

AGRO GALAXY

Annual Report
2022

Harvest of Extraordinary Results

CONTENTS

POSITIONING

Message from the Board of Directors	3
Message from the CEO	5

ABOUT THE REPORT

Definition of materiality	9
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LEADERSHIP IN THE TRANSITION TO REGENERATIVE AGRICULTURE

AgroGalaxy	11
Strategy	16

GOVERNANCE AND INTEGRITY

Corporate and shareholding structures	24
Governance structure	25
Integrity	27
Risk management	31

PRODUCTIVITY WITH INNOVATION AND SUSTAINABILITY

Agricultural technology	35
Solutions for the field	36
Solutions for clients	38
Digital agriculture	40
Open innovation	41

CULTURE, TALENTS AND DIVERSITY

People management	43
Diversity and inclusion	44
Training and development	45
Health and safety	46
Compensation and benefits	47

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Instituto AgroGalaxy	51
Value chain management	53
Services in the communities	54

ENVIRONMENTAL PERFORMANCE

Biodiversity	57
Energy	58
Water	58
Emissions	59
Waste	61

FINANCIAL PERFORMANCE

Economic-financial result	63
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GRI ANNEXES

GRI CONTENT INDEX

CORPORATE INFORMATION/FILE



MESSAGE FROM THE BOARD OF DIRECTORS GRI 2-22

In a challenging context that has essentially changed the relationships of costs and delivery of supplies, in which we carefully study the different product lines that could be affected in availability, time and prices, we act to continue supporting our customers in the sustainable search for greater productivity. We mobilized capital to secure the necessary stocks at the end and were successful in negotiations with trading partners and farmers.

Another important aspect in 2022 was the leadership succession, with the new CEO, Sheilla Albuquerque, who took up office with great experience in the AgroGalaxy universe, with which she already contributed in the role of Executive Business Officer. The process was planned based on very well-defined criteria and extreme attention and care. The former Chief Executive Officer, Welles Pascoal, joined the Board and, with the hiring of a new executive to the Board, we kept a first-level governance and executive team, highly engaged in achieving strategic priorities.

With the integration of companies from our portfolio, we leverage and strengthen competencies to the same management of purchasing, operations and logistics. All these steps occur as a reinforcement of our commitment to customer centricity. We are increasingly a larger and better structured company, which implies a governance that minimizes risks at the end.

In this sense, we seek to improve processes that guarantee agility, personalization and profit to producers, in a structure recognized for the culture of innovation and simplicity. Results are proven internally, by objective metrics of NPS, organizational climate, level of engagement and turnover – and externally, with achievements such as the Bronze Seal of EcoVadis, an institution that evaluates sustainability management, and Great Place to Work, which highlighted us as one of the best companies in Brazil to work for.



Sebastian Popik

Chairman of the Board of Directors of AgroGalaxy



Also, under governance and risk management, we developed the ESG Risk Matrix during the year, to be integrated with corporate risks together with the responsible areas. We also reinforced the actions and the disclosure of the pillars of our Field Integrity Program, with the revision of our Code of Conduct, we approved and disclosed the Code of Conduct of the AgroGalaxy Business Partner, following the best practices and considering the relevance of these interactions.

We seek the best service to the Brazilian rural producer, with the most modern and personalized. We believe in the confluence of productivity, return to the producer and environmentally friendly practices. To this end, in addition to agronomic technology and our state-of-the-art recommendations, we disseminate knowledge of nutrition, soil care and management, seed treatment, foliar fertilization and the use of biological protection products. Our great differential are solutions developed and that result in AgroGalaxy Technical Protocols, advisors of the Technical Sales Consultants (CTVs) for the offer of the most appropriate products

for each crop and each region – there are more than 200 approved PTAs with management for crops such as soybeans, corn, wheat, coffee, beans, cassava, cotton and peanuts. The effectiveness of PTAs is tested in the field and allows comparison of productivity, focusing on the safety and assertiveness of the recommendations.

It is a unique moment for our business and we are very proud to contribute with our customers to the transition to regenerative agriculture. We will continue to seek positive impact as a source of value creation, which is shared not only by the Board and the Executive Board, but by the team of 2,566 employees, including 625 agronomists in the field and 62 specialists to generate demand for increasingly sustainable solutions in the field.

We are an extremely professional, engaged, adherent, curious and committed team. It is fascinating to contribute to the evolution of national agribusiness and we are confident on what is to come. Thanks to everyone who walk with us on this journey of extraordinary harvests.

Sebastian Popik
Chairman of the Board of Directors of AgroGalaxy



It is a unique moment for our business and we are very proud to contribute to our customers in the transition to regenerative agriculture.



MESSAGE FROM THE CEO GRI 2-22

In 2022 we had advances in our purpose of generating value for agribusiness, with the achievement of extraordinary results for us and our clients. We started the period by acting strongly with suppliers and conducting early negotiations to minimize possible political and macroeconomic impacts of the Belarus embargo and the war between Russia and Ukraine, which could cause price increases and uncertainty in the delivery of supplies, mainly herbicides, due to glyphosate. We have been successful and we have ensured that customers have the necessary inputs on time. We meet 100% of the commitments in the summer harvest and entered the corn harvest without trouble – a result of the proximity with commercial partners and customers, who trust our governance model, and our robustness in the management of credit and resources.

We also advanced in the integration of our companies, concluding the process in Boa Vista with great success, a confirmation of the assertiveness of our planning and new operating model, which will lead us to act with a single system and fully standardized

processes. Thus, we continue to register inorganic growth, with the development of the companies that joined our portfolio, and organic, especially with the opening of stores – 13 new ones in 2022, ending the period with 163 units.

Our business model consists of bringing qualified solutions to the producer, mainly due to our differential in research and integrated management. Through our AgroGalaxy Technical Portfolios (PTAs) of recommendations for various crops, we seek convergence towards an integrated management of biological and chemical products capable of giving more resilience and life to the land. In this sense, our AgroGalaxy Technological Centers (CTAs) stand out for the research and tests carried out. We opened four new CTAs in the year (seven at the end of the period), and those of Alfenas and Londrina are registered with the Ministry of Agriculture, Livestock and Supply (Mapa). With this third-party validation, the tests we perform can result in the inclusion, validation or cancellation of a product, contributing to the sustainability of agribusiness in general.

Sheilla Albuquerque
CEO AgroGalaxy





We also have a team of specialists, called Tech-A, who support the producer in the various stages of crop development and carried out in 2022 about 485 field visits to promote more efficient management practices.

Bringing sustainable innovation to our customers is essential to our strategy. On the digital transformation front, we increased our app with new features, ending the year with

8,400 registered producers and 5.6 million hectares mapped, in addition to 119,400 hectares contracted by AgroKea, our precision agriculture tool. We also approached the external ecosystem, launching an open innovation program, InovaGi, which aims to identify solutions already existing in the market for accelerating startups and hubs. The action is carried out in partnership with AgTech Garage and included in the year the 1st Edition of Open Innovation 2022.

The first year of operation of AgroGalaxy Institute was another milestone. To promote actions of positive impact, contributing to the development of the entire agribusiness sector, two challenges were launched during the year. The winners rely on our technical expertise to scale sustainable management solutions and help promote inclusive education in the field through the use of technology.

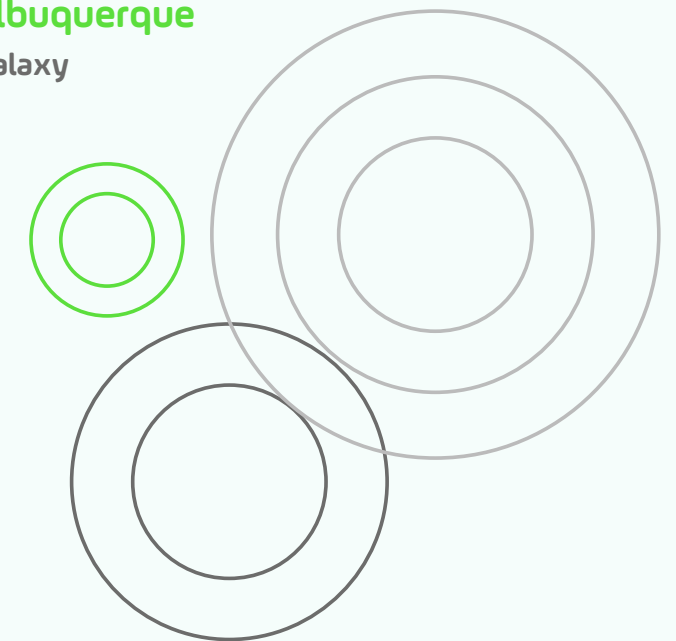
As a result of the strengthening of culture, appreciation of people and good practices in the organizational environment, we received the Great Place to Work seal. Focused on contributing to the minimization of the effects of climate change, we celebrate the achievement of the Gold Seal of the Brazilian GHG Protocol Program, unprecedented among agricultural input retail companies, and the achievement of a B score in the Carbon Disclosure Project (CDP) ranking.

We fully comply with the ESG commitments publicly made for the period. We exceeded the goals of achieving sales with biosolutions and reducing the commercialization of products considered by WHO to be highly dangerous, with results of, respectively, 44% (11 p.p. above the target) and 26% (6 p.p. above the commitment made). As signatories to the UN Global Compact since 2021, we have incorporated the role of encouraging our stakeholders to integrate the Sustainable Development Goals and the Principles into their businesses. In 2022 we joined the Soy Moratorium and the Financial Initiative for the Amazon, Cerrado and Chaco (IFACC), with a focus on fighting deforestation throughout the agribusiness chain. These moves reinforce our positioning as a company in agribusiness retail industry that will lead the transition to regenerative agriculture.

All these enhancements have enabled higher-than-planned operational and economic performance. We grew a lot in the line of specialties, linked to biorationals, and recorded net revenue of R\$ 11.6 billion and gross profit of R\$ 1.6 billion, a growth of 76% and 73% compared to 2021. In the year, adjusted EBITDA totaled R\$ 705 million (+79%), with a margin of 6.1%.

I can only be proud to have taken over the chair of the Company in September 2022 and to deliver, at the end of the year, together with our team and our clients, such extraordinary results. I am convinced that we are on the right track, contributing to productivity in the field, essential in a scenario of population increase and, therefore, of food demand. We invest in the best use of land to preserve and increase Brazil's rich biodiversity. The opportunity is in our hands, in partnership with small and medium-sized producers who drive us to continue in our role of definitively leveraging Brazil as an environmental and productive power. We are at the right time and place to leave a memorable legacy.

Sheilla Albuquerque
CEO AgroGalaxy



AGROGALAXY

ABOUT THE REPORT

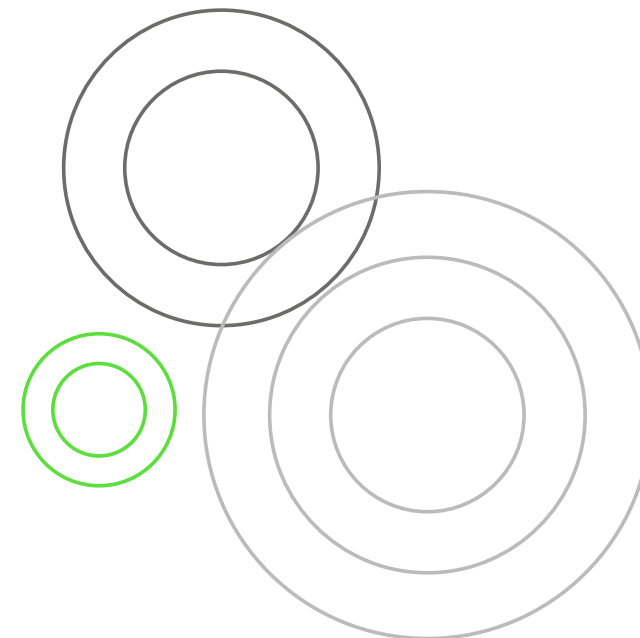
GRI 2-2 | 2-3 | 2-4 | 2-5

Commitment to transparency in the disclosure of economic and socio-environmental information



For the third consecutive year, AgroGalaxy publishes an Annual Report, in this cycle in accordance with the most current version of the GRI Standards, published in 2021 and mandatory for documents issued from 2023, in addition to meeting part of the GRI 13 Sector Standards: Agriculture, Aquaculture and Fish Farming, mapped throughout the text. The content covers the period from January 1st to December 31, 2022, with information on the socio-environmental, operational and financial performance of the Company*, following the materiality process, carried out in 2021, with consultation with the main stakeholders. It also brings the advances made in the strategy, anchored in ESG practices and in the Sustainable Development Goals (SDGs) of the United Nations (UN) listed as priorities for AgroGalaxy's business and stakeholders (the goals and their results are listed interactively throughout the document). Thus, this Report is also an instrument for communicating the Global Compact's progress, to which the Company is a signatory.

The information presented, not submitted to external verification, with the exception of the Financial Statements, audited by PricewaterhouseCoopers (PWC), was collected in interviews with Company executives and from internal and external materials, in order to portray the context in which the activities were developed. Any reformulations of previous data or in the form of measurement are flagged throughout the document, in line with the commitment to transparency. Questions or suggestions regarding this publication, validated by the board of directors, the CEO and the Company's senior leadership, are welcome and can be directed to the e-mail. ri@agrogalaxy.com.br.



*The information covers the companies directly and indirectly controlled by the Company, according to the explanatory note to the Financial Statements (DFs) having 12/31/2022 as base date, audited by PWC and approved by the Board of Directors of AgroGalaxy on March 28, 2023. [GRI 2-2](#)





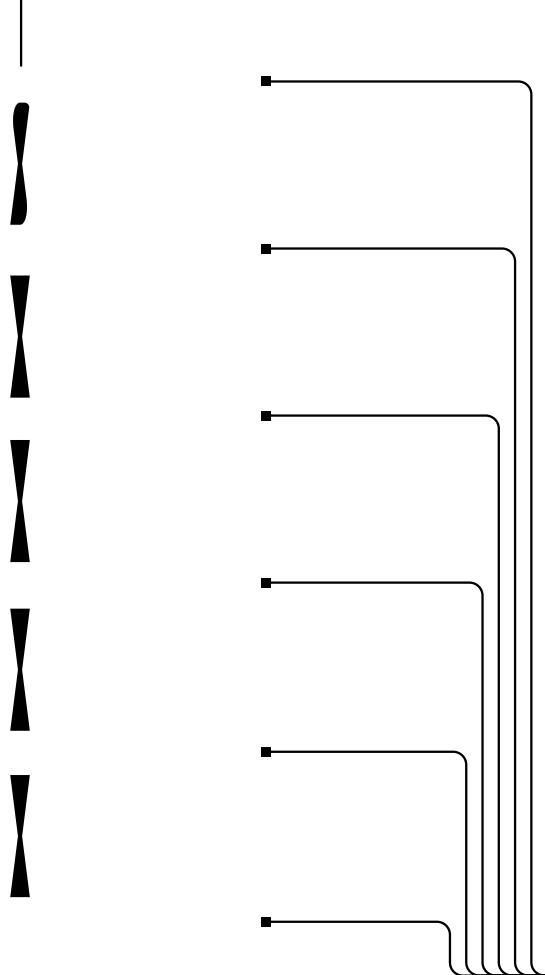
DEFINITION OF MATERIALITY GRI 3-1 | 3-2

In 2021, AgroGalaxy promoted a survey of material topics to support the preparation of its strategy and its ESG Position Statement, as well as the main reports to the market, such as the Annual Report, in line with the main demands of the business and stakeholders. The work involved four stages: Identification, Prioritization, Analysis

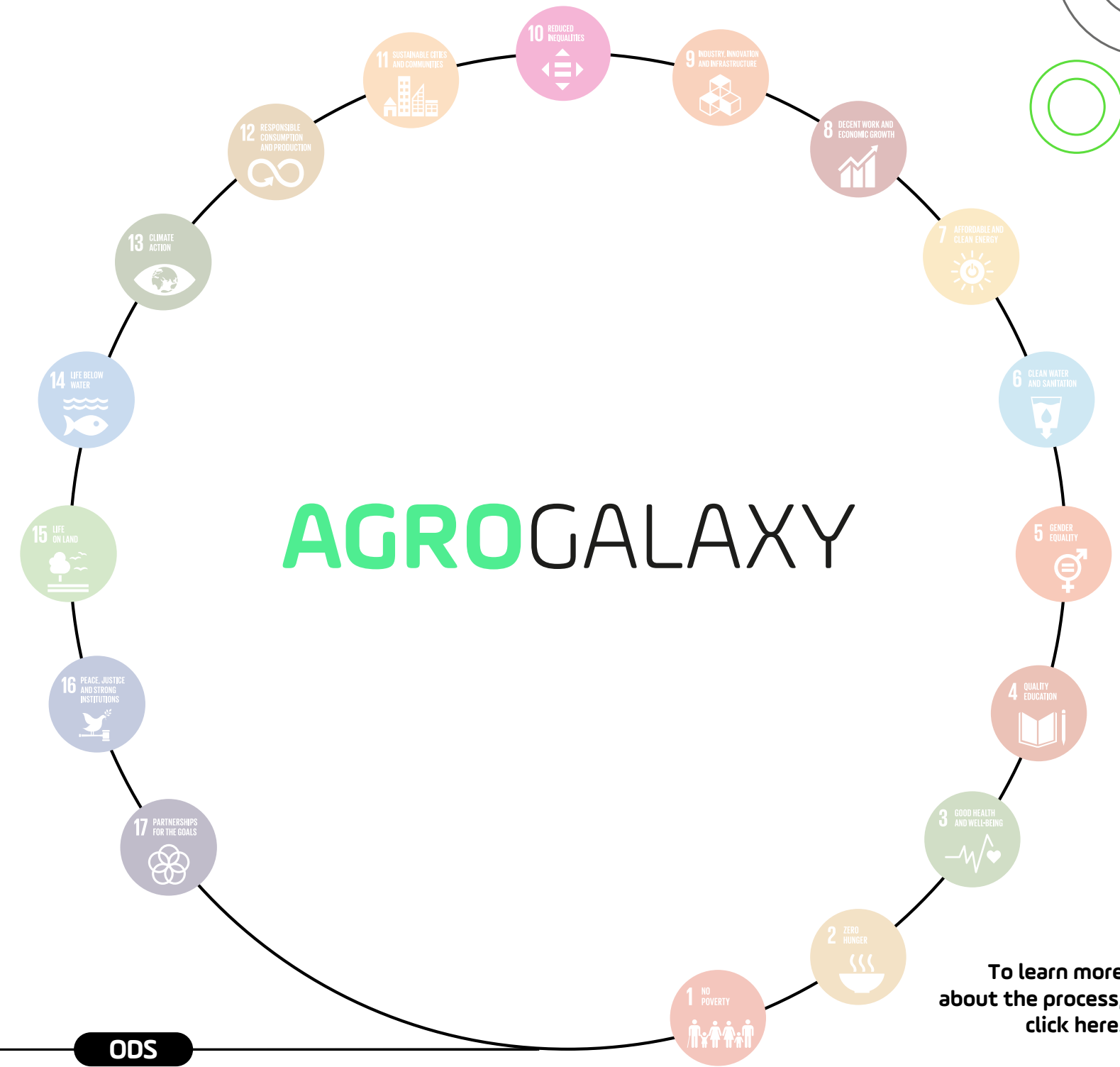
and Validation, with recognition of the result by the Sustainability Committee and the Executive Board (the description of the process is provided in AgroGalaxy [2021 Annual Report](#) do AgroGalaxy).

As a result of this process, six material topics were identified, related to the UN SDGs:

Material themes



Click on the material topics for more information.



To learn more about the process, click here.



LEADERSHIP IN THE TRANSITION TO **REGENERATIVE AGRICULTURE**

Complete and convergent solutions
with innovation and technology,
are part of the business model



AGROGALAXY GRI 2-1 | 2-6

Listed on B3's Novo Mercado since its IPO in July 2021, AgroGalaxy was formed in 2016 by investment funds managed by Aqua Capital. The Company emerged as a value generation project for the national agribusiness, which integrates, in a unique management and strategy, leading companies in different Brazilian regions: in 2016, Rural Brasil was acquired; in 2017, Agro100; in 2018, Grão de Ouro and Agro Ferrari; and in 2019, Sementes Campeã. Keeping the expansion, in 2021 the purchases of Boa Vista and Ferrari Zagatto were concluded and, in 2022, of Agrocatt.

With the convergence of this network, AgroGalaxy aims to offer differentiated and complete solutions to the agribusiness market, with:

- Sale of agricultural inputs, such as chemical pesticides, seeds and biotechnology, fertilizers and specialties (adjuvants, biopesticides, biologics and foliar fertilizers);

- Seed production and processing;
- Barter, origination, storage and marketing of grains;
- Credit, insurance and financial products;
- Precision agriculture;
- Provision of efficient agricultural services and equipped with technology, with technical support at all stages and recommendation of management and product mix.

Thus, the Company operates in the private sector, agribusiness and retail of agricultural inputs, serving mainly small and medium-sized producers with unique solutions and according to the different rural demands of a country like Brazil, with continental dimensions.

With 2,566 employees at the end of 2022, AgroGalaxy's headquarters was in São Paulo and it was present through:



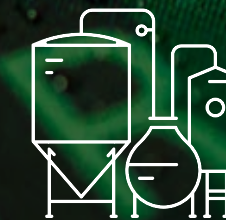
20 million hectares of coverage strip through the main agricultural areas of Brazil.



8 million hectares of cultivated area.



27 thousand clients.



8 AgroGalaxy Technology enters (CTAs).



163 stores and storefronts (no stock).

