

# SUSTAINABILITY REPORT

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MCassab 

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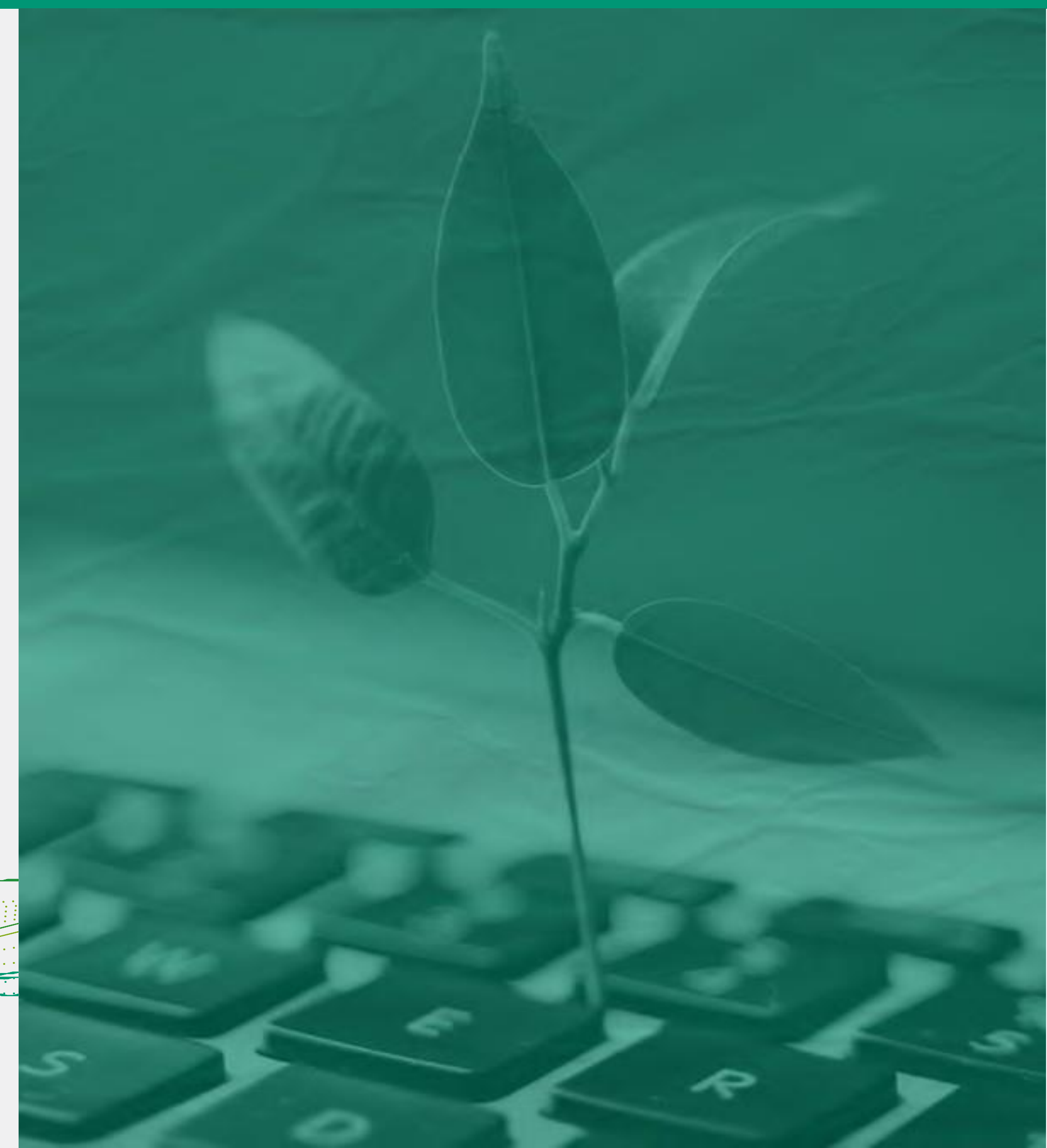
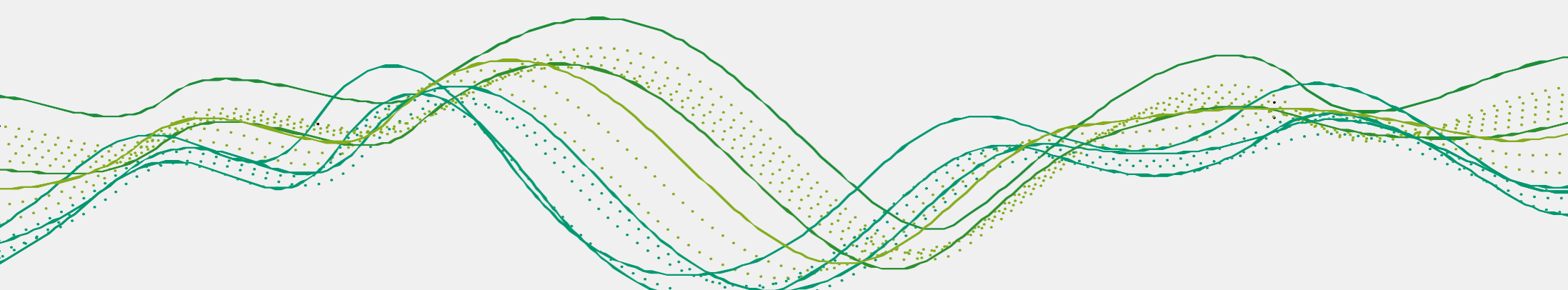
# ABOUT THE REPORT

This document represents the first edition of the MCassab Group's Sustainability Report. The report was inspired by the Global Reporting Initiative (GRI) Standards methodology used in the Essential application (D102-54). This first version of the report does not meet the entirety of the requirements under the Standard and is considered part of initial efforts to optimize management practices. The Report presents the main results for the areas of environmental, social, and governance indicators between January 1st and December 31st, 2021.

This report includes information on MCassab's corporate headquarters, the company's five main Business Areas (Distribution, Animal Nutrition and Health, Consumer Products, Fider Pescados and Vitachemie) and their respective operational branches (D102-50). In this first edition of the Report, it was not possible to consolidate quantitative indicators for units of information across all business areas. The text will therefore provide explanatory notes on the specific business divisions to which the information provided refers.

This report has not been subject to external verification processes (D102-56).

If you have any questions or concerns about the information contained in this report, please contact [Sustainability@mcassab.com.br](mailto:Sustainability@mcassab.com.br) (D102-52, D102-53).



# MATERIALITY & MATERIALS-BASED THEMES

MCassab's efforts with regards to Sustainability were a major highlight from among the company's activities in 2021, efforts that culminated in the launch of the MCassab Sustainability Platform.

Initial efforts involved the development of the Materiality Matrix, which seeks to define relevant aspects within the Group's Sustainability management processes. These materials-oriented aspects were also used during preparation of the contents of this report. These efforts were guided by the main GRI principles, which include the following stages:

## Process of developing Materiality Matrix (D102-46)



Once this process was complete, priority was placed on six themes related to 21 different aspects.

### List of materials-based topics and parameter limits - MCassab (D102-46, D102-47)

THEME	GOVERNANCE DIMENSION	LIMITS	
	ASPECTS	(Internal)	(External)
INTEGRITY	<b>Ethics and Integrity</b>	Administrators, Employees	Government, Clients, Suppliers
	<b>Anti-corruption</b>	Administrators, Employees	Government, Clients, Suppliers
	<b>Laws and Regulations</b>	Administrators, Employees	Government, Clients, Suppliers
	<b>Dialogue with stakeholder</b>	Administrators, Employees	Clients, Suppliers, Community, Trade Associations, Unions, Government.
	<b>Innovation</b>	Administrators, Employees	Suppliers and Clients
THEME	ENVIRONMENTAL DIMENSION	LIMIT	
	ASPECTS	(Internal)	(External)
ENVIRONMENT	<b>Materials</b>	Business Units	Suppliers, Clients and Society
	<b>Energy</b>	Administrative and Business Units	Society
	<b>Water</b>	Administrative and Business Units	Society
	<b>Effluents</b>	Business Units	Local communities
	<b>Protected Habitat/ Biodiversity</b>	Fider Business Division	Society and local communities
	<b>GHG Emissions</b>	Administrative and Business Units	Society
	<b>Waste</b>	Administrative and Business Units	Suppliers and Clients
THEME	SOCIAL DIMENSION	LIMIT	
	ASPECTS	(Internal)	(External)
COLLABORATORS ("OUR PEOPLE")	<b>Labor relations</b>	Employees and subcontractors	Trade Unions
	<b>Health and Safety</b>	Employees and subcontractors	Suppliers
	<b>Training</b>	Employees	Clients
	<b>Diversity</b>	Managers, Employees and Subcontractors	Society
CLIENT SAFETY	<b>Product Information and Labelling</b>	-	Clients
	<b>Client Privacy</b>	-	Clients
COMMITMENT TO THE FUTURE	<b>Community Engagement</b>	Administrators and Employees	Local community, Non-Governmental Organizations, Society
SUPPLY CHAIN	<b>Human Rights/Environmental Impacts within Supply Chain</b>	Employees and subcontractors	Suppliers
	<b>Logistics</b>	-	Suppliers and Clients

#### Note on indicators for 2021

An important aspect of the learning process involved in materiality was identification of the indicators that were to be reported, which was based on the orientations provided under the GRI standard.

MCassab is structuring this process, adjusting the stages involved to ensure that the information and data needed to form the required indicators are available. For the 2021 cycle, indicators are being reported both in a partial manner and at the national level, seeking to offer the best information currently available.



## MESSAGE FROM THE SHAREHOLDERS

(D102-14)

It is almost hard to believe that MCassab will soon be celebrating its 100-year anniversary. We will be one of the few companies in Brazil with over 100 years of history and, with the perspective that we have gained over the years, we can see how strong our culture has become and how our employees truly believe in and embody our company's principles in their day-to-day lives. It was, after all, our team spirit and focus on results that allowed us to achieve historical results in years as challenging as 2020 and 2021. Most significantly, together with our *stakeholders* we have been able to consistently seek out our goal of "being the the best and most profitable in the areas in which we operate while ensuring our people are satisfied".

And when we say "(...) be the best for all (...)", it is important that we also consider

This document is available for consultation at the website [www.mccassab.com.br](http://www.mccassab.com.br). (D102-51)

the planet on which we live and the society of which we are a part. It is for this reason - and because we truly believe in the role that we each play in building a better world - that we are very proud to release our first Sustainability Report.

The MCassab Group is active in a highly diverse range of business activities, which include five major areas: Distribution, Animal Nutrition and Health, Consumer Products, Fisheries and Real Estate Investment. Throughout the report, you will have the opportunity to learn a little more about each of these business areas and the sustainable initiatives and practices that are being implemented. We know all too well that every process - whether it is manufacturing, distribution, etc. - has an impact on the environment. This is why we continuously seek to address these impacts and optimize our processes through means of increasingly sustainable practices.

The products that we sell and distribute are present in everyone's lives at some stage and we hope that this Sustainability Report shows our stakeholders - whether they are clients, employees, suppliers, or the community in general - that the MCassab Group is a company that acts with integrity and consistently seeks out improvements in order to offer the best results to those we serve.

MCassab Group, working towards a better world!

We are stronger together!

The background features a grid of diverse people's faces, rendered in a light teal color. On the left side, there are several overlapping, curved lines in white and yellow, some with small yellow dots. On the right side, there is a cluster of white dots of varying sizes, and a small yellow circle is partially visible at the top right corner.

# **MCASSAB WAY OF WORKING**



## Our history

MCassab's history begins in 1928, with the Cassab family, who were originally from Lebanon, arriving in Brazil (D102-01). The family's three brothers, Mansur, Elias and João Pedro opened their first business in the country that same year in Morro Grande, in São Paulo's (SP) Rio Claro district. 94 years later, the family's entrepreneurial spirit is alive and well and is the driving force behind MCassab's consistent transformation and development.

MCassab is a family-owned company that uses 100% national capital. The Group is active across five main business areas: Distribution, Animal Nutrition and Health, Consumer Products, Fish Products, and Real Estate Investment.

With headquarters located in São Paulo/SP, MCassab's corporate network includes two branch offices, seven manufacturing facilities, eight distribution centers, 45 retail locations, and four buildings located in 23 different cities across Brazil. It also has offices in Shanghai (China), Bogota (Colombia), Asunción (Paraguay), as well as a Distribution Center located in Buenos Aires, Argentina. (D102-03, D102-04, D102-05)

By the end of 2021, MCassab's business divisions relied on a total of 1,851 direct collaborators (D102-07)



**VISION**

To be the best and most profitable in the areas in which we operate while ensuring our people are satisfied.

**DNA**

We are businesspeople. We are at our best while we are seeking out new business opportunities, buying, selling, negotiating, and delivering on our promises.

## Purpose

Direct our material and intellectual resources towards:

- The personal and professional growth of our members.
- Guaranteeing the satisfaction, loyalty, and develop of our clients, suppliers and shareholders.
- Sustainable business growth.
- Economic and social development in the communities of which we are a part.



# MCassab's Guiding Principles

(D102-16)

1

## Offer an innovative environment

We have a capacity for hearing out new ideas and putting them into practice while respecting the core elements of our business activities.

2

## Team spirit

Our activities are marked by humility and a simple but effective approach to doing business. We do not believe in a single absolute truth and discourage individualism or self-promotion.

3

## An accountable attitude

We are a "hands-on" organization. We are accountable for the results we achieve, the challenges that we face, and the consequences of our actions and do not settle for poor results or a lack of productivity in processes.

4

## Relationships based on trust

We consistently deliver on the promises that we make to our internal and external clients.

5

## Culture

We are ambassadors and multipliers of our culture. We lead by example and through effective communication.

6

## Focus on results

We are a results-driven organization. Positive results allow us to guarantee business growth and generate career opportunities.

7

## Meritocracy

We work with clear targets and make sure that expectations for the performance of the businesses and team are well-defined.

8

## Ethics and integrity

We don't take shortcuts to get to where we want to be. We value ethical behavior and do not tolerate poor conduct. We strive to be the best in a better world.

9

## Transparent communication

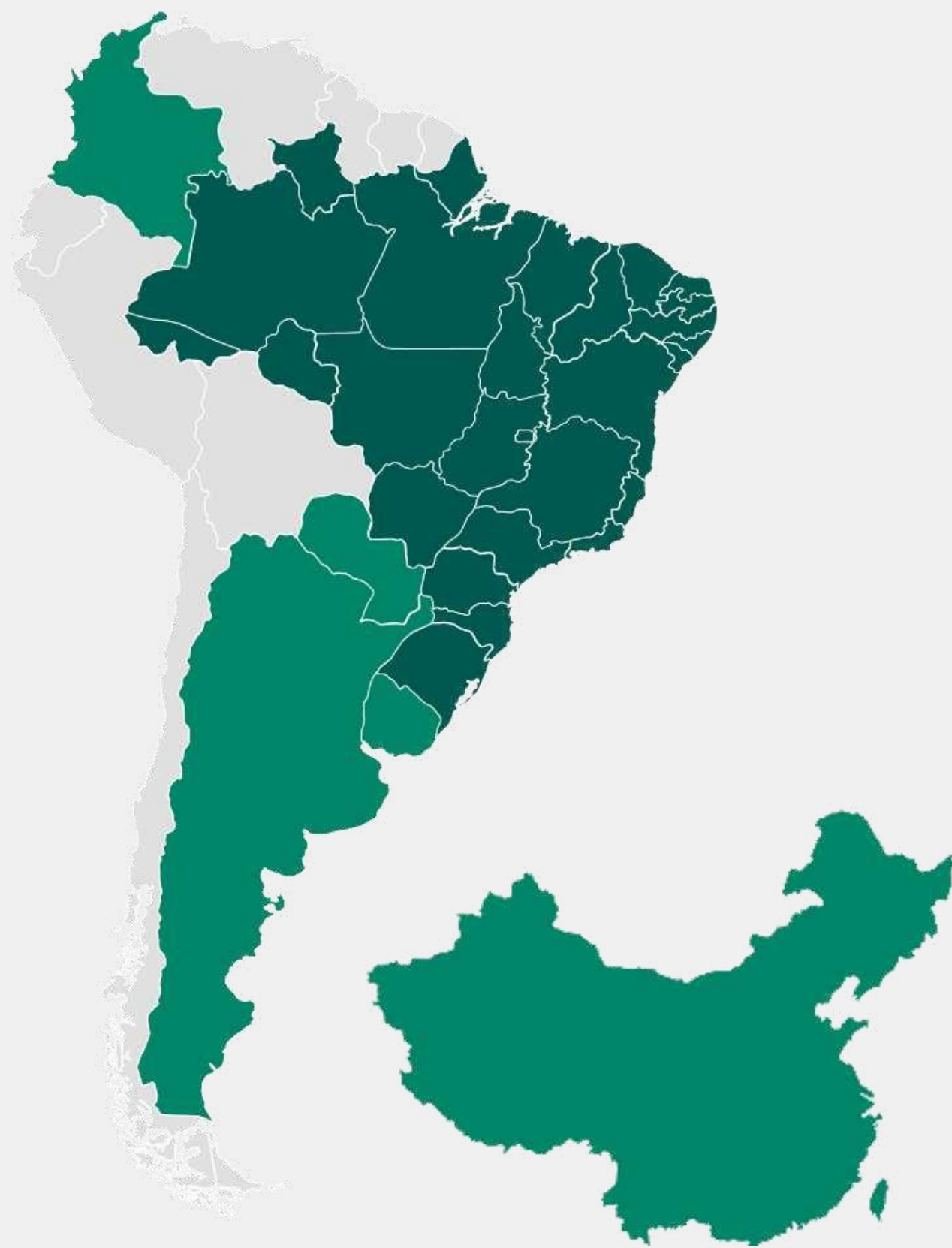
We encourage honest and direct feedback and believe in the essential role that healthy conflict plays in the greater good of the company.

10

## A focus on safety

We are committed to offering a safe and healthy workplace environment. The health and well-being of our people is our biggest priority.

# GEOGRAPHIC LOCATION



Offices	Manufacturing	Facilities Distribution Centers	Retail Locations (Consumer Products)	Commercial Buildings (Vitachemie)
São Paulo, SP (Head Office) Bogotá, Colômbia Assunção, Paraguai Xangai, China Jarinu, SP*	Jarinu, SP* Valinhos, SP Osasco, SP Rifaina, SP (3 UNs) São Paulo, SP (Head Office) Campo Grande, MS Cascavel, PR	Buenos Aires, Argentina Jaboatão Guararapes, PE Campo Grande, MS Itajaí, SC Cascavel, PR Cachoeirinha, RS São Paulo, SP (Head Office) Osasco, SP Jarinu, SP*	Itupeva, SP Campinas, SP (2 UNs) São Roque, SP São Paulo, SP (13 UNs) Rio de Janeiro, RJ (10 UNs) Niterói, RJ (2 UNs) Curitiba, PR (4 UNs) Recife, PE (3 UNs) Moreno, PE Salvador, BA (3 Uns) Camaçari, BA Fortaleza, CE Belo Horizonte, MG (2 UNs) Porto Alegre, RS (2 UNs)	São Paulo, SP (4 UNs)

### New plant in Jarinu\*

The inauguration of MCassab's plant in Jarinu, which is scheduled to take place 2022, represents a consolidation of the Group's maturity level and will usher in a new chapter in our history: a focus on innovation.

The Jarinu site is located 70 km from SP is part of a modern logistics establishment with an area of more than 11 million square meters. Of this total area, MCassab currently occupies 52,000 meters of warehouse space.

This 52,000 m2 will house manufacturing facilities employed in the areas of human nutrition, animal nutrition and health, polyurethane, chemicals, laboratories and already offers a robust warehousing infrastructure.

These facilities will make use of the latest innovations in manufacturing and the blending of vitamins and minerals and other chemical components under the most stringent controls for quality and traceability. MCassab's Jarinu laboratories will be used in research and development for new products, the rigorous assessment of sample quality, and testing and innovation in accordance with the needs of clients.

The MCassab Group's long-term development plans for Jarinu also include technologies aimed at reducing energy consumption, making these facilities much more efficient than previous plants. The start of the ISO 14001 certification process is also planned for 2022.



# OPERATIONAL AREAS

## OPERATIONAL AREAS

(D102-2, D102-06)

The MCassab Group’s entrepreneurial spirit is reflected in its diverse range of business divisions. The Group is consistently seeking out new ways to invest and expand its operations in order to guarantee diversification, financial stability, and business continuity.

MCassab is currently active across five main business areas:

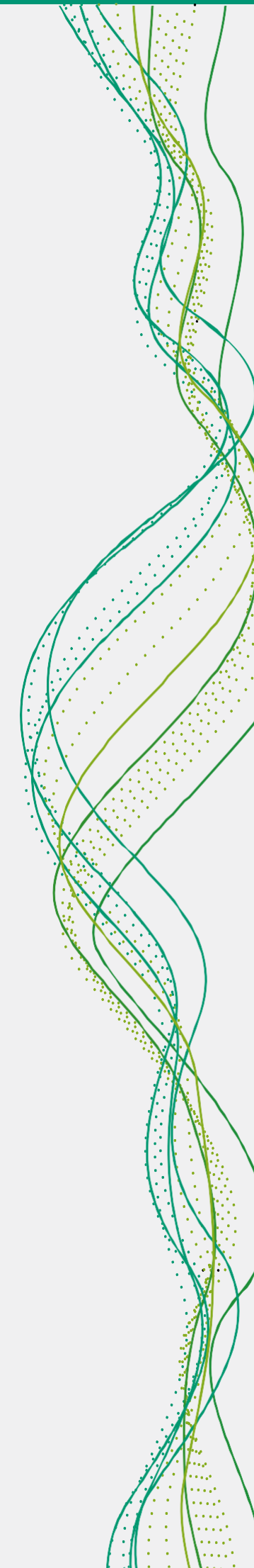
**Distribution:** MCassab acts as a supplier of raw materials and exclusive specialty products across a wide range of sectors, including home care, personal care, human nutrition, pharmaceuticals, veterinary supplies, polyurethane, chemicals, paints, and fertilizers.

**Animal Nutrition and Health:** MCassab offers complete animal nutrition solutions that make use of cutting-edge formulas and ingredients, in addition to health programs involving a wide range of animal health products. MCassab’s ANH activities mainly focus on poultry, pigs, cattle, fish farming, and pets.

**Consumer Products:** MCassab is active in the distribution of household and commercial kitchen and dinnerware, household appliances, and LEGO® toys. These products are distributed to department stores, wholesalers, retail locations, novelty and toy stores, e-commerce, hotels, hospitals, restaurants, and bars, in addition to Spicy and LEGO®’s exclusive retail and e-commerce networks.

**Fish Products:** with its flagship Fider Pescados brand, MCassab’s Fish Products business division focuses on the development of tilapia products. The Group’s Fish Products area offers high-quality infrastructure and relies on specialized professionals during each production stage. It has also received Best Aquaculture Practices (BAP) certification.

**Real estate investments:** Vitachemie - brand belonging to MCassab’s property division and remaining representative areas - involved in the construction and management of commercial buildings that offer state-of-the-art infrastructure and third-party leasing.



# DISTRIBUTION

MCassab's Distribution division strives to be recognized for its ability to aggregate value in the markets in which it operates through means of a high level of operational efficiency, market intelligence, and innovation.

MCassab's Distribution division in numbers:

## 6 business units

São Paulo (SP), Cachoeirinha (RS), Osasco (SP), Jaboatão dos Guararapes (PE), Itajaí (SC) and Jarinu (SP).

## Collaborators

186 collaborators.

## Operations across 4 different countries

Brazil, Argentina, Paraguay and Colombia.

## Brazil

Services provided to 867 different municipalities.

## Clients

4,110 clients in 2021.

## Suppliers

345 direct suppliers.



## Distribution

MCassab's Distribution division offers a diverse portfolio of raw materials and exclusive blends that are organized under the following categories (D102-02):

○	■ ■ ■ ■ HOME CARE	—————	Domestic and commercial cleaning, including markets for waxes, floor polishing machines, disinfectants, washing machines, dishwashers, furniture polish, glass cleaners, multipurpose and carpet cleaners, among items.
○	■ ■ ■ ■ PERSONAL CARE	—————	Cosmetics industry, markets for hair and skin care, makeup, among others.
○	■ ■ ■ ■ HUMAN NUTRITION	—————	Raw materials, exclusive specialty products, additives, and ingredients used in the manufacturing of food products, beverages, and supplements.
○	■ ■ ■ ■ PHARMA	—————	Commercializing of active ingredients, excipients, botanical extracts, coatings, among other items, for the pharmaceutical and veterinary industries.
○	■ ■ ■ ■ PERFORMANCE CHEMICