



2022 ESG + I Annual Report

AQUA CAPITAL FUND II

Signatory to:



Operating Principles for
Impact Management



Principles for
Responsible
Investment

AUGUST 2023

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About the Report

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This Aqua Capital ESG+I annual report reflects the environmental, social, governance and impact (ESG+I) issues, goals and performance of Aqua Capital Agribusiness Fund II (“Fund II”), managed by Aqua Capital, and the companies that comprise the Fund’s portfolio (also referred to as “platforms”) – Yes (feed additives), AgroGalaxy (Ag inputs retail), VetBR (Animal health distribution), Ultracheese (Consumer foods), Biotrop (Biological Ag inputs), Rech Agrícola (Ag machinery parts), and Aderezos (Table sauces).

This report was compiled on the basis of information obtained through interviews with the leaders of Aqua Capital and the portfolio companies, as well as a review of documents and evidence. It addresses the ESG+I performance of the Fund and portfolio companies in 2022.

The publication covers the period between January 1 and December 31, 2022 and the information provided here has been reviewed by Aqua Capital and the portfolio companies. Questions, comments and suggestions about this report can be sent by email to investor.relations@aqua.capital.





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Portfolio



Aqua Capital has invested in and managed more than 40 companies organized into platforms, with +\$4bn of combined revenues, putting Aqua Capital within the top 30 Ag & Food in Brazil, a global powerhouse. We build diversified, resilient portfolios in upstream, downstream and services, while also providing access to Ag & Food technology and innovation as well as sustainability.

**Aqua is
within the top**

**30
in Ag&Food
in Brazil**



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AGRIBUSINESS LATIN AMERICA FUND II LP AND PARALLEL FUNDS (THE “FUND”) <i>Aqua Capital Fund II</i>							
COMPANIES	Yes	AgroGalaxy	VetBR	Ultracheese	Biotrop	Rech Agrícola	Aderezos
Sector	Feed additives	Ag inputs retail	Animal health distribution	Consumer foods (dairy)	Biological ag inputs	Ag machinery parts	Table sauces
Transaction Year	Apr-2016	Oct-2016	Jul-2017	Apr-2018	Nov-2018	Dec-2018	Apr-2022
Add-on		<ul style="list-style-type: none">• Rural - Oct-2016• Agro100 - Sep-2017• AgroFerrari (add on to Agro100) - Nov-2018• Campeã (add on to Rural) - Jun-2019• Grão de Ouro - Jan-2019• Boa Vista - Apr-2021• Ferrari Zagatto - Aug-2021• AgroCat - Sep-2021	<ul style="list-style-type: none">• Casa da Vaca - Jul-2017• Alfa (add-on) - Aug-2018• Gretha (add-on) - Jun-2019• Distrivet (add-on) - Nov-2022	<ul style="list-style-type: none">• Lac Lélo - Apr-2018• Cruzília (add-on to Lac Lélo) - Dec-2018• Búfalo Dourado - Feb-2020• Laticínios Oscar Salgado (Itacolomy) - Feb-2021		<ul style="list-style-type: none">• Verde Agrícola (add-on) - Oct-2020• Rech Tratores (add-on) - Jan-2021• Telmac (add-on) - Nov-2021• Tractor Parts (add-on) - Jul-2021	
ESG+I Category ¹	B	B	B	B	B	C (Rech Agrícola) B (Rech Tratores, Tractor)	B
Applicable IFC Performance Std. ²	PS1, PS2, PS3, PS4	PS1, PS2, PS3, PS4, PS6	PS1, PS2, PS3, PS4, PS6	PS1, PS2, PS3, PS4, PS6	PS1, PS2, PS3, PS4	PS1, PS2, PS3, PS4	PS1, PS2, PS3, PS4, PS6

¹ESG+I categorization is based of the IFC’s E&S categories: (A) high risk – activities that have irreversible or unprecedented adverse E&S risk/negative impacts; (B) medium risk – activity that has potential adverse risks/negative impacts that can be mitigated; and (C) low risk – activity with minimal E&S risks or negative impacts.
² IFC performance standards: PS1. Risk management; PS2. Labor; PS3. Resource efficiency; PS4. Community; PS5. Land resettlement; PS6. Biodiversity; PS7. Indigenous people; PS8. Cultural heritage.



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ESG+I approach for value creation

ESG+I is embedded in each step of value creation:

- (i) planning, which includes the elaboration of the 180-day plan, the business plan, and the long-term value creation plan;**
- (ii) tactical execution of key projects;**
- (iii) operational execution with goal alignment; and**
- (iv) exit preparation.**

Every portfolio company has a designated employee responsible for implementing the ESG+I agenda, who works together with Aqua's ESG+I staff and operating partners to ensure the agenda's structuring and deployment. This employee also monitors the implementation of the

company's ESG+I action plan, which is prepared on the basis of the pre-acquisition ESG+I due diligence, ESG+I indicators and the company's ESG+I management system, using a specific scoring system, as well as the implementation of bottom-line environmental projects. Aqua Capital has a systematic ESG+I approach for value creation, based on four pillars:

- (i) aim to invest in “do good” business models;**
- (ii) capture direct positive impact;**
- (iii) execute bottom-line environmental projects;**
- and (iv) apply world-class ESG.**

Discover these pillars in the following chart.

**ESG+I is a pillar
of Aqua Capital's
value creation
methodology (PGTI)
– Professionalize,
Grow, Transform
and Impact**



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Drive impact and create equity value

- 1
 - #1 Need for more & better food
 - #2 Tech disruption in ag & food
 - #3 Sustainability & climate change
 - #4 More health & wellness in nutrition



Antibiotic replacement
in animal use



Reduced use of crop
chemicals and fertilizers



Increased
agronomic yield

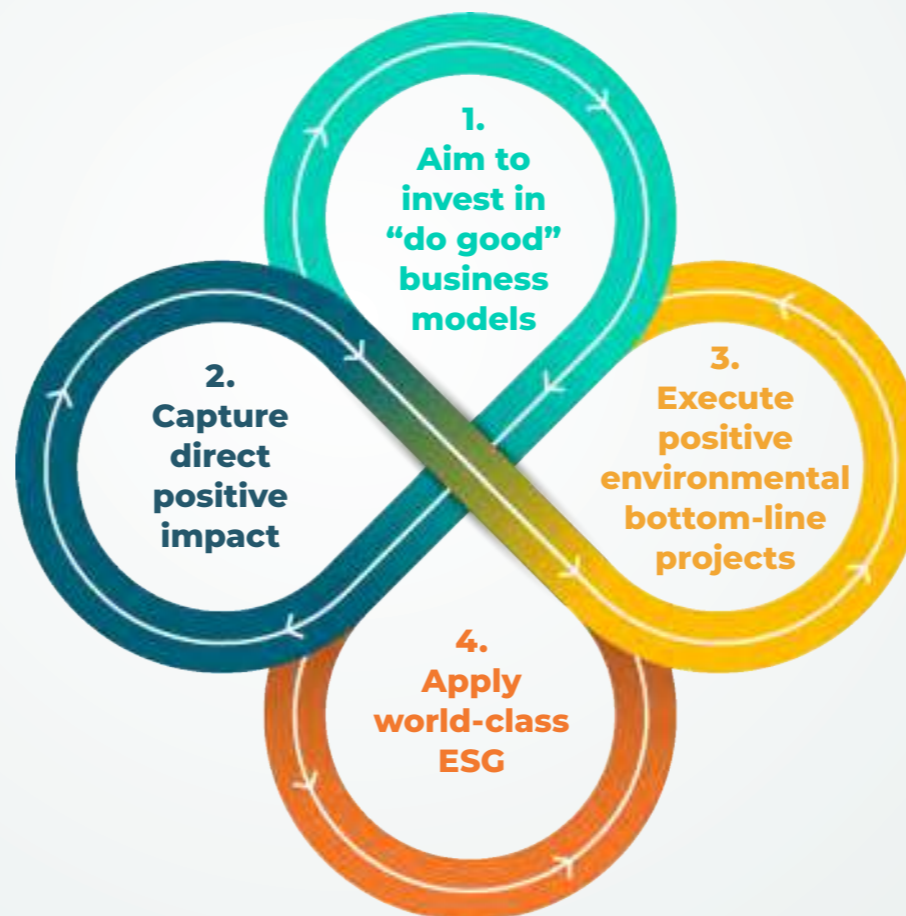


Increased supply of
higher quality, more natural,
food and ingredients

- 2
 - DIVERSITY & INCLUSION**
 - Women on the board
 - Women in finance
 - Diversity internship program

ECONOMIC VALUE CREATION

We have created 600+ quality
jobs per year from 2017-22,
mostly in rural areas



- 3
 - HIGH-RETURN ENVIRONMENTAL PROJECTS**
 - 2 ESG professionals to identify resource efficiency and waste reduction projects

LOWER COST OF FINANCING

Structuring lower-cost
longer-term financing lines
linked to green finance

- 4
 - COMPANIES FULLY COMPLIANT WITH ESG PRACTICES**
 - Robust structure for managing and monitoring company risks reduces potential downsides

COMPANIES AT THE TOP OF THEIR GAME IN ESG

Strategic acquirers find companies more attractive, which enables them to qualify as potential acquisition targets, potentially paying higher multiples



Governance

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Aqua Capital is a private equity fund manager established in 2012 which focuses on private equity investments in Ag & Food companies in the Americas. Through its robust operational value-added approach, it directs its resources to professionalize, grow and transform its portfolio companies, while also enhancing their positive impact. Aqua Capital's management entities are regulated by the Central Bank of Uruguay (BCU) and by the Securities and Exchange Commission of Brazil (CVM). In 2022, Aqua Capital joined the Brazilian Association of Financial and Capital Market Entities (ANBIMA), which further boosted governance and management practices and actions.

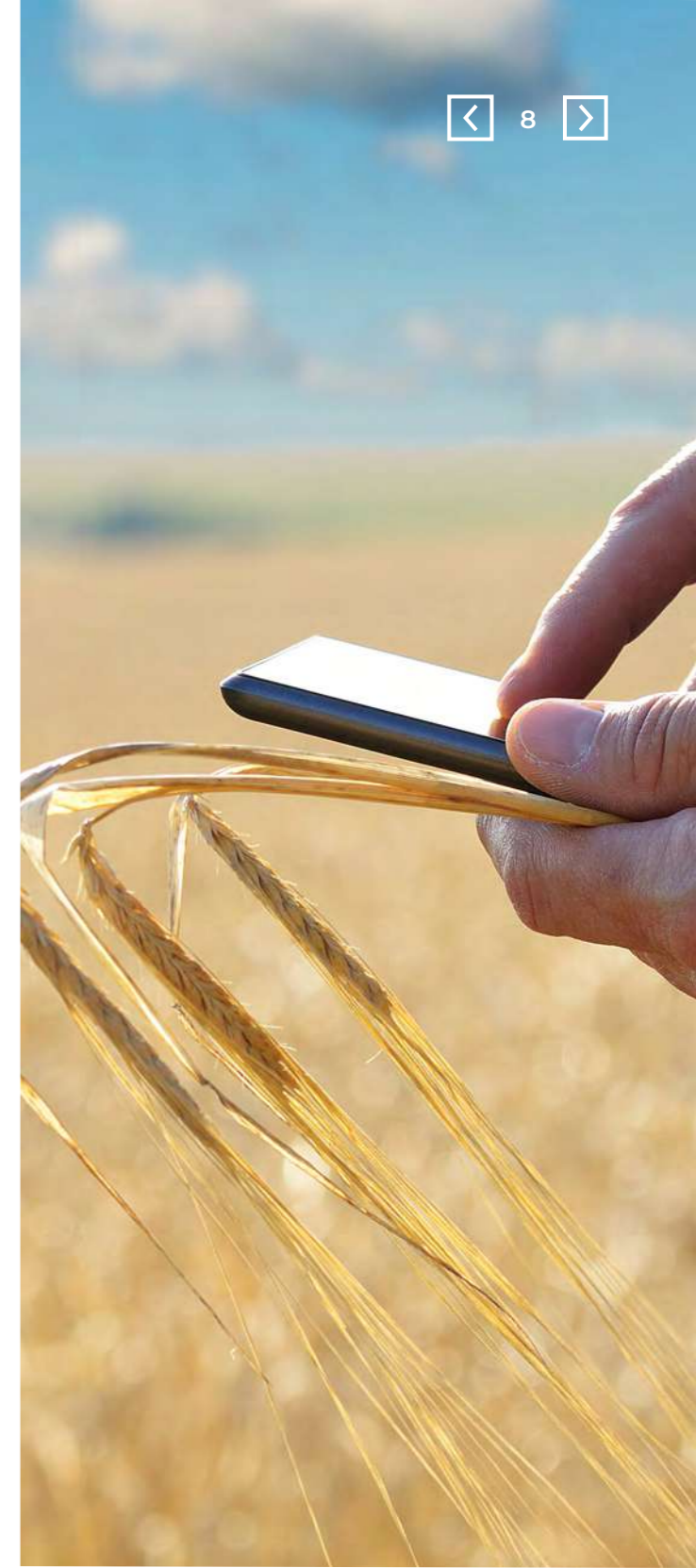
The corporate governance structure, in addition to the **management policies** and processes, drives Aqua Capital's purpose and strategic direction

towards growth and long-term value creation, underpins its risk management, and contributes to the portfolio companies' ESG+I practices and their sustainable development.

Aqua Capital established its integrity channel policy and launched the integrity channel in accordance with applicable law and IFC performance standards.

During 2022, Aqua Capital's ESG+I team consisted of Agustin Blanco (managing director and head of ESG+I), Cecília Balby (ESG+I operating partner), David Smith (corporate ESG+I manager), André Redondo (ESG+I specialist) and Gabriel Mathias (trainee), who joined the team in April. This team, together with Aqua's managing partner, head of business development, head of value creation, head of people, head of legal and an independent member, make up the ESG+I steering committee.

In 2022, Aqua Capital joined the Brazilian Association of Financial and Capital Market Entities (ANBIMA), which further boosted governance and management practices and actions





ESG+I monitoring of the portfolio companies

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Aqua Capital employs tools and engages with its portfolio companies to monitor ESG+I progress, conducting regular meetings and reviewing evidence regarding the implementation of each ESG+I action plan. It monitors key performance indicators (KPIs) on a semi-annual basis, which is compatible with IRIS+ and GRI platforms, analyzing these KPIs at a fund and investee level.

Aqua Capital evaluates and monitors the portfolio's ESG+I performance using a scoring system, which provides scores for seven main topics addressing risks and positive impacts (ESG management system, licenses and permits, environmental aspects, occupational health and safety, employment and working conditions, other social aspects,

and supply chain management), in addition to assessing investee's ESG+I performance through third-party certifications, encouraging and supporting them to obtain the Great Place to Work (GPTW) and the EcoVadis seals³. All portfolio companies from Fund I and five from Fund II have been assessed by EcoVadis, and six companies have obtained GPTW.

The portfolio companies have matured through the period of ownership by the Fund which drove Aqua Capital to change its monitoring process in 2022, pushing the companies to take further responsibility for their ESG+I agendas. Monthly monitoring meetings were transformed into a systematic

quarterly monitoring process using the scoring system and reviewing evidence, which allowed a stronger focus on the most significant ESG+I issues and ESAP topics.

We also focus on promoting bottom-line environmental projects and impact initiatives within our companies, with the integration of experienced professionals dedicated to the identification and implementation of such projects, thus combining impact and financial aspects. We see this step as a clear way to contribute to the sustainable development of the Ag & Food sector while adding value for our stakeholders by generating financial results in our portfolio and creating liquidity for our investors by employing innovative strategies.

During the last three years, we achieved over R\$20m in annual savings through bottom-line environmental projects

³GPTW is a global workplace culture certification firm; EcoVadis is a global sustainability assessment platform.





Introduction

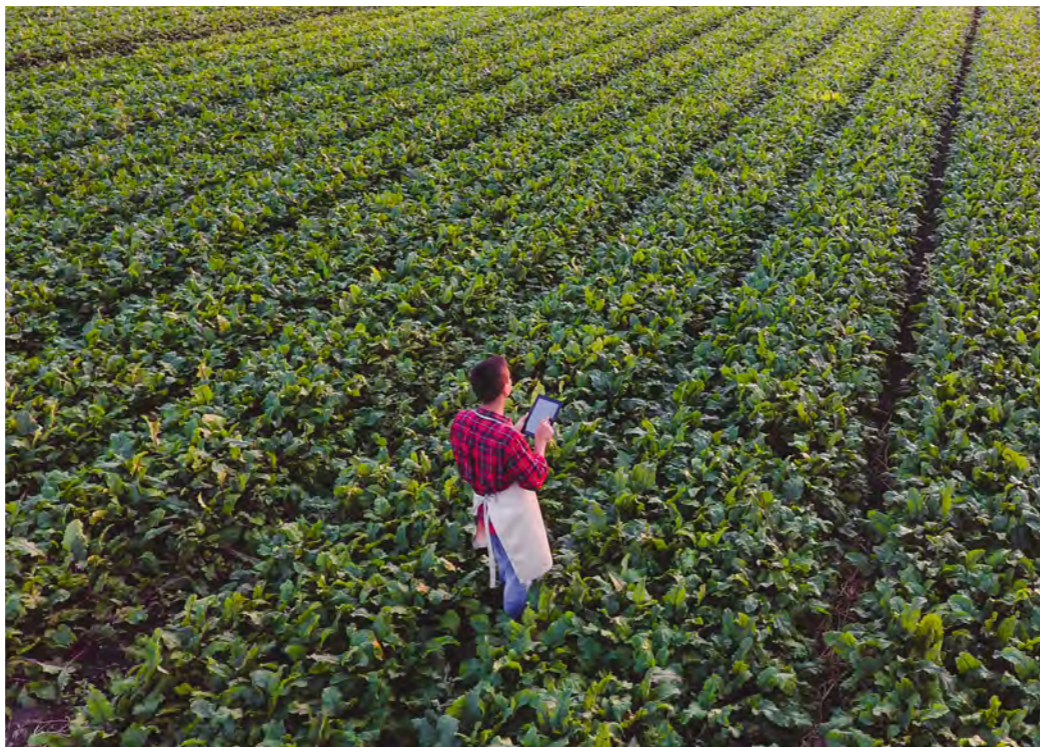
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Commitments and initiatives

Aqua Capital is committed to ESG+I and its incorporation into operations and investment activities. Our ESG+I Policy, management system and action plans are implemented throughout the investment process, from pipeline construction to exit, and are aligned with international benchmarks (IFC Performance Standards, International Labour Organization (ILO) and UN Guiding Principles on Business and Human Rights) and measurement metrics (IRIS+ and GRI).



PRI – UN Principles for Responsible Investment

We have been a signatory to the UN Principles for Responsible Investment (PRI) since 2019. The PRI is the world's leading advocate for responsible investment and its precepts are used as a measure of the effectiveness of our policies and processes and as a guide to future improvements.

Signatory of:



Operating Principles for Impact Management (OPIM)

In 2021, we became a signatory to OPIM and we published our first annual disclosure statement during 2022, demonstrating our alignment to its principles throughout our investment cycle. The disclosures can be accessed [here](#).

Signatory to:



TCFD

We support the Task Force on Climate Related Financial Disclosures (TCFD) in the effort to increase corporate commitment to the climate change agenda, and we are adopting its recommendations.



Diversity, equity and inclusion

Aqua Capital is committed to the diversity, equity and inclusion (DEI) agenda, developing programs together with portfolio companies and encouraging them to implement specific actions. DEI programs that encompass Aqua Capital and all portfolio companies include “Women in Finance”, a career acceleration plan to develop women for leadership positions in finance-related areas, and the “Ypê program”, a racial diversity internship program exclusively for black students, where they are trained and mentored by members of Aqua’s investment team. Aqua Capital also set goals to increase women in leadership roles, the participation of at least one woman on the board of directors, and wage equality, for which we

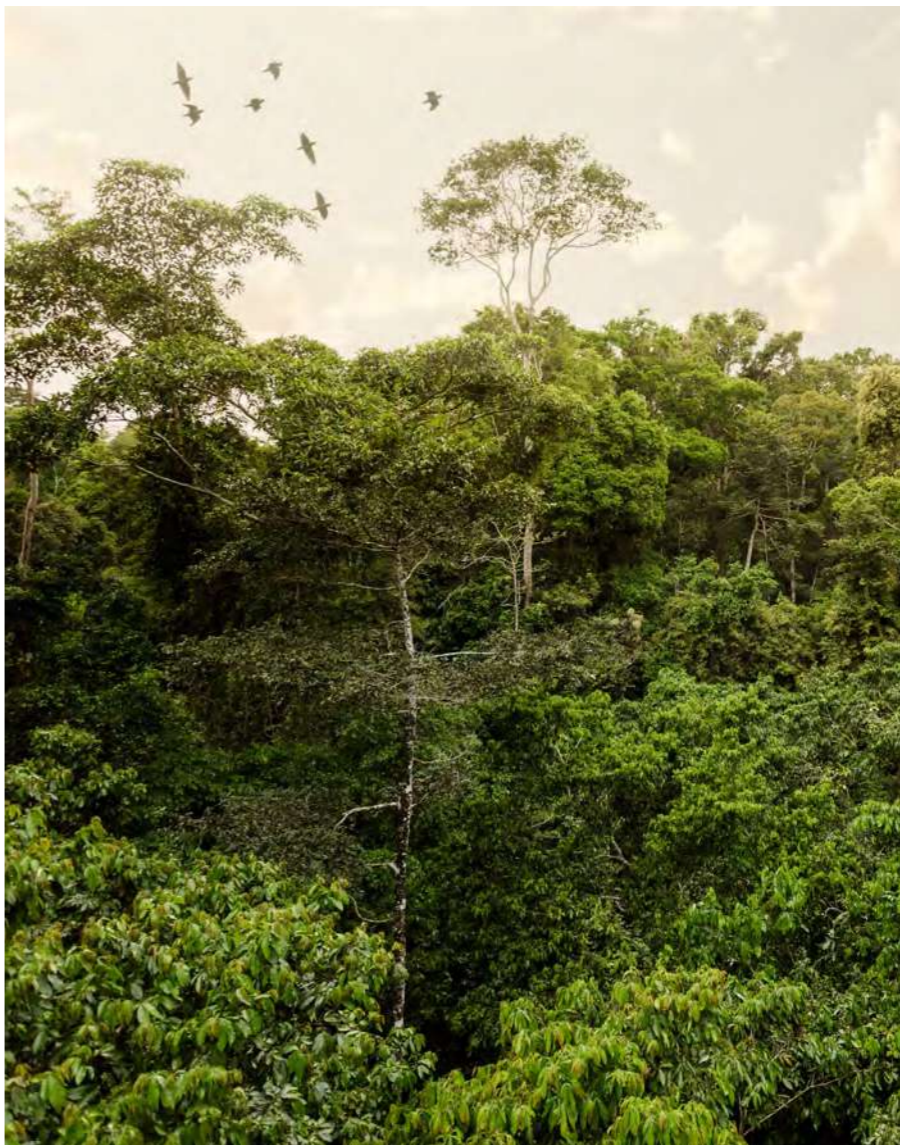
will benchmark two specific areas (factory workers and salesforce) to obtain more accurate results, in addition to the already monitored wage equity indicators.

Aqua Capital is a member of ABVCAP, the Brazilian private equity and venture capital association, and a signatory to its campaign to hire young professionals (“Contrate um jovem e transforme o país”), launched with the aim of reducing the significant problem of youth unemployment. Aqua Capital is recognized as a ‘2X investment’ under the 2X Challenge criteria, for its gender balance in leadership. This is a world-renowned initiative founded by the G7 Development Finance Institutions.



Black Jaguar Foundation

Since 2017, Aqua Capital has sponsored the Black Jaguar Foundation initiative, a project for the reforestation of a 2.6k corridor between the Cerrado and the Amazon, in cooperation with farmers.





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Awards, certifications and recognition

The improvements in Aqua
Capital's ESG+I agenda during 2022
brought awards and recognition



Phenix Impact Fund Assessment

In 2022, during an external evaluation from the Phenix Impact Fund Assessment, Aqua Capital scored 46 – out of a possible 66 points – in its first evaluation, slightly above the average of international impact funds. This result demonstrates the robustness of the Aqua Capital's impact proposition.



IS Seal (XP Investimentos)

In 2022, Aqua Capital's Fund III underwent an external verification by XP Investimentos and received the Sustainable Investment Fund Seal (Selo IS). The definition provided by XP for this seal is: "Investment with the intentional objective of protecting, contributing, not causing harm or degradation, generating positive impact and/or ensuring rights in environmental, social and/or governance issues without the intention of compromising the financial performance of the Fund". This seal is the highest level provided by XP in respect of the agenda and is recognized by the Brazilian Association of Financial and Capital Market Entities (ANBIMA).

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LAVCA Award

Aqua Capital received the 2022 Latin American Private Equity Environmental Responsibility Award for its investment in Biotrop. The production of biologicals for sustainable and regenerative agriculture won the “Environmental Responsibility 2022” category. The highlight was the positive impacts of Biotrop’s products and the avoidance of greenhouse gas emissions.



GPCA DEAL Book

Aqua Capital’s investment in Puravida was published in the Global Private Capital Association (GPCA) “Deal Book Edition III: Inclusive & Sustainable Growth”, featuring the sale of the company to Nestlé. The deal case can be accessed at [Deal Cases – GPCA](#).

DERa Evaluation

KWF DEG analyzed Aqua’s funds through its Development Effectiveness Rating (DERa) tool, which evaluated the funds’ business impact, assessing their environmental stewardship, community benefits, decent jobs, local income, and market and sector development. In 2022, Fund I obtained a score of 95 points and Fund II a score of 96 points, both improving by five points and very close to the highest score achieved within Latin America, which was 102 points. This assessment was based on Aqua’s 2021 ESG+I annual report.



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16 ESG+I performance



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Fund II has built a robust portfolio with currently seven platforms still in the portfolio. Its principal focus, during the year, has been to ensure the maturity of the companies' ESG+I agenda and prepare them for exit. Contrasting with 2021, a year of many acquisitions, 2022 was a year with fewer M&As, which included the Fund's first investment in Colombia, Aderezos, as well as the generation of liquidity with the 100% sale of Puravida to Nestlé Health Science, the health and wellness division of Nestlé.

We continue to feel the effects of Russia's invasion of Ukraine, which caused a sharp rise in commodity prices, and a higher cost of capital, which is

expected to remain so for some time, both in Brazil and abroad. This was added to a year of polarized elections and harsh climate conditions to round out the list of key challenges faced in 2022, causing setbacks in some sectors.

Despite the challenges, the portfolio increased its number of full-time employees by 23%, reduced GHG emissions in absolute terms and in intensity (tCO₂e/BRLm), as well as energy and water intensity, considering volume over net revenue.

We made changes to our portfolio monitoring, and remained very close to the companies, further developing their

ESG+I. In 2022, we held four workshops focused on ESG+I with the portfolio companies, discussing topics such as risk management, KPIs, impact opportunity identification and measurement, and the setting of targets. There was an emphasis on awareness and the creation of an ESG+I culture in investee companies, resulting in all ESG+I criteria being incorporated into corporate goals.

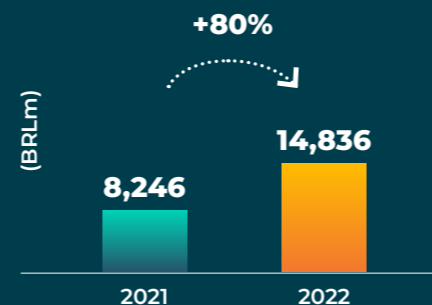
The companies improved their agendas and now six companies in our portfolio are certified as Great Place to Work. Seven had already been assessed by EcoVadis and all that were reassessed in 2022 increased their scores. Three of them also published sustainability reports.

**In 2022,
portfolio
company
Puravida
was sold
to Nestlé**

Economic, environmental, social and governance performance

Economic

Direct economic value distributed



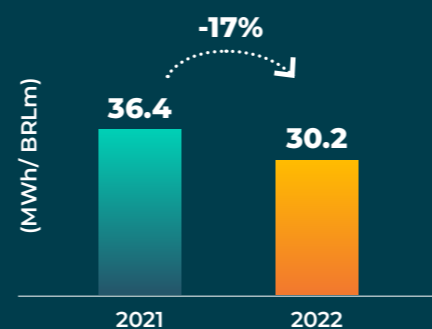
Puravida and Aderezos not included in 2021 and 2022

Environmental

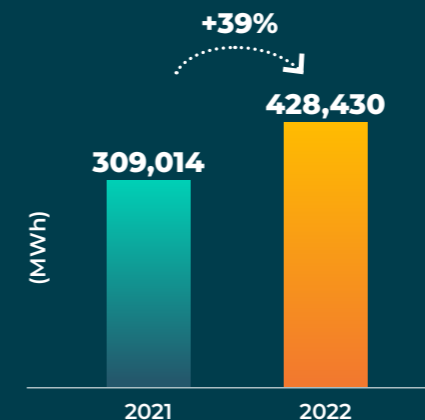
Fund II reduced its energy intensity by 17% y/y when measured against net revenue, but increased consumption by 39% y/y in absolute terms, which is reflected by increase of business units and the use of liquified petroleum gas (LPG) at AgroGalaxy.

ENERGY

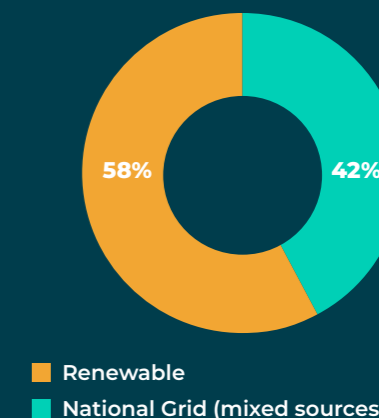
Intensity*



Absolute



Electricity consumption



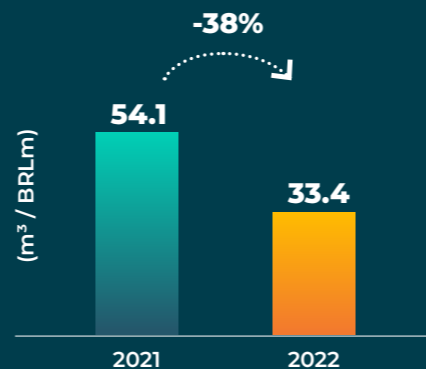
*Fund II's net revenues increased by 68% y/y, higher than inflation (5.79% for the same period), even when discounting inflation, the fund would still demonstrate intensity reduction.

Puravida and Aderezos not included in 2021 and 2022

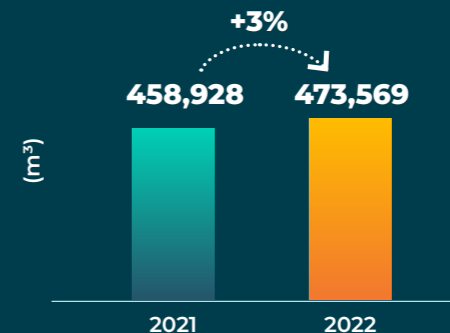
WATER

The slight rise in water consumption can be attributed, for the most part, to the expansion of Rech's units and stores. Additionally, Biotrop's water consumption also increased due to the significant growth in its workforce and production demand.

Intensity*



Absolute



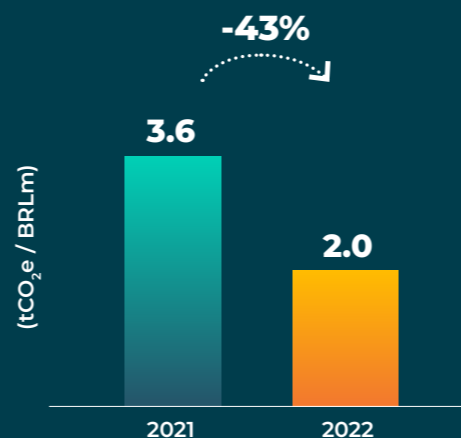
*Fund II's net revenues increased by 68% y/y, higher than inflation (5.79% for the same period); even when discounting inflation, the fund would still demonstrate intensity reduction.

Puravida and Aderezos not included in 2021 and 2022

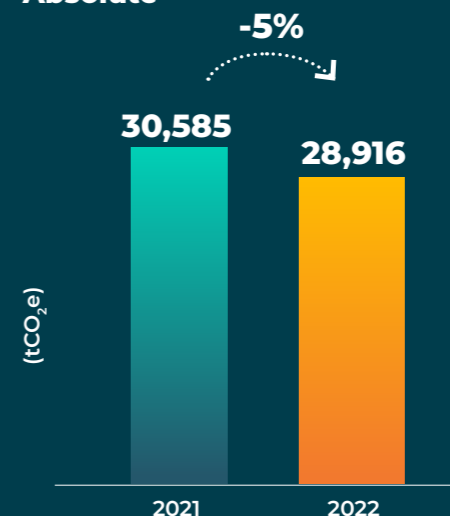
GHG EMISSIONS

Fund II was able to reduce its GHG emissions by 5% y/y, in absolute terms, and by 43% y/y in intensity when measured against net revenue. The reduction in GHG emissions can be attributed to projects developed by the companies, including the migration to the use of free market energy, using 100% renewable energy, the reduction of diesel consumption in AgroGalaxy, and the replacement of LPG by biogas in Yes.

Intensity*



Absolute



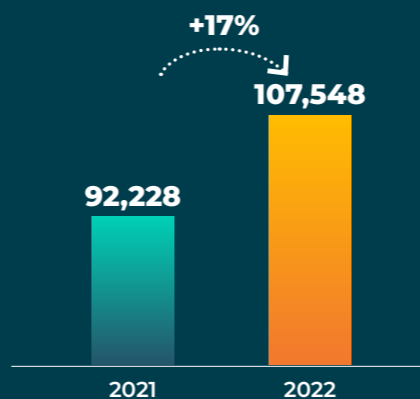
*Fund II's net revenues increased by 68% y/y, higher than inflation (5.79% for the same period); even when discounting inflation, the fund would still demonstrate intensity reduction.

