging period such as 2020, due to the Covid-19 pandemic, we closed the year with revenues of R\$ 4.1 billion, 67% of which came from inputs and the rest from the grain market, mainly soybeans and corn. We ended 2020 with 93 stores distributed in nine states, and a portfolio composed of 16,300 producers, for which we offer operations via *barter* (exchange of inputs for future harvests) that represent 14% of the company's operations ([read more on page 5](#)).

During 2020, when we structured our journey towards sustainability, we identified the four material and priority topics for the company's management: perpetuity and governance; human development and life protection; management of biodiversity and climate change; and responsible relationship with the community. The themes are linked to goals of the United Nations (UN) Sustainable Development Goals (SDGs), especially to SDGs 2 (zero hunger and sustainable agriculture), 5 (gender equality), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure); 12 (responsible consumption and production) and 13 (action against global climate change).

We are convinced that reconciling environmental preservation, human development and social equity, competitiveness and economic development in agribusiness is not only possible, it is the best and most prosperous path. And we want to consolidate more and more our unique and strategic position in the country, as the best producer partner in modern and sustainable agriculture. We invite you to learn more about what we have done so far, so that this commitment continues to materialize into concrete actions.

Enjoy the reading!

Welles Pascoal
CEO



¹ Budget 2021 to be posted on the Investor Relations website.

Message from the Board of Directors

GRI 102-14

The gradual acquisition of each of the companies that are now part of AgroGalaxy considered as a premise the generation of environmental and social value, in addition to economic value for the Brazilian agribusiness, an objective that guides our work in the medium and long term.

AgroGalaxy's mission is simple: partner with producers in their efforts to maximize productivity. We provide inputs, intelligence and services to make this journey a success, thus increasing our capacity to feed the world.

The sustainability of agribusiness depends on the environment where its operations are located. The health of our communities, customers, employees, as well as the integrity of our ecosystem are closely linked to the way AgroGalaxy treats the socio-environmental agenda. The trust of these stakeholders and our shareholders depends on the good governance of the business in all its aspects. That is why our ESG strategy is at the heart of our mission.

In addition, Brazilian agribusiness will gain more relevance and respect in the world by adopting best practices in sustainability, seeking to reconcile food production and preservation of the en-

vironment, creating prosperity and social equity, and positive value for future generations.

We propose to contribute to this agenda, aware of the challenges ahead, working in collaboration and partnership with our main *stakeholders*.

This report summarizes what we have done and shows a path that we intend to maintain with assertiveness to make our vision concrete. Acting with corporate responsibility and with the confidence that in our process we will strengthen not only our customers, but also our team, the local communities and, more broadly, the society.

Sebastian Popik
Chairman of the Board
of Directors



This is Agrogalaxy

This is AgroGalaxy

GRI 102-1, 102-2, 102-3, 102-5, 102-7

AgroGalaxy started operating in the market in 2016, when the first company was acquired (Rural Brasil). In 2018, it started to act as a platform and in October 2020 it consolidated the *holding company* AgroGalaxy, formed from the union of retail companies of agricultural inputs acquired gradually by investment funds managed by Aqua Capital.

Integrated, the AgroGalaxy companies operate in the South, Southeast, Midwest and North regions of Brazil and represent one of the largest agricultural retail platforms in Latin America. **GRI 102-6**

Acting in four Brazilian regions, with a significant geographical extension, ensures business performance throughout the year by anticipating the impacts of climatic events to which agriculture is exposed, in specific Brazilian regions (*read more on [page 27](#)*).

Headquartered in São Paulo (SP), we serve 16,300 rural producers in an area of more than 8 million hectares. We have plans to increase participation in the sector in which we operate through three pillars:

> **Geographic expansion** through physical and digital stores;

> **Commercial and marketing excellence** to increase the *market share* in the regions where we operate;

> **Operational excellence** to maintain the high level of services provided to customers and the implementation of growth plans.

Our Purpose

We are agents of prosperity, determined to make agribusiness always prosper in a sustainable way.

About Us

A large agribusiness network with strong roots throughout Brazil. Our mission is to help the Brazilian farmer to constantly evolve his legacy with the best inputs, technology and services, in a sustainable way.

Pillars that convey our essence



Straightforward relations



Confidence in our work



Authenticity in our essence



Sustainability in our commitment

Our Vision

To be the largest and most admired omnichannel retailer in Brazilian agribusiness, bringing prosperity to the farmer and the communities where we operate, in addition to providing the best return for the sector to investors, while contributing to the preservation of our planet.

We are many and we are in this together

The Covid-19 pandemic is an unprecedented global emergency, and the safety and health of our employees, service providers and customers are our priority.

We have adapted quickly to fight the new coronavirus since the beginning of the pandemic, in March 2020, through the Crisis Committee, offering the necessary support to employees and their families.

In order to face the challenges caused by the new coronavirus, with its origin identified in China, at the end of 2019, and the global pandemic declared by the World Health Organization on March 11, 2020, we established multidisciplinary working groups that have been monitoring all the operations, dialoguing with the public authorities of the locations where we operate and informing our employees, aiming at the safe execution of the Company's activities.

Among the measures adopted by the Company and its subsidiaries to contribute to containing the contamination of the population and preserving the health and well-being of its employees, the following stand out:

- 1) The implementation of the *home office* policy for the administrative area and activities compatible with remote work, with guidance on teleworking for managers and leadership;
- 2) Exemption from work, without prejudice to remuneration, for apprentices, interns and those over 60 years of age and other employees from risk groups who could not operate remotely;
- 3) A structured Communication process, seeking to raise awareness about the adoption of hygiene practices, social distance and preventive measures;

4) Implementation of Telemedicine, with a call center working 24 hours a day, seven days a week, between March and June 2020, for doctors and nurses to guide and screen employees and their families, offering the appropriate directions depending on the severity of the Covid-19 case. In April 2020, the Company adhered to the federal government's program for exemption from payroll with the postponement of payment of vacation pay, INSS and FGTS for all employees, including subsidiaries, making payments in December 2020.

In addition to the protective measures, mainly to our employees, customers and suppliers, financial measures were also taken that mainly covered cost containment and cash protection, such as:

- i) Review of costs and cut of expenses that could be postponed;
- ii) Crisis Committee with a focus on cash flow, evaluating the process of receiving and obtaining new lines of credit from suppliers;
- iii) Reduction in the average collection term and increase in the average payment term for grain purchase and sale operations.

These measures were adopted even considering a low impact in the agribusiness segment. The Company also mapped the risk groups and is monitoring possible employee absences due to

Covid-19, as well following a protocol to handle critical cases.

The actions in force will be maintained until the Covid-19 threat has ceased or there has been a substantial reduction in infections by the virus, according to data released by the Ministry of Health of Brazil, Decrees and/or Orders of Federal, State and/or Municipal authorities.

Until March 31, 2021, AgroGalaxy had registered a total of 233 cases, considering all the regions where AgroGalaxy operates. We want to express our solidarity with those who lost relatives and friends and, in particular, we regret the death of two employees (one of whom was infected when he was already on leave due to health problems, being a case unrelated to contamination in the workplace).

Brazil is currently experiencing a new wave of infections, and even though vaccination is underway, it is still insufficient to have a relevant positive impact in the short term. For this reason, since February 2021, we have intensified our efforts to prevent the spread of Covid-19.

Covid-19 Prevention

AgroGalaxy created working groups that **monitor all operations**, talk to local public authorities and inform employees

Regional presence

GRI 102-4 102-7

The regional brands Rural Brasil, Agro100 and Agro Ferrari (together called AgroTotal), Grão de Ouro and Sementes Campeã have strong local ties with their customers. Therefore, the name of the *holding company* is gradually being positioned as an institutional brand, strengthening the concept of integrated platform and local brands. Recently, in April 2021, we also completed the acquisition of Boa Vista, which operates in the state of Mato Grosso do Sul.

Rural Brasil and Sementes Campeã

States: Goiás, Mato Grosso, Tocantins, Maranhão and Pará

Regions: Midwest, Northeast and North

Agro 100 and Agro Ferrari

States: Paraná, São Paulo and Mato Grosso do Sul

Regions: South and Southeast

Grão de Ouro

States: Minas Gerais

Regions: Southeast

Our numbers

GRI 102-4 102-7



CULTIVATION AREA

8 million

hectares



EMPLOYEES

1,457

total

26.5%

of women



PRODUCTION CHAIN

16.3**thousand**

rural producer

4.6**thousand**

small farmers



MARKET PRESENCE

1,000

cities served

1.3**thousand**

corporate customers

13.6**thousand**

individual customers



TECHNICAL ASSISTANCE

364

professionals



POINT OF SALE

93 stores

1. Boa Vista indicators, whose acquisition was completed in April 2021, are not considered.

A photograph of two men wearing straw hats working in a field of young green plants. The man on the left is wearing a blue and white plaid shirt and is holding a tablet. The man on the right is wearing a light blue button-down shirt and is looking down at the plants. In the background, there is a large metal structure, possibly part of an irrigation system, under a clear blue sky.

Our journey towards sustainability

Our socio-environmental responsibility policy is aligned with the Sustainable Development Goals (SDGs)

Our journey towards sustainability

GRI 102-43, 102-44

The culture of responsible and intelligent use of natural resources is part of our essence. We understand that applying the concept of sustainable development to our businesses is essential to ensure the availability of resources in the future, ensuring economic growth, environmental protection and social inclusion in harmony and balance.

Our social and environmental responsibility policy is aligned with the United Nations (UN) Sustainable Development Goals (SDGs) and also includes goals connected to the evolution of global stan-

dards of quality of life and productive activity until 2030.

The UN initiative comprises a global challenge and an action plan for the planet, for people and for organizations, with 17 SDGs and 169 targets, with the purpose of combating climate change and poverty by 2030.

Our material topics are related to the goals of nine SDGs, and we made contributions for six of these in 2020:

CONTRIBUTION OF AGROGALAXY TO ACHIEVE THE SDGs



Our contribution

- > Products and services to improve agricultural production in an area of more than 8 million hectares and serving 14,600 producers in 2020.
- > 364 professionals offered in-person and remote support to producers during 2020.
- > Acerte100 (AgroTotal), Ourotec (Grão de Ouro) and SIRB (Rural Brasil) programs help companies to increase productivity and use biological products.

Our goals

Create the AgroGalaxy Institution to provide financial resources and partnerships to improve scientific research related to the productivity and sustainability of agriculture in Brazil.



Our contribution

- > 26.5% of employees are women.
- > There are three women on the Board of Directors.
- > Salary equity in the company's senior positions (Salary equity ratio of 1, 1).

Our goals

In the recruitment and selection process, ensure at least one third of women among candidates for any senior position in the company.



Our contribution

- > Environmental and Social Management System aligned with the requirements of the International Finance Corporation's (IFC) environmental and social standards and the World Bank's Environment, Health and Safety Guidelines.
- > 340 new jobs created in smaller cities, with less than 200 thousand inhabitants since 2016.
- > R\$ 4.4 billion of direct economic value distributed in 2020, + 35% compared to the previous year.

Our goals

Investing in the local community, as well as meeting the 2021 *budget* with regard to salaries, benefits and employee training¹



Our contribution

- > SIRB Program (Integrated Systems Rural Brazil), a study to test the efficiency of biological and traditional fertilizers for soybean and corn crops to define the most efficient mix in order to improve productivity.
- > Gradual increase in sales of biological products in the AgroGalaxy portfolio (foliar fertilizers + 61%, microbiological fungicides + 142%, inoculants + 117%, biological insecticides + 209%).
- > Development and implementation of a plan to replace, in 5 years, products considered extremely and highly dangerous according to the World Health Organization (WHO), although permitted in Brazil.

Our goals

Decrease by 5% the volume of commercialization of products classified by WHO as extremely and highly dangerous until December 2021, compared to the volume of products commercialized in 2019, in addition to increasing the mix of biological products in that period.



Our contribution

- > Improvement of GHG inventories in 2020, with training of representatives from Rural, AgroTotal and Grão de Ouro.
- > Acquisition of energy from the Free Energy Market for nine AgroTotal units, generating an estimated reduction of 544 tons of GHG.
- > Replacement of half of the vehicles in Rural's fleet with more efficient cars, fuel control and monitoring (telemetry) in 98% of the vehicles.
- > State-of-the-art technology in silos with heat recirculation and reduced energy consumption.
- > Support for producers to adapt to climate risks (credit and insurance consulting).

Our goals

Consolidate the inventories of GHG emissions of all companies by December 2021, with independent third party auditing, as well as studying the best alternatives and defining public goals with our reduction commitments, involving Scopes 1, 2 and 3 in the short, medium and long term.

Materiality GRI 103-1

We published our first sustainability report based on the Global Reporting Initiative (GRI) methodology, whose data comprise AgroGalaxy's business and operations. GRI 102-45

This is the first edition that starts a cycle of annual publications. The content addresses qualitative and quantitative information related to our

four material topics, considering the period from January 1 to December 31, 2020. GRI 102-48, 102-49, 102-51, 102-52

The process of identifying material topics was carried out in 2021, with the support of an external consultancy, which also led the development of this publication.

MATERIAL TOPIC	DESCRIPTION OF MATERIAL TOPIC	ORGANIZATION'S STRATEGY	RELATED SDGS	SDG TARGET	INDICATORS
Perpetuity and governance	Efficient process management and continuous improvement; product quality assurance; recognition and visibility; institutional relations.	Expansion of the business model		8.8	GRI 103 416 GRI 416-1 GRI 205-1 000-3
	Risk and crisis management, protection of data and company assets.			16.6 16.b	
Human development and life protection	Ensuring labor rights; healthy work environment; diversity and inclusion; prevention of harassment; people retention practices (remuneration, working hours, training) and job creation in remote areas in Brazil.	Expansion of the business model		8.3 8.7	GRI 103 306 GRI 306-1 (2020) GRI 306-2 (2020) GRI 306-3 (2020) GRI 403-1 (2018) GRI 403-2 (2018) GRI 403-3 (2018) GRI 403-4 (2018) GRI 403-5 (2018) GRI 403-6 (2018) GRI 403-7 (2018) GRI 403-9 GRI 102-8 000-1 000-2
		Commercial and marketing excellence		8.8	
	Safe working conditions for employees and other interested parties; safe product handling practices.	Operational excellence		5.5	
				3.9	








STRATEGIC THEMES

We identified and selected material topics engaging *stakeholders* through *online* questionnaires (for employees, suppliers, customers, government, community, among others), internal and external interviews (six in total) and consultation of sector documents. GRI 102-42

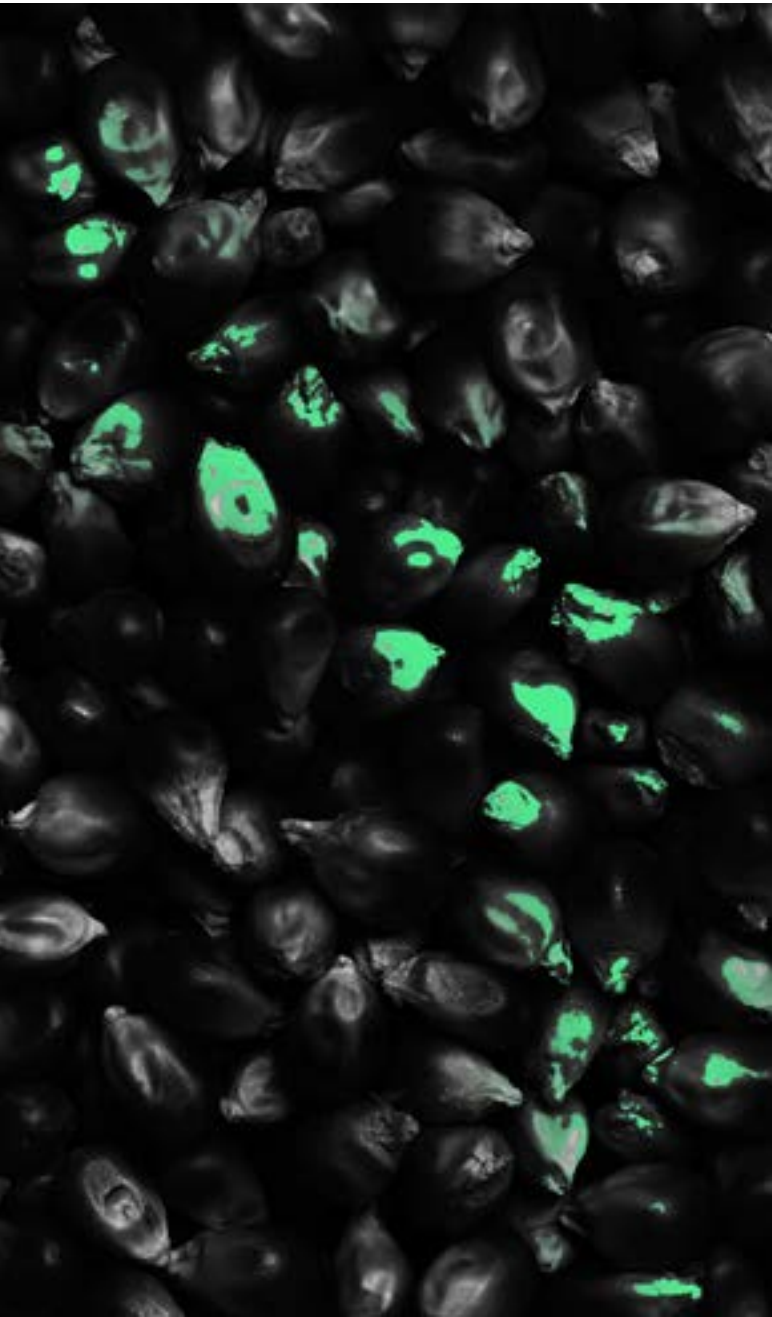
Leadership and external experts assessed these material topics considering a scale of relevance, observing the challenges in each the topic and the impacts on their operations and their correlations with the Sustainable Development Goals (SDGs).

Studies related to global sustainability and the sector in which AgroGalaxy operates were analyzed to have an external view on the topics and a *benchmarking* exercise with similar companies.

Internal documents were also consulted regarding the performance and sustainability management policies of the companies that make up the *holding company*. After considering relevance and priority levels, these are the material topics:

MATERIAL TOPIC	DESCRIPTION OF MATERIAL TOPIC	ORGANIZA- TION'S STRA- TEGY	RELATED SDGS	SDG TAR- GET	INDICATORS
Biodiversity management and clima- te change	Mitigation of negative environmental impacts of operations; pollution prevention; management of greenhouse gas emissions; combating deforestation. Soil management and conservation; preservation of biodiversity.	Operational excellence		2.4	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 000-4
				3.9	
				12.2	
				13.8	
				15.5	
Responsible relationship with the community	Engagement with the community; transparent and open relations with stakeholders; accountability and responsibility before the society; impacts on income generation for affected communities, open dialogue and communication channel.	Operational excellence		2.4	GRI 201-1 GRI 408-1 GRI 409-1
		Commercial and marketing excellence		2.3	
				10.2	

Note: indicators 000-1 to 000-4 are specific to the company.



Our governance

The improvement of corporate governance takes into account environmental, social and governance issues and impacts.

Our governance

GRI 102-18

We have improved our corporate governance considering environmental, social and governance (ESG) issues and impacts on the strategy and management of our businesses and providing greater transparency on decisions made to investors and other stakeholders.

AgroGalaxy *holding company* is managed by the Board of Directors and the Executive Board, with management practices in line with Brazilian law. The Board is responsible for maintaining the strategic direction of the business, according to the main interests of the organization and its *stakeholders*.

We have two Committees (Sustainability and Audit) to help improve corporate management.

The Sustainability Committee is a collegiate body to advise the Board of Directors and the Executive Board on all aspects related to sustainability, including risks or issues that may have a relevant impact on the business, elaboration of the corporate sustainability policy and incentives for the inclusion of socio-environmental responsibility in strategic planning, management practices and operations.

We developed our Environmental and Social Management System (SGAS) in line with the

Environmental and Social Performance Standards of the International Finance Corporation (IFC), including:

- > **Policies** that guide the practices and conduct of employees and partners;
- > **Organizational capacity** to manage environmental and social issues relevant to our business;
- > **Identification of the environmental and social risks and impacts** of our businesses (whether operational, financial, image, among others) and establishing management programs (minimizing risks, preventing adverse impacts, implementing corrective measures, etc.);
- > Emergency **preparedness and responses**.

In addition, in 2020 we started to implement initiatives to measure the positive impacts of our businesses and improve our performance in efficiency in the use of natural resources and diversity.

Main corporate policies that guide our operations in the socio-environmental sphere:

- > **Code of Ethics and Conduct**
- > **Risk Management Policy**
- > **Social and Environmental Responsibility Policy**

Within the companies that make up AgroGalaxy

Several policies address the management of environmental protection and the guarantee of Human Rights, which are gradually being aligned with each other in terms of management protocols and practices, in an institutionalized way in AgroGalaxy.

Board of Directors

- > **Composed of 9 members, 4 of whom are independent.**
- > **It has diverse expertise and competences, thus guaranteeing a plural, agile, modern and innovative decision-making environment.**

Risk management

GRI 102-11, 102-15, 102-16, 102-17, 103-2, 103-3

Risk management is an essential tool to identify potential impacts to which businesses are exposed in order to prevent and/or mitigate them and, therefore, seek opportunities for improvement in our practices, policies and strategies.

In addition to reducing risks and protecting business reputation, the purpose is to strengthen the corporate governance structure and increase levels of transparency through relationships and communication with stakeholders.

Another important instrument for governance is the Code of Ethics and Conduct, which expresses the corporate culture and guides the actions of employees and other interested parties.

AgroGalaxy companies follow their own documents and policies during this period of integration. At AgroTotal and Rural Brasil, for example, monthly meetings are held with the Risk Committee to assess risks of misconduct and corruption. Also at Agro100, the ombudsman channel forwards the complaints received to the People Committee and the responsible areas to assess and solve issues.

In 2021, the companies will be guided by the *holding company's* Code of Conduct and Ethics, unified to ensure the application of best market practices in AgroGalaxy.

The Code of Ethics and Conduct expresses **the corporate culture and guides the actions** of employees and other interested parties

Transparency path

AgroTotal companies (platform formed by Agro100 and AgroFerrari), Grão de Ouro, Rural Brasil and Sementes Campeã have implemented channels for receiving and handling claims and complaints from workers and other interested parties, in line with the requirements of IFC standards and good practices.

The channels allow anonymous manifestations, guarantee the confidentiality of information and seek to guarantee responses in a timely manner.

In 2020, 44 claims were received and 100% of them were processed by the responsible areas in the companies.

ESG: our impact

E

Environmental

- **Training for rural producers** on the benefits of adopting best agricultural practices and the safe application of inputs to protect people and the environment.
- **Increase in sales of biological products** (foliar fertilizers + 61%, microbiological fungicides + 142%, inoculants + 117%, biological insecticides 209%).
- **Non-financing of inputs**, non-promotion and receipt of grains from illegally deforested areas – our credit policy, our monitoring processes that use georeferenced technologies and specialized partners aim to ensure compliance with this guideline.
- **7.75 thousand tCO₂e of emissions** (read more on [page 27](#)).
- **Plans for setting public targets** for our commitments to reduce greenhouse gas (GHG) emissions in 2021.
- **Initiatives to reduce** energy use and GHG emissions, including: the acquisition of energy from renewable sources on the Free Energy Market, in nine units at Agro100, avoiding emissions of 544_{tCO₂e}; installation of more efficient dryers in our silos with heat recirculation; or replacement of half of the vehicles in Rural's fleet with more efficient vehicles, with control of fuel consumption in 98% of vehicles.

S

Social

- **Infrastructure** for the storage of 400 thousand tons of grains.
- **Support to Producers** to improve productivity (Acerte 100, Ourotec and SIRB programs) to adapt to climate risks through credit counseling and rural insurance.
- **R\$ 4.4 billion of added value in 2020**, an increase of 35% in the year. The amount includes employee salaries and benefits, tax payments, contributions to employee training and investments in the local community.
- **Structuring of AgroGalaxy Institute**, which has the objective of promoting applied scientific research through partnerships with universities and *start-ups* in the sector with the objective of promoting regenerative agriculture in Brazil, including food security, two important aspects for the generation of quality of life for people.
- **95 events with local communities** and R\$ 193.8 thousand in social investments.

G

Governance

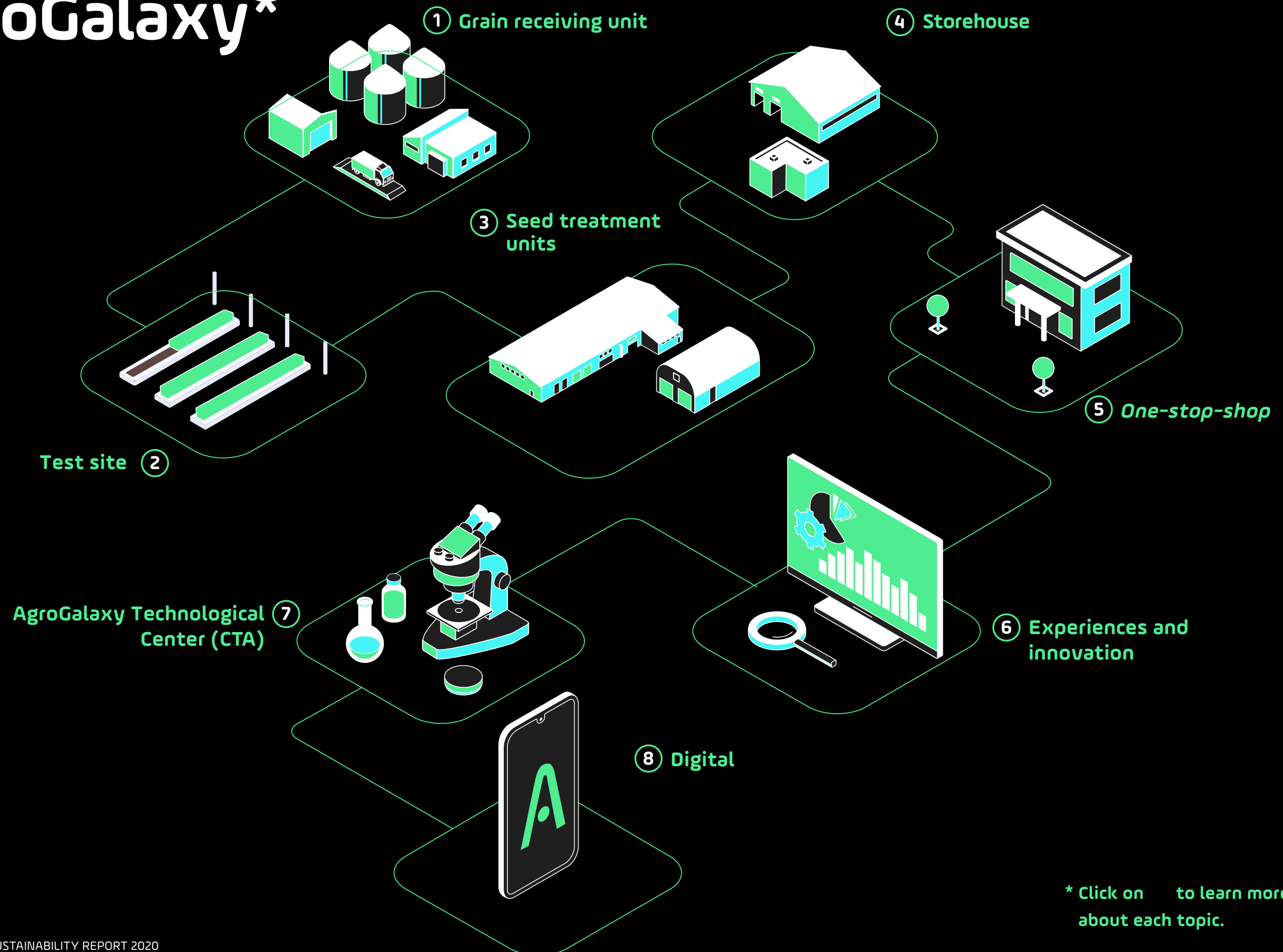
- **Board of Directors with 9 members, 4** of whom are independent.
- **Structured in accordance with the best corporate governance practices**.
- **Code of Ethics and Conduct and policies** for environmental and social issues implemented in companies – audited by a "Big Four".
- **Sustainability and Audit Committees.**

The Sustainability Committee leads the ESG agenda at AgroGalaxy

Our businesses

Our purpose is to help producers feed the world with more productivity and sustainability.

Operation AgroGalaxy*



How we do business

GRI 103-2, 103-3

Our purpose is to help producers feed the world with more productivity and sustainability, generating value for communities, employees and shareholders.

For this to happen, there is an investment in operational excellence through the portfolio comprising:

43.9% agrochemicals

27.8% fertilizers

20.9% seeds

6.2% specialties
(foliar fertilizers, inoculants, etc.)

1.2% others

We also encourage an increase in biological products in the portfolio of the companies that make up the *holding company*.

In addition, in order to eliminate from their portfolios the products allowed in Brazil, but considered extremely and highly dangerous according to the World Health Organization (WHO), meeting requirements of the standards of the International Finance Corporation (IFC), the companies elaborated replacement plans for less dangerous and biological products, working together with farmers to achieve this goal in 5 years.

In 2020, for example, Rural Brasil discontinued 0.2% of these products and aims to discontinue all products based on the active ingredient Meto-mil by 2023. All companies expect to reduce 5% of highly dangerous products in 2021, compared to the volume of products sold in 2019, reaching 30% in 2024, and 100% in 2025. **GRI 416-1**

We offer assistance in the field formed by a team of 364 professionals, including technicians and agronomists who know the challenges of farmers, from each crop and region. Their role is to provide training to rural producers on the benefits of adopting best agricultural practices and the safe application of inputs to protect people and the environment, and in pursuit of low-carbon agriculture (read more on [page 27](#)).

At Grão de Ouro, for example, 2,795 employees on 510 farms were trained in good application and product management practices by 2020. Training was suspended due to the pandemic, but technical visits continue to take place following safety protocols.

In all companies, the team of consultants advises on correct disposal of agrochemical packaging at the plants registered by the National Institute for Processing Empty Packaging (inpEV). In this way, we act in accordance with the National Solid Waste Policy (PNRS), thus avoiding the risk of contamination of the soil and groundwater by waste.

¹ Considering the 2019 base.



Partnership in the field

Rural Brasil has a technical sales team made up of 130 specialists who work alongside farmers to provide information and technologies that can help them manage risks (from climate or soil) and improve productivity.

The purpose is to encourage producers to make the best decisions for their own business.

Rural also started, in September 2020, a study (Specialized Management in Integrated Systems Rural Brazil) to ensure the efficiency of the use of biological and foliar fertilizers in soybean and corn crops, which should be completed in 2021.

Our financing policy

GRI 103-2, 103-3

To manage credits, we analyze the property registration with the Brazilian Institute for the Environment and Renewable Natural Resources (Ibama) and contract georeferenced systems to identify lands and offenders, avoiding financing or purchase of grains from areas with illegal deforestation and/or child/slavery-like labor.

We understand that AgroGalaxy has a strategic and fundamental role in Brazil when operating in the agribusiness sector, not only in reducing greenhouse gas (GHG) emissions.

We also believe that we can be agents for promoting best practices in our chain of customers and suppliers, increasing productivity and providing carbon capture.

We seek to promote low-carbon agriculture, as we support the use of technologies that reduce the use of inputs and require less water, we use high-efficiency irrigation and we apply traceability technologies to follow the evolution of the low-carbon economy and to guarantee the quantification of emissions throughout all consumer production chains, always with the protection of quality of life and full and unrestricted respect for human rights, among other opportunities.

More than being a large business network, we want to **stimulate the growth** of rural activity in a sustainable way.

Our financing policy is made up of:



• **Hedge contracts**
to reduce the risk of price variation;



• **Agribusiness Receivables Certificates (CRA)**
fixed income securities backed by receivables, which include financing or loans related to the production, commercialization and acquisition of inputs or agricultural machinery;



• **Barter operations**
the producer purchases the inputs in exchange for part of the production as a form of payment. The advantage of this type of operation is that it protects the cost from changes in the price of *commodities*, allowing the farmer not to be exposed to bank interest rates;



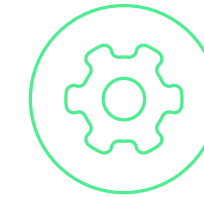
• **Agricultural insurance**
through partners, it seeks to bring production insurance solutions to the rural producer, in order to reduce exposure to adverse factors and, mainly, to finance the payment of this insurance to the producer until the harvest.

Achievements in 2020 GRI 304-2

- **Inspected 90%** of customers' Rural Product Certificate (CPR) for soybeans in the Legal Amazon and Cerrado regions.
- The goal is to **inspect** 100% of CPRs for corn by the end of 2021
- Goal to inspect **100% of the CPRs** of all Rural Brasil customers in 2022.
- Review of **10% of the customer** base in other regions served by AgroTotal services (in a pilot project) – by the end of 2021, this review will be extended to all AgroGalaxy companies.

2 goals for 2021 and 1 goal for the future

- **Gender balance:** keep 30% of women in the Board and reach 30% of women in management positions by 2030, with a minimum growth of 2% per year, and guarantee salary parity by 2023.
- **Present public commitments that are aligned with the Brazilian goals of the Paris Agreement:** we commit, until December 2021, to consolidate the GHG emissions inventories of all companies, with independent third party auditing, as well as to study the best alternatives and define public goals with our reduction commitments involving Scopes 1, 2 and 3 in the short, medium and long term.



Agro is tech

Agro100 has developed a technical department, Tech100, focused on improving productivity, incorporating best practices for agriculture.

In addition to innovative products and services, Tech100 offers a technological platform (Acerte 100) and constant training for sales teams, in order to provide the best recommendations to producers, according to the region where they are installed.

In 2020, the technical team conducted more than 400 visits to producers. In the same vein, the Grão de Ouro program, Ourotec, promotes the use of new agricultural technologies, through training and equipment monitoring.

In 2020, 327 visits were conducted and 700 farmers were trained.

Economic performance GRI 201-1

DIRECT ECONOMIC VALUE GENERATED (R\$ THOUSAND)

2018	2,347,461
2019	3,290,133
2020	4,174,795

RETAINED ECONOMIC VALUE (R\$ THOUSAND)

“Direct economic value generated” minus “Economic value distributed”

2018	4,266
2019	68,976
2020	67,752

ECONOMIC VALUE DISTRIBUTED (R\$ THOUSAND)

ECONOMIC VALUE DISTRIBUTED (R\$ THOUSAND)	2018*	2019**	2020
Operational Costs	2,153,775	2,884,195	3,757,403
Employee salaries and benefits	63,494	136,236	161,960
Payments to capital providers	165,340	198,653	534,705
Government payments	32,643	58,152	11,626
Investments in the community	0.0	0.3	0.2
Total	2,415,252	3,277,236	4,465,694

* 2018 includes only Agro Total.

** 2019 does not include S. Campeã.



R\$ 4,174,795 thousand
of direct economic
value generated
in 2020

Valuing people

We believe in working relationships
that stimulate the skills
of professionals.

Valuing people

We believe in working relationships that stimulate the skills of professionals. To this end, the companies have established a series of policies, guidelines and practices that are being unified for the entire AgroGalaxy. These policies are in line with the requirements of the International Finance Corporation (IFC) regarding respect for human rights in the workplace.

There are several initiatives to boost the careers of our employees. At Rural Brasil, Grão de Ouro and AgroTotal, 178 professionals (3% of the total) were promoted, 75% men and 25% women, in 2020.

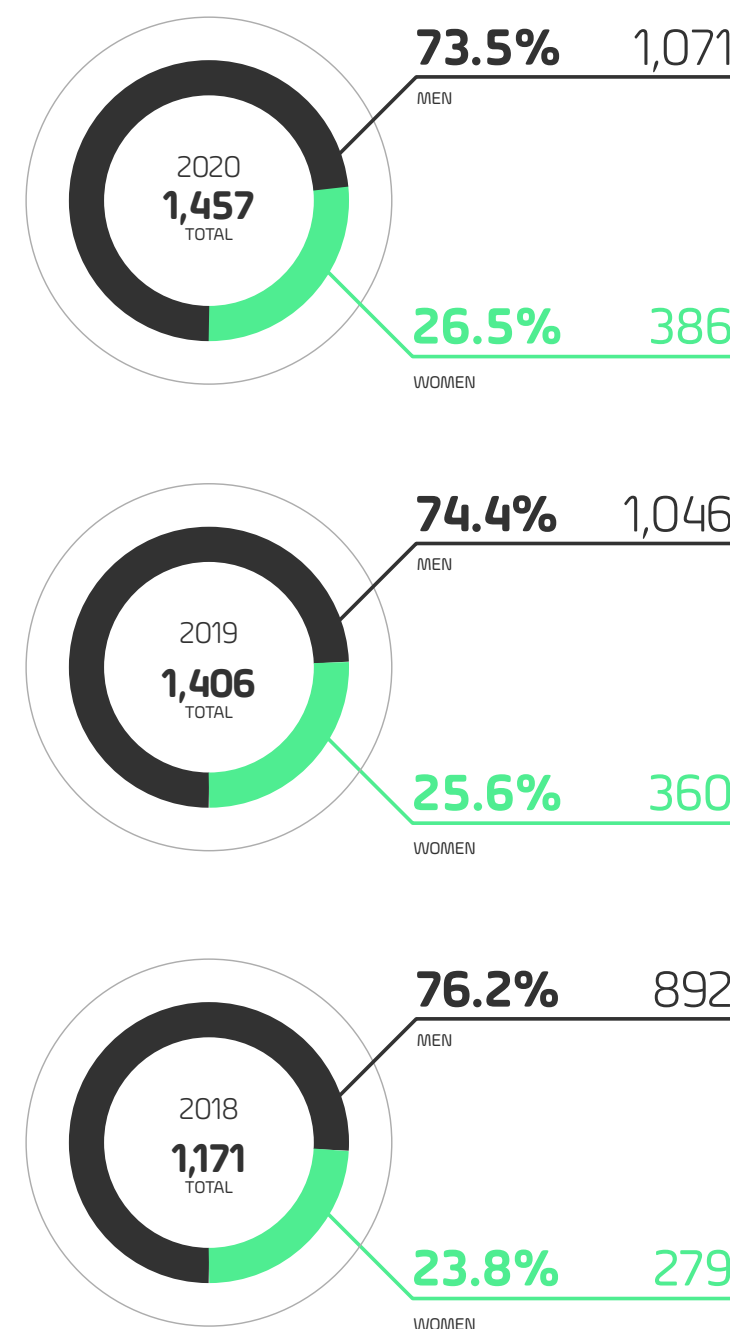
By the way, for every 50 men who received a promotion between 2019 and 2020, ten women were promoted in the same period.

In the past two years, the number of women has grown by about 3% within companies, representing 26.5% of the total number of employees. In 2020, the AgroGalaxy Board also had 3 women. In other management positions, they make up 8.5% of the staff.

One of the purposes of AgroGalaxy is to extend the goal of advancing gender equality to all companies that make up the platform, especially with regard to the position of women in leadership.

Information on employees and other workers GRI 102-8

EMPLOYEES AND WORKERS¹ BY GENDER



1. Consolidated Companies (Rural/Campeã, AgroTotal and Grão de Ouro). The data considers full-time and part-time employees and other workers under the workers under the Consolidated Labor Legislation (CLT).

EMPLOYEES BY FUNCTIONAL CATEGORY¹

	Men	Women
Executive Board	14	1
Management	121	10
Head/coordination	48	16
Technical/supervisor	278	27
Administrative	347	251
Operational	246	65
Trainees	17	16
Total	1,457	

1. Consolidated Companies (Rural/Campeã, AgroTotal and Grão de Ouro). The data considers full-time and part-time employees and other workers under the workers under the Consolidated Labor Legislation (CLT).

EMPLOYEES BY AGE GROUP¹

	2020
Under 30 years	451
from 30 to 50	898
Over 50 years old	108
Total	1,457

1. Consolidated Companies (Rural/Campeã, AgroTotal and Grão de Ouro). The data considers full-time and part-time employees and other workers under the workers under the Consolidated Labor Legislation (CLT).

Health and Safety

GRI 103-2, 103-3

The health and safety of employees, service providers, customers and communities are fundamental to our operations. AgroGalaxy companies have a series of policies and procedures related to occupational health and safety, in compliance with legal requirements and compatible with the main risks (for example, warehouse operation, work at height and confined space, transport safety), as well as care for the infrastructure and training to ensure that activities are performed safely. The Environmental and Social Management Systems (SGAS) are aligned with the requirements of the International Finance Corporation (IFC) Environmental and Social Performance Standards. GRI 403-1, 403-2, 403-3

The companies have an organizational structure and trained and dedicated personnel, and engage other employees in the safety culture through training and awareness campaigns, in addition to the Internal Week for the Prevention of Work Accidents (SIPAT). GRI 403-4, 403-5

Employees participate directly in the preparation of operating procedures and all companies have schedules for implementing these procedures, including training.

The companies monitor accidents according to the law and report accidents with injuries and fatalities to the Aqua Capital fund every six months. In total, there were 23 minor accidents in 2020 and no fatalities. GRI 403-9

In regard to health campaigns, our focus in 2020 was on the prevention of Covid 19 (see [page 6](#)). In addition, at AgroTotal, employees are vaccinated against influenza in private medical networks associated to the company. All free of charge. In partnership with Unifil University, in Londrina (PR), the company implemented a social nutrition program to guide them in the search for healthy eating and intends to extend the project to all of its branches. GRI 403-6

Actions for the prevention of work-related illnesses, accidents and fatalities are part of health and safety practices, such as:

- > Internal Accident Prevention Commissions (CIPA)
- > Operational checklists
- > Internal audits

ACCIDENT INVESTIGATION

Accident investigation results in fundamental information to establish additional protective measures in the environmental and social management system to prevent similar accidents from happening again.

We use tools to investigate accidents, such as the 5 Whys (ask “five times why” to delve into the process and the causes that preceded the accident) and we use the Ishikawa Matrix (details of all the contributing causes of an accident).



Environmental **value**

Strengthening the bonds between agribusiness and sustainable production is the path we have chosen to fulfill the purpose of being an agent of prosperity in the countryside.

Environmental value

GRI 103-2, 103-3

By strengthening the bonds between agribusiness and sustainable production we become an agent of prosperity in the field, and thus, we act to manage risks to the environment and have sustainable positive impacts.

The environmental pillar of the companies' Environmental and Social Management Systems (SGAS) is supported by best practices (Environmental and Social Performance Standards of the International Finance Corporation), which often go beyond legal requirements.

We are aware of the importance of preserving the Amazon and Cerrado biomes and, therefore, in addition to our commitment to guarantee the non-granting of credit or the purchase of grains from illegally deforested areas, a specific program for the Amazon Biome will be implemented by the end of 2021, with the purpose of assisting farmers in the implementation of Sustainable Agriculture practices.

Our efforts have been centered on raising the productivity of producers with a focus on:

- > Not increasing the cultivation areas;
- > Managing the risk of hazardous chemicals and reverse logistics for agrochemical packaging;
- > Taking measures related to climate change by monitoring and reducing greenhouse gas emissions and energy and fuel consumption.

EMISSIONS INVENTORY

AgroGalaxy companies have been carrying out an inventory of their greenhouse gas (GHG) emissions since 2017, using the tool developed by the GHG Protocol Brazil.

In 2020, company representatives participated in training provided by a specialized company to improve their inventories. We are committed to improving and consolidating the emission inventories of all companies by the end of 2021, with a third party independent audit. During the period, we will also evaluate the best alternatives for setting public targets for our commitments

to reduce greenhouse gas (GHG) emissions, involving Scopes 1.2 and 3 in the short and long term.

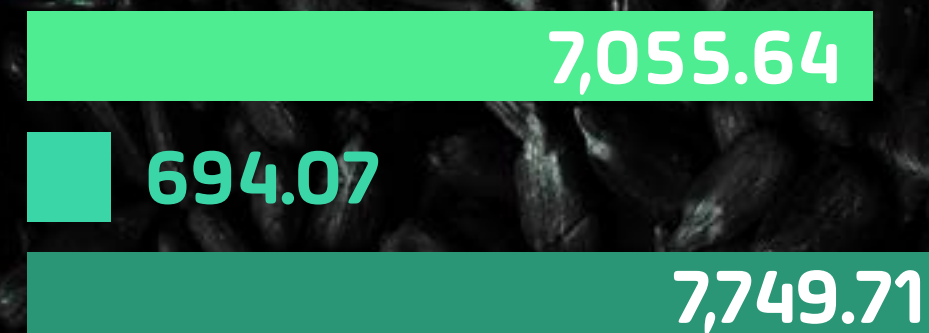
We believe we have a strategic role within agribusiness not only contributing to our own goals (for example, investing in energy efficiency, using biofuels etc.), but promoting best practices in our chain of customers and suppliers in search of low carbon agriculture.

To that end, we encourage the use of technologies that reduce the use of inputs and water, more efficient irrigation systems and other

GREENHOUSE GAS EMISSIONS (TCO₂) - CONSOLIDATED^{1,2}

GRI 305-1, 305-2, 305-3

2020



● Scope 1 ● Scope 2 ● Total

1. The gases included in the calculations above were CO₂, CH₄ and N₂O.

2. For scope 3 emissions, the consolidated value is 112.30 tCO₂e

Note: calculation of the inventory carried out using the greenhouse gas estimation tool for inter-sector sources/ GHG Protocol). 2020 emission factors, defined by the Ministry of Science, Technology and Innovation.

measures for efficiency in the use of natural resources, but we need to identify opportunities to work with our customers to transition to an economy of low carbon.

PREVENTING SUPPLIER RISKS

GRI 103-2, 103-3

We are in the process of building corporate policies, guidelines and formal sustainability criteria for the selection and management of suppliers based on risk analysis. GRI 102-9

We selected companies consolidated in the market as the main suppliers of products sold by AgroGalaxy. At the same time, we are cautious about suppliers of vegetable raw materials, such as firewood and seeds, regarding the risk of using child and/or forced labor and embargoed areas at Ibama. The “black list” of the Ministry of Labor and Employment, the list of embargoed areas by Ibama and the georeferencing of areas are instruments that assist us in this investigation.

GRI 408-1, 409-1

The companies maintain their own guidelines for contracting suppliers, in accordance with labor legislation, training requirements for professionals and the use of protective equipment (PPE) suitable for the activity performed, as done by Agro100 and Rural Brasil. GRI 403-7

CHEMICALS

AND PACKAGING MANAGEMENT GRI 103-2, 103-3

In addition to having developed plans to replace extremely and highly hazardous products within five years (read more on pages [10](#) and [19](#)), the companies work closely with farmers to ensure safe use of agrochemicals and the final destination of their packaging. According to the legislation, the companies have agreements with several associations registered with the National Institute for Processing Empty Packages (inPEV), to receive packages of contaminated chemical products and personal protective equipment (PPE), which will be incinerated or recycled. GRI 306-1, 306-2

Clients are instructed to return empty agrochemical packages to service stations or receiving centers accredited by all units of the company. At Rural Brasil, Sementes Campeã and Grão de Ouro, of the 964 tons of packaging received by the associations, 93% were destined for recycling in 2020. Rural has the Eureciclo seal, which certifies the recycling of the percentage of packaging of post-consumer products required by the National Solid Waste Policy (PNRS). Both at Rural Brasil and at Grão de Ouro, the calculation of packaging generated is based on the commercialization of products. GRI 306-3

All companies have procedures in place to contain any leaks, store and correctly dispose the waste generated.

AgroTotal is still consolidating the number of packages destined for associations.



RECOGNITION SEALS

In 2020, Aqua Capital began an independent assessment of the ESG performance of its portfolio. AgroGalaxy companies (AgroTotal, Grão de Ouro and Rural Brasil) were classified in the bronze category in the EcoVadis assessment (www.ecovadis.com), a global platform that internationally recognizes the social and environmental practices included in the Corporate Social Responsibility (RES) performance of companies.

Ecovadis also provided a summary of the evaluation results, standing out the priority topics for improvement. In addition to this seal, in 2020 the companies received other recognition seals, including the Great Place To Work (GPTW). Also, Sementes Campeã and Agro 100 were recognized for the quality of the harvest by supplier (Monsanto) and for the best practices in health and safety, well-being and the work environment (SESI Paraná + GPTW, Agro100).

**AgroGalaxy companies
have been carrying out
an inventory of their
greenhouse gas (GHG)
emissions since 2017**

GRI-referenced content

102-55

GRI Standard	Disclosure	Page	Omission
GENERAL DISCLOSURES			
GRI 101: Foundation 2016			
GRI 101 has no content			
ORGANIZATIONAL PROFILE			
GRI 102: General disclosures 2016	102-1 Name of organization	5	
	102-2 Activities, brands, products and services	5	
	102-3 Location of headquarters	5	
	102-4 Location of operations	7, 8	
	102-5 Ownership and legal form	5	
	102-6 Markets served	5	
	102-7 Scale of the organization	5, 7, 8	
	102-8 Information on employees and other workers	11, 24	
	102-9 Supply chain	28	
	102-10 Significant changes to the organization and its supply chain	Does not apply	
	102-11 Precautionary principle or approach	15	
	102-12 External Initiatives	14	
	102-13 Membership of associations	28	

GRI Standard	Disclosure	Page	Omission
STRATEGY			
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	2, 3	
ETHICS AND INTEGRITY			
GRI 102: General disclosures 2016	102-16 Values, principles, standards and norms of behavior	15	
Governance			
GRI 102: General disclosures 2016	102-18 Governance structure	14	
STAKEHOLDER ENGAGEMENT			
GRI 102: General disclosures 2016	102-40 List of <i>stakeholder</i> groups	28	
	102-41 Collective bargaining agreements	100% covered by collective agreements.	
	102-42 Identifying and selecting <i>stakeholders</i>	28	
	102-43 Approach to <i>Stakeholder</i> Engagement	10	
	102-44 Key topics and concerns raised	10	
REPORTING PRACTICES			
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	11	
	102-46 Defining report content and topic Boundaries	11	
	102-47 List of Material Topics	11, 12	
	102-48 Restatements of information	Does not apply	
	102-49 Changes in reporting	11	
	102-50 Reporting period	11	
	102-51 Date of most recent report	11	
	102-52 Reporting Cycle	11	
	102-53 Contact point for questions regarding the report	ri@agroGalaxy.com.br	
	102-54 Claims of reporting in accordance with the GRI Standards	Essential scope, referenced to the GRI	
	102-55 GRI Content Index	29	
	102-56 External assurance	Does not apply	

GRI Standard	Disclosure	Page	Omission
MATERIAL TOPICS			
ECONOMIC PERFORMANCE			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	19	
	103-3 Evaluation of the management approach	19	
GRI 201: 2016 Economic Performance	201-1 Direct economic value generated and distributed	12, 22	
ANTI-CORRUPTION			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	15	
	103-3 Evaluation of the management approach	15	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		The company does not monitor the requested indicators.
	205-2 Communication and training about anti-corruption policies and procedures		The percentage of employees communicated and/or trained by company is: Rural: 100%, Sementes Campeã: 10%; Grão de Ouro: 50%; Agro Ferrari: 41%; Agro100: 37%.
EMISSIONS			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	27	
	103-3 Evaluation of the management approach	27	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	27	
	305-2 Energy indirect (Scope 2) GHG emissions	27	
	305-3 Other indirect (Scope 3) GHG emissions	27	

GRI Standard	Disclosure	Page	Omission
EFFLUENTS AND WASTE			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	28	
	103-3 Evaluation of the management approach	28	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	28	
	306-2 Management of significant waste-related impacts	28	
	306-3 Waste generated	28	
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	25	
	103-3 Evaluation of the management approach	25	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	25	
	403-2 Hazard identification, risk assessment and incident investigation	25	
	403-3 Occupational health services	25	
	403-4 Worker participation, consultation, and communication on occupational health and safety	25	
	403-5 Worker training on occupational health and safety	25	
	403-6 Promotion of worker health	25	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	28	
	403-9 Work-related injuries	25	

GRI Standard	Disclosure	Page	Omission
CHILD LABOR			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	20 and 28	
	103-3 Evaluation of the management approach	20 and 28	
GRI 408: 2016 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	28	
FORCED OR COMPULSORY LABOR			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	20 and 28	
	103-3 Evaluation of the management approach	20 and 28	
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	28	
CUSTOMER HEALTH AND SAFETY			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	11	
	103-2 The management approach and its components	19	
	103-3 Evaluation of the management approach	19	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	19	

AGRO GALAXY