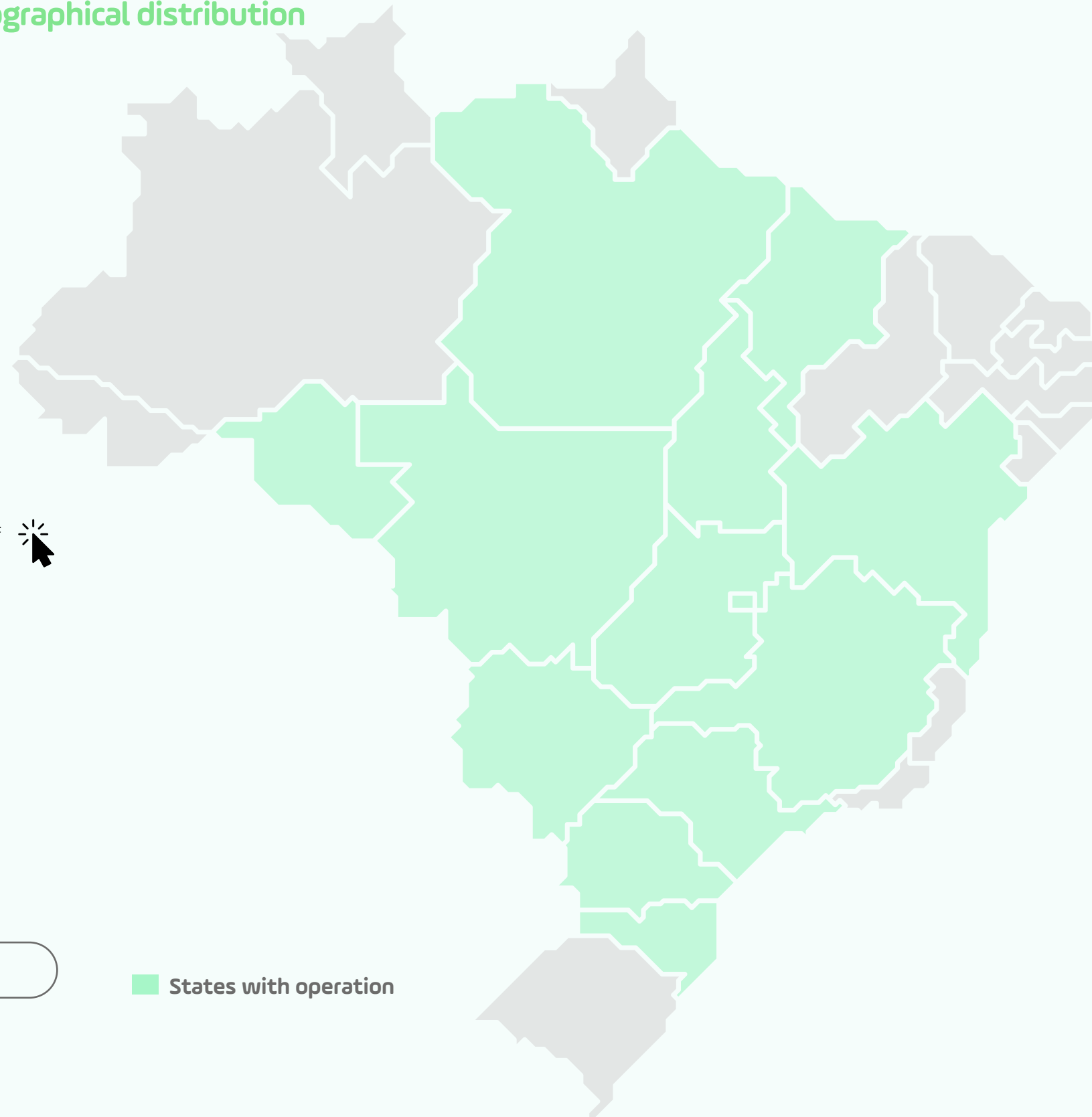


13 Seed Units, being three own and ten toolings.



Interactive map – Profile and geographical distribution

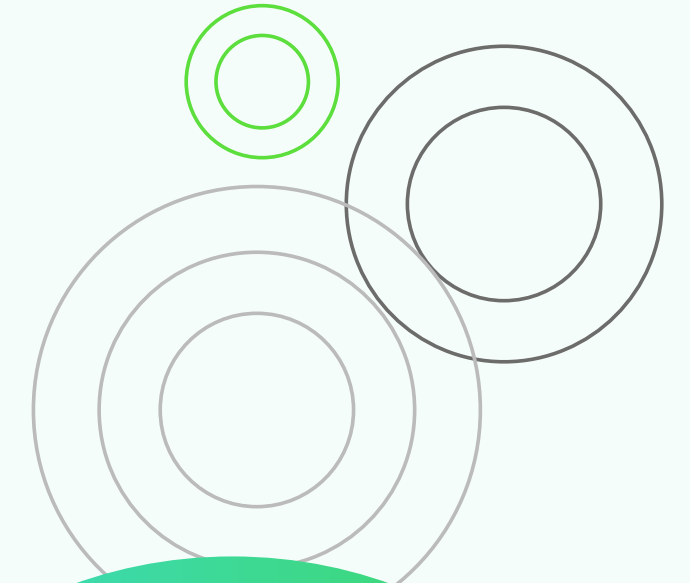
GRI 2-1



Click on the items below to check, on the map of Brazil, the scope of AgroGalaxy's operations.



States with operation



With this structure, the Company sold **2,016,152,957 tons** of products in the year, being **815,664 tons** of inputs, with revenues of **more than R\$ 11.3 billion.**



Performance model

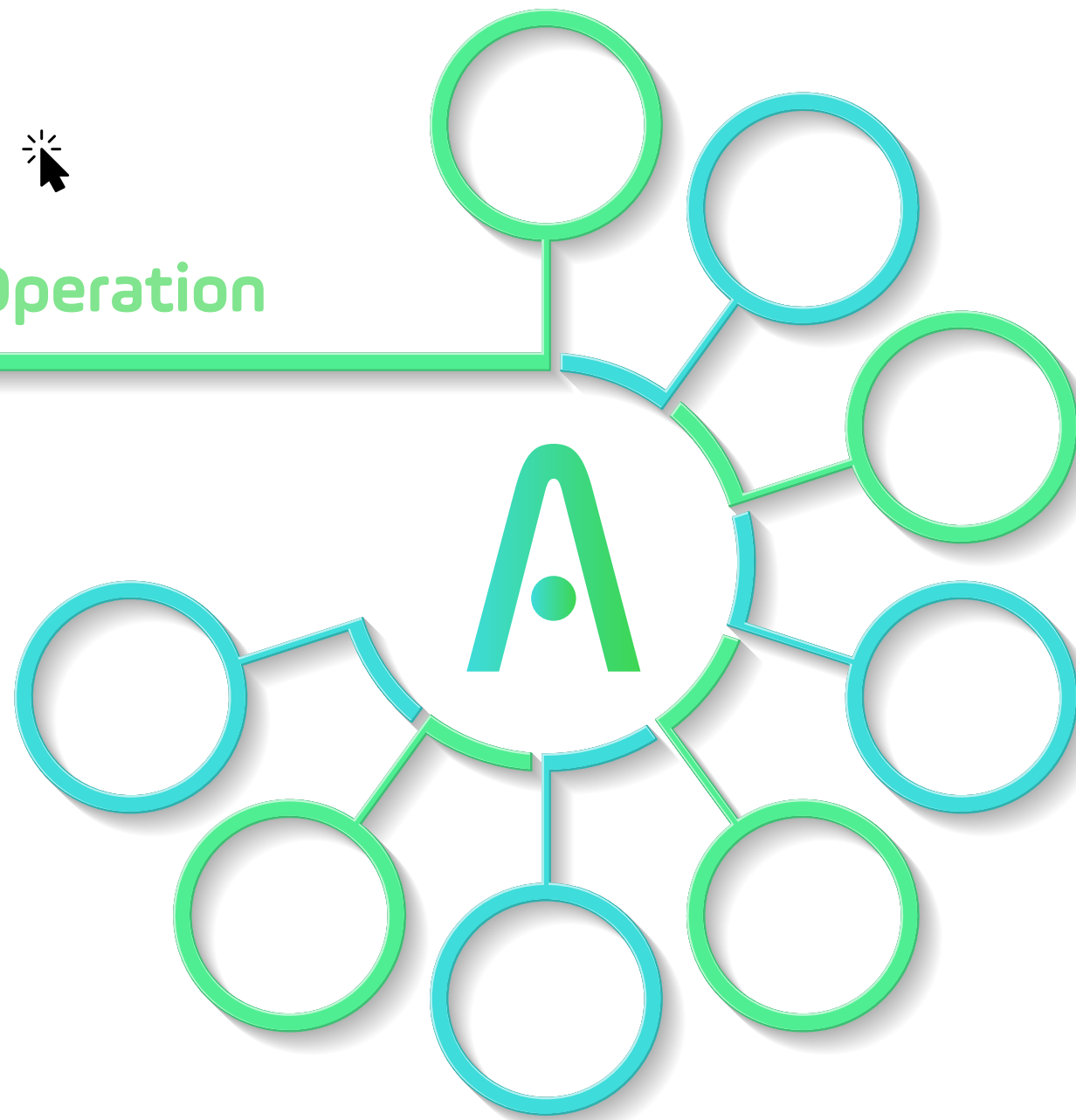
AgroGalaxy aims to produce extraordinary results in the field, with productivity, sustainability and focus on contributing to the transition to regenerative agriculture. This desire is based on constant searches

for commercial productivity, market growth and consolidation, commercial efficiency and convergence in strategy, culture, supplies and solutions, in a robust and expanding business model.

Click on the icons to learn more about AgroGalaxy's operation.



AgroGalaxy Operation



Identity, Purpose, Mission and Values



Identity

We are a Brazilian agribusiness retail chain that seeks to transform technology and services into productivity.



Purpose

In common with the rural producer, the desire to produce extraordinary results in the field.



Mission

With our people and partners, we help the farmer to constantly evolve his legacy and become the best version of himself, offering the best inputs, technologies and services through innovative and sustainable solutions.



Values

Simplicity in relationships | Agility in processes | Collaboration, acting with integrity and transparency | Responsibility to people, business and the environment | Innovation, solving everyday challenges | Courage to overcome obstacles.



Commitments and acknowledgments



United Nations (UN) Global Compact: In November 2021, AgroGalaxy formalized its entry into the Brazil Network of the Global Compact, a UN initiative to mobilize the business community in the adoption and promotion, in its business practices, of ten universally accepted principles in the areas of human rights, labor, the environment and anti-corruption.



Women's Empowerment Principles (WEPs): The Company has been a signatory since 2021 to the initiative that aims to guide companies to empower women and promote gender equity in all instances of the business, including the value chain and the communities of operation.



Soy Moratorium: AgroGalaxy joined the Soy Moratorium in 2022, an initiative that aims to ensure that soy produced in the Amazon biome and marketed by its signatories is free of deforestation that occurred after July 22, 2008.



Financial Initiative for the Amazon, Cerrado and Chaco (IFACC): In 2022, AgroGalaxy joined IFACC, United Nations Environment Programme (UNEP), the Nature Conservancy and the Tropical Forest Alliance, which establishes the commitment, by financial institutions and agribusiness companies, to finance deforestation-free soy and cattle production in these regions.



Valor 1000: The Company was listed in the acknowledgment of the newspaper Valor Econômico among the 150 largest companies in Brazil, ranking first in Evolution of Net Revenue in the Agribusiness sector. In the overall ranking, conceived by the Center for Studies in Finance of the Fundação Getulio Vargas, in partnership with Serasa Experian, AgroGalaxy advanced, between 2021 and 2022, 141 positions.



The Latam Executive Team 2022: In the year, AgroGalaxy was among the top three positions in 13 categories of the award granted by Institutional Investor, which evaluates executives and Investor Relations (IR) teams from Brazil, Argentina, Chile, Colombia, Mexico, Panama and Peru, involving 911 professionals from 434 institutions. There were nine acknowledgments in the Small Caps category (companies with a market value < \$1 billion), ranking first in Best Company in the Industry, Best IR Team, Best IR Program, Best Analyst Day, Best ESG, Crisis Management in the Midst of Covid-19 and Best IR Professional (Daniel Kuratomi) and second in Best CEO (Welles Pascoal, president at the time of the awards) and Best CFO (Maurício Puliti). In the overall ranking, the Company ranked second in Best IR Team and Best IR Professional (Daniel Kuratomi) and third in Crisis Management amid Covid-19.



Woman on Board (WOB): Since 2021, the Company has been WOB certified, granted by the United Nations Organization for Gender Equality and Women's Empowerment (UN Women) to companies that have at least two women acting as members of the Board of Directors or the Advisory Board.



Smart Award 2022: Organized by Garrido Marketing, the Customer Experience Awards value and acknowledged projects, professionals and companies that have the customer at the center of their business. In 2022, among 102 cases and more than 3 thousand registered professionals, AgroGalaxy won two trophies – Gold in the Innovation in Relationship category, with AgroKea case, improving the efficiency of the rural producer; and Silver, in the Digital Communication – Contractor category, with the case “Phygital” Experience connecting producers and agronomists.



Top International Business: With the Golden Grain Agribusiness, AgroGalaxy received the award from the Association of Entrepreneurs of the South Region and Mercosur in the category Excellence, Innovation and Technology in Solutions for Agribusiness.



Seeds Solutions Seal: The quality of AgroGalaxy seeds has been certified by BASF with Seeds Solutions. The seal is offered after sampling test of seed lots considering chemical, physical and compatibility treatment.



Great Place to Work (GPTW): As a reflection of the strengthening of culture, valuing people and good practices in the organizational environment, with a focus on people development, AgroGalaxy received in 2022 the Great Place to Work seal, which recognizes the best companies to work for.



Forbes Agro 100 2022: The Company ranked 30th among the 100 largest national companies in the agribusiness sector, which together earned R\$ 1.38 trillion in 2021, an 34.6% increase compared to the R\$ 1.02 trillion obtained in 2020.



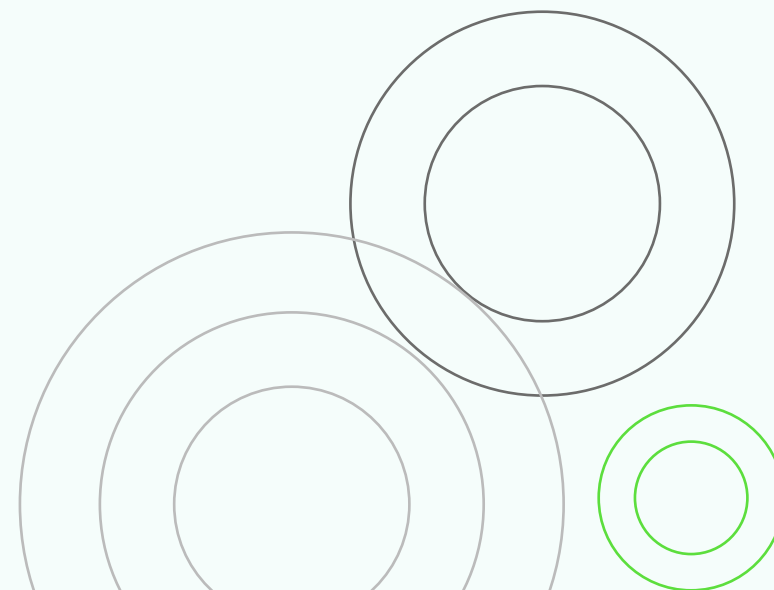
Gold Seal in the GHG Protocol: In October 2022, AgroGalaxy celebrated the achievement – unprecedented among agricultural input retail companies – of the Gold Seal of the Brazilian GHG Protocol Program.



EcoVadis: Bronze seal of EcoVadis, an institution that evaluates sustainability management based on the practices adopted in four major pillars: human rights and labor practices, ethics, environment and sustainable procurement.



Disclosure Insight Action (CDP): After completing the CDP Climate Change questionnaire for the first time, the Company ranked B in the international organization that analyzes and acknowledges the efforts of companies in managing the environmental impacts of their activities. AgroGalaxy had the third highest score, two grades above the average of the respondents in the sector in South America and globally.





STRATEGY

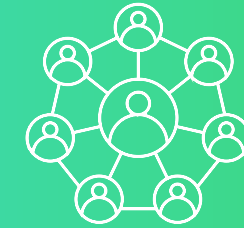
AgroGalaxy’s strategy aims to solidify itself as the best and most sustainable retail platform for agricultural inputs, offering integrated solutions that, with the convergence of products, services and technology, enable increased productivity and profitability of producers with less environmental impact. This includes reducing the cost per unit produced, improving food quality and reducing losses and waste. In addition, focusing on increasing the use of biorational products and decreasing the use of chemicals, which have a greater environmental impact, the strategy aims to promote regenerative and precision agriculture.

The Company’s strategic bases, in this context, include the integration of agronomic, financial, digital and service solutions, tested, confirmed, approved and aimed at delivery with ESG criteria. To this end, they include the correct socio-environmental diagnosis of the producer and his property in financial terms and investment possibilities, considering the reality of the soil, the culture and the geographical

location. With all these elements mapped, the Company can, anchored in its AgroGalaxy Technology Centers (CTAs) and AgroGalaxy Technical Portfolios (PTAs), offer the ideal solutions, from the definition of genetic material to the recommendation of inputs for the soil, including recuperators, biostimulants and fertilizers, prioritizing organic minerals whenever possible.

In this value generation proposition, the strategic avenues include, for the next five years:

- 1 **Improvement of the producer experience;**
- 2 **Increased productivity;**
- 3 **Convergence and integration;**
- 4 **Growth and consolidation of markets.**



Engagement GRI 2-29 | 3-3 –

Culture, talents and diversity | 13.15.1 | 13.19.1 | 13.20.1

For the effectiveness of the acquisition strategy, the Company is also consolidating its organizational culture based on pillars that include Diversity, Integrity, Innovation and Sustainability. The purpose is to promote, with the commitment of employees, society and in line with internal values, an inclusive culture in agribusiness, capable of promoting significant positive impacts. This includes ongoing, structured engagement with customers, employees, suppliers, investors and shareholders. For the active listening of these audiences, actions are promoted led by the areas of greater contact with stakeholders, such as Marketing, Commercial, Supplies, People & Management and Investor Relations (IR). In addition, the Company is improving its engagement with local communities through mapping carried out in all Business Units, with the coordination of the ESG area.



New Operating Model

The achievement of the Company’s strategy also involves a broad process of integration of the portfolio companies and the activities and services offered. With this focus, in 2021 the project to build a New Operating Model (NMO) began, aimed at reviewing and simplifying processes through the definition of transactional procedures for the entire Company, with the adoption and strengthening of technologies such as SAP and Salesforce. In this regard, the NMO provides for:

- Integration of operations and creation of the base to leverage the scale of AgroGalaxy;
- Better management tools and maximum potential extracted from the commercial team;
- Building the technological base for digital transformation;
- Greater customer orientation (creation of Customer Service);
- Increased agility and operational efficiency, including Order to Cash and Procure to Pay processes.

The first phase of the NMO was successfully completed in August 2022 with the implementation of SAP at AgroFerrari. By July 2023, all companies that comprise AgroGalaxy are expected to be integrated into a single ERP. As a product of the project, there is also the expectation of creating a Shared Services Center, to concentrate transactional and administrative activities until then carried out by different corporate areas.

ESG Journey [GRI 2-25](#)

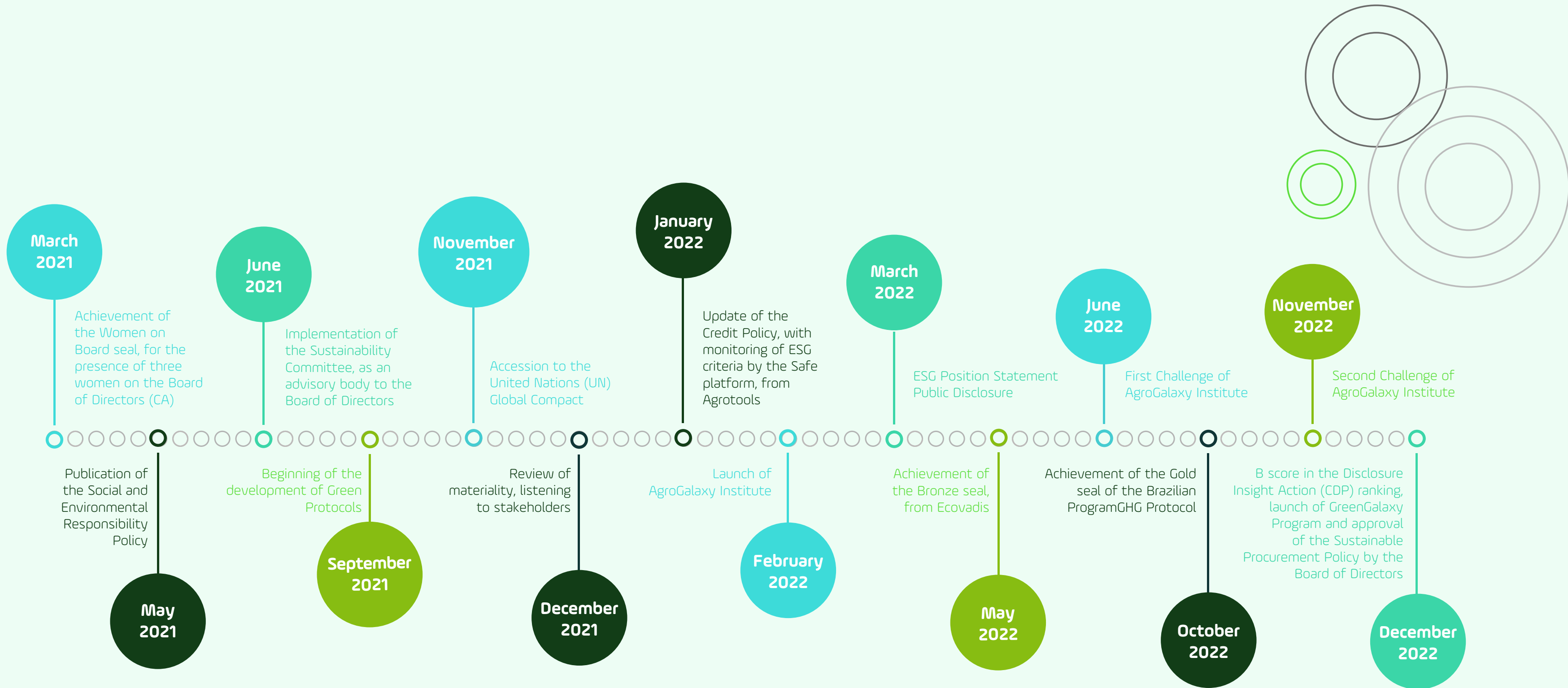
The commitment to sustainable development is part of AgroGalaxy’s strategy which, with a direct relationship with about 27,000 producers, aims to generate shared value for profitable agricultural production and in harmony with the environment and communities – rather than minimizing it, the Company seeks to generate positive effects in agribusiness. In this sense, and to lead the transition to national regenerative agriculture, the Company maintains ESG positioning at strategic level, with key commitments and goals disseminated in the business, and at tactical level, it has an Environmental and Social Management System, supported by

the [Social and Environmental Responsibility Policy](#), and aligned with the requirements of the environmental and social standards of the International Finance Corporation (IFC) and the World Bank Environmental, Health and Safety guidelines. The Company also follows and monitors a Socio-Environmental Plan, with 51 metrics that include ESG topics and positive impacts. The results are discussed in the Sustainability Committee and the highlights submitted to the Board of Directors. In 2022, a total compliance percentage of 86%* of the planned actions was recorded (in 2021, the reach was 80%).

The [Code of Conduct](#), expanded in 2022 for Business Partners, also reinforces the commitment to conduct business by companies in the production chain in an ethical, transparent manner, with integrity and respect for legislation. In the Social and Environmental Responsibility Policy, there is a commitment to the relationship with workers; risk management and socio-environmental impacts; community relations; protection of the environment; and monitoring and adoption of best practices.



*Considering the companies Agro100, Agro Ferrari, Grão de Ouro, Rural Brasil and Sementes Campeã. Boa Vista’s monitoring started in June 2021, with compliance of 7% in December 2021 and 60% in December 2022.





Key commitments and goals GRI 2-24

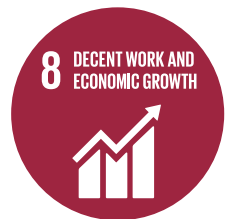
In line with the consolidation strategy as the best agricultural retail platform in Brazil and focused on leading the transition to regenerative agriculture, AgroGalaxy defined, at the end of 2021, its ESG position statement. The work was based on the materiality process carried out during the year, with active listening to strategic audience, and the search to contribute effectively to the achievement of the United Nations (UN) Sustainable Development Goals (SDGs) 2030, with emphasis on those considered priorities by the Company:

Three key commitments with a long-term vision were defined, which unfolded into medium and short-term goals, validated by the Sustainability Committee and monitored annually and whose results are considered, corporately or by different areas, in the evaluation of employees' performance. In 2022, AgroGalaxy fully met (100%) the [ESG targets](#) it committed to for the period. In 2022, the Company also launched its [ESG page](#), on the Investor Relations website, in which it discloses strategy, ESG positioning, material topics, Annual Report, in addition to, quarterly, updating the status of the public goals to which it has committed, in line with three key commitments.



2030 ESG Position Statement

“We work to be the best partner of the Brazilian farmer in the adoption of sustainable production models that maximize productivity and profitability, combined with environmental preservation and socioeconomic development.”





Key commitments

Commitment 1 – Offer innovative solutions with the best technical support for farmers to adopt more sustainable protocols, with gains in productivity, profitability and climate resilience for the rural property.

Commitment 2 – Collaborate with the preservation of biodiversity, supporting the fight against deforestation, including through education, financing and models for payment for environmental services.

Commitment 3 – Create an inclusive organizational culture that develops and values talents based on the pillars of Diversity, Integrity, Innovation and Sustainability, expanding the reach of AgroGalaxy for human development in the field.

ESG Goals for 2022

Commitment 1

Goal 1 – Increase revenues with biosolutions (focus on bioinputs, organic minerals were excluded from the target) by 33% compared to 2021.

Result – Goal exceeded, achievement of revenues with biosolutions by 44%, 11 percentage points above the goal.

Goal 2 – Reduce by 20% the volume of commercialization of products considered by WHO as highly dangerous, but allowed in Brazil, to zero by 2025.

Result – The challenging goal was exceeded (decrease by 26%), considering the replacement of products in high demand in the Brazilian market, such as Methomyl, systemic insecticide and contact of the chemical group methylcarbamate oxime.

Goal 3 – Launch two challenges by AgroGalaxy Institute for innovative solutions of positive socio-environmental impact in the field.

Result – Goal achieved, with the two challenges launched, with great scope, of almost 200 registered works and positive results of the submitted and approved projects.

Commitment 2

Goal 4 – Join the Brazilian GHG Protocol Program at Gold level: GHG inventory complete and verified by third party.

Result – Achievement of the Gold Seal of the complete GHG emissions inventory submitted to independent external evaluation.

Goal 5 – Ensure the monitoring in socio-environmental criteria of 100% of the active client portfolio in 2022.

Result – 100% of the CPFs of active clients in the year registered in Agrottools. As of December 15, 2022, 85,787 properties were registered, of which 17,097 were geomonitored.

Goal 6 – Implement the Sustainable Procurement Program.

Result – Program initiated, with the launch of the Business Partners Policy and Code of Conduct.

Goal 7 – Launch a sustainable financing line for rural producers committed to zero deforestation.

Result – Sustainable financing line offered with allocation of R\$ 17 million to customers.

Commitment 3

Goal 8 – Implement the Diversity & Inclusion Program.

Result – Goal achieved with the creation of the program from actions of sensitization of leaders, training of teams, accessible and inclusive communication project, diversity census and launch of affinity groups.

Goal 9 – Train at least 50% of employees in ESG best practices.

Result – Goal achieved, with 50% of the workforce trained in ESG practices in a diversified way in different themes.

Goal 10 – Define the ESG Risk Matrix integrated with Corporate Risks.

Result – ESG Risk Matrix prepared in 2022 and integrated into the Corporate .



ESG Goals for 2023

When setting the ESG goals for 2023, priority initiatives were developed to contribute to AgroGalaxy strategy, in order to:

- Strengthen the Company's position as a relevant agent in the fight against climate change, with engagement with the entire agribusiness chain (industry, trading, producers, suppliers, organized civil society, academia and financial market);
- Foster the engagement of internal teams in the sustainability agenda in agribusiness, especially the Commercial team (belonging);
- Ensure the management of ESG risks identified in all areas of AgroGalaxy, especially in the monitoring of rural properties, producers and suppliers;
- Delivery of positive socio-environmental impact to society through AgroGalaxy Institute.

Commitment 1*

Goal 1: Increase revenues with bioinputs (R\$ 320 million), representing a growth of 40% compared to 2022.

Goal 2: Reduce by 25% the marketing of products authorized in Brazil, but considered as highly dangerous by WHO (zero sale by 2025).



Commitment 2

Goal 3: Improve the geomonitoring of customer properties, focusing on priority biomes:

2023 – Amazônia Legal (85%); Cerrado (50%).

2024 – Amazônia Legal (100%); Cerrado (80%).

2025 – All biomes (100%).

Goal 4: Launch and implement the Carbon Program for customers.



Commitment 3

Goal 5: Train 80% of employees on ESG content.

Goal 6: Have 17% of women in leadership positions.



*The achievement of goals 1 and 2 of Commitment 1 are reflected in the variable compensation of all employees.



AGROGALAXY

GOVERNANCE AND INTEGRITY

GRI 3-3 – Governance and integrity | 2-1 | 2-23

Adoption of high standards of
management and compliance is
differential



As a publicly traded company, listed on B3's Novo Mercado since the IPO in July 2021, AgroGalaxy constantly seeks the adoption of high standards of corporate governance, with the structuring of instances, policies and guidelines guiding transparency, ethics, security and compliance in business. The policies that govern the activities and relationships with the various stakeholders are prepared by the areas responsible for the respective topics and approved by the Board of Directors. Documents are available on the Company's [Investor Relations](#) page and on the Intranet, and are also disclosed in notices and internal campaigns. The guidelines are also reinforced and disseminated in training

and unfolded in Business Rules, and the commitments are monitored by the Executive Board through monthly reports and in the meetings of the Advisory Committees, which are held quarterly.

In 2022, the Credit and Information Security policies were approved and the Human Rights policies were prepared, under review and which shall be approved in 2023 – all others were created and/or updated in 2021. In addition to the new regulations, a highlight of 2022 was the revision of the Corporate Risk Matrix, with the incorporation of the ESG Risk Matrix, in line with the Risk Management process.

Board of Directors approves AgroGalaxy's business and relationship policies



Offering of shares for retail

In July 2021, AgroGalaxy held an initial public offering. The IPO took place in accordance with the then current instruction of the Brazilian Securities and Exchange Commission (CVM) No. 476, which established, for 18 months, the distribution of shares only to professional investors (investments from R\$ 10 million) and a subsequent negotiation in the secondary market, between professional investors and qualified investors (from R\$ 1 million). After this period, counted from the date of admission to trading of the Company's shares in B3, on January 27, 2023, the negotiations for retail investors (investments below R\$ 1 million) were released.

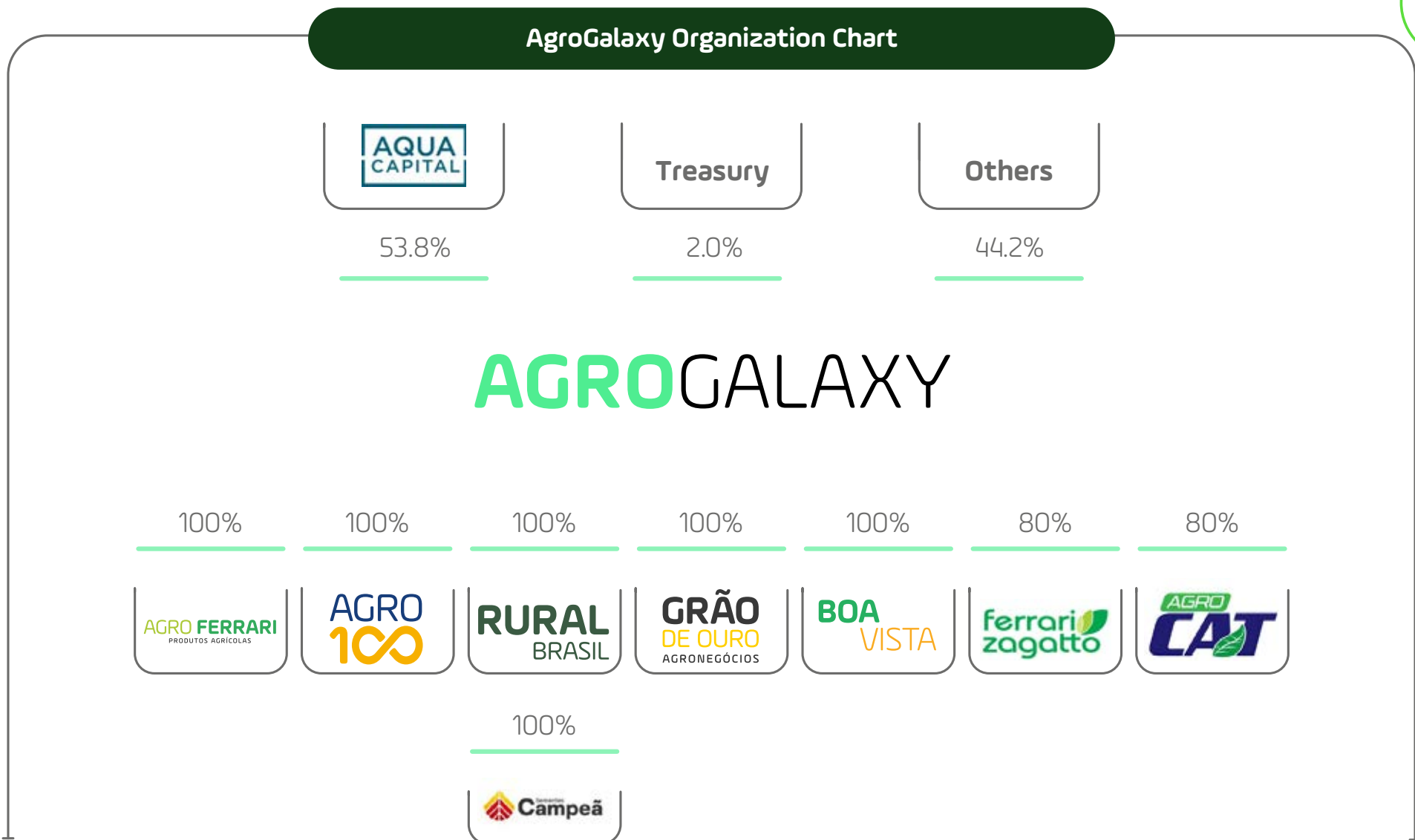
Considering the commitment to transparency and the release of shares to investors in general, in 2022 the Company had its performance directly monitored by four financial institutions and investment houses, focusing on the possible recommendation of the shares. The year also counted on the participation of executives and the Investor Relations area in the media – there were eight, in total, including interviews, lives and podcasts to expose the strategy and differentials of AgroGalaxy. Another highlight was the first **AgroGalaxy Day** after the IPO. All participations in events and in the media in general are disclosed on the Investor Relations website.



CORPORATE AND SHAREHOLDING STRUCTURES GRI 2-1

AgroGalaxy is controlled by the vehicles managed by Aqua Capital, which held 53.8% of its shares as of December 31, 2022. Subject to good governance practices, the Company held, at the end of 2022, 37.5% of the outstanding shares (free float), and companies listed on Novo Mercado must commit to a minimum percentage of 25% of shares in free float.

Corporate Structure



Shareholding structure (as of December 31, 2022)

	Number of shares	%
Parents	91,973,174	53.8
Administrators	11,368,006	6.7
Treasury Shares	3,395,679	2.0
Free float	64,088,130	37.5
Total	170,824,989	100



GOVERNANCE STRUCTURE GRI 2-9 | 2-10 | 2-11

The corporate governance bodies of AgroGalaxy, in line with its [Bylaws](#), are the Board of Directors, the Audit, Sustainability, Financial and People committees, as well as the Statutory Executive Board (Chief Executive Officer, Chief Financial and Investor Relations Officer and Vice President of Business*) and the non-statutory Board of Directors (Operations Board, S&OP and NMO; Board of Integration, Strategic Planning and Grains; Digital Transformation Board; Board of Agronomic Solutions, R&D and Supplies; Marketing Board).

Board of Directors

GRI 2-12 | 2-13 | 2-14

The highest governance body, the Board of Directors of AgroGalaxy, in line with the Bylaws, was composed in 2022 of nine members, elected at the General Meeting for a unified two-year term, with re-election permitted. The choice of members aims to ensure a diverse profile, adequate number of independent ones and size that allows the creation of committees, the effective debate of ideas and the making of technical, impartial and reasoned decisions. In this sense, in addition to legal and regulatory requirements, the members shall, among others:

- Align and commit to the values and culture of the Company and its Code of Conduct;
- Have good reputation;
- Not hold a position in a company that can be considered a competitor of AgroGalaxy;
- Not have or represent an interest that conflicts with that of the Company;
- Have an academic background compatible with the duties;
- Have time available to dedicate properly to the duty and responsibility undertaken, which goes beyond attending meetings and reading the documentation beforehand.

[More details are described in the Directors Appointment Policy](#)

The Board of Directors is responsible for establishing the general guidelines of the business, defining and monitoring the strategy and the initiatives arising from it; monitoring and evaluating the management, exercising the activities of its competence established in the applicable laws and regulations, in the

Bylaws and in the internal rules. They must also validate the policies related to ESG aspects, through the advisory committees, especially the Sustainability Committee, responsible for analyzing and approving the information of the material topics of the Organization, of which the CEO is a fixed member and participates in the quarterly meetings. In addition, the strategic projects of the areas, as well as the goals, are monitored monthly by the Board of Directors, in the Management Book.

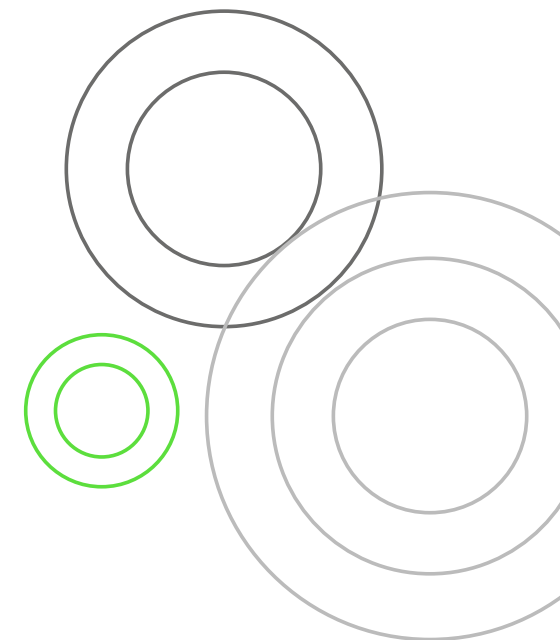
To measure the impacts on the achievement of strategic goals, the Board of Directors attends meetings of the advisory committees, also periodically counting on the support of the [Financial Committee](#) for economic issues; the [Sustainability Committee](#) for environmental and societal impacts; and, for impacts on people, the [People Committee](#). The Board of Directors is also guided by the Audit Committee, entirely comprised by independent members.

Learn more in the Rules of Procedure of the Board of Directors



Differentials

- Three independent members, which corresponds to more than 33% of the total number of members, above the 20% required of companies listed on Novo Mercado;
- Two female members (one of them an independent member);
- The chairman of the body is not a senior executive of the Organization.



*Align and commit to the values and culture of the Company and its Code of Conduct.



Composition of the Board of Directors*

Name	Job Title	Experience
Sebastian Marcos Popik	Chairman	Founder of Aqua Capital, he has more than 16 years of experience in private equities in South America, focusing on agribusiness. He worked as an operator at Salutia and as a consultant at Booz & Co in Latin America. He is also a member of the Harvard Agribusiness SIG. He has a bachelor's degree in economics from the University of San Andrés and a master's degree in public policy from Harvard University through the Fulbright Program. He was a member of the Board of Directors of Agro Control Participações, Agrototal Holding, Rural Brasil and Grão de Ouro Agronegócios.
Tomás Romero	Effective member	He joined Aqua Capital in 2010, having more than ten years of experience in the private equity area in the Ag&Food sector. He worked as a consultant for Latin America and Europe at Value Partners, a consulting firm based in Milan, and worked in the equity team of Franklin Templeton Investments. Graduated in Economics from the Universidad de San Andrés. He was a member of the Board of Directors of Agro Control Participações, Agrototal Holding, Rural Brasil and Grão de Ouro Agronegócios.
Benildo Carvalho Teles	Effective member	Founder of Rural Brasil in 1987. Agricultural technician, he has more than 45 years of experience in agribusiness in companies such as Nestlé S.A, Rural Brasil and Grupo Teles. He is a member of the Board of Directors of Rural Brasil.
João Fernando Garcia	Effective member	He joined Agro100 in 1996. He acted as Chief Commercial Officer and Chief Procurement Officer, parallel to the Seeds Board at Agro100. Graduated in Agronomy, he has a specialization in Marketing. He is an officer at Agrototal Holding and Bussadori, Garcia e Cia Ltda.
Larissa Yastrebov Pomerantzeff	Effective member	Graduated in Economics, she holds an MBA from the University of Pittsburgh. She has more than 20 years of experience in agribusiness and finance, having held a position as CFO of Syngenta Brasil, where she also acted in different offices. She was also Chief Financial Officer in a startup project for GP Investments and Corporate Finance Director of Siemens for Brazil. She started her career at Nokia, responsible for the front and back-office activities of Treasury.
Maurício Luis Luchetti	Independent Member	Graduated in Business Administration and postgraduate in Finance and HR. He is an independent member of the Board of Directors of Tenda Construtora, YDUQS Participações and StoneCo. He was a member of the Board of Directors of the companies Taesa Energia, Tempo Assist, JBS, Mangels and Nutriplant. He acted as Chief People and Management Officer and Chief Regional Operations Officer at Ambev, as COO at Votorantim Cimentos and Officer at Votorantim Participações. He is a member of Galicia Investimentos.
Tarcila Reis Correa Ursini	Independent Member	She has more than 20 years of business experience, especially in strategy, innovation and culture for corporate sustainability. She is an economist from FEA-USP, a lawyer from PUC/SP and master (LL.M) in Development and Law from Kings College London. In addition to being a Board member, she coordinates the Sustainability Committee, is a member of the People Committee and chairs the Board of AgroGalaxy Institute. She also works in the Board of Directors of companies such as Grupo Korin, SIMPAR/Movida/VAMOS/JSL, having worked in Grupo Baumgart, Duratex (Dexco) and Banco Santander SA. She is an ESG operating partner at eB Capital. She is a professor at FIA USP and coordinator of the "ESG for Advisors" course at IBGC. In civil society, she is an advisor to Conscious Capitalism Brazil, to Ethos Institute, to BLab Multinationals Committee and an ambassador for the Black Jaguar Foundation.
Eduardo Terra	Independent Member	He has more than 20 years of experience in retail. He is president of the Brazilian Society of Retail and Consumption (SBVC) and a member of the Board of Directors of several retail companies. He works as a professor of postgraduate and MBA courses and lectures at national and international retail events, as well as being the author of several books and articles on retail and the consumer market. Graduated in Economics, he holds an MBA in Retail from USP and a degree in retail from Columbia University in the City of New York and Youngstown State University.
Welles Clóvis Pascoal	Effective member	He has more than 20 years of experience at Rohm and Haas, in different commercial positions in Brazil and Latin America, leading the operations in Brazil and Mexico for four years. He worked for 15 years as Chief Sales Officer at Dow AgroSciences in Brazil, as Chief Marketing Officer and as President. He chaired SINDIVEG, was vice president of the Board of Directors of Crop Life LA, chaired the Board of Directors of Inpev and was a member of the Board of Directors of ANDEF. He holds a degree in Agronomic Engineering and an MBA in Management Development from the University of La Sabana and in APG from Amana Key. He is an Operating Partner at VetBr.

*All members with term of office until 12/23/2023



Executive Board

With officers elected by the Board of Directors for a unified term of one year, with re-election permitted, being a Chief Executive Officer, a Chief Financial and Investor Relations Officer, mandatorily, and others without specific designation, the body, in 2022, had nine executives. The body shall represent the Company, as plaintiff or defendant, as well as perform all acts necessary or convenient to the administration of the company's business, respecting the limits provided for by law and in the Bylaws.

Differentials

- Position of Chief Executive Officer held by a woman;
- Two statutory and six non-statutory officers, including one woman;
- Members with differentiated experience and in line with their duties, in order to ensure the achievement of strategic goals.

[The composition and resumes of the members of the Executive Board are available on the IR page](#)

INTEGRITY

GRI 3-3 – Governance and integrity | 2-15 | 2-16 | 2-25 | 2-26

In line with the non-negotiable commitment to conduct business and relationships based on the values of ethics, transparency and respect for legislation, the Company has an Integrity, Risk and Internal Audit Department, acting independently of other structures and reporting directly to the Audit Committee and the Board of Directors. The areas have unrestricted access to Senior Management, including a periodic line of communication with the CEO to address matters related to the Field Integrity Program, risk management and internal audit.

The [Field Integrity Program](#) aims to adopt effective mechanisms to prevent, detect and correct the occurrence of ethical, behavioral and regulatory deviations, as well as to disseminate the culture of integrity, promoting ethical relationships with employees, business partners, the community and the market in general.

The program is structured in seven pillars, including the commitment of Senior Management (tone at the top), which feed back into the flow of continuous improvement, with efficiency and agility.

Field Integrity Program





In 2022, the Program was improved, being widely disseminated in notices, presentations and webinars – with more than 250 simultaneous accesses and 500 subsequent views – that dealt with several topics, including: Code of Conduct and internal regulations, anti-corruption practices, conflict of interest, relationship with business partners, harassment-free environment, Integrity Channel, etc.

During the period, the Integrity area developed internal training, including the training of the Code of Conduct and specific training sessions, as an agenda during the integration of new employees. Trainings were completed at all levels of the Company, including members of the Board of Directors and Committees. The Code of Conduct training has an effectiveness test, in which it is necessary to have a minimum score of 70% for completion.

During the year, trainings included: [GRI 205-2](#)

- **2,060 employees** (including Senior Management) trained on the Code of Conduct;
- **170 leaders trained** on leadership integrity;

- **350 leaders trained** in online sessions on the Field Integrity Program, covering all Business Units and corporate areas;
- **310 new employees trained** on the Field Integrity Program in the integration process (as of September 2022);
- **173 leaders trained** in online sessions on donations and sponsorships.

The training of employees is essential for the propagation of the premises adopted by AgroGalaxy, in order to standardize the understanding of the Field Integrity Program, ensuring that everyone has adequate knowledge to meet the conduct required by the Company.

In 2022, in view of the electoral process, rules of conduct and specific guidelines were established and widely disseminated to reinforce the Company’s position of neutrality and respect for the political and partisan position of employees. AgroGalaxy does not make political donations of any nature, directly or through business partners, whether to political parties, candidates, campaign committees, coalitions or related individuals or legal entities. [GRI 415-1](#)



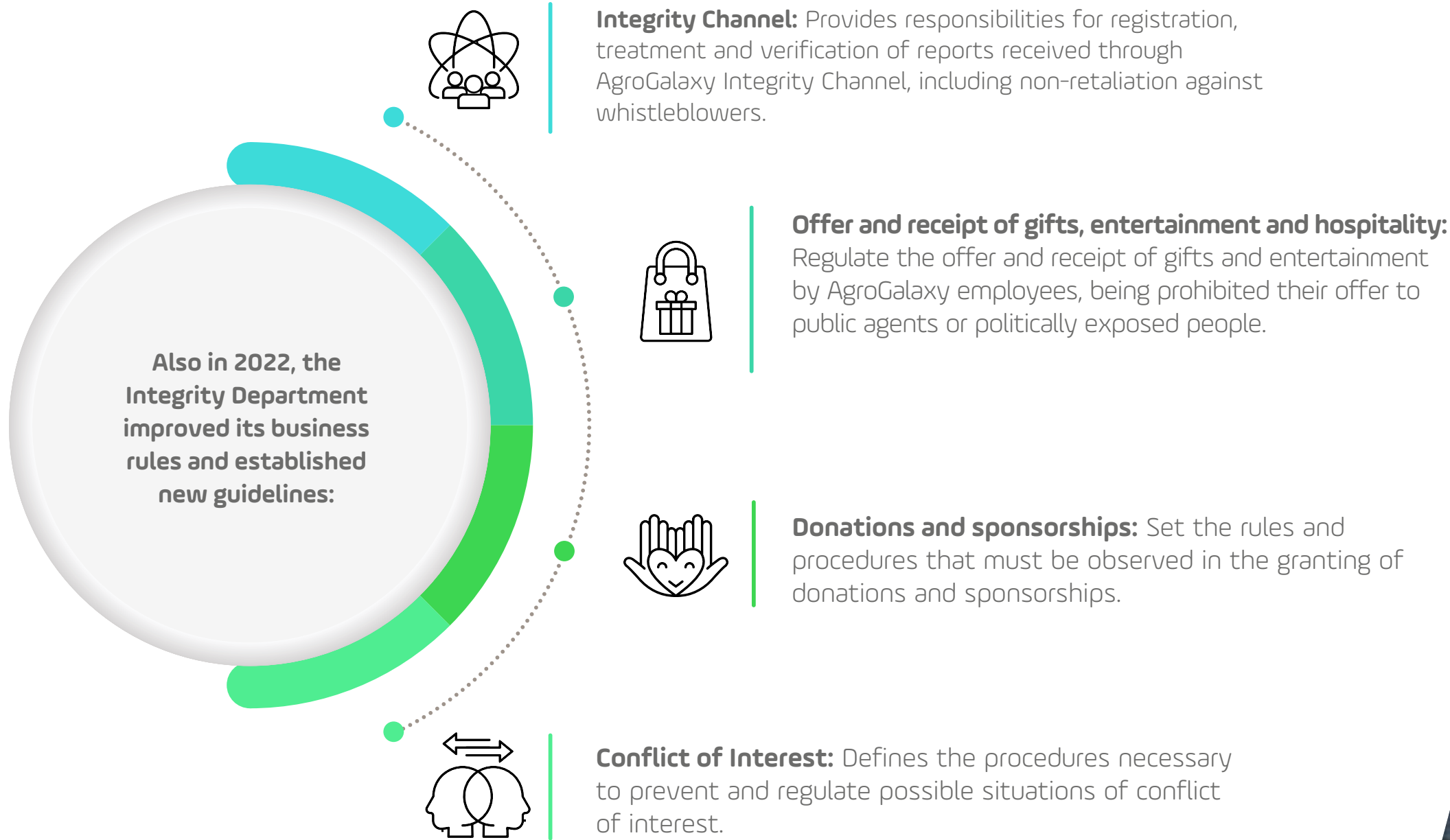
Code of Conduct and Code of Conduct of Business Partners

In 2022, the Company approved the revision of the **Code of Conduct**, which included a message from the CEO and the Chairman of the Board of Directors, in order to make clear the commitment of senior management to ensuring governance based on ethics and integrity. The Code describes the guidelines and master principles that should guide and move the professional action of all AgroGalaxy employees, regardless of hierarchical level, including directors, committee members and board members.

The integrity of an organization is built on the relationships kept with individuals, other organizations, and society in general. In this sense, AgroGalaxy established in 2022 the **Code of Conduct for Business Partners** (CCPN), which defines the non-negotiable guidelines that must be complied with by business partners (suppliers, service providers, third parties, business partners, etc.), fostering the culture of integrity in its value chain.



In addition to the premises of the Code of Conduct and CCPN, policies and business rules were established in order to mitigate the occurrence of risks related to the Integrity Program. These regulations include the [Anti-Corruption Policy](#), which reinforces AgroGalaxy's position in anti-corruption and bribery.





Integrity Channel [GRI 2-16 | 2-26 | 13:15.4 | 205-3 | 206-1 | 406-1](#)

AgroGalaxy Field Integrity Program has the [Integrity Channel](#) – A secure and independent means of communication that can be accessed by employees, business partners or any stakeholder to report concerns, allegations or suspicions of violation of the guidelines of the Code of Conduct, the CCPN and the regulations of AgroGalaxy.

The channel is operated by a third party and independent company, in order to guarantee the anonymity, secrecy and confidentiality of the reports, which can be made anonymously, if desired.

Contact can be made [electronically](#) or by phone 0800 300 44 74 (toll free), 24/7.

AgroGalaxy does not tolerate retaliation against anyone who, in good faith, uses the Integrity Channel or collaborates in an investigation.

All 93 reports received in 2022 were duly investigated impartially by the Integrity area and reported to the Integrity Commission, a multidisciplinary collegiate body responsible for coordinating the investigation of the reports, defining the application of disciplinary measures and appropriate action plans. In addition, the Channel indicators and other relevant topics are periodically reported to the Audit Committee.

In 2022, three reports classified as discrimination were received. During investigations, after due treatment, the cases were considered unfounded.

In any case, there were no cases of corruption and actions about unfair competition, anti-trust and/or monopoly against AgroGalaxy during the year.

Compliance [GRI 2-27](#)

The Company is a party in three legal and/or administrative proceedings related to non-compliances, one related to labor (still pending), one to the environment (dismissed in court) and one to tax (pending at the end of 2022).

Cases of non-compliance with laws and regulations* [GRI 2-27](#)

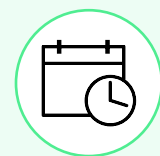
	2021	2022
Total Number of cases	1	3
Monetary value of fines paid (R\$)	12,100	0

*Considered as individually relevant processes in which the companies controlled by the Company are part and that may significantly affect the equity or business (amounts exceeding R\$ 5 million), its image or the regular operation. Criteria were based on the [Reference Form](#).

Number of reports and time for investigation

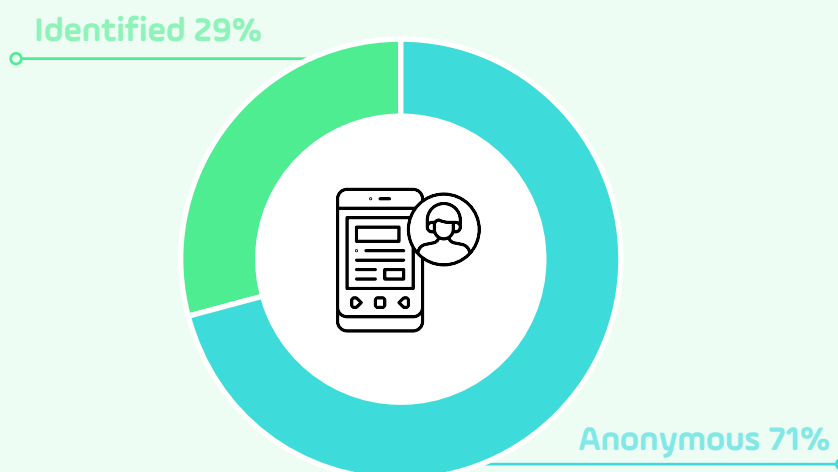


Reports received **93**



Average time for handling **34** days

Identification of reports



Category of reports



- Misconduct **57%**
- Conflict of interest **14%**
- Breach of legislation or internal policies **9%**
- Consultation **8%**
- Fraud **6%**
- Occupational Health and Safety **4%**
- Others **2%**



RISK MANAGEMENT

GRI 2-13 | 13.2.2 | 201-2

AgroGalaxy has a Corporate Risk department that aims to disseminate and reinforce the risk culture and the adoption of good organizational practices, in order to support the strategic planning and sustainability of the Company's business.

In 2022, AgroGalaxy developed a new Corporate Risk Matrix, approved by the CEO, the Audit Committee and the Board of Directors.

The process encompassed the main perceptions of the executives, raised in interviews, about risks that have a significant impact and may impair the achievement of the Company's goals.

As a result, the main points identified were consolidated, categorized into Strategic, Operational, Financial and Compliance, including socio-environmental matters, and classified according to their likelihood of occurrence and financial impact, being possible to evaluate the existing scenarios and prioritize corrective actions according to the criticality of the risk.

Key Corporate Risks Identified in 2022

Category	Risk
Strategic	Climate change and environmental imbalance may lead to market changes, affecting the Company's operating model*.
Compliance	Respond in solidarity for damage to the environment/biodiversity or communities caused by customers*.
Operational	Interruption in the Company's operation due to unavailability of system, human resources, fragility in the infrastructure or external events*.
Strategic	Changes in the regulatory or political environment.
Strategic	Inadequate product portfolio to meet the needs of customers and the regions served*.
Financial	Default arising from non-compliance with customers' financial obligations.
Compliance	Breach of the Integrity Program with negative exposure of the image of the Company or its shareholders and executives.
Operational	Difficulty in attracting, selecting and retaining professionals*.
Financial	Significant variations in the values of commodities, foreign exchange and market indicators.
Operational	Directly cause damage to the environment/biodiversity or local communities*.

*Risco corporativo no qual o desdobramento resultou em um risco ESG ou SSMA.

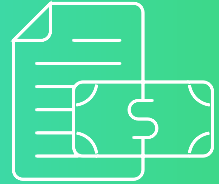
In addition to this work, the ESG, HSE and Integrity area's structure risk matrices specific to their attributions, thus unfolding corporate risks into operational risks, closer to the Company's day-to-day life. The existing controls instituted to reduce exposure to risk have also been mapped and, throughout 2023, appropriate and specific action plans for measurement and monitoring will be established. The ESG and HSE Matrix is thus integrated into the Corporate Matrix.

In 2023, the Company also intends to prepare a climate risk analysis study, in accordance with the Task Force on Climate Related Financial Disclosures (TCFD), to determine the financial implications of these risks and their forms of management. The climate risks include increased incidence of pests and diseases, changes in water regime and extreme events and/or natural disasters.



Internal Audit

In line with the growth of the Company's operation, the Audit Committee approved the hiring of Ernst & Young to provide co-sourcing internal audit services in 2022. The scope aims to evaluate the adequacy and effectiveness of governance and risk management, reporting opportunities for improvement in the internal control environment in order to promote and facilitate continuous improvement in processes. The progress of the work is reported periodically in the meetings of the Audit Committee.



Anti-corruption GRI 205-1

AgroGalaxy provides for compliance risk management in the Corporate Risk Matrix and, in a complementary manner, has also mapped the risk of corruption throughout its operation, especially during interactions and relationships with public agents, directly or through third parties, in the Matrix of Specific Integrity Risks.

The effectiveness of governance and risk management is externally verified, focusing on continuous improvement

AGROGALAXY

PRODUCTIVITY WITH INNOVATION AND SUSTAINABILITY

GRI 3-3 – Productivity with innovation and sustainability in the field | 13.6.1 | 13.8.1 | 13.10.1

Performance aimed at development
of a more technological, regenerative
and precision agricultural chain



Bringing productivity to the field, with innovation and sustainability, is the business of AgroGalaxy, which aims to contribute to the development of a more technological agricultural chain and that allows the transformation of conventional agricultural models to regenerative and precision agriculture. This is a great differential of the Company that, in the activity of commercialization of agricultural inputs, may cause potential indirect negative impacts, related to the form of application of the products – which is minimized by a series of initiatives, campaigns and partnerships that aim to foster the responsible and rational use of chemicals in agriculture, as well as the adoption of safer management.



Innovation for transformation of traditional agricultural models



Contribution to national agribusiness

In AgroGalaxy's view, one of the most efficient ways to ensure sustainability in the field is to increase productivity per area significantly, recovering degraded land and reducing the need for deforestation for planting. The Company encourages this through various initiatives, such as the GreenGalaxy program, created to, through sustainable financing with special conditions, enable customers' agricultural production with a portfolio with the addition of at least 30% of bioinputs and recovery of degraded areas for conversion into productive lands. Customers who joined GreenGalaxy underwent a socio-environmental analysis in which it was proven, since 2020, the non-deforestation in the properties submitted to the program – the base date takes into account the European Green Deal, an environmental pact that provides, among others, for the non-import of products from areas of deforestation. They must also, throughout their stay at GreenGalaxy, commit not to deforest.

The line has a total value of R\$ 25 million and was obtained through the Agribusiness Receivables Certificate (Transition CRA), which had an external opinion from Nint and aims to accelerate the implementation of ESG concepts in agriculture. JGP participated in the design of the program, as well as its objectives and metrics. The manager was responsible for supporting the structuring, which was in charge of VERT, with adequacy of the issuance to IFACC (Financial Innovation for Amazon, Cerrado and Chaco) initiative criteria. Likewise, JGP acts as an anchor investor in this operation. The selected customers include soybean, coffee and corn producers, most of them from Mato Grosso do Sul.



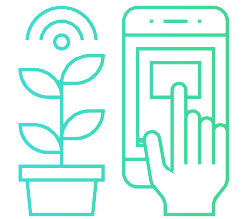
AGRICULTURAL TECHNOLOGY GRI 416-1 | 13:10.2

The Company's business model aims at efficient management solutions that minimize environmental impacts, improve the cost of natural inputs and, thus, increase productivity, reducing the cost per unit produced. In this purpose, AgroGalaxy has a team of experts, called Tech-A, totally focused on boosting results in the field by offering recommendations, technical protocols, services and tools, supporting the producer in the various stages of crop development. In 2022, this team was added to six employees, ending the period with 62 professionals, who

conducted approximately 485 field visits for instruction and implementation of more efficient management practices.

The solutions are developed in AgroGalaxy Technological Centers (CTAs), areas in which the protocols of products and services are validated for safe, assertive and efficient technical recommendations. At the end of 2022, there were eight CTAs, located in Alfenas (MG), Jataí (GO), Londrina (PR), Dourados (MS), Campo Novo dos Parecis (MT), Querência (MT) and Cerejeiras (GO) with the last four

being inaugurated in the year. Also, in 2023, the Company plans two new CTAs, in Maringá (PR) and Palmas (TO), marking a presence in geographic regions that strongly meet the different characteristics of national production. CTAs accreditations are also highlighted, and Alfenas is registered with the Ministry of Agriculture, Livestock and Supply (Mapa) and Londrina is in the final stage of accreditation, thus, the tests performed may result in the inclusion, validation or cancellation of registration of a product.



Tech-A's team of experts contributes to boosting productivity in the field

CTAs Benefits

For AgroGalaxy

- Validation of products for PTA;
- Validation of new products and services;
- Future pipeline of suppliers;
- Profitability;
- Systematic view of the business
- Safety in the recommended products;
- Search for sustainable products;
- CTA seal of approval.

For customers

- Safety in the recommendations received;
- Qualified technical assistance;
- Innovation and new technologies;
- Tests according to the needs;
- Multi-brand protocol to meet the needs;
- Increased productivity.

For suppliers

- Consistency in the partnership;
- Training of the company's internal team and CTVs of AgroGalaxy;
- Safety and seriousness in the recommendation of CTVs
- Adjustments of positioning of doses and seasons;
- Customized information;
- Presence of the products in the PTA.



SOLUTIONS FOR THE FIELD

The solutions developed in the CTAs result in AgroGalaxy Technical Protocols, recommendations for various crops and that guide the offer of products, according to the needs of each property, by the Technical Sales Consultants (CTVs) of AgroGalaxy. Over 209 technical protocols were developed in the CTAs in the 2022/2023 harvest, covering 16 PTAs approved in complete management for crops such as soybeans, corn, wheat, coffee, beans, cassava, cotton and peanuts.

To ensure effectiveness, the portfolios are implemented in about 180 polo areas (considering the entire crop cycle) and 5,980 demand generation areas, in properties with a higher technological level. The tests and studies in the field rely on the use of georeferencing tools, which qualifies the analysis and comparison of productivity: in almost 90% of all areas productivity increased at levels profitable to the farmer with the use of PTAs, which do not include products banned by the World Health Organization (WHO), such as Methomyl.

The information feeds a large database, which will allow the improvement of fully integrated and complete solutions, also contributing to the development of the national agribusiness industry – considering the scale of the Company’s tests that, in addition to being superior to that of the industry, focuses on farmer management and can change the positioning of products. In this context, the pole areas are also used to train the Company’s commercial partners, as well as employees of customers and AgroGalaxy itself, in a process that feeds back to generate shared value.

2022/2023 harvest highlights





In Tech A's structure, Acerte A program stands out, with information on measurements, cleaning and cutting-edge recommendations for machinery/sprayers and adjuvants for more control and effectiveness in applications. In 2022, about 5,800 units of spray nozzles were replaced, which benefits the application of inputs on the properties, reducing, on average, 30% of the drift during the application, which allows, according to estimates:

- Reduction of 12.9 thousand m³ of inputs wasted during the less effective application;
- Consumption of 10.3 thousand m³ of water avoided;
- Consumption of 2.6 thousand m³ of fertilizers avoided, which leads to the potential to avoid the emission of 8,311.25 tCO₂e.

In addition to the support with application, Acerte A includes initiatives for training and development of employees who work in the production process on the properties – in 2022, more than 325 customers were served, totaling the training of more than 1,200 employees in practices to increase efficiency and regenerative agriculture. In addition, there is the



incentive to use blends and biologics in the properties, with evidence of the benefit for management: in a 300-hectare corn and soybean producing property in Itobi (SP), the participation of biologics in applications before Acerte A was 10%. After the program, it became 100%.

AgroGalaxy also has a Seed Analysis Laboratory, called Lab-A and responsible for providing various services related to the validation of seed quality, in order to ensure high vigor and germination. The samples are collected following the standards of the Rules for Seed Analysis (RAS) of the Ministry of Agriculture in a representative manner and sent to the laboratory as soon as possible, being fundamental for validation of the quality of the batch. For this, the following analyses are performed on soybean, corn, millet, sorghum, beans, oats, wheat, signalgrass and green manure seeds:

- Vigor and germination (in germinator and flowerbed);
- Tetrazolium test in soybean seeds (evaluation of mechanical damage, moisture and bed bug);
- Determination of the degree of humidity;
- Thousand-seed weight (TSW); and
- Physical purity analysis.





SOLUTIONS FOR CLIENTS GRI 13.4.1 | 13.10.2 | 416-1

AgroGalaxy does not have its own production and has operations via barter, through which the inputs are delivered having as a counterpart the payment with part of the production, in which the grain works as currency, without exposure to bank interest rates. The Company also offers clients term and credit payment solutions, with risk assessment that follows the guidelines in the [Credit Policy](#), revised in 2022 with the inclusion of ESG aspects. For example, the status of the Rural Environmental Registry (CAR) is verified, which is monitored continuously; if there is illegal deforestation on the property, based on the provisions of the Brazilian Forest Code; if there are lands inserted in areas embargoed by IBAMA, ICMBio and state regulators (areas pointed out in Prodes are also investigated, in order to recognize the possible illegality of their occupation); potential overlaps of area with Conservation Units, Indigenous Lands and Quilombola Area; and the occurrence of work analogous to slavery, through verification, in the last five years, of the register of employers in the “Dirty

List”. All these situations make the customer ineligible for credit granting. The verification and monitoring of customers are carried out from georeferenced technologies, such as Agrottools, Agrometrika and Terra Magna and the performance of specialized partners. There are also financing lines promoted through Agribusiness Receivables Credits (CRAs).

The portfolio of services also includes the offer of insurance, through partnerships and support of a team of specialists, who provide advice on hiring, focusing on the safety of properties and crops. In addition, through the [AgroGalaxy Club](#), customers can accumulate points on each purchase to exchange for exclusive services and products.

The focus on improving the productivity and sustainability of the properties is also expressed in [AgroGalaxy Universe](#), a blog created to make available, free of charge, a series of tips and information on agriculture, agribusiness and the main crops of Brazil.

2022 Highlight of the Year Award: Seed Multiplier Partners

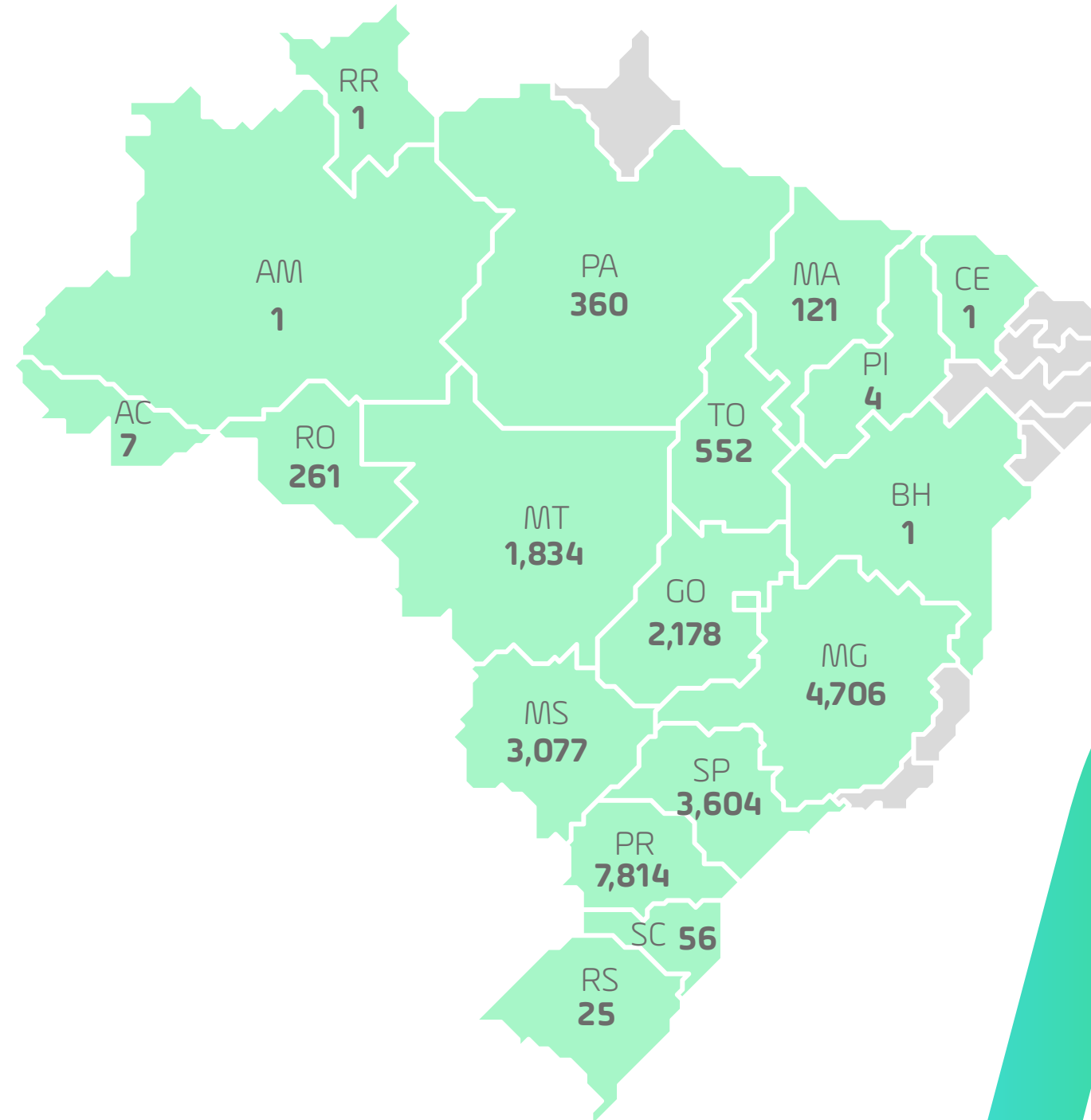
In August, the Company promoted an event to award producers who act as seed multipliers and assist in improving quality to increasing productivity for each crop. At the time, AgroGalaxy seeds received the Seeds Solutions Seal from BASF, a certificate that awards the effectiveness of the company’s seed treatment, proven through chemical, physical and compatibility tests.



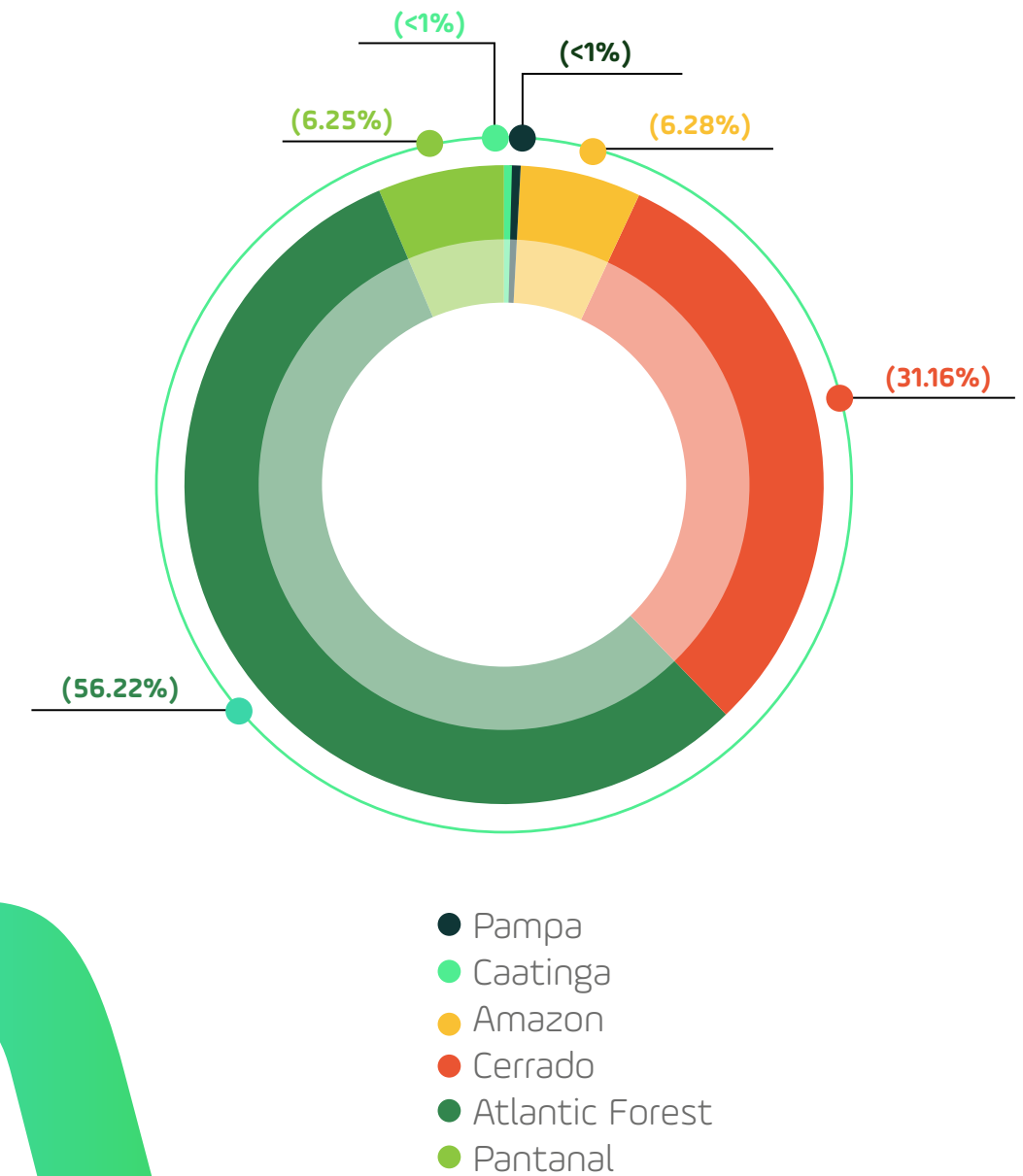
Customer segmentation

At the end of 2022, the number of active customers to purchase pesticides, who placed orders in the last 24 months, was 24,635. Most of them were in the Atlantic Forest biome. By State, the highest concentration was in Paraná, followed by Minas Gerais. A highlight of the period was the monitoring in socio-environmental criteria of 100% of the portfolio of active clients (considering the CPFs registered in Agrotools).

Customers by State



Customers by biome





DIGITAL AGRICULTURE

The year 2022 was of consolidation of the teams and the bases of digital transformation of AgroGalaxy. There has been significant progress in AgroGalaxy app, which brings together the information base and the necessary tools, some of them free, for farmers to make assertive decisions on their properties, including climate, commodity and financial data, as well as a seed calculator, calendar of activities and detailing of plots. At the end of 2022, there were 48 features, all developed in-house, 28 more than in 2021. In addition, in the total of the period, the app already totaled approximately 5.5 million hectares mapped, a database extremely relevant to the Company's strategy of becoming a platform of integrated solutions.

Another highlight is the possibility of hiring, in the app, [AgroKea](#), which aims, with precision agriculture, to simplify the routine of the rural producer through innovation and technology. Key automated service information includes:

- Mapping of all plots;
- Map for variable rate application of correctives and fertilizers;
- Comparisons between plots, considering productions, productivity and profitability;
- Pest infestation maps;
- Georeferenced observations.

It is also possible to model the services with the interpretation of the analyses and data generated, plan the harvest with the purchase of inputs and varieties more appropriate to the environments of the property and obtain chemical, physical, foliar and nematode analyses. With all these differentials and functionalities, at the end of the period there were about 120 thousand hectares contracted by more than 450 producers in AgroKea.

In addition to information and services to producers, the app is also the means of commercial relationship and communication with CTVs. Consultants can make orders, plan demands, track inventory management, and obtain billing and order scheduling information, qualifying the entire omnichannel journey from the shared view of properties with customers.

The amenities and interaction with customers and CTVs also occur through Gi, the digital assistant of AgroGalaxy and direct service channel via WhatsApp to clarify doubts about billing and campaigns, among others. If Gi cannot solve the issue, it is referred to the Call Center.





OPEN INNOVATION

The Company's digital transformation process was also reinforced in 2022 with investments to approach the external ecosystem. An important step in this direction was the launch of [InovaGi](#), an open innovation program that aims to identify solutions already existing in the market for acceleration, through access to startups and national and international hubs. The action is carried out in partnership with AgTech Garage, one of the main

innovation hubs specialized in agribusiness worldwide. The partnership aims to facilitate and accelerate the development of innovative and sustainable technological solutions for the sector. Therefore, within the scope of InovaGi, the 1st Open Innovation Edition 2022 was held in the year, with challenges in the topics: Precision Agriculture, IoT, Artificial Intelligence (AI) with satellite images, Training, Crop ERP and Agro News Clipping. There were

more than 80 entries, 50 initially selected for 20 pitches, resulting in ten approved for proofs of concept, and three contracts concluded. The original intellectual property of the solution/product presented continues to be the startups, since the program is to stimulate the innovation ecosystem, to the benefit of the agribusiness sector.



InovaGi Benefits



Opportunity to test solution/technology with a company as AgroGalaxy, pioneer in the agribusiness industry



Possibility of contracting as a supplier or partner of the Company, without assignment of participation (business equity).



Networking and visibility with possible contacts with more than 22 thousand customers of AgroGalaxy in Brazil.



Program focused on generating business quickly.



Fostering of collaboration throughout the company.



Brand appreciation by attracting new investors.



CULTURE, TALENTS AND DIVERSITY

GRI 3-3 – Culture, talents and diversity | 13.15.1 | 13.19.1 | 13.20.1

Teams trained and committed to
the search for extraordinary results





PEOPLE MANAGEMENT

2022 was a year of continuity in the consolidation of the corporate culture of AgroGalaxy, constituted and whose inorganic growth took place from the integration of companies, after the learnings of the processes that occurred in 2021 with this same goal. To this end, change management practices were improved within the integration process, showing a high level of maturity for solidification of corporate practices and commitments.

AgroGalaxy's corporate culture includes the appreciation of diversity, expressed explicitly in its [ESG Position](#), with the key commitment to create an inclusive organizational culture that develops and values talents, based on the pillars of Diversity, Integrity, Innovation and Sustainability. The selection processes seek to stimulate diversity and, at the end of 2022, a specific policy on the subject was being prepared. In addition to the Diversity & Inclusion Program, other bases for structuring AgroGalaxy culture include the adoption of a succession program; a Management System for the development of people; the guarantee of labor rights and human rights; and the promotion of health and safety.

The year included a controlled return to face-to-face work, after the most critical phases of the Covid-19 pandemic, with the definition of the following modalities: face-to-face, including commercial field employees and professionals working in the CTAs; hybrid remote working, with activities mostly performed in home office and two days in the Company; and 100% in remote working, which had a successful pilot for evaluation. In this sense, the Company is studying the expansion of the hybrid work policy and 100% in remote working, increasing the positions eligible for these modalities in 2023. The goal is that the trip to the office has a real purpose, of exchange and integration, always focusing on the development and quality of personal and professional life.

As a gateway to the Company, in 2022 the first internship program was held, with 60 vacancies for students from all over the national territory, in face-to-face, hybrid or 100% remote models. Candidates must have training scheduled between December 2023 and December 2025, in various courses, ranging from Agronomy to Computer Engineering. The selection also included diversity criteria, to strengthen the inclusive work environment.



Diversity and inclusion [GRI 405-1 | 13.15.2](#)

To boost inclusion and diversity in its workforce, AgroGalaxy started in 2022 the foundations of the Diversity, Inclusion and Belonging Program, called Somos+. The first steps were conducting a census to know the internal population, and the constitution of affinity groups, with the design of a strategic plan of action, aimed at: gender and People with Disabilities (PwDs), in the sequence race and, after, sexual orientation. For effectiveness of the actions and alignment with the organizational values, training was held in diversity and inclusion for People & Management team and for the volunteers of each group, which constituted the D&I Commission, launched in 2022. Another action was the 1st AgroGalaxy Diversity Meeting, aimed at talking about the richness of the theme, the importance of belonging and good practices of creating an inclusive environment. The preparation of the Human Rights Policy has also begun, which will address diversity and inclusion and will be evaluated by the Board of Directors in 2023.

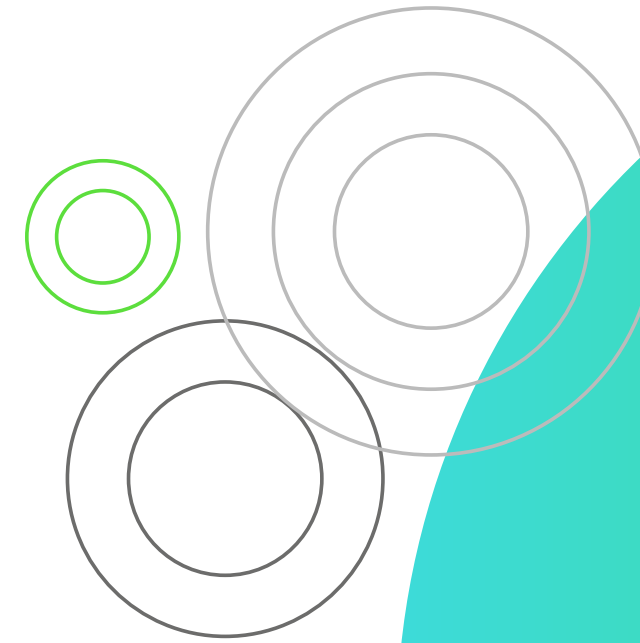


Another highlight was the Company's pioneering work in the creation of a program, in partnership with the philanthropic association [Espro](#) and with authorization from the Ministries of Education and Labor, for e-learning for Young Apprentices. AgroGalaxy offers space, computer infrastructure and Internet access, while Espro provides technical training. The difference is that, remotely, training can be offered from any part of Brazil, to anyone in Brazil.

Engagement with the majority shareholder, Aqua Capital, as well as the participation in collaborative networks, such as the Brazilian network of the Global Compact, also enable learnings for improvement in relatively new issues, such as human rights and diversity, for the agricultural retail segment. Another multistakeholder initiative that led to good progress in equity in the Company was the adherence to the Principles for Women's Empowerment (WEPEs) and the achievement of the Woman on Board (WOB) seal, for the maintenance of women in senior leadership (29% in the Board, 6% in the Executive Board and 21% in Senior Management).



See on the [GRI Annexes](#) data on diversity in the composition of the AgroGalaxy workforce



See the [launch video](#) Brazilian Sign Language (Libras) and AgroGalaxy's Inclusive Communication Guide



Communication and belonging

For its communications to reach its internal audience, in 2022 AgroGalaxy started to make 100% accessible disclosures, with an electronic resource that translates into pounds on the Intranet. In addition, it launched the Practical Guide to Inclusive Communication, which directs recommendations to make the Company's communication channels accessible to all, including social media and campaigns in general.

Actions also occurred on special holidays: The lecture "Various ways of living motherhood" was held on Mother's Day, given by Lígia Moreira, scientist, writer, speaker and mother; On Women's Day, the lecture "More than inspiring woman", given by Dona Sônia Bonato, ambassador of the National Congress Women in Agriculture and client of the Company. On Father's Day, Ismael dos Anjos addressed the topic "Affective Fatherhood".



Training and development

GRI 404-1 | 404-3

In 2022, the Company launched Unigalaxy, its corporate university, for uniform training and subject to business demands, with training tracks, initially focused on compliance training, which is mandatory. Specific tracks for leadership were also launched, focusing on culture, people management, performance cycle, feedback, monitoring of goals, values, etc., and 100% of the management levels (CEO position until coordination) ended the year with at least one training. In addition, half of the employees, of different levels, were trained in ESG practices.

At the beginning of the year, AgroGalaxy Academy was also inaugurated, an 18-month program with a main focus on the CEO and the search for talents identified as high potential, to accelerate development.

In 2023, the more technical corporate tracks will be added to understand the business and the cultures of operation. Another novelty of the beginning of 2023 is the training and capacity building track in governance, in line with the beginning of marketing of the shares for retail. There is also a digital platform to monitor the curriculum and the evolution path of employees. Thus, the Company has centralized the vision and control to manage internal development.

The evolution of employees is also promoted through performance evaluations and career development, available for positions from experts to CEO. In 2022, 388 were evaluated, 22% women and 78% men, which is equivalent to 15% of the total effective AgroGalaxy. The evaluation, composed of behavioral, individual and corporate goals (variation according to the position), is carried out by the managers in a computerized system. The results may imply promotions, merits, job movements, mentoring indications, coaching, subsidy of courses and training, among other development actions.

Hours of training offered by job category GRI 404-1

	2022
	Female
Commercial	7,404
Employees in general	41,865
Leaders in general	12,30
Executive leaders	636
Average hours of training per employee	23.45

Percentage of employees receiving regular performance and career development evaluations GRI 404-3

	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Commercial	0%	0%	0%	0%	2%	98%
Coordination	0%	0%	0%	0%	24%	76%
Others	0%	0%	0%	0%	0%	100%
Board	25%	75%	25%	75%	8%	92%
Experts	35%	65%	35%	65%	34%	66%
Managers	34%	66%	34%	66%	19%	81%
Total	36%	25%	20%	27%	17%	83%





Health and safety [GRI 403-1 | 403-2 | 404-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10 | 13.19.2 a 13.19.11](#)



To ensure safety in its operations, a priority of the Company, the Occupational Health and Safety Management System⁵ is maintained, which covers all employees and follows legal requirements established in the Regulatory Standards (NRs) of health and safety applicable to the business and mentioned in ISO 14001 and 45001.

The identification of hazards and risk assessment is carried out through inspections in the work environments and risk analysis of the activities, for adoption of safety measures that prioritize the necessary adaptations of machinery, equipment, environments, processes and working methods, as well as individual control measures.

Activities that may pose risks to employees are also addressed in dialogues about working conditions and methods, with a focus on incident prevention. With the same purpose, employees are encouraged to report hazards and dangerous situations in preliminary analyses and work permits (for activities with the highest risk potential); through a direct communication channel between the Operation and the HSE, with an online risk communication form that can be completed anonymously; in addition to direct reporting to security technicians, also with the possibility of confidential negotiations with the direct supervisor. There is also guidance on the right of refusal already in the integration process in case of potential risks in carrying out the activities.

The leadership has an active role in promoting safety, being trained in the subject to act proactively before reports and to adopt the necessary measures. Employees are also trained in several NRs (05, 06, 10, 11, 20, 23, 31, 33, 35), as well as in hearing conservation, respiratory protection, visual protection, waste management, hot work, defensive driving and EcoDirection, handling and operation of dangerous cargoes, chemicals and safety in the handling of household appliances.

The management of occupational safety and health services is carried out by the Health, Safety and Environment (HSE) department, composed of managers, coordinators, occupational physicians and occupational safety technicians.

Employees, from all hierarchical levels, also have representation, in the Internal Commission for Accident Prevention (Cipa)⁶, of a member elected by them, with stability of two years, so that they can work freely and without retaliation. There is also a requirement to hold a regular monthly meeting to discuss points of improvement in work environments and create action plans to avoid accidents and occupational diseases. In the detection of severe and imminent risks, there is autonomy to stop the operation for extraordinary meetings of discussion and creation of control plan.

Work incidents go through investigation, with processes of analysis and identification of the root cause, using the methodology of the 5 whys, in order to create action plans.

5. There are no internal or external audits of certification of the Occupational Health and Safety Management System.
6. For AgroGalaxy units that do not have a legal obligation regarding the formation of Cipa, representatives (security multipliers) are appointed, having the same attributions as the Commission.



Performance

There were no deaths and cases of occupational diseases of mandatory report among the Company’s employees in 2022. The main types of occupational diseases, commonly related to the AgroGalaxy business

and that can affect absenteeism, are musculoskeletal, such as low back pain and neck pain. In the year, the frequency rate of lost time accidents was 2.1 and the severity rate was 38.0.

Occupational accidents* [GRI 403-9](#)

Employee health and safety rates and figures	2021	2022
Number of deaths as a result of work-related injuries	0	0
Rate of deaths as a result of work-related injuries	0.00	0.00
Number of high-consequence work-related injuries (excluding fatalities)	1	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.21	0.00
Number of reportable work-related injuries	12	12
Frequency rate - lost time accidents (TF)	3.0	2.1
Severity rate (TG)	20.9	38.0
Total hours worked	3,955,027	5,703,411

Third parties’ health and safety rates and figures	2021	2022
Number of deaths as a result of work-related injuries	0	0
Rate of deaths as a result of work-related injuries	0.00	0.00
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.00	0.00
Number of reportable work-related injuries	N.D.	9

*2021 data does not consider AgroCAT and Ferrari Zagatto and 2022 data does not consider AgroCAT. The rate of work-related injuries of high consequence (excluding deaths) considers as severe occupational accidents those that generated absences of more than six months, not considering commuting accidents. The frequency and severity rates consider accidents of mandatory communication and all work accidents that generated some type of injury in the workers, not considering commuting accidents. AgroGalaxy does not have the total number of hours worked by third parties and, therefore, cannot measure the frequency and severity rates of this audience. Rates submitted are calculated based on 1,000,000 hours worked.

Compensation and benefits

[GRI 2-19](#) | [2-20](#) | [2-21](#) | [401-2](#) | [403-6](#) | [13.15.3](#) | [13.20.1](#)

In 2022, the last stage of standardization of the [Compensation](#), was conducted, with the definition of the variable compensation aspects of the commercial team, so that 100% of the employees have the clear definition of the benefit guidelines – employees not eligible for the goals plan receive variable compensation according to the result of the corporate goals, including two ESG goals. The administrative team has bonuses in a program of participation in the results linked to corporate, individual and behavioral goals. The commercial team has variable commission compensation based on the percentage of product sales by group segmentation and through the profit-sharing program. No payments in kind are made.

The processes for determining compensation, including of the senior leadership and members of the Board of Directors and committees, are described in the policy. Long-term variable compensation includes statutory or non-statutory board positions, with the granting of stock-based compensation plans as a variable compensation differential, according to the Stock Option plan and the Restricted Stock Incentive Plan.

In the year, the average compensation of the highest-paid individual, compared to other employees, was 25.77 times higher. The individual with the highest compensation had no percentage increase in the period, while other employees had an average of 19.71% of salary adjustment, excluding any compulsory adjustments arising from the Collective Bargaining Agreement.

Mathematical ratio between salary and base compensation for women and men by job category* [GRI 405-2](#) | [13.15.3](#)

		2022
Commercial	Base salary	65%
	Compensation	66%
Coordination	Base salary	86%
	Compensation	86%
Others	Base salary	97%
	Compensation	98%
Board	Base salary	176%
	Compensation	175%
Experts	Base salary	89%
	Compensation	90%
Managers	Base salary	108%
	Compensation	108%
Total	Base salary	65%
	Compensation	65%

*The ratio was calculated by the average base salary/compensation of women divided by the average of the base salary/compensation of men.



In the process of integrating the acquired companies, the benefits package was also standardized. Constituted in three pillars - Physical, Emotional and Social -, it encompasses differentials such as birthday leave; one shorter Friday per month for dedication to personal commitments; Christmas Voucher; food or meal voucher; life insurance; funeral assistance; home office assistance, with a monthly amount deposited in the payroll to complement

internet expenses; and granting of extended maternity/paternity leave (six months and 30 days, respectively), valid for same-sex relationships and in cases of adoption. To foster the health of the worker, AgroGalaxy has dental and medical assistance 100% funded by the Company for the holders, with the possibility of including legal, in which case the Company pays part of the monthly fee, in addition to Gympass, a platform focused on physical activity and emotional health.

Maternity/paternity leave* GRI 401-3

	2021		2022
	Female	Female	Male
Total number of employees who took maternity/paternity leave	17	26	49
Total number of employees who returned to work at the end of maternity/paternity leave	10	N/D	N/D
Total number of employees who returned to work and stayed for 12 months after the end of maternity/paternity leave	7	N/D	N/D
Return rate	59%	N/D	N/D
Retention rate	90%	N/D	N/D

*Only maternity leave was considered in 2021. N/D = Not available. As of 2022, AgroGalaxy started monitoring maternity and paternity leave for employees who took the benefit and not for the current year, so that the return and retention data in 2022 will only be available at the end of 2023, in the next report.



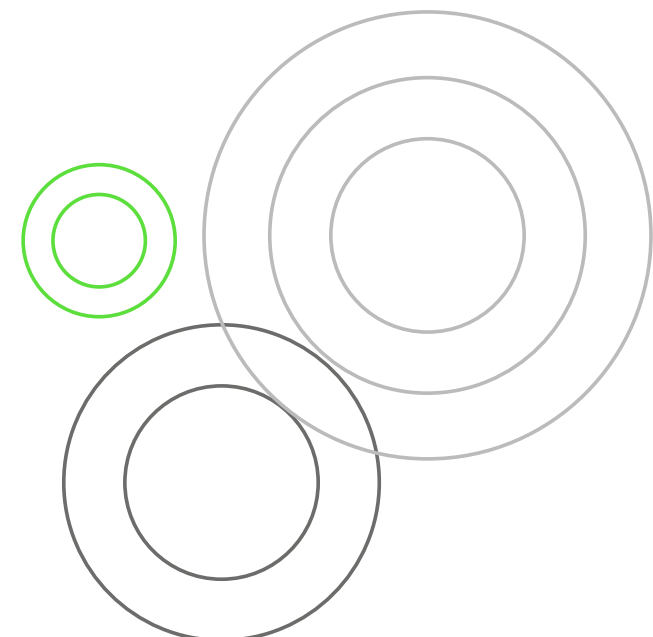
Employees [GRI 2-7 | 13.21.2 | 401-1](#)

All employees and workers who provide services to AgroGalaxy are subject to union representation, and in all locations there are valid and current Collective Labor Agreements. At the end of 2022, the Company had 2,566 employees, all permanent. Of these, 28% are women, 33% work in the South and 34% in the Midwest. There were no significant fluctuations compared to 2021.

The rate of new hires in 2022 was 40.4%, while the turnover rate was 21.9%. In the period, the hiring rate of women was 12.2% and of men was 28.2%. In the Midwest, the rate was 14.6% and in the Southeast, 11.6%.



See on [GRI Annexes](#) more data on employees and turnover in 2022



Employees per gender* [GRI 2-7](#)

	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees	386	1.071	1.457	582	1.575	2.157	735	1.910	2.645
Number of permanent employees	386	1.071	1.457	582	1.575	2.157	735	1.910	2.645
Number of temporary employees	0	0	0	0	0	0	0	0	0
Number of employees with no guaranteed work hours	0	0	0	0	0	0	0	0	0
Number of full-time employees		1.291			2.088		711	1.901	2.612
Number of part-time employees		166			69		24	9	33

*In 2020 and 2021 the data was not monitored due to the possibility of full-time or part-time work.





CONTRIBUTION TO SUSTAINABLE **DEVELOPMENT**

GRI 3-3 - Local development and quality of life

Purpose of generating value for
all stakeholders

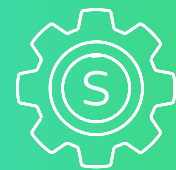


AGROGALAXY INSTITUTE

After joining the UN Global Compact in 2021, and as a way to expand its potential to foster the sustainable development of agribusiness, AgroGalaxy created an institute. A structured planning began, which included a survey of agtechs, innovation hubs and agribusiness researchers committed to ESG criteria, in addition to defining the purpose, target audience and business model. On that basis, [AgroGalaxy Institute](#) was officially launched in February 2022, which aims to become a catalyst for research and innovation through ideas, projects and solutions focused on education and innovation for sustainable development in agribusiness.

The Institute was legally constituted as a Private Non-Profit Association, relying on donations, associative contributions and/or other forms of contribution/revenue (as provided for in its Bylaws and applicable legislation) by its associates (companies that comprise AgroGalaxy Group) and/or any third party (individuals or legal entities), in order to support the execution of its purposes.

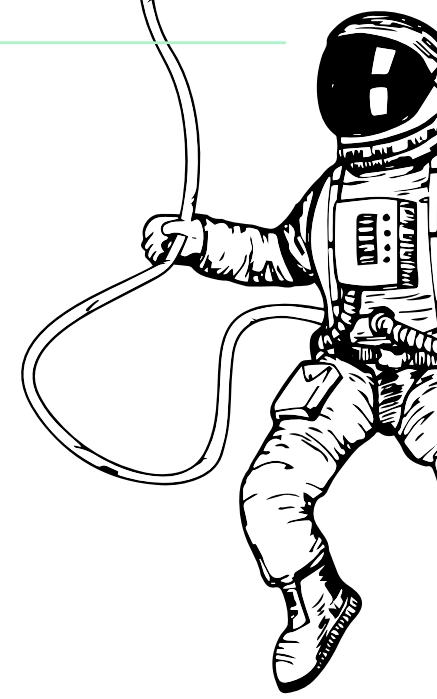
In addition, throughout 2022, partnerships were achieved with the technology incubator Esalq/Tec, AgVenture Innovation Club, AgTech Garage, Produzindo Certo and ACE Cortex. In addition to the purpose of the Entity, a solid governance model contributes to the partnerships, in which the directors are all volunteers and with varied experiences in the sectors of research, agribusiness, engineering, law, sustainability, strategy, governance and innovation. The Board of Directors is comprised by four members, two being women, with a focus on the plurality of ideas and appreciation of diversity. There is also an Audit Committee, with two members, and the Executive Board and Working Groups that rely on the knowledge of AgroGalaxy's own professionals, also volunteers.



Funds

In 2022, the Institute had funds allocated exclusively by AgroGalaxy to conduct its activities. The Company's Board of Directors authorized the allocation of R\$ 1,194,000.00 for implementation of the goals and projects of AgroGalaxy Institute throughout the fiscal year of 2022.





Value proposition of AgroGalaxy Institute



Our purpose

- Raise knowledge, education and innovation applied to sustainable development in the field.



What we do

- We work to be the link between sustainable solutions, farmers and the field worker;
- Focus on promoting and integrating the innovation ecosystem, aimed at sustainable agribusiness;
- Actions to enable the application of innovative solutions to meet the needs of rural producers.



How we do it

- Identification of opportunities, co-creation and open innovation;
- Implementation of sustainable solutions in the field;
- Digital platform of content and knowledge;
- Semi-annual challenge to select the best innovative solutions to test.



Impact caused

- Positive and relevant socio-environmental impact on Brazilian agribusiness;
- Initiatives recognized as promoters of sustainable development in the field;
- Transformation of agricultural production for sustainable and inclusive models;
- Contribution to achieve the Sustainable Development Goals (SDGs).

Challenges

To become the link between the voice of the field and sustainable solutions and generate positive and relevant socio-environmental impact in Brazilian agribusiness, AgroGalaxy Institute held two biannual challenges throughout 2022.

1st AgroGalaxy Institute Challenge

Aimed at startups and researchers, it sought projects capable of resulting in improvements, productivity and profitability to agricultural production by enabling solutions to various needs of rural producers. 95 participants attended.

[Meet the winners of the challenges on AgroGalaxy Institute website.](#)

2nd AgroGalaxy Institute Challenge

It sought educational solutions with technological and methodological innovations in the transfer of knowledge and development of rural workers and small producers. It had 53 participants.

In both challenges, the most impactful solutions were chosen to receive financial aid that will pay for the testing and application of the proposed solution in the field. They also gain from connecting to AgroGalaxy network, including executives, development areas such as Tech A, Digital and Innovation, CTVs from partner stores and farmers. In addition to the dissemination of the solution, as well as the professionals involved, in media and events of AgroGalaxy Institute.



VALUE CHAIN MANAGEMENT GRI 2-23 | 13.4.1

For an effective generation of shared value, AgroGalaxy seeks a close relationship with commercial partners, a relevant audience in its proposal for transformation in the field. With this focus and to rationalize its portfolio for efficient inventory management that prioritizes specialties, in 2022 the Company reviewed its supplier base, selecting companies that can strategically follow the growth of the business, in line with the strategic goals.

As a result, the specialty supplier base (strategic category for the transition to regenerative agriculture) was reduced from 70 to 31 active companies in the Company's base. The share of organic minerals increased from 13% to 17%. The decision to improve the supplier base will continue, to allow the Company's commercial teams to have even more knowledge of the products and solutions to be offered, with a reflection on the profitability of the business.

The care with the production chain goes beyond the selection of suppliers and includes contracts with socio-environmental clauses, including anti-corruption, and, as an evolution, in 2022 the disclosure of the [Code of Conduct for Business Partners](#). The document, which is attached to all contracts and to which suppliers must commit, determines that business partners must fully comply with the labor legislation applicable to their operation, including respect for individual rights and labor agreements signed with employees. In addition, AgroGalaxy encourages its partners to invest in the development of their teams, which is essential for sustainable business performance.

A mapping was made of critical socio-environmental issues for the four most relevant supply categories for the business: seeds, fertilizers, pesticides and specialties, generating a Criticality Matrix widely discussed with several areas of the Company, with the leadership of the Supply team. At the end of 2022, the Sustainable Procurement Policy was

also approved by the Board of Directors and new processes for monitoring the production chain will be established from 2023.

AgroGalaxy purchases are carried out by the managers of each business unit (BU), being the main companies of agricultural inputs, services, banks, registration, direct and indirect purchases. The registration of suppliers and the financial volumes related to each BU is controlled, but it is not possible to identify which suppliers are local. The system for information control is being improved to identify local suppliers, including the percentage of expenditure on these partners. In the year, the amount allocated to suppliers was R\$ 4,880,131, 52.5% above the R\$ 3,199,417* recorded in 2021.

*Data revised from that published in 2021. [GRI 2-4](#)





SERVICES IN THE COMMUNITIES

GRI 3-3 – Local development and quality of life | 2-25 | 13.12.1 | 13.2.3 | 13.14.1 | 13.22.4 | 203-2 | 413-1 | 413-2

The activities developed by AgroGalaxy do not have significant negative direct impacts* on the communities surrounding the operations, and the relationship is guided by the guidelines of the [Social and Environmental Responsibility Policy](#) and the actions of AgroGalaxy Institute, aimed at causing positive socio-environmental impacts for small farmers and rural workers. In the development of the Company's ESG strategy and in a diagnosis conducted by the ESG team with the leaders of the regional business units, opportunities for improvement were identified on three fronts: relations with the surrounding communities; education of rural workers; and support for small producers.

With a presence, through its stores, in 145 cities in several states of the country, the Company supported institutions and events financially in 30 municipalities, with a total of R\$ 168,435.28. Donations and sponsorships follow, as of 2022, the Donations and Sponsorship Business Rule, which requires the approval of the ESG or Marketing areas in order to ensure effectiveness and alignment with the business. Still, at the end of the period, an in-depth socio-environmental diagnosis was being prepared in the cities of Água Fria (GO) and Faxinal (PR).

AgroGalaxy participated for the second consecutive year in Saca do Bem Project, for the Cancer Hospital of Londrina. The effort of the entire team of buyers and the generosity of the farmers resulted in the collection of 1,717 bags of grain, which led to a donation of approximately R\$ 134,000.00.

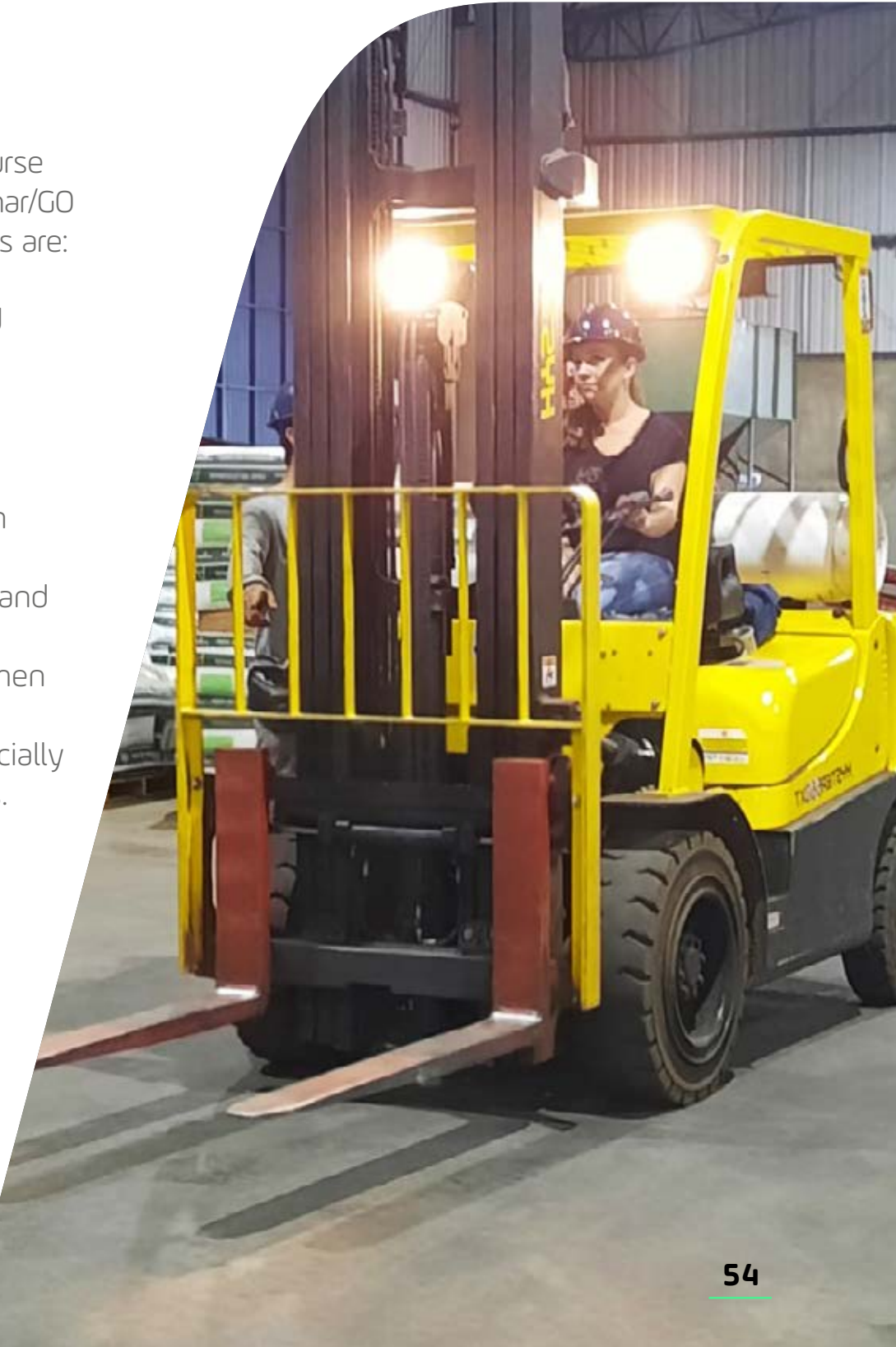
In the year, two education projects were also carried out aimed at these communities: in Faxinal technical courses were offered for sowing, aiming to increase employability, with the attendance of 88 students, including the female audience, in the courses of classifier, machine operator, forklift operator and use of PPE. The courses had the following goals:

- Contribute to increasing the employability of the community living in regions with nearby sowing;
- Attract good professionals to Boa Nova and other sowing;
- Ensure the safety of employees;
- Foster the increase of income generation of the communities, through better job opportunities during the harvest;
- Generate opportunities for personal and professional growth;

- Make an extra effort to attract more women to the roles of rocker arm and classifier.

In the region of Formosa (GO), a literacy course for adults was held, in partnership with Senar/GO and expected to end in April 2023. The goals are:

- Empower youth and adults to read and understand texts and documents;
- Foster the inclusion and citizenship of illiterate people;
- Demonstrate empathy with the social situation in which students are through reception and teaching;
- Expand opportunities for employment and income for local families;
- Foster learning for at least 50% of women in the class;
- Encourage other family members, especially younger ones, to continue their studies.



*In 2022, there was only one complaint registered in the HSE area related to the movement of heavy vehicles around a branch.



PERFORMANCE **ENVIRONMENTAL**

GRI 3-3 – Climate emergency and biodiversity | 13.1.1 | 13.2.1 | 13.3.1 | 13.4.1

Minimizing impacts and fostering the conservation of the environment is AgroGalaxy's commitment



Due to the nature of its activities and in line with its strategy, AgroGalaxy encourages farmers in consistent and sustainable growth, through a unique experience in acquiring and correctly using agricultural inputs and technology, assisting in more sustainable management with a production with less environmental impact. This position is expressed in the Company's [Social and Environmental Responsibility Policy](#), which also provides for the relevance of agribusiness for food security, especially due to the expected population growth in the coming decades.

There is a specific structure within the Credit for Socio-Environmental Analysis team, focused on mapping, detailing and recommendations of topics related to environmental preservation, which are treated in a continuous and structured way with the ESG and Legal departments. During the year, the Sustainable Procurement Policy was also prepared, aiming at socio-environmental demands, which will be published in 2023.

AgroGalaxy's [ESG position statement](#), with goals until 2030, also provides for collaboration for the preservation of biodiversity, supporting the fight against deforestation, with actions for the recovery of degraded areas through education, financing and models for payment for environmental services in partnerships with other organizations. The participation in 2022 in the Soy Moratorium Working Group is an example of the advancement of this agenda in the Company.

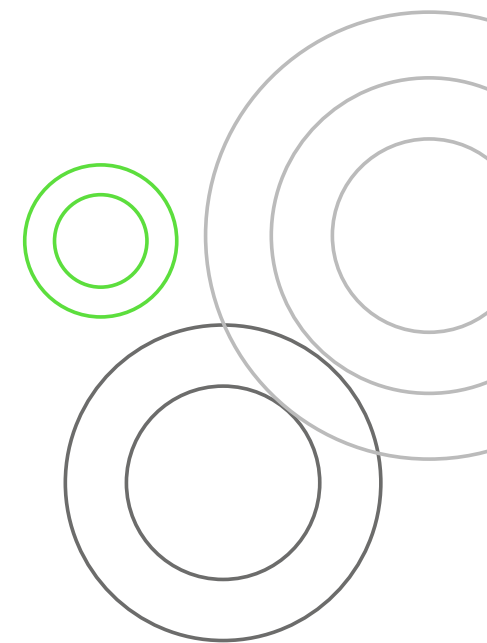
There is also a commitment to an active role in the Climate Change agenda, a relevant issue for the entire agribusiness chain and for the Company itself – although there are no significant direct impacts of the operation, AgroGalaxy acts primarily to influence customers and suppliers. The Company is mapping the potential impacts of these stakeholders to act proactively in the agenda of preserving biodiversity and reducing the impacts of climate change. Directly, the Company's activities do not have negative impacts related to climate emergency, considering the low volume of Greenhouse Gas (GHG) emissions.

The main initiatives related to the Company's climate change strategy in 2022 were:

- Obtaining the Gold Seal of the Brazilian GHG Protocol Program, with the GHG inventory complete and verified by a third party;
- Monitoring via Agrottools in socio-environmental criteria of 100% of the active client portfolio;
- Launch of [GreenGalaxy](#), a sustainable financing line for rural producers committed to zero deforestation;
- Hiring a platform to improve emissions management, also expanding the coverage of Scope 3 emissions;
- Obtaining the B score in the CDP Climate Change questionnaire;
- Adhesion to the Financial Initiative for the Amazon, Cerrado and Chaco (IFACC);
- Engagement in the Soy Moratorium;

- Purchase of energy in the free market for 16 units, avoiding emissions of 221 tCO₂e;
- Continuity of the fuel replacement program and renewal of the diesel fleet by flex (reduction of 45% of the diesel fleet), avoiding the consumption of 286 thousand liters of diesel and consequent emissions of 672 tCO₂e.

As an evolution, the Company is improving internal flows to identify environmental impacts in the phase prior to negotiations and creating an internal committee to resolve on critical cases, in order to support decision-making by business teams.





BIODIVERSITY GRI 304-1 | 304-2 | 13.12.2

The distribution of agricultural inputs, AgroGalaxy's main activity, includes chemicals for application in agricultural crops in order to improve crop yields. Such products, if not applied correctly and pursuant to good environmental practices, can result in contamination of soils, surface and groundwater and fauna. This impact is indirect for the Company, but may occur directly by third parties in the value chain, which is why the team of Technical Sales Consultants (CTVs) acts to advise on the best way to handle and apply the products sold, including guidance on the use of Personal Protective Equipment (PPE).

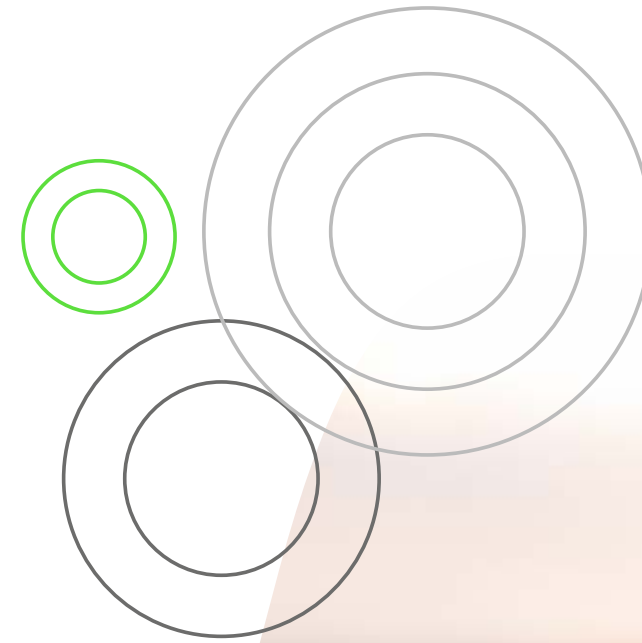
Although the conversion of habitats does not apply to the main activity, as it can occur in its value chain, due to the opening of new areas for agricultural cultivation by its customers, the mitigation of impacts on biodiversity is the theme of the [Credit Policy](#). It covers ESG aspects and incorporates socio-environmental risk analysis of clients' properties, with the support of a geospatial analysis tool, with an evaluation of the place where the products sold will be applied, in order to ensure the preservation of protected areas and in which traditional communities live, also bringing specific rules of land use

and occupation. This evaluation, which also considers official data (Prodes), can make the client unfit for credit release.

AgroGalaxy Institute is another highlight, with educational actions for sustainable agriculture, as well as the network of initiatives to combat deforestation.

The Company also conducts, before the construction/opening of any store, an environmental inventory, with a checklist to survey possible contaminated areas from previous activities, to ensure that its activities do not affect the environment. For this, the sewage network or the need for adequacy of septic tanks is evaluated and the municipal master plan is studied, to certify that the installation will not harm the surrounding population.

AgroGalaxy also does not carry out direct operations that may affect the rights to land and natural resources. The Company uses Agrottools' georeferenced tool to verify the location of its units and as a way to ensure that there is no interference in environmentally protected lands that affect traditional communities.





ENERGY

GRI 302-1 | 302-2 | 302-3

Since 2020, in order to minimize impacts related to electricity generation, after an economic feasibility study in the units that consume the most energy, the Company has been contracting in the Free Market for these facilities, such as silos. AgroGalaxy does not monitor energy consumption outside the organization.

In 2022, 569,701 GJ (including electricity) were consumed, of which 81% came from fuels from renewable sources. Regarding electricity consumption, 48% comes from renewable sources of generation.

Total energy consumed (GJ)* GRI 302-1

	2021	2022
Fuels from non-renewable sources**	91,553	89,791
Fuels from renewable sources***	152,809	440,751
Electricity consumed****	22,806	39,159
Energy sold	0	0
Total	267,168	569,701

* The data follow the premises of the Brazilian GHG Protocol Program.

** Fuels from non-renewable sources include those used in own stationary and mobile sources and third-party mobile sources. The reduction of non-renewable fuels was due to the reduction in diesel consumption.

*** Fuels from renewable sources include firewood for direct burning. The significant growth stems from the increase of the firewood stock in Agro 100, without distinction of what was actually used in 2022 and by the greater volume of grains that had to go through the drying process, in addition to the inclusion of Agrocat. The figures were revised, considering the PCI 2022 with the National Energy Balance (BEN) 2022 and PCI 2021 with BEN 2021. (GRI 2-4).

**** Increase is due to the inclusion of AgroCat and Ferrari Zagatto in the calculation, in addition to the increase in consumption in Agro 100 and Rural Brasil.

The energy intensity of AgroGalaxy totaled 17.72 MWh/MMR\$ and 244 KWh/t of marketed products.

Energy intensity* GRI 302-3

	2020	2021	2022
KWh/R\$	53.78	11.28	13.65
KWh/t of marketed products	244	85	188

* There was a reduction of about 3% in the volume of products sold in 2022, but the increase in the indicator is due to the increase in energy consumption due to the stock of firewood in Agro 100, which affected the indicator of renewables sources and the increase in total energy consumption with the entry of AgroCat and Ferrari Zagatto.

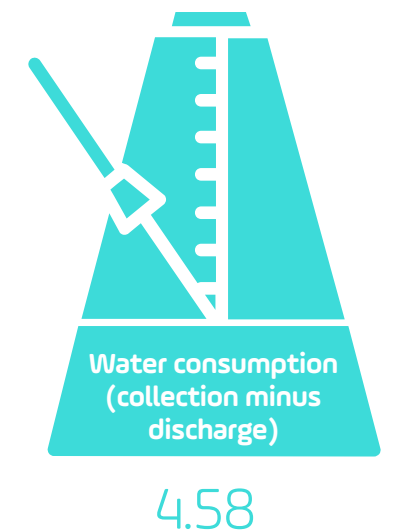
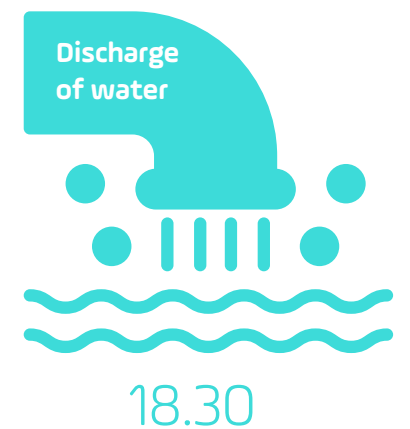
WATER

GRI 13.74 | 13.75 | 13.76 | 303-3 | 303-4 | 303-5

In 2022, AgroGalaxy captured 22.88 megaliters (ML) of utility fresh water (total dissolved solids ≤1,000 mg/L). The volumes of water collected from underground sources are not monitored because they are too low. There is also no monitoring on water abstraction in areas with water stress, which is under study for implementation in 2023.

Water disposal in the year was 18.30 megaliters – an estimated value considering 80% of the total consumption, calculated by the water bills, with consumption of 4.58 megaliters –, considering catchment minus disposal.

Water use in 2022 (ML)





EMISSIONS

[GRI 305-1](#) | [305-2](#) | [305-3](#) | [305-4](#) | [305-5](#)

AgroGalaxy annually reports its Greenhouse Gas (GHG) emissions according to the parameters of the GHG Protocol, which it joined in February 2022, winning the Gold Seal in its inventory, externally audited by a specialized company.

At the end of 2021, there was the incorporation of the company AgroCat, with GHG emissions associated with the company's operations not considered in the last inventory. In 2022, these emissions were incorporated into the inventory, but did not represent a reason for revision of the previous inventory. In addition, at the end of 2022, a digital platform (SaaS system) was contracted to manage the GHG emissions of the entire AgroGalaxy Group. However, information gaps have been identified, which will be remedied to improve the inventory for the 2024 cycle, increasing the granularity of the data and addressing more Scope 3 categories. [GRI 2-4](#)

Due to the low volume of emissions in relation to other economic sectors, the Company seeks to reduce emissions through fuel consumption, prioritizing the use of ethanol. In this sense, it launched in 2022 the Carbon Neutral Fleet Program, to reduce emissions by up to 37% – in 2022, the diesel fleet was reduced by 45%, with the replacement of 59 vehicles by flex models, which allowed an estimated reduction of emissions of 672 tCO₂e, in addition to savings of about R\$ 298 thousand per year.

In 2022, AgroGalaxy emitted about 9,995 tCO₂e, with 91% of emissions coming from Scope 1, that is, direct emissions. There was an absolute reduction compared to 2021, explained by adjustments in GHG spreadsheets in 2021, which followed another commercial sector as the basis of calculation, in addition to the reduction in the emission factor of the National Interconnected System for electricity.

Greenhouse Gas Emissions (tCO₂e) [GRI 13.1.2](#) | [13.1.3](#) | [13.1.4](#) | [305-1](#) | [305-2](#) | [305-3](#)

	2020	2021	2022
Scope 1	7,056	8,976	9,157
Scope 2**	694	1,026	463
Scope 3	112	-	375
Total	7,862	10,002	9,995

** The gases included in the calculations were CO₂, CH₄, N₂O and HFCs and followed the basis of the tool of the Brazilian GHG Protocol Program, version 2022.1.1, which follows the IPCC methodology and data published in official government sources. The consolidation approach chosen for emissions includes operational control. Some 2021 data was resubmitted after inventory audit ([GRI 2-4](#)).

** Despite the increase in electricity consumption between 2021 and 2022, GHG emissions associated with this consumption were reduced due to the update in the average Emission Factor for the national SIN, which started using more renewable sources in its composition.

Direct Greenhouse Gas Emissions (Scope 1) by type (tCO₂e)* [GRI 13.1.2](#) | [305-1](#)

	2020	2021	2022
Generation of electricity, heat or stationary combustion	3,526	3,233	4,214
Transport of materials, products, waste, employees or mobile combustion	3,522	5,720	4,932
Fugitive emissions	2	23	10
Total gross CO ₂ emissions	7,056	8,976	9,157
Biogenic CO ₂ emissions (Scope 1)	40,808	34,830	49,825

*The gases included in the calculations were CO₂, CH₄, N₂O and HFCs and followed the basis of the tool of the Brazilian GHG Protocol Program, version 2022.1.1, which follows the IPCC methodology and data published in official government sources. The consolidation approach chosen for emissions includes operational control. Some 2020 and 2021 data were resubmitted after inventory audit ([GRI 2-4](#)).



Other Greenhouse Gas Emissions (Scope 3) (tCO₂e)* [GRI 13.1.4 | 305-3](#)

	2020	2021	2022
Upstream			
Waste generated in operations	14	N/D	N/D
Business trips	23	N/D	330
Transportation of employees	38	N/D	45
Downstream			
Downstream transport and distribution	37	N/D	N/D
Total	112	N/D	375
Biogenic CO ₂ emissions (Scope 3)	13	N/D	4

*The gases included in the calculations were CO₂, CH₄, N₂O and HFCs and followed the basis of the tool of the Brazilian GHG Protocol Program, version 2022.11, which follows the IPCC methodology and data published in official government sources. The consolidation approach chosen for emissions includes operational control. After inventory review in 2022, the 2021 Scope 3 data was disregarded, thus, is not available. [\(GRI 2-4\)](#).

Greenhouse Gas Emissions Intensity* [GRI 13.1.5 | 305-4](#)

	2020	2021	2022
Scopes 1, 2 and 3 (tCO ₂ e/R\$)	1.84	1.52	0.86
Scope 1, 2 and 3 (tCO ₂ e/t of marketed products)	0.013	0.011	0.012
Scope 1 (tCO ₂ e/R\$)	1.67	1.36	0.79
Scope 1 (tCO ₂ e/t of marketed products)	0.012	0.010	0.011
Scope 2 (tCO ₂ e/R\$)	0.16	0.16	0.04
Scope 2 (tCO ₂ e/t of marketed products)	0.001	0.001	0.001
Scope 3 (tCO ₂ e/R\$)**	0.03	N/D	0.03
Scope 3 (tCO ₂ e/t of marketed products)**	0.0002	N/D	0.0004

*The gases included in the calculations were CO₂, CH₄, N₂O and HFCs and followed the basis of the tool of the Brazilian GHG Protocol Program, version 2022.11, which follows the IPCC methodology and data published in official government sources. The consolidation approach chosen for emissions includes operational control.

Some 2021 data was resubmitted after inventory audit. After inventory review in 2022, the 2021 Scope 3 data was disregarded, thus, is not available. [\(GRI 2-4\)](#).

**In 2022, two categories were counted in Scope 3: business travel and commuting.





WASTE

GRI 13.8.2 | 13.8.3 | 13.8.4 | 13.8.5 | 13.8.6 | 306-1 | 306-2 | 306-3 | 306-4 | 306-5

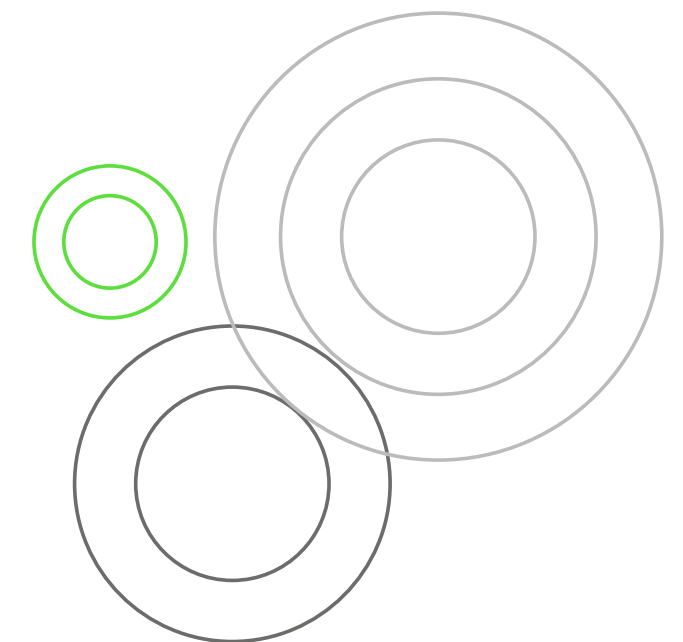
The Company’s direct operations are not related to actual or potential negative impacts of waste generation, most of which are domestic and office. Indirectly, there is a potential negative impact related to the use by customers of the products sold, especially pesticide packaging and agricultural inputs that comprise dangerous products. To minimize environmental risks and raise customer awareness, invoices inform the need for correct treatment and final destination of empty packaging. In addition, AgroGalaxy informs its customers about the partnerships signed with various entities, duly licensed by the relevant environmental agencies, such as the National Institute for the Processing of Empty Packaging (inpEV), which can receive empty packages for proper treatment and destination. Internally, an operating procedure is kept providing for the management of chemicals and processes that include operation with pesticide packaging.

The household and office waste generated in the operations are destined to the municipal collection system or for recycling, when applicable, or to duly licensed landfills – in which case licensed carriers are hired by the relevant environmental agencies. The process is evaluated by the HSE team, which validates the environmental licenses of both carriers and receivers. Treated seeds that are not in the standard for marketing are destined to companies duly licensed to their final destination.

In 2022, AgroGalaxy generated 696 tons of non-hazardous waste – organic compounds, which were destined for final disposal. In addition, in the period, the Company generated 4,270 tons of packaging of inputs that were reused and/or recycled after treatment.

Disposal of waste by type [GRI 13.8.5 | 13.8.6 | 306-4 | 306-5](#)

	2021		2022	
	Weight (t)	Percentage (%)	Weight (t)	Percentage (%)
Hazardous waste reused and recycled	4,089	93%	4,270	93%
Non-hazardous waste reused and recycled	470	40%	230	40%
Total waste reused and recycled	4,559	82%	4,500	87%
Hazardous waste for final disposal	286	7%	322	7%
Non-hazardous waste intended for final disposal	700	60%	344	60%
Total waste for final disposal	986	18%	666	13%





PERFORMANCE FINANCIAL

GRI 13.22.1 | 13.22.2 | 201-1 | 203-1 | 3-3 – Financial performance and business expansion

The year was marked by revenue growth and stood out with the sale of biosolutions



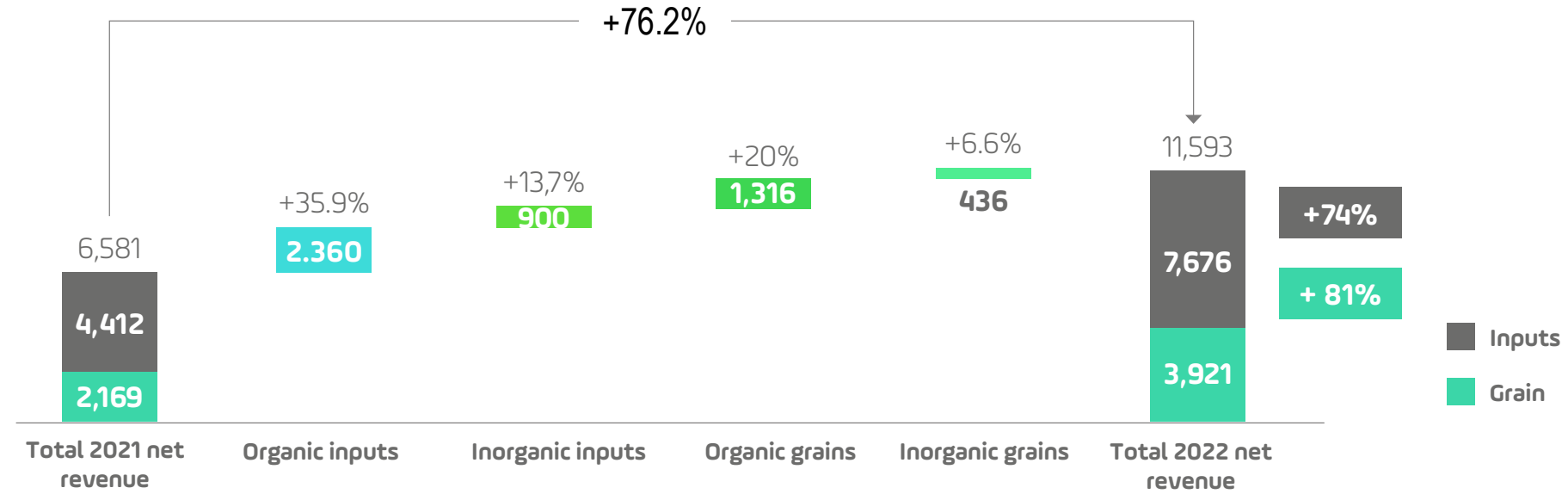
ECONOMIC AND FINANCIAL RESULT

GRI 3-3 – Financial performance and business expansion | 203-1

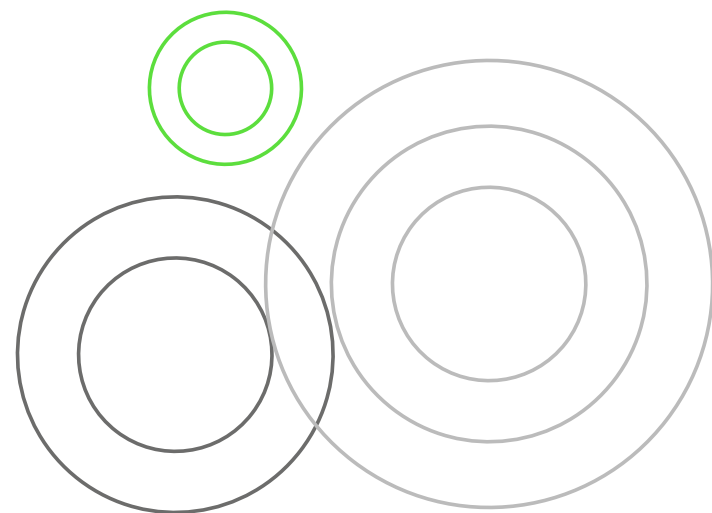
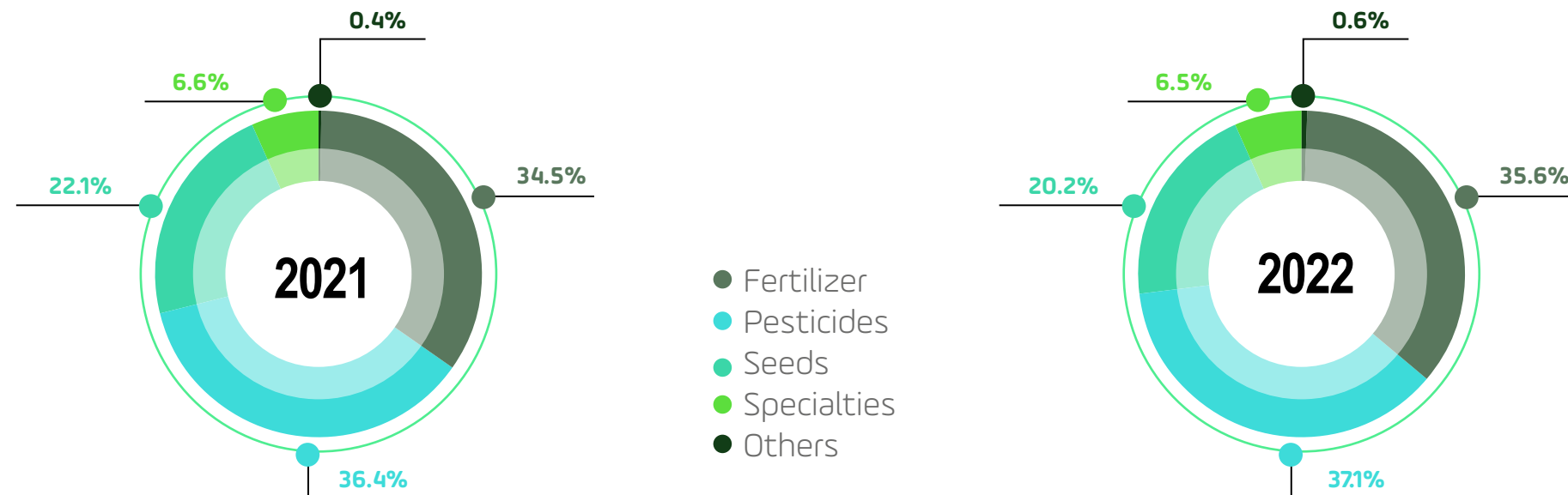
Highlighting the performance of the commercialization of inputs, which reached R\$ 7.7 billion in 2022, a growth of 74% compared to 2021, AgroGalaxy ended the year with total net revenue of R\$ 11.6 billion, an expansion of 76% compared to the previous period. The performance of revenue from digital channels, which totaled R\$ 3.1 billion, a 34.4% increase, also contributed to the good result of the period.

The Company also exceeded the target set for the year of increasing biosolutions revenues, which grew 44% in relation to the result achieved in 2021.

Net revenue evolution (R\$ million)



Mix of 2021 x 2022 net input revenue (%)

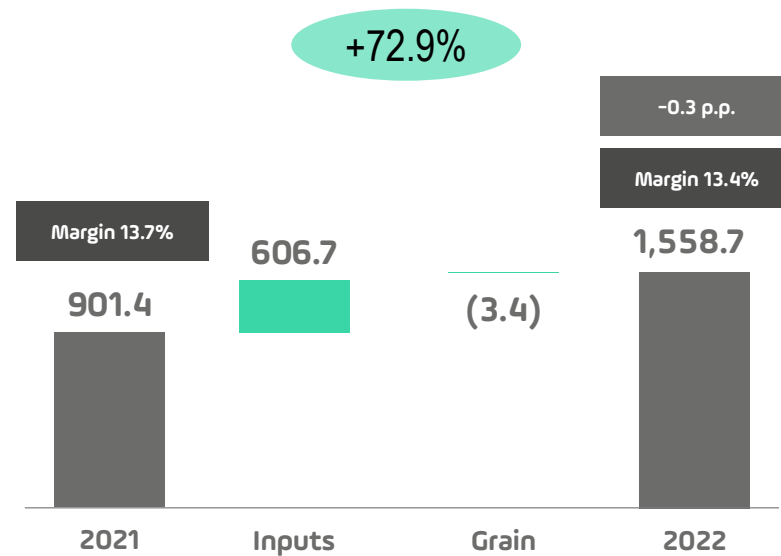




The adjusted gross profit was R\$ 1.6 billion, an annual increase of 73%, with a margin of 13.4%, a reduction of 0.3 p.p. vs 2021, reflecting the decrease in the representativeness of inputs in relation to net revenues for the period (67% 2021 vs. 66% 2022), with a 1.4 p.p. reduction in gross grain margin. Net income totaled R\$ 54 million.

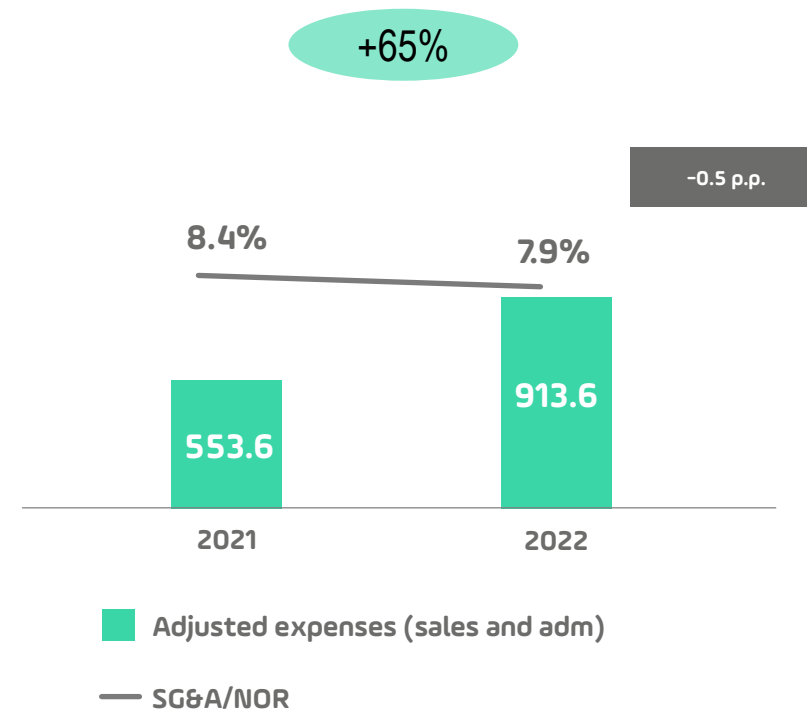
Adjusted gross profit

Adjusted gross margin evolution (R\$ million)



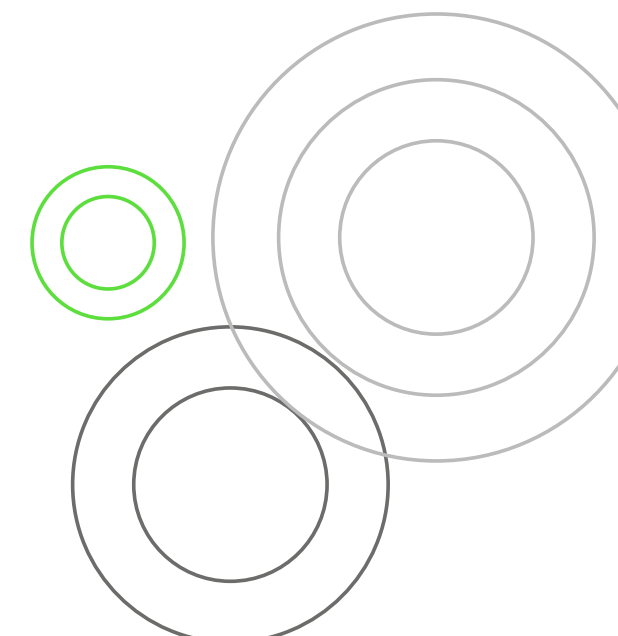
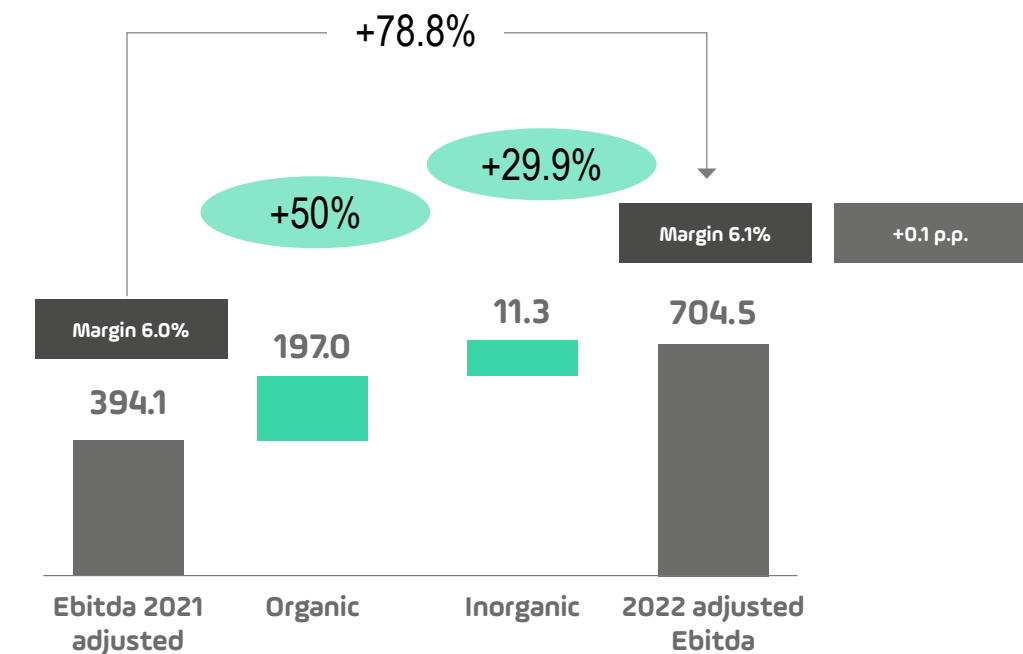
There was an increase of R\$ 360 million in expenses, or 65% compared to 2021. The growth was mainly due to the opening of stores; the reinforcement of the backoffice structure; the consolidation (full year) of Boa Vista, Ferrari Zagatto and Agrocat in 2022 results; and the increase in commissions of the sales force – related to the relevant growth in the turnover of inputs.

Evolution of expenditure (R\$ million)



Adjusted EBITDA totaled R\$705 million, a 79% increase compared to 2021, with a margin of 6.1%.

Adjusted EBITDA evolution (R\$ million)





Economic-financial result (R\$ thousand)

	2021	2022	% variation
Net revenue for the period	6,580.6	11,592.5	76.2%
- Inputs	4,411.6	7,671.5	73.9%
- Grain	2,169.0	3,921.0	80.8%
(-) Cost of goods sold	-5,679.2	-10,033.8	76.7%
- Inputs	-3,576.2	-6,175.5	72.7%
- Grain	-2,103.0	-3,858.3	83.5%
Gross profit for the period	901.4	1,558.7	72.9%
% Net revenue	13.7%	13.4%	-0.3 p,p
% Net revenue inputs	18.9%	19.5%	+0.6 p,p
% Net revenue grains	3.0%	1.6%	-1.4 p,p
(-) Sales expenses	-275.5	-465.0	68.8%
(-) Administrative expenses	-225.7	-403.1	78.6%
(-) Other operating income and expenses	-6.1	13.8	n,m
(-) Depreciation and amortization (b)	-46.4	-59.3	28.0%
Total expenses (SG&A)	-553.6	-913.6	65.0%
Profit before financial result (a)	347.7	645.1	85.5%
% net revenue	5.3%	5.6%	+0.3 p,p
(-) Financial result	-207.5	-581.8	180.4%
(-) Income tax and social contribution	10.3	-9.4	-190.9%
(=) Adjusted net income for the period	150.6	53.9	-64.2%
% Net revenue	2.3%	0.5%	-1.8 p,p
(+) Depreciation and amortization (b)	46.4	59.3	28.0%
Adjusted EBITDA (a) + (b)	394.1	704.5	78.8%
% Net revenue	6.0%	6.1%	+0.1 p,p

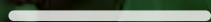
Direct economic value distributed (R\$ thousand) GRI 201-1

	2020	2021	2022
Operational costs	3,838,852	5,794,354	10,389,177
Employee wages and benefits	195,910	232,268	419,942
Payments to capital providers	102,105	305,493	1,781,563
Payments to the government (taxes and fees)	30,175	69,640	199,630
Investments in the local community	80	0	0
Total	4,136,947	6,401,775	12,790,312





ANNEXES





THE BASIS OF THIS REPORT

Material themes

Topic	Justification	Limit of the material topic and relevance in the links of the value chain	Related GRI topics	Related SDGs
Productivity with innovation and sustainability in the field	<ul style="list-style-type: none"> Continuous technical assistance (on-site and remote) to rural producers to maximize productivity from the minimization of negative social and environmental impacts. Includes reducing the use of agrochemicals and transitioning to sustainable agriculture, increasing the sale of bioinputs, as well as any technology necessary for the development of sustainable practices in the field, such as innovation and precision agriculture. Includes training and relationship with rural producers on the benefits of adopting the best agricultural practices for transformation of the production model. Impacts include increased productivity and greater income generation, the efficient use of inputs with specific knowledge for the region. There is a potential negative impact: the dependence of farmers on CTVs and inputs sold in AgroGalaxy stores. 	<p>High relevance: Rural producers Disposal of inputs and reverse logistics Agronomic Technical Protocols (PTA) Sales of specialties</p> <p>Average relevance: Suppliers of Inputs AgroGalaxy Operations (stores, CTA and seed unit) Transport and logistics</p> <p>Little relevance: Final consumer</p>	<p>GRI 304: Biodiversity GRI 305: Emissions GRI 306: Waste Includes other topics related to products, protocols, and digitization</p>	
Culture, talents and diversity* of employees	<ul style="list-style-type: none"> People management, dissemination of a unique culture throughout the Company, fostering diversity and inclusion, as well as health and safety of employees and third parties with a focus on the protection of human rights. Some impacts related to the topic include: accessibility, equity in pay and promotion of gender and race balance; labor risks associated with suppliers and/or rural producers in the granting of credit; the development of a unique organizational culture based on common principles for holdings; training of employees, especially CTVs, focusing on the dissemination of good sustainability practices and the correct use of agrochemicals and PPE, among other practices aimed at occupational health and safety, which foster the health and well-being of employees. The topic of mental health has also emphasized due to the Covid-19 pandemic. 	<p>High relevance: Operations Employees AgroGalaxy (stores, CTA and seed unit)</p> <p>Average relevance: Suppliers of inputs Transport and logistics Disposal of inputs and reverse logistics Rural producers</p> <p>Little relevance: Final consumer</p>	<p>GRI 401: Employment GRI 403: Occupational health and safety GRI 404: Training and education GRI 405: Diversity and equal opportunities; GRI 406: Non-discrimination</p>	



Material themes

Topic	Justification	Limit of the material topic and relevance in the links of the value chain	Related GRI topics	Related SDGs
Local development and quality of life	<ul style="list-style-type: none"> Investment in the regions where AgroGalaxy operates for the economic, technological, social and cultural development of communities, especially traditional ones (indigenous peoples, quilombolas, extractivists, riverside dwellers, artisanal fishermen, among others). Creation and/or incentives to generate employment and income, investments in infrastructure and Private Social Investment projects (great opportunity for development of small rural producers). It includes the improvement of HDI in the regions of operation, the development of the local workforce, the fall in the unemployment rate in various regions, the dynamization of local economy with the generation of indirect jobs and the contribution so that there is no exodus of populations to other regions. A relevant aspect of the topic is the great income inequality in regions of extensive agricultural activity and the opportunity to reduce this inequality, especially in the poorest regions of the country. 	<p>High relevance: Operations AgroGalaxy (stores, CTA and seed unit) Employees Rural producers</p> <p>Average relevance: Transport and logistics</p> <p>Little relevance: Final consumer Input suppliers Disposal of inputs and reverse logistics</p>	<p>GRI 202: Market presence</p> <p>GRI 203: Indirect economic impacts</p> <p>GRI 204: Procurement practices</p>	
Climate emergency and biodiversity	<ul style="list-style-type: none"> Encouraging the management and monitoring of biodiversity (fauna and flora) and soil conservation in the operations of customers and suppliers. Clear commitment to fight deforestation of native forests, including, but not limited to legal compliance, especially of the Amazon and Cerrado biomes, and the granting of credit subject to the management of the topic. Contribution to the mitigation of climate change from short-, medium- and long-term goals for reduction of energy use and GHG emissions in the Company's processes, as well as in agricultural production. Adoption of public commitments aligned with the global agenda against climate change. Strategic performance in the carbon market and transition to a low carbon economy. There is great business opportunity, whether in the carbon market or with ecosystem services. 	<p>High relevance: Operations AgroGalaxy (stores, CTA and seed unit) Producers</p> <p>Average relevance: Suppliers of inputs Transport and logistics Disposal of inputs and reverse logistics</p> <p>Little relevance: Final consumer</p>	<p>GRI 302: Energy</p> <p>GRI 304: Biodiversity</p> <p>GRI 305: Emissions</p>	



Material themes

Topic	Justification	Limit of the material topic and relevance in the links of the value chain	Related GRI topics	Related SDGs
Governance and integrity	<ul style="list-style-type: none"> Covers the risks related to compliance throughout the value chain, from the purchase of inputs to the sale to farmers. Insertion of ESG criteria in the strategic planning of AgroGalaxy and the development of an organizational culture for holdings. An especially challenging topic due to the risks associated with the lack of formalization of the agribusiness sector, which makes a robust integrity program a priority for the Company. It also includes adherence to the best governance practices aligned with Aqua Capital, B3's Novo Mercado and rating agencies, as well as indexes such as DSJI, MSCI and Sustainalytics. Includes transparency in accountability to various stakeholders. 	<p>High relevance: Operations AgroGalaxy (stores, CTA and seed unit) Employees Rural producers</p> <p>Average relevance: Transport and logistics Input suppliers</p> <p>Little relevance: Disposal of inputs and reverse logistics Final consumer</p>	<p>GRI 205: Anti-corruption GRI 206: Anti-competitive behavior GRI 307: Environmental compliance GRI 419: Compliance Socioeconomic</p>	
Financial performance and business expansion*	<ul style="list-style-type: none"> Guarantee of results in the short, medium and long term to provide the best return of the sector to investors, considering in decision making that environmental and social impacts are as relevant as operating and financial results. Organic and inorganic growth, through M&A, physical stores and digital platforms, ensuring the commercial and operational excellences and the strategic position of AgroGalaxy in Brazil. The good management of the topic allows an increase in revenue and cash diversification, in addition to allowing the expansion of a robust, professionalized management with ESG criteria for the sector, which has been increasingly imposed in this agenda. 	<p>High relevance: Operations AgroGalaxy (stores, CTA and seed unit)</p> <p>Average relevance: Rural producers Input suppliers Rural producers</p> <p>Little relevance: Final consumer Disposal of inputs and reverse logistics Transport and logistics</p>	<p>GRI 201: Economic performance</p>	

*Non-material topics due to the result of the process, but considered material by the Executive Board, in the final validation.



CULTURE, TALENTS AND DIVERSITY*

Diversity in governance bodies, by gender [GRI 13:15.2 | 405-1](#)

	2022
Female	29%
Male	71%
Total	100%

Diversity in governance bodies, by age group [GRI 13:15.2 | 405-1](#)

	2022
Less than 30 years old	0%
Between 30 and 50 years old	71%
Over 50 years old	29%
Total	100%

Diversity of employees, by jog category and gender [GRI 13:15.2 | 405-1](#)

	2022		
	Female	Male	Total
Commercial	7%	93%	100%
Coordination	30%	70%	4%
Others	39%	61%	55%
Board	6%	94%	1%
Experts	33%	67%	4%
Managers	21%	79%	5%
Total	27%	73%	100%

Diversity of employees, by jog category and age group [GRI 13:15.2 | 405-1](#)

	2022			
	Less than 30 years old	Between 30 and 50 years old	Over 50 years old	Total
Commercial	39%	6%	55%	100%
Coordination	16%	4%	80%	100%
Others	47%	5%	47%	100%
Board	0%	22%	78%	100%
Experts	38%	7%	55%	100%
Managers	7%	11%	82%	100%
Total	40%	53%	6%	100%

*In 2022, the indicators related to the topic started being reported with a higher level of detail and, therefore, do not have a historical series.



Diversity of PWD employees, by job category and type of disability [GRI 13.15.2 | 405-1](#)

	2022			
	Hearing	Physical	Intellectual	Visual
Commercial	0.0%	0.1%	0.0%	0.0%
Coordination	0.0%	0.0%	0.0%	0.0%
Others	0.2%	1.3%	0.1%	0.4%
Board	0.0%	0.0%	0.0%	0.0%
Experts	0.0%	0.0%	0.0%	0.0%
Managers	0.0%	0.0%	0.0%	0.1%
Total	0.3%	1.5%	0.1%	0.4%

Employees, by gender and region [GRI 2-7](#)

	2022									
Number of employees, by gender and region	South		Southeast		Midwest		North		Northeast	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Number of employees	203	671	205	503	270	619	53	98	4	19
Number of permanent employees	203	671	205	503	270	619	53	98	4	19
Number of temporary employees	0	0	0	0	0	0	0	0	0	0
Number of employees with no guaranteed work hours	0	0	0	0	0	0	0	0	0	0
Number of full-time employees	197	670	205	501	257	615	48	96	4	19
Number of part-time employees	6	1	0	2	13	4	5	2	0	0



New hires and employee turnover, by gender [GRI 401-1](#)

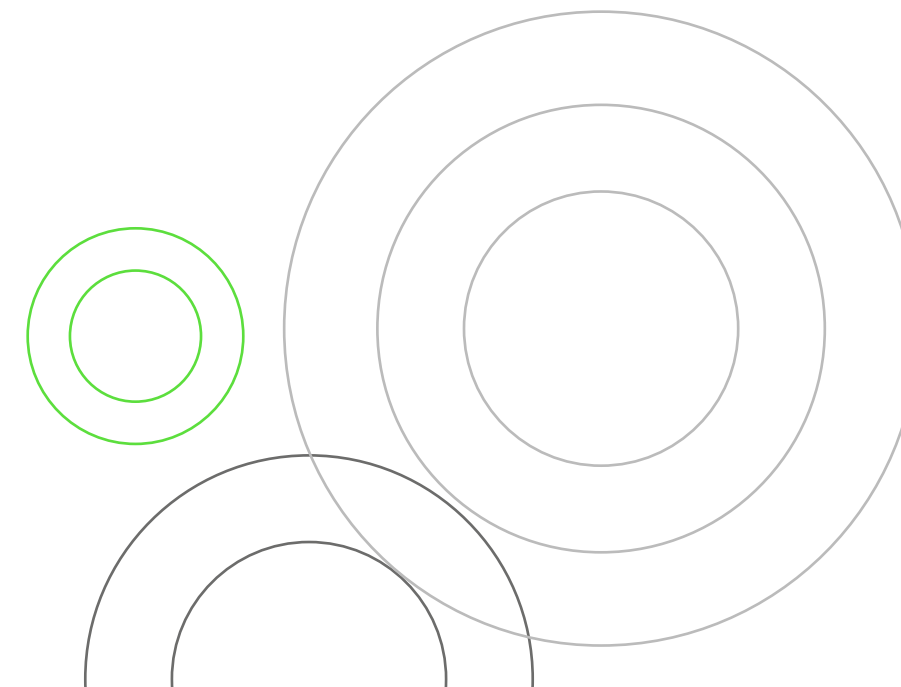
	2022			
	Hiring		Dismissal	
	Total Number	Rate (%)	Total Number	Rate (%)
Female	310	12.2	142	5.6
Male	714	28.2	413	16.3
Total	1,024	40.4	555	21.9

New hires and employee turnover, by age group [GRI 401-1](#)

	2022			
	Hiring		Dismissal	
	Total Number	Rate (%)	Total Number	Rate (%)
Less than 30 years old	539	21.3	262	10.3
Between 30 and 50 years old	38	17.6	27	10.5
Over 50 years old	447	1.5	266	1.1
Total	1,024	40.4	555	21.9

New hires and employee turnover, by region [GRI 401-1](#)

New hires and employee turnover, by region	2022			
	Hiring		Dismissal	
	Total Number	Rate (%)	Total Number	Rate (%)
South	274	10.8	148	5.8
Southeast	294	11.6	134	5.3
Midwest	370	14.6	227	9
North	71	2.8	40	1.6
Northeast	15	0.6	6	0.2
Total	1,024	40.4	555	21.9





GRI CONTENT INDEX

Statement of use AgroGalaxy has reported in accordance with the GRI Standards for the period 01/01/2022 to 31/12/2022

GRI 1 used – Foundation 2021

Applicable GRI Sector Standard(s): Agriculture, Aquaculture and Fishing Sectors 2022

GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
General disclosures				
	2-1 Organizational details	11, 12, 22, 24		
	2-2 Entities included in the organization’s sustainability reporting	7		
	2-3 Reporting period, frequency and contact point	7		
	2-4 Restatements of information	7, 60		
	2-5 External assurance	7		
	2-6 Activities, value chain and other business relationships	11		
	2-7 Employees	49, 71		
GRI 2: General Disclosures 2021	2-8 Workers who are not employees	-	AgroGalaxy does not monitor the Company’s total number of third parties.	
	2-9 Governance structure and composition	25		
	2-10 Nomination and selection of the highest governance body	25		
	2-11 Chair of the highest governance body	25		
	2-12 Role of the highest governance body in overseeing the management of impacts	25		
	2-13 Delegation of responsibility for managing impacts	25, 31		
	2-14 Role of the highest governance body in sustainability reporting	25		



GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
	2-15 Conflicts of interest	27		
	2-16 Communication of critical concerns	27, 30		
	2-17 Collective knowledge of the highest governance body		AgroGalaxy does not have specific measures or programs for the development of the Board of Directors and other committees.	
	2-18 Evaluation of the performance of the highest governance body		There are no specific evaluations for the Board of Directors and committees.	
	2-19 Remuneration policies	47		
	2-20 Process to determine remuneration	47		
	2-21 Annual total compensation ratio	47		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	3, 5		
	2-23 Policy commitments	22, 53		
	2-24 Embedding policy commitments	19		
	2-25 Processes to remediate negative impacts	17, 27		
	2-26 Mechanisms for seeking advice and raising concerns	27, 30		
	2-27 Compliance with laws and regulations	30		
	2-28 Membership associations		AgroGalaxy participates in the National Association of Distributors of Agricultural and Veterinary Inputs (ANDAV). The Company does not hold any position and has a stake as an associate.	
	2-29 Approach to stakeholder engagement	16		
	2-30 Collective bargaining agreements		100% of AgroGalaxy employees were covered by collective bargaining agreement in 2022.	



GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics	9		
	3-2 List of material topics	9		
Culture, talents and diversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 42		13.15.1, 13.19.1, 13.20.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	49, 72		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47		
	401-3 Parental leave	48		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	46		13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	46		13.19.3
	403-3 Occupational health services	46		13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	46		13.19.5
	403-5 Worker training on occupational health and safety	46		13.19.6
	403-6 Promotion of worker health	46, 47		13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46		13.19.8
	403-8 Workers covered by an occupational health and safety management system	46		13.19.9
	403-9 Work-related injuries	46, 47		13.19.10
	403-10 Work-related ill health	46		13.19.11



GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	45	AgroGalaxy does not monitor the average number of trainings per functional category because it is still in the systems integration phase.	
	404-3 Percentage of employees receiving regular performance and career development reviews	45		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	44, 70, 71	AgroGalaxy does not monitor diversity data by race or other minorities other than those submitted.	13.15.2
	405-2 Ratio of basic salary and remuneration of women to men	47	AgroGalaxy does not report by operating unit because it manages the data in a consolidated manner.	13.15.3
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	30		13.15.4
Financial performance and business expansion				
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 63		13.22.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	62, 65		13.22.2
Local development and quality of life				
GRI 3: Material Topics 2021	3-3 Management of material topics	50, 54		13.12.1, 13.14.1
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		AgroGalaxy does not monitor these indicators yet. Data will be collected for the next reporting cycle	
	202-2 Proportion of senior management hired from the local community			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	54		13.22.4
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	-	AgroGalaxy does not monitor the proportion of spending on local suppliers.	



GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	54	AgroGalaxy does not monitor the percentage of operations that have engagement actions with local communities.	13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	54		13.12.3
Climate emergency and biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	55		13.1.1, 13.2.1, 13.3.1, 13.4.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	31		13.2.2
GRI 302: Energy 2016	302-1 Energy consumption within the organization	58	AgroGalaxy monitors energy consumption outside the organization for the inventory, in tCO ₂ e, reported in content 305-3.	
	302-2 Energy consumption outside of the organization	58		
	302-3 Energy intensity	58		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	57		13.3.2
	304-2 Significant impacts of activities, products and services on biodiversity	57		13.3.3
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	59		13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	59		13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	59, 60		13.1.4
	305-4 GHG emissions intensity	59, 60		13.1.5
	305-5 Reduction of GHG emissions	59		13.1.6



GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
Governance and integrity				
GRI 3: Material Topics 2021	3-3 Management of material topics	22, 27		
	205-1 Operations assessed for risks related to corruption	31		
GRI 205: Anti-corruption 2016 6	205-2 Communication and training about anti-corruption policies and procedures	28	AgroGalaxy does not report the total number and percentage of employee training by region and functional category and the values for members of senior management and business partners.	
	205-3 Confirmed incidents of corruption and actions taken	30		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	30		
GRI 415: Public Policy 2016	415-1 Political contributions	28		
Productivity with innovation and sustainability in the field				
GRI 3: Material Topics 2021	3-3 Management of material topics	33		13.6.1, 13.8.1, 13.10.1
	306-1 Water discharge by quality and destination	61		13.8.2
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	61		13.8.3
	306-3 Significant spills	61		13.8.4
	306-4 Transport of hazardous waste	61		13.8.5
	306-5 Water bodies affected by water discharges and/or runoff	61		13.8.6
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	35, 38		13.10.2



GRI Standard/ Other Source	Disclosure	Location	Omission	GRI Sector Standard REF. NO.
Other non-material disclosures reported				
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	58	AgroGalaxy does not monitor the catchment, consumption and disposal of water in areas with water stress, which is being assessed for implementation in 2023.	13.74
	303-4 Water discharge	58		13.75
	303-5 Water consumption	58		13.76

AgroGalaxy has partially adopted the GRI Sector Standards for Agriculture, Aquaculture and Fisheries, which will be fully reported in the next reporting cycle.



CORPORATE INFORMATION/FILE

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