Puravida and Aderezos not included in 2021 and 2022

Social

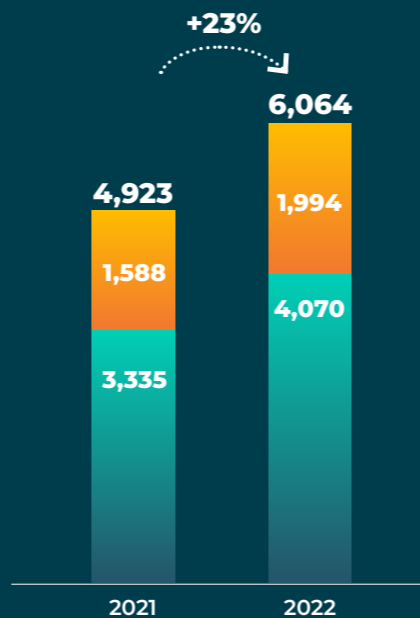
Fund II portfolio companies increased their number of clients by 17% y/y, serving in excess of 107k clients. The portfolio's employees amounted to 6,064 FTEs (full time equivalent employees), a gain of 1,141 new jobs during 2022 and 3,687 since investment. Women amount to 1,994 or 32% percent of all FTEs, with 139 new female jobs created during 2022 and 1,303 since investment.

Total number of clients



Puravida and Aderezos not included in 2021 and 2022

Total Employees



Male
Female

Puravida and Aderezos not included in 2021 and 2022





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Portfolio Companies

21 Yes

27 AgroGalaxy

33 VetBR

39 Ultracheese

45 Biotrop

50 Rech

54 Aderezos



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Portfolio companies’ ESG+I monitoring has always been a priority for Aqua Capital, which has constantly improved its approach over the years, ensuring ESG risk management while generating positive impacts.

Over the following pages, we present the highlights of the portfolio companies’ ESG+I agendas in 2022, based on Aqua Capital’s ESG+I value creation approach, “do good” business, “direct positive impact”, “bottom-line environmental projects” and “world-class ESG”.



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YES



Biotechnology company that serves the Brazilian market, exports to more than 40 countries, and is currently developing and marketing innovative and differentiated solutions in additives for animal feed.

Company Snapshot

Yes is a biotechnology company engaged in the development and commercialization of innovative and differentiated animal feed additive solutions. During 2022, the company's products were also manufactured in third-party sugarcane mills located in the municipalities of Novo Horizonte, Narandiba, Catanduva and Bocaina, in the state of São Paulo, and Araporã, in the state of Minas Gerais. Yes is building a new plant in the municipality of Alagoinhas, in the state of Bahia, to process beer yeast, and it employs the services of a warehouse located in Tupã, state of São Paulo. The company provides natural and antibiotic-free solutions derived from sugarcane yeast and chelated

organic minerals to enhance animal nutrition and health. Its comprehensive product portfolio is well positioned to meet the growing demand for high performance and sustainability, including food safety, animal welfare, enhanced gut health and environmental sustainability. Yes key operations are conducted from two industrial plants located in the municipalities of Lucélia and Borá, both in the state of São Paulo, adjacent to sugarcane mills. The company also operates a warehouse/distribution center located in a leased property in Lucélia and a commercial and administrative office in the municipality of Campinas, both located in the state of São Paulo.

Yes' production plants are strategically located at the heart of Brazil's sugar milling industry

“Do good” business

As a provider of high-quality nutritional solutions, some of which are produced from by-products, Yes has an intense focus on research and development, working very closely with universities. The company provides 27 surveys and technical articles on its website, demonstrating information and results that prove the benefits of its products. In 2022, a study carried out by the Instituto de Zootecnia, of the Agência Paulista de Tecnologia dos Agronegócios, at the Secretaria de Agricultura e Abastecimento do Governo do Estado de São Paulo found that the introduction of the “Golf” product line, a blend of probiotics with bifidogenic and immunomodulator effect, in cattle feed can reduce methane (CH₄)

emissions resulting from enteric digestion.

Yes has launched a new line of additive products called Fitogut. Phytogenics are natural additives produced from plant extracts, which can be used throughout swine and poultry farming. These products contain bioactive compounds that provide many benefits such as improving the animal’s nutrient absorption and maintain the animal’s intestinal integrity, improving health and reducing the need for antibiotics.

Based on studies carried out with poultry and on an assumption that all products were consumed by poultry, it is estimated that with nearly 2.5k tons of organic

minerals produced in 2022, there was a reduction of 1.4k tons of poultry manure, thus avoiding 2.6k tCO₂e of GHG emissions. Yes also produced 3.1k tons of prebiotics that improved nutrient absorption. It is estimated that as a result of this production, the use of nearly 78 tons of antibiotics was avoided, 9k tons less feed was consumed, and nearly 8k tons of additional meat was produced. Additionally, in the absence of these products, 2k hectares would have been needed to produce soybean and corn to produce more animal feed.

In 2022, 3.7k tons of adsorbents were produced and it is estimated that the positive impact of this included the production of nearly 165k tons in additional meat with the consumption of 129k tons less

feed. This volume unconsumed animal feed is the equivalent to nearly 33k ha not required to be used for soybean and corn cultivation. These estimates take into account the use of the product in poultry.

It is estimated that Yes consumed 303.6k GJ of steam in 2022. This volume is equivalent to approximately 34.1k tons of sugarcane bagasse. Were the same amount of energy to be generated from the consumption of LPG, it would take 6.5k tons and combustion would generate emissions of 19.2k tCO₂e. It is important to highlight that Yes’s production units are located near sugarcane mills, which allows the contracting and use of the steam provided by them.

**Yes’s
products
avoided
the use
of 78 tons
of antibiotics**



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**Portfolio
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Capture direct positive impact

Yes distributed R\$148m of direct economic value in 2022, and since inception has created 96 net new jobs. Today it employs 253 FTEs (full-time equivalent employees), a decrease of 2% y/y, and offers benefits to all of them (100%). Of the total employees, 25% are women, and women hold 14% of director positions and 13% of other management positions. Moreover, Yes has one woman on its board of directors.

R\$148m
**Direct economic
value distributed
in 2022**





Positive environmental bottom-line projects

As the company is a feed additive manufacture, its industrial processes require significant use of water and energy, which results in GHG emissions. However, during 2022 it reduced water consumption by 22% in absolute terms, and by 33% y/y taking into account intensity (m³/BRLm), following water management improvements.

With the increase in production there was also a 14% y/y increase in the company's energy consumption, but as a result of the switch in fuel and process improvements, Yes reduced its absolute GHG emissions by 11% y/y.

Yes consumes steam supplied by adjacent sugarcane mills during the harvesting season, and as an alternative to supply heat during the offseason, the company switched the use of liquefied petroleum gas (LPG) for biogas, starting with the Lucélia site, and

making the same changes at the Borá site. As a result of this project, Yes avoided the consumption of approximately 1.9k tons of LPG, and consequently the emission of 5.5k tCO₂e.

In Jul-2022 the company installed a concentrator, which increases yeast concentrate, thus reducing the loss of nutrients during the dying process and requiring less energy for the dryers. This initiative can reduce GHG emissions by 603 tCO₂e and bring financial returns above R\$2m p.a.

To further identify GHG emission reductions from the use of its products and its process, Yes and Aqua carried out a study, confirming the avoided emissions from the use of steam provided from the sugarcane mills with the use of sugarcane bagasse, which in 2022 consumed 34k tons of bagasse. If Yes had used LPG instead of the

ABSOLUTE				
UNIT/YEAR	2020	2021	2022	2021/2022
Energy (MWh)	144,853	127,044	145,449	+14%
Water (m ³)	74,763	105,745	82,441	-22%
GHG Emissions (tCO ₂ e)	10,399	12,423	10,996	-11%

INTENSITY*				
UNIT/YEAR	2020	2021	2022	2021/2022
Energy (MWh/BRLm)	1,345.7	805.8	797.1	-1%
Water (m ³ /BRLm)	694.6	670.7	451.8	-33%
GHG Emissions (tCO ₂ e/BRLm)	96.6	78.8	60.3	-24%

Note: Intensity values do not consider inflation (2022 inflation: 5.79%)

steam from the sugarcane mills, it would have resulted in 19k tCO₂e. This study also concluded that with the reduction in feed consumption and the use of the additives produced by Yes, it avoided 14k tCO₂e, taking into account the feed production carbon footprint.



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World-class ESG

Yes has high standards for quality, safety, traceability and ESG systems. It is FSSC 22000 (Food Safety System Certification) certified and has obtained the GMP+ (Good Manufacturing Practices combined with HACCP - Hazard Analysis and Critical Control Points) and Feed & Food Safety certification by Sindrarações, encompassing its three levels: GMP (Good Manufacturing Practices), HACCP and international equivalency. It is also Halal certified, which guarantees that the product is

produced in accordance with Islamic law. It maintained the FAMI-QS, the only certification focused on animal feed, special feed and their mixtures, which guarantees the safety and traceability of Yes solutions.

The ESG system was assessed by EcoVadis and in 2022 received another silver medal. The company remains “silver”, but the score jumped from 57 to 63 y/y, demonstrating steady commitment to its ESG structure.

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SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	With the production of 33k tons of products, it is estimated that the use of Yes's products produced 173k tons of additional meat, avoiding the use of 78 tons of antibiotics
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	<ul style="list-style-type: none">• 25% of women employees• 13% of other management positions held by women• Wage equity ratio of 1.2• One woman on its board of directors
	<p>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries</p> <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <p>8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status</p>	<ul style="list-style-type: none">• R\$148m of direct economic value distributed in 2022, an increase of 19% y/y• 253 FTEs (full-time equivalent employees), a decrease of 2% y/y• 96 net new jobs since inception• 100% jobs with benefits• No serious accidents or fatalities during 2022
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<ul style="list-style-type: none">• Yes developed "Fitogut" a new product produced from plant extracts• Yes has replaced the use of 1.9k tons of LPG with biogas• 33% y/y water intensity reduction
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.2.2 Total greenhouse gas emissions per year</p>	<ul style="list-style-type: none">• 2022 GHG emissions (scope 1 and 2) – 11k tCO₂e• 24% y/y GHG emissions intensity reduction• 11% y/y GHG emissions reduction

Yes reduced GHG emissions by 11% y/y

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AGROGALAXY

Leading independent agriculture inputs retailer and grain handling platform, covering 14.5m hectares and operating in thirteen Brazilian states. The company is listed on B3.

Company Snapshot

AgroGalaxy operates across more than 170 sites (stores, silos, distribution centers, three seed plants, offices, experimental fields) over thirteen Brazilian states. It boasts a unique geographic footprint, strong grain origination capabilities and direct access to farmers, with a focus on soybean, corn, wheat, and coffee. AgroGalaxy was created in 2020 following the merger of Rural, Agro 100 and Grão de Ouro, expanding

with the subsequent acquisitions of Agro Ferrari Boa Vista, Ferrari Zagatto, and Agrocatt. The company has broadened its approach to soil and ecosystem improvement and regeneration through sustainable, nature-based practices with the goal of creating more resilient, productive and sustainable farming systems in the long term, reducing environmental impact and improving human health.



“Do good” business

AgroGalaxy is a company that goes beyond simply being an ag retailer: it provides technical assistance, tools and other services that enable growers to apply best practices and improve productivity. AgroGalaxy developed the “Tech A” program, which is based on research and development, demand generation and services and product portfolio. Embedded within the program are the AgroGalaxy technical centers (CTAs), the technical portfolio (PTA), tools and services to enhance productivity such as “Acerte A”, “Agrokea”, “Plugfield” and “Lab A”. Tech A has a team of 60 specialists in the field, spread across all business units throughout Brazil, and provides technical support to commercial consultants and growers to improve the application of ag inputs. In 2022, approximately 485 field visits were carried out across an area of approximately 86.4k ha. It is estimated that there

was a consumption reduction of approximately 150 l/ha in inputs, with the adoption of more efficient application practices. Considering the area served in 2022, it is estimated that 12.9k m³ less inputs were used⁵.

In addition to the guidelines for application, AgroGalaxy offers the development of labor, having served more than 325 customers and trained more than 1.2k employees in 2022 alone, including in relation to efficiency in property and regenerative agriculture. The Acerte A initiative also encourages the use of blends and biologicals, demonstrating their benefits for management. As a practical example, there is a support case for a 300ha corn and soy producing property in Itobi-SP. The participation of biologicals in applications before Acerte A was 10%, rising to 100% following implementation of the program.

As part of the program aimed at improving production efficiency on the properties, approximately 5.8k units of spray nozzles were replaced, which benefited the application of inputs and reduced, on average, 30% of drift during application.

In 2022, AgroGalaxy reached eight CTAs - AgroGalaxy Technological Centers - to support programs and initiatives in technology, innovation and incentives for regenerative agriculture practices developed and encouraged by the company. The Centers’ objective is to validate the product and service protocols that will be implemented by AgroGalaxy to provide security to suppliers, consultants and growers so that, together, they achieve exceptional results in the field.

AgroGalaxy’s technical assistance team intensified the dissemination of Plugfield, a tool

to monitor weather conditions, consisting of a weather station installed at the property which also allows activating sensor alerts such as rain, wind, gusts, humidity, temperature and more, in addition to combining sensors and creating warnings to monitor the crop against pests and diseases.

In 2022, Agrokea, an innovative precision agriculture platform for managing small and medium-sized farms, was used to increase productivity and yield on properties through accurate data, real-time monitoring and analytics for soil optimization during planting.

Another initiative that helps growers improve crop yield is AgroGalaxy’s seed lab, which analyzes the germination level of its seeds, thus reducing growers’ crop losses.

It is estimated that there was a consumption reduction of approximately 150 l/ha of inputs, with the adoption of a more efficient application

⁵If we adopt the premise that, on average per application, the composition is around 80% water and 20% fertilizer, we have a potential avoided consumption of 10.3k m³ of water and 2.6k m³ of fertilizer in 2022, which translates into the avoidance of 6.7k tCO₂e of GHG emissions.

Capture direct positive impact

AgroGalaxy distributed R\$12,336m in direct economic value in 2022, and since inception has created 1,595 net new jobs. Today it employs 2,645 FTEs (full-time equivalent employees) and offers benefits to all of them (100%). Of the total employees, 28% are women, and they hold 13% of director positions and 30% of other management positions. After becoming the first ag company to be certified by Women on Board (WOB) in 2021, the company took another significant step regarding the presence of women in leadership, with Sheila Albuquerque becoming the company's CEO in 2022.

AgroGalaxy is Aqua's first portfolio company to have a woman as CEO.

The AgroGalaxy Institute was

officially launched in Feb-2022, with the purpose of "promoting knowledge, education and innovation applied to sustainable development in the countryside". With this arm in the third sector, the company will act in a structured way to reach solutions in more sustainable production models, balancing environmental and social demands and connecting growers with innovation ecosystems. During the year, the Institute launched two challenges aimed at startups or researchers. The first AgroGalaxy Institute Challenge had the theme "Transition to Regenerative Agriculture" and awarded three projects to improve agricultural production in a sustainable and relevant way in Brazilian agribusiness. The

second Challenge had the theme "Educational Solutions for Rural Communities" and awarded three more solutions.

AgroGalaxy launched Green Galaxy – Agribusiness Receivables Certificates ("CRAs") for green financing – a R\$20m financing initiative to accelerate the implementation of ESG concepts in Ag&Food and the international practices of reducing deforestation and recovering degraded areas. Farmers will receive the money as of 2023, with funds to be released over three years, and were selected from the company's customer list, taking into account criteria including not having expanded production in areas of native vegetation since Jan-2020.



Positive environmental bottom-line projects

AgroGalaxy, as a retailer of agricultural inputs, demonstrated notable changes in its environmental and social impact in 2022. While the company’s energy consumption increased by 75%, water usage saw a modest uptick of 5% in comparison to 2021. However, AgroGalaxy’s GHG emissions decreased by 4% compared to the previous year, and the greenhouse gas (GHG) emissions intensity dropped significantly by 45% y/y when measured against net revenue. It is important to note that emissions are primarily attributed to the burning of fuel by the company’s fleet vehicles and agricultural product silos. Overall, these figures suggest that AgroGalaxy is taking tangible steps towards reducing its environmental footprint while also meeting the needs of its business operations.

Water consumption experienced a slight increase due to AgroGalaxy’s growth, additions and more accurate measurements of groundwater consumption at the company’s units.

ABSOLUTE				
UNIT/YEAR	2020	2021	2022	2021/2022
Energy (MWh)	141,527	117,351	205,458	+75%
Water (m³)	16,282	66,509	70,000	+5%
GHG Emissions (tCO ₂ e)	7,750	10,002	9,621	-4%

INTENSITY*				
UNIT/YEAR	2020	2021	2022	2021/2022
Energy (MWh/BRLm)	34.1	17.8	17.7	-1%
Water (m³/BRLm)	3.9	10.1	6.0	-40%
GHG Emissions (tCO ₂ e/BRLm)	1.9	1.5	0.8	-45%

*Note: Intensity values do not consider inflation (2022 inflation: 5.79%)

The company has 16 units participating in the free energy market, and they sourced 100% of their electricity from renewable sources. This resulted in 221 tCo₂e of avoided emissions and cost savings of R\$1.2m. Throughout 2022, three of these units migrated.

In another sustainability effort, AgroGalaxy reduced its diesel fleet by 45% by replacing 59 diesel vehicles with flex-fuel models. This action led to a reduction in diesel consumption of 286k liters and GHG emissions of 680 tCO₂e in 2022.

4% GHG
emission
reduction
in 2022

World-class ESG

In 2022, AgroGalaxy signed up to the Climas Platform. The implementation of which began with the digitization and automation of the collection of information and indicators in the GRI Report module for the company’s next annual report.

It also defined its ESG 2030 positioning, based on the intention of being the best partner for Brazilian farmers in the adoption of sustainable production models that maximize productivity and profitability, combined with

environmental preservation and socioeconomic development.

All of AgroGalaxy’s business units were assessed by EcoVadis, being awarded a bronze medal, having obtained 53 out of 100 points and demonstrating that its ESG management system is being well integrated. The company was also certified by Great Place to Work-Brazil, verifying the great workplaces that we consider to be necessary in order to achieve organizational objectives. This was the first year that AgroGalaxy was

evaluated as an integrated company in both certifications.

AgroGalaxy had its 2021 GHG emissions inventory audited externally by BSI. This verification was necessary to become a member and signatory of the Carbon Disclosure Project (CDP). In 2022, AgroGalaxy won the Gold Seal from the Brazilian GHG Protocol Program and achieved a B score in the Carbon Disclosure Project (CDP) ranking.

AgroGalaxy obtained the bronze medal from EcoVadis







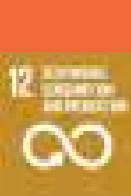

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SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	• AgroGalaxy's productivity initiatives covered 224k ha in 2022
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	• 28% of women employees • 13% of women in director positions • 30% of other management positions held by women • Equity ratio of 0.8 • Two women on its board of directors
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries	• 12,336m of direct economic value distributed in 2022, an increase of 93% y/y • 2,645 FTEs (full-time equivalent employees), an increase of 18% y/y • 1,595 net new jobs since inception • 100% jobs with benefits • No serious accidents or fatalities during 2022
	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
	8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• 48% of all the electricity consumed was provided by renewable sources during 2022 • 16 AgroGalaxy units purchase electricity from 100% renewable sources • 8 technological centers, where products, services and technologies are tested by a team of 60 specialists, with the results used to create AgroGalaxy's technological protocols
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• 2022 GHG emissions (scope 1 and 2) – 9.6k tCO ₂ e • 45% y/y GHG emissions intensity reduction • It was estimated (following the GHG protocol) that the productivity initiatives avoided 6.7k tCO ₂ e of GHG emissions in 2022
	13.2.2 Total greenhouse gas emissions per year	

AgroGalaxy
is the first
portfolio
company
to have
a woman
as CEO



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VETBR



Leading animal health distributor operating in the livestock and pet segments in the Southeast of Brazil. In 2022, VetBR acquired the product inventory and client base of Distrivet (animal health distributor).

Company Snapshot

VetBR operates in over 2.8k Brazilian municipalities. It distributes a complete portfolio of animal health products and pet food from first-tier suppliers through a strong commercial force and provides best in-class technical assistance to producers. This platform was consolidated with the acquisition and integration of add-ons such as Alfa, Gretha and VetLider. In Nov-2022, VetBR also acquired the product inventory and

client base of Distrivet, an animal health distributor.

VetBR operates from its headquarters in Perdões, state of Minas Gerais, with nine distribution centers located in the states of Minas Gerais, Goiás, Espírito Santo, Mato Grosso, Ceará, São Paulo and Distrito Federal, as well as offices in Belo Horizonte and Perdões, in MG, and São Bernardo do Campo, in São Paulo.

VetBR
operates
in over 2.8k
Brazilian
municipalities





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“Do good” business

In 2022, VetBR implemented the “Sustainable Livestock Program”, aiming to improve veterinary medicine applied to animals and to increase productivity by monitoring and supporting small dairy cattle breeders with the participation of UNIS Veterinary Medicine students and property owners from the region of Perdões (state of Minas Gerais). Students follow up for six months to measure and observe the productivity of the farms using indicators such as hygiene and organization, animal health and waste disposal.

When the results of these observations are compiled, they will serve to evaluate the performance of each property. The first visits started in Aug-2022 and eight properties were mapped for participation in the Program. A total of 48 checklists were developed and 16 technical training sessions are planned. The visits will be monthly and a report will be generated every six months. Between Aug-2022 and Dec-2022, an improvement of, on average, 40% of the indicators monitored by the program was recorded in all properties served.

VetBR implemented a program to increase productivity and improve veterinary medicine in rural properties in Perdões





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Capture direct positive impact

VetBR distributed \$412m of direct economic value in 2022, and since inception has created 337 net new jobs. Today it employs 539 FTEs (full-time equivalent employees) and offers benefits to all of them (100%). Of the total employees 41% are women, and women hold 36% of other management positions. Moreover, VetBR has one woman on its board of directors.

Designed to share knowledge on animal health best practices and market trends, the “Clients’ School” program was launched in Dec-2021, offering an online learning platform to VetBR’s B2B customers, and helping them to professionalize their businesses with courses on sales, business management, inventory controls

providing and financial controls, as well as providing technical training on product application and use in order to achieve best performance and reduce product waste. In 2022, the program reached 28.1k enrollments, taking into account all 45 courses available, and the 560 clients enrolled, 2k completed courses, 41k classes held, 19.5k hours of training, with a 77% grade average and 89% participation of internal and external audiences.

In Mar-2022, the company launched VetDiversa, which aims to promote the inclusion and appreciation of underrepresented groups of professionals in the job market, such as: women, blacks, young people, LGBTQIAPN+, and

people over 50. The main focus is the elimination of bias with training and conversation circles, as well as initiatives that involve the entire company, in person and online. VetDiversa, in partnership with Agromulher – the largest training, communication and integration platform for women in agribusiness in Brazil – promotes career development programs for young students from public schools and social projects. The initiative launched a magazine focused on disseminating opportunities and instructions for women who work in Ag and organized an event on diversity in Sete Lagoas (state of Minas Gerais). VetBR also opened up hiring opportunities for underrepresented groups.

Positive environmental bottom-line projects

The Perdões (state of Minas Gerais) unit purchased renewable energy in H1 2022, which accounted for 21% of the electricity consumed by the company in 2022. During this period, it is estimated that the company avoided emissions of 12 tCO₂e, with an estimated savings of R\$25k.

In Q4 2022, the company began implementing the telemetry and control tower program to reduce fuel consumption in the VetBR delivery fleet. Completion is scheduled for 2023.

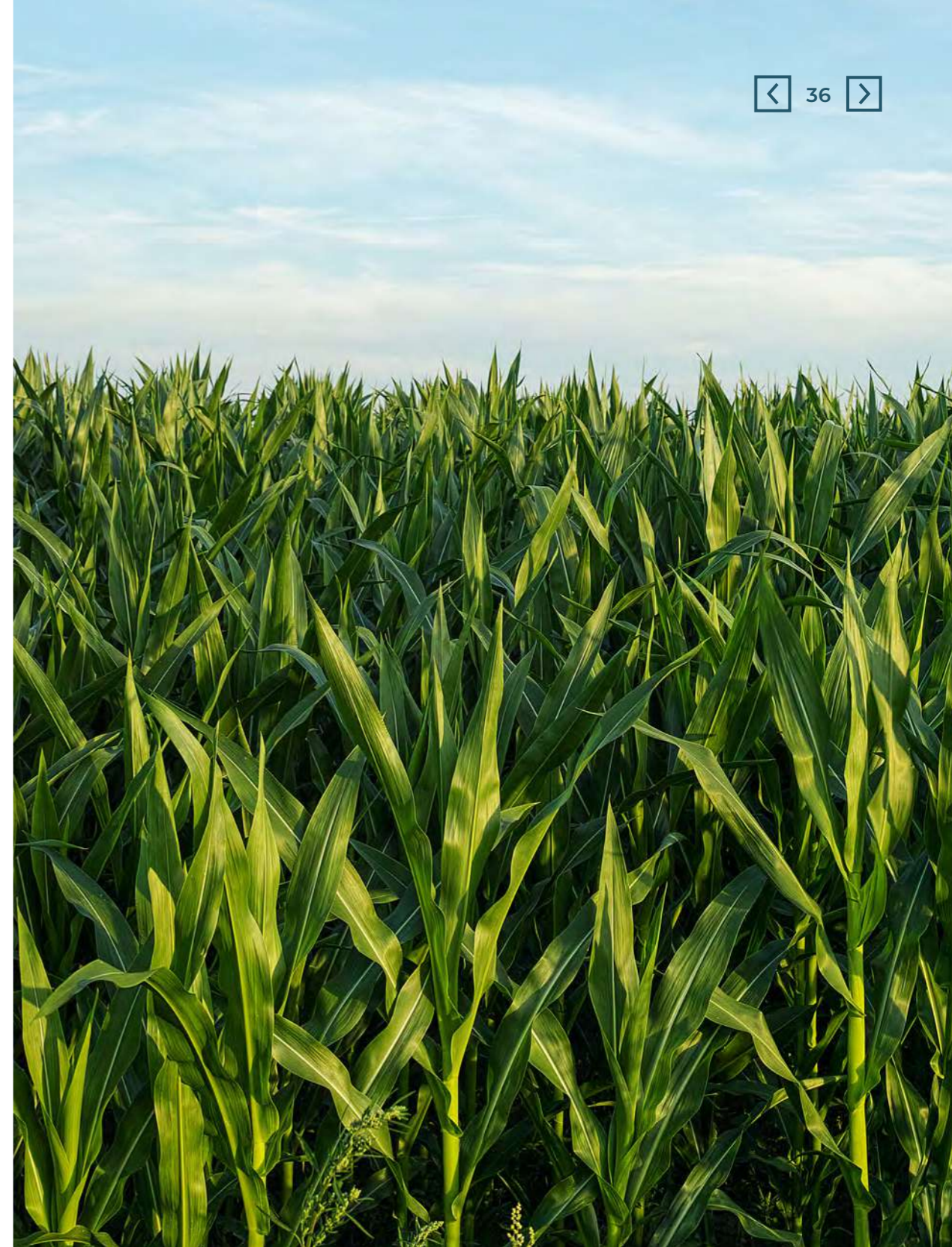
To recycle its post consumption packaging VetBR acquired recycling certificates from eureciclo, equivalent to 22% of its packaging (cardboard and plastic).

The VetBR units of Brasília (Federal District), Cariacica (state of Espírito Santo), Cuiabá (state of Mato Grosso), Goiânia (state of Goiás), Perdões (state of Minas Gerais) and São Bernardo do Campo (state of São Paulo) returned 12.8k cardboard boxes; 8.6k Styrofoam boxes and 40.7k gel ice cubes. With this initiative, the estimated return value was approximately R\$185.7k in 2022.

Savings of

R\$186k

with reverse
logistics initiative





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World-class ESG

As further evidence of VetBR work and improvements, the company's ESG management system was assessed by EcoVadis in 2022, obtaining the bronze medal. VetBR scores were higher than in 2021. In order to further progress on this agenda, it completed its management system certification with ISO 14001 at the Perdões unit. VetBR was also certified by Great Place

to Work - Brazil, verifying the excellent workplaces that we consider necessary in order to achieve organizational objectives.

Among 28 companies from the wholesale sector evaluated, VetBR ranked 1st in the People category, 5th in the Sustainability category and 7th place in the Corporate Governance category in the Época Negócios 360° Yearbook ranking.

**The Perdões
unit was
certified with**

**ISO
14001**






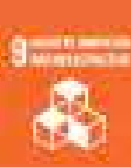
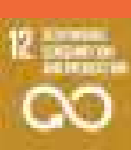

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SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	• VetBr sells products that enhance animal health, with 8.6k tons of product sold in 2022
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	• 41% of women employees • 36% of other management positions held by women • Wage equity ratio of 1.1 • One woman on its board of directors
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries	• R\$412m of direct economic value distributed in 2022, a decrease of 4% y/y • 539 FTEs (full-time equivalent employees), an increase of 7% y/y • 337 net new jobs since inception • 100% jobs with benefits • No serious accidents or fatalities during 2022
	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• 21% of the electricity consumed in 2021 was generated from renewable sources
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• 2021 GHG emissions (scope 1 and 2) – 472 tCO ₂ e • -55% y/y GHG emissions intensity reduction
	13.2.2 Total greenhouse gas emissions per year	

41% of
women
in the
workforce



Platform for cheese roll-up strategy with capacity to increase output and a well-developed and efficient distribution network that features a complete product portfolio of cheeses. It works closely with milk suppliers to improve productivity levels, producing more milk from fewer cows and other actions to reduce GHG emissions.

Company Snapshot

The Brazilian platform for Aqua Capital's cheese roll-up strategy, with state-of-the-art industrial facilities, and a well-developed and efficient distribution network. Ultracheese has a complete product portfolio, covering most of the highest-margin segments and distributing commodity cheeses nationwide. This portfolio company was created in 2018 following the acquisition of LacLélo, followed by Cruzília, Búfalo Dourado and Itacolomy.



“Do good” business

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Ultracheese implements programs that impact its milk providers, to increase productivity and improve milk quality. In 2022, the company expanded its milk producer technical assistance to cover the entire Southern region of Brazil (states of Rio Grande do Sul, Santa Catarina and Paraná), providing welfare and expansion of regenerative agriculture practices.

In 2022, the company conducted 2.2k visits to 462 properties and cared for 38.6k animals. The visits were carried out by field technicians, and veterinarians. The milk producers registered an average daily production of 18.6 liters per animal, a small drop compared to the previous year due to the dry weather conditions in the region. Even so, this productivity was 210% higher than the national average in 2020 - 6

liters per animal/day (IBGE, 2021) - and 84% higher than the average of the state of Santa Catarina in 2020 - 10.1 liters per animal per day (IBGE, 2021).

As a result of this increased productivity, it is estimated that Ultracheese needed 12k fewer animals to produce the equivalent amount of milk, taking into account state milk production averages. By estimating the methane emissions from the additional animals that would have been required to produce the same amount of milk, it can be determined that Ultracheese has avoided an increase of 2.2k hectares for livestock use and 23.7k tCO₂e in GHG emissions.

Another initiative developed in 2022 that both improves the quality of Ultracheese's products

and helps its milk producers improve management and animal welfare was the creation of a checklist used by the origination sector to diagnose and monitor producer practices regarding the annual review of animal health, vaccination, sanitary management, property maintenance conditions, property water quality, and application of chemicals in the pasture. Storage conditions of chemical products are also analyzed, as well as soil analysis, cleaning of water reservoirs, personal protective equipment for operational employees, worker training, manure management, wastewater treatment, solid waste disposal, the safe use and storage of chemical products, toxic agents, and veterinary drugs.

With the support of Ultracheese, the milk producer increased productivity by 210% - compared to the national average



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Capture direct positive impact

Ultracheese distributed R\$768m of direct economic value in 2022, and since inception has created 345 net new jobs. Today it employs 995 FTEs (full-time equivalent employees) and offers benefits to all of them (100%). Of the total employees, 44% are women, and women hold 26% of management positions.

R\$768m
of direct economic
value distributed



Positive environmental bottom-line projects

As a dairy product processor, Ultracheese consumes a significant amount of energy, and water, and generates lots of wastewater, resulting in higher levels of GHG emissions compared to other portfolio companies. However, the company has taken steps to reduce its environmental impact. In 2022, Ultracheese reduced its absolute GHG emissions by 15% y/y, with 32% less intensity. Water and energy intensity, when measured against net revenue, has also decreased by 14% and 13% y/y, respectively, due to better resource utilization. Conversely, the absolute consumption of water (m³) and energy (MWh) increased by 7% and 8% y/y, respectively.

Ultracheese will instal a methane capture system at the Láclélo site, which will generate 1.5k MWh and 100k m³ p.a. of hot water, while reducing sludge generation by 1.9k tons p.a. and GHG emissions by 600 tCO₂e p.a., resulting in savings of R\$350k. In 2022, the company implemented the pallet overlay and shipping optimization

project. It is estimated that Ultracheese reduced the direct emission by 143 tCO₂e p.a. relative to its own carriers, which are reflected in scope 1. The Project also generated a reduction in the consumption of stretch plastic by an estimated 25 tons p.a. These actions resulted in savings of R\$1.3m p.a.

To manage water consumption, Ultracheese began drilling artesian wells and installed a rainwater harvesting system with an 80 m³ capacity at the LacLélo site to ensure availability and reduce pressure on the municipal water system. The Cruzília unit commenced work on the installation of a whey evaporator in H2 2022. This equipment makes it possible to increase the concentration of whey and, therefore, the add value to this by-product of cheese manufacturing. The process will allow the production of 18m³/day of whey concentrate and the reuse of 32m³ of water/day (11.7k m³ p.a.).

The sale of whey concentrate also results in fewer fleet trips for the

ABSOLUTE				
UNIT/YEAR	2020	2021	2022	2021/2022
Energy (MWh)	49,843	53,160	57,628	+8%
Water (m ³)	170,489	258,643	277,226	+7%
GHG Emissions (tCO ₂ e)	7,883	5,342	4,526	-15%

INTENSITY*				
UNIT/YEAR	2020	2021	2022	2021/2022
Energy (MWh/BRLm)	117.2	87.8	76.1	-13%
Water (m ³ /BRLm)	401.1	427.3	366.2	-14%
GHG Emissions (tCO ₂ e/BRLm)	18.5	8.8	6.0	-32%

*Note: Intensity values do not consider inflation (2022 inflation: 5.79%)

transport and distribution of this by-product by third-party carriers. It is estimated that the overall effect will be a reduction of 427 tCO₂e p.a. in the company's indirect emissions (scope 3).

Furthermore, in 2022, 95% of the electricity used by Ultracheese came from renewable sources, avoiding 1.6k tCO₂e p.a. of GHG emissions, resulting in savings of R\$2.1m p.a.

World-class ESG

As evidence of Ultracheese's work and improvements, the company was certified by Great Place to Work - Brazil in 2022.

Ultracheese products participated of the second Cheese World Cup in Brazil 2022, in São Paulo, sponsored by the Guilde Internationale des Fromagers, and received 10 awards in different categories, demonstrating the company's commitment to innovation and excellence: Super Gold - Silvestre Cheese; Silver - Emmental, Brie, Curd Cheese, Buffalo Mozzarella Cherry and Cheddar Cheese; Bronze - A Lenda, Azul de Minas, Manto

da Serra and Brie Negro. Eleven countries took part in this edition, which featured 1.1k labels registered and appreciated by 180 judges.




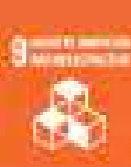
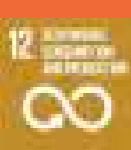

In Apr-2022, Ultracheese received the Green Seal issued by Ludfor for the company's three factories: São João do Oeste (state of Santa Catarina), Trindade (State of Goiás) and Cruzília (State of Minas Gerais), an award given to companies using clean renewable energy.

The company has an agreement with eureciclo, where 22% of its products' packaging is recycled, amounting to 323 tons in 2022.

Ultracheese products participated of the second Cheese World Cup, sponsored by the Guilde Internationale des Fromagers, and received 10 awards in different categories



Contribution to SDG Targets

SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	<ul style="list-style-type: none">• Ultracheese's technical assistance program covered 462 properties and 38.6k animals. The milk producers registered an average daily production of 210% above the national average
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	<ul style="list-style-type: none">• 44% of women employees• Wage equity ratio between 0.9 and 1.0
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries	<ul style="list-style-type: none">• R\$768m of direct economic value distributed in 2022, an increase of 27% y/y• 995 FTEs (full-time equivalent employees), an increase of 4% y/y• 345 net new jobs since inception• 100% jobs with benefits• No serious accidents or fatalities during 2022
	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment 8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<ul style="list-style-type: none">• 95% of all the electricity consumed was provided by renewable sources during 2022• 13% y/y energy intensity reduction• 14% y/y water intensity reduction
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none">• 2022 GHG emissions (scope 1 and 2) – 4.5k tCO₂e, a reduction of 15% compared to 2021• 32% y/y GHG emission intensity• With the increase in productivity of the milk suppliers it was estimated that Ultracheese avoided 24k tCO₂e of GHG emissions in 2022
	13.2.2 Total greenhouse gas emissions per year	

95% of all the electricity consumed was provided by renewable sources during 2022



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BIOTROP



A leading innovator in the biological ag inputs market that focuses on the development of high-tech biological inputs for crops, and research and development of innovative, value-added solutions that contribute to healthier and more sustainable agriculture.

Company Snapshot

Created by Aqua Capital in 2018, Biotrop is a leading innovator in the biological Ag inputs market in Brazil. With a strong product portfolio centered on crop protection and nutrition, Biotrop invests in research and development (R&D) to create innovative, value-added solutions that contribute to healthier, more sustainable agriculture. Its portfolio includes crop protection and nutrition, nutrient solubilizers, plant growth and resistance, and biological management. Its products are applied across more than 21m ha. Biotrop, through its subsidiary (Total Biotechnologia), made the ranking of the 500 best companies in Agribusiness being the only company specializing exclusively in biological products

to feature among the 10 best fertilizer companies in Brazil, according to Globo Rural magazine.

The company currently operates from two leased sites (production plant and neighboring distribution center) in Curitiba, state of Paraná, an administrative office in Vinhedo, state of São Paulo, and an experimental research farm (Bioracle) located in Santo Antonio da Posse, state of São Paulo. There are planned expansions to a neighboring property in Curitiba. The company has commenced work on the installation of a new production line on a leased site in the municipality of Jaguariúna, state of São Paulo.

Biotrop is among the 10 best fertilizer companies in Brazil, according to Globo Rural

“Do good” business

Biotrop’s impact is mainly related to its products, which replace the use of chemicals and increase plant health and agricultural yields. In 2022, the company launched new products, including “Biokato” to reduce the use of chemicals such as acetate, “Bombardeiro” to replace the use of hazardous fungicides, and the biostimulant “Biofree”.

It is estimated that the company produced approximately 1.3k m³ of biostimulants. This volume has the capacity to treat 2.1m ha of different crops (coffee, corn, soy, etc.), without taking into account the specific results of sugarcane crops.

In 2022, the use of Biotrop’s stimulants covered an area of 6.9m hectares specifically for high productivity sugarcane crops, representing approximately 70%, while the other 30% was applied on other crops. It is estimated that the

application on other crops replaced the use of 234k tons of nitrogen-based fertilizers and avoided 609k tCO₂e of GHG emissions⁴.

Biotrop produced approximately 1.9k m³ of biopesticides, which is enough to treat an area of 4.1m, avoiding the application of 4.1k tons of chemicals in the crops.

The company received the international Crop Life Science award for “Most Innovative Formulation” for SIMUTROP, a biostimulant, and was also recognized in the 15th Crop Science Awards for “Best New Stimulant” for Pastomax, a product designed for pastures.

With the aim of identifying new microorganisms that can benefit agriculture and create a new generation of Biotrop’s biologicals, the company started

the Nimbles Project, which seeks to build the largest functional catalogue of microorganisms in Brazil. This project consists of expeditions by a multidisciplinary team of professionals, including agronomists, biologists and microbiologists, to identify new microorganism and use them to develop biological solutions for disease and pest control, as well as to stimulate plant growth. An innovative R&D process will develop a proprietary database with more than 300 microbacteria for exclusive use.

Another project, in partnership with 3Tentos Agroindustrial, is Agrobiota. Unprecedented anywhere in the world on a commercial scale, it aims to carry out a complete soil analysis to identify both beneficial and pathogenic microorganisms, based on meteorological data, and past

crops, among other information, to allow farmers to take more accurate measures and make application decisions to improve crop health and productivity. In partnership with Sima, an AgTech startup, Biotrop has launched a platform to digitize the collected field data. The tool improves the monitoring and analysis process of property data. Biotrop’s technical team assists farmers in using the software.

The company developed a new biological application technology focused on the planting furrow to increase the efficiency of the use of inputs. Equipment was developed in partnership with a tech company in the Ag&Food sector. Around 50 producers are already being served by this solution, with an application capacity of up to 50k ha.

It is estimated that the application on other crops replaced the use of 234k tons on nitrogen-based fertilizers and avoided 609k tCO₂e of GHG emissions

⁴The estimates consider the use of Biotrop’s inoculants applied over 8.1m ha, replacing 8.1m tons of nitrogen-based fertilizers and avoiding 21.2m tCO₂e, based on the premise that 100% would have been applied on high productivity soy crops. Moreover, it is estimated that Biotrop’s biopesticides replaced the use of 4.1 tons of crop chemicals.

Capture direct positive impact

Biotrop distributed R\$319m of direct economic value in 2022, and since inception has created 311 net new jobs. Today it employs 486 FTEs (full-time equivalent employees) and offers benefits to all of them (100%). Of the total employees, 40% are women, and they hold 22% of director positions and 21% of other management positions. Moreover, Biotrop has one woman on its board of directors.

Biotrop launched UniBiotrop, a program developed alongside teaching institutions to train university students regarding biological ag inputs. The initiative is unprecedented in the country and consists of a five-month immersion, with theoretical and practical classes. The company also invested in training new talent and promoted, for the third consecutive year, the “Biotrainee” Program, with 40 vacancies for agronomy

students interested in entering the commercial, research, market development and marketing areas. In 2022, 33 students were chosen from 350 applicants and participated in five months of immersion, with theoretical and practical classes.

In Mar-2022, Biotrop introduced the BioMulher Program strengthening the company’s actions on diversity, with monthly meetings to provide information, lectures and practices to appreciate and support women in the workplace.

Biotrop, through its subsidiary (Total Biotecnologia), made the ranking of the 500 best companies in Agribusiness, and also had several highlights in the edition, being the only company specializing exclusively in biological products to feature among the 10 best fertilizer companies in Brazil, according to Globo Rural magazine.

Positive environmental bottom-line projects

Biotrop is building a new factory and plans to install solar panels for electricity self-generation with a generation capacity of approximately 74.5 MWh/month, resulting in savings of RS450k p.a. and avoided emissions of 113 tCO₂e p.a.

The company underwent verification of the indicators for the first Green Bond and certified the second Green Bond in 2022. Highlights among the verified

indicators include the GHG emissions avoidance from the replacement of chemical fertilizers, the improvement of biota and soil organic matter, the improvement of biodiversity, productivity gains and resistance to water stress.

In 2022, Biotrop consumed 15.1k m³ of water from the well installed in the production unit. This volume represents 46% of the total consumed by the company.



World-class ESG

Biotrop was the 2022 winner of the LAVCA Environmental Responsibility award, thanks to the positive environmental impacts of its products and its structured ESG system. Another endorsement of Biotrop's work and improvements was the 2022 assessment of its ESG management system by EcoVadis, receiving the silver medal and obtaining a score of 61 out of 100, up 9 points compared to the previous year. In order to further progress this agenda, Biotrop was also certified by Great Place

to Work - Brazil, verifying its excellent workplace environment.

In May-2022, Biotrop received approval from IBD for several of its bioinputs for use in organic agriculture, in accordance with Brazilian Law 10.831 and IBD/IFOAM standards (EEC Regulation 889/08, NOP Standard, COR, Demeter and JAS Standard). IBD is the largest certifier of organic products in Latin America and the only Brazilian certifier of organic products

with IFOAM certification (international market), ISO/IEC 17065 (European market - CE regulation 834/2007), Demeter market, USDA/NOP (North American market) and approved for use with the SISORG seal (Brazilian market), which makes the certificate globally accepted.

Biotrop celebrated a partnership with eureciclo to recycle 100% of its post consumption packaging, through a compensation agreement.

**Biotrop
obtained
the silver
medal from
EcoVadis**






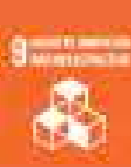
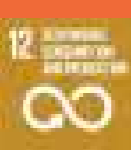

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SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	<ul style="list-style-type: none">During 2022, Biotrop's biopesticides replaced the use of 4.1k tons of crop chemicals and most of its products are already registered for organic farming
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	<ul style="list-style-type: none">40% of women employeesWage equity ratio between 0.9 and 1.0One woman on its board of directors
	<p>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries</p> <p>8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p> <p>8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status</p>	<ul style="list-style-type: none">R\$319m of direct economic value distributed in 2022, an increase of 98% y/y486 FTEs (full-time equivalent employees), an increase of 63% y/y311 net new jobs since inception100% jobs with benefitsNo serious accidents or fatalities during 2022
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	<ul style="list-style-type: none">Biotrop created a program to identify new and build the largest collection of functional microorganisms for agricultural applicationBiotrop has launched a platform to digitize the collected field dataBiotrop developed a new application technology to improve product application efficiency
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.2.2 Total greenhouse gas emissions per year</p>	<ul style="list-style-type: none">2022 GHG emission (scope 1 and 2) – 1.4k tCO₂e19% y/y GHG emissions intensity reductionIt was estimated that during 2022 the use of Biotrop's products avoided the emission of 21.8m tCO₂e of GHG by replacing the use of nitrogen-based fertilizers

40% of Biotrop's employees are women, and the company has a woman in its Board of Directors



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RECH



Leading agriculture and construction machinery parts distributor for grain combines, planters and cotton pickers. It has top-notch domestic and international supply chains, an efficient distribution network, and an innovative e-commerce platform.

Company Snapshot

The company has outstanding domestic and international supply chains and an efficient distribution network, serving clients across all relevant markets in Brazil. Rech also has an innovative ecommerce platform. It became part of Aqua Capital's portfolio in 2018, and has since integrated the following add-ons: Verde Agrícola, Rech Tratores, Telmac and Tractor. Currently Rech operates from 55 own stores and 22 franchises covering the entirety of Brazil, in addition to online channels.

**Rech operates
55 own stores
and 22
franchises**



“Do good” business

One of Rech’s commitments is to become a more sustainable company, and it has worked on developing its sustainability program in recent years, taking actions such as becoming signatory to the Global Compact, undergoing ESG assessments, and improving governance, among other actions. Rech maintains a GHG emissions offset program for its scope 1 and 2 emissions, equivalent to a volume of 1.2k tCO₂e p.a., which is conducted with the

company Carbon Free, through the planting of trees. Rech also innovated within its transport fleet by buying its first electric truck.

Rech aims to be a differentiated company dedicated to serving its clients’ needs, an ambition furthered by the Rech Lab for the development of new parts. In 2022, it launched over 2.2k new products and developed a part using 100% recycled material that was sent for testing.

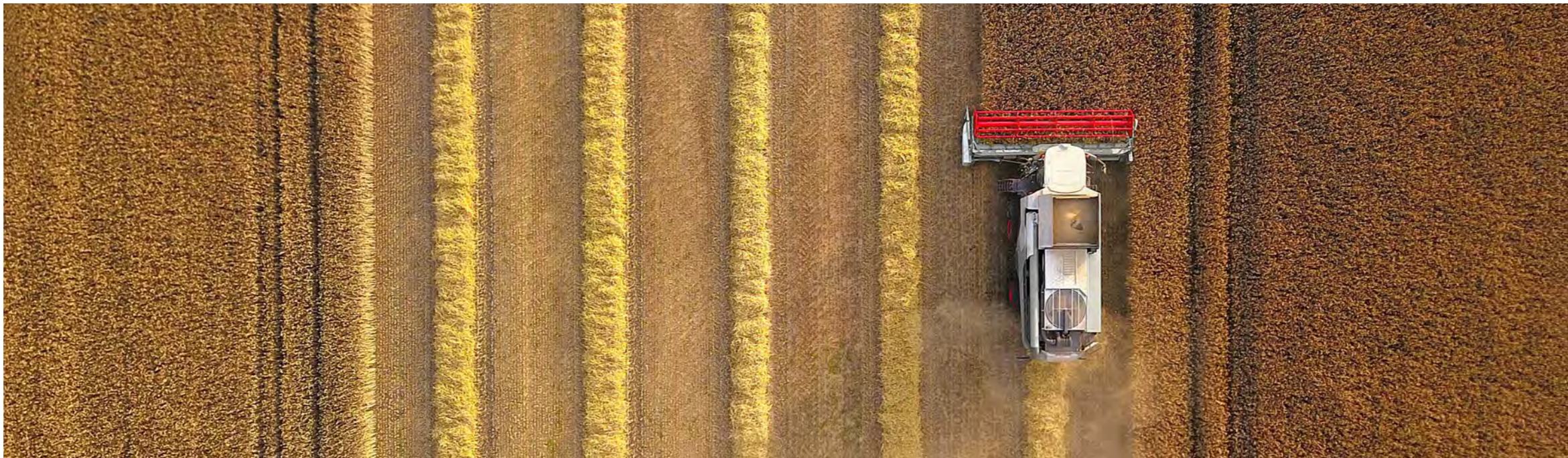
Capture direct positive impact

Rech distributed R\$853m of direct economic value in 2022, and since inception has created 791 net new jobs. Today it employs 1,146 FTEs (full-time equivalent employees) and offers benefits to all of them (100%). Of the total employees, 30% are women, and they hold 29% of director positions and 32% of other management positions.

Rech employs

**1,146
FTEs**

**(full-time
equivalent
employees) and
offers benefits
to all of them**



Positive environmental bottom-line projects

Rech has commenced work on defining a strategic goal for the supplier program, with the aim of mapping principal carriers to develop future neutralization projects for Scope 3.

In addition, Rech maintained the emissions offset program for scope 1 and 2 emissions, equivalent to a volume of 1.2k tCO₂e p.a. and the Carbon Free Brasil Seal, which recognizes the impacts of companies on the environment and promotes actions to minimize them. The compensation is made with the company Carbon Free, through the planting of trees in areas determined by the consultancy, in partnership with Instituto de Pesquisas Ecológicas, with the planting of 3k seedlings of native trees in an area of 17.7k m².

During 2022, Rech concluded the installation of solar panels at three units located in the state of Mato Grosso, with 395 MWh p.a. of installed capacity, sufficient to account for all of Rech's consumption within Mato Grosso, and obtained approval from the electric utility company to provide additional electricity to the grid. It is estimated that this project will generate approximately R\$300k in annual savings.

Rech has upgraded its fleet with the acquisition of its first electric truck, which will transport parts from the Hidrolândia (GO) unit to customers in Goiânia (GO). Another initiative was to switch from liquefied petroleum gas (LPG) forklifts to electrical ones. An emission reduction of more than 45 tCO₂e is estimated due to the replacement of this equipment.

Reduction of

45 tCO₂e

with electric forklifts

World-class ESG

In 2022, Rech reviewed its materiality assessment, and the topics identified were:

- (i) product development and innovation;**
- (ii) customer satisfaction;**
- (iii) people management;**
- (iv) diversity and inclusion;**
- (v) supplier management and sustainability in the value chain;**

- (vi) waste management and sustainable packaging;**
- (vii) climate change and GHG emissions; and**
- (viii) relationship with carriers and secure logistics.**

Rech maintained its management system certification with ISO 9001 and was certified by Great Place to Work - Brazil.






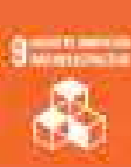
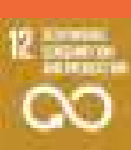

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SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	• n/a
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	• 30% of women employees • 29% of directors are women • 32% of other management positions held by women • Wage equity ratio of 1.0
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries	• R\$853m of direct economic value distributed in 2022, an increase of 62% y/y • 1,146 FTEs (full-time equivalent employees), an increase of 39% y/y • 791 net new jobs since inception • 100% jobs with benefits • No serious accidents or fatalities during 2022
	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
	8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• Rech launched over 2.2k new products, and developed a product using 100% recycled materials • Solar panels installed in three more units, which will provide clean energy for 13 units in the state of Mato Grosso
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• 2022 GHG emissions (scope 1 and 2) – 1.9k tCO ₂ e • Rech will offset all scope 1 and 2 emissions in 2022
	13.2.2 Total greenhouse gas emissions per year	

R\$853m
of direct
economic value
distributed
in 2022,
an increase
of 62%



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ADEREZOS



As Aqua Capital's first investment in Colombia, Aderezos is a high-growth traditional table sauce company with over 50 flavors. It focuses on specialty sauces with natural ingredients, positioning itself favorably as the market shifts towards healthier consumption and lifestyle.

Company Snapshot

Aderezos was acquired by Aqua Capital in Apr-2022 and represented the first investment by Fund II in the country. It operates from a 3.7k m² plant and a 3k m² warehouse, both located in the municipality of La Estrella (greater Medellin urban area, Province of Antioquia). The company sells its products within the domestic market.





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“Do good” business

Over the years, Aqua Capital has followed the need and trend for natural and healthy ingredients, hence its investment in Aderezos, which produces over 50 products using natural ingredients. Due to the nature of its business, the main impacts are related to food

safety. The company is currently undergoing industrial expansion and modernization, and was audited by a renowned third-party certification company as per the requirements of the International Featured Standard (IFS Food) to guarantee best food safety practices.

Capture direct positive impact

Aderezos distributed \$103,541m Colombian Pesos of direct economic value in 2022. Today it employs 285 FTEs (full-time equivalent employees) and offers benefits to all of them (100%). Of the total employees, 47% are women, and they hold 40% of director positions and 63% of other management positions. Moreover, Aderezos has one woman on its board of directors.

**Women in
40% of director
positions and
in 63% of other
management
positions**



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Positive environmental bottom-line projects

In 2022, Aderezos made a significant change to its operating practises by replacing the boiler fuel. Diesel was substituted for natural gas as a source of thermal energy. This change eliminated the use of 215.9k liters of diesel, resulting in a emission reduction of 139 tCO₂e in 2022.

The company uses electricity from renewable sources, specifically from hydroelectric power provided by EPM⁴. The certification process for this renewable energy source is underway.

In addition, Aderezos has implemented initiatives to reduce

plastic packaging. Through participation in the collective “Visión 30/30”, of the “Asociación Nacional de Empresarios (ANDI),” the use of flexible and rigid plastics decreased by 10% and 9%, respectively.

Furthermore, the company has begun to measure its GHG emissions and is developing strategies to reduce its environmental impact. In 2022, Aderezos elaborated its first GHG emissions inventory and the identified mitigation and compensation strategies, such as the installation of solar panels for electricity generation.

⁴Business group, controlled by the City Hall of Medellín (Colombia), which operates in various sectors, including electric energy generation and distribution.





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World-class ESG

Aderezos has already demonstrated concern regarding social and environmental responsibility, having obtained the Fenalco Solidario certification. Throughout 2022, its efforts were focused on improving its management system to enhance governance and rely less on external consultants. These initiatives included establishing an ESG+I committee, hiring an environmental engineer, and commencing work on a materiality assessment in Q3 2022.






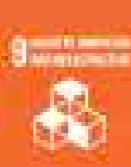
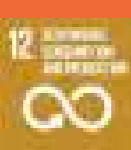

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SDG	GOALS	COMPANY CONTRIBUTION IN 2022
	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production	• Aderezos was audited based on International Featured Standard (IFS Food), ensuring food safety in its production
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	• 47% of women employees • 40% of directors are women • 63% of other management positions held by women
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7% gross domestic product growth per annum in the least developed countries	• 103,541m Colombian Pesos of direct economic value distributed in 2022 • 285 FTEs (full-time equivalent) • 100% jobs with benefits • No serious accidents or fatalities during 2022
	8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
	8.8.1 Fatal and non-fatal occupational injuries per 100,000 workers, by sex and migrant status	
	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	• Aderezos expansion takes into account improvements of the industrial process that ensure HACCP and food safety standards
	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	• 2022 GHG emissions (scope 1 and 2) – 481 tCO ₂ e
	13.2.2 Total greenhouse gas emissions per year	

103,541m
Colombian
Pesos of
direct
economic
value
distributed
in 2022



**SÃO PAULO | NEW YORK |
BUENOS AIRES | BOGOTA |
MONTEVIDEO**

CREDITS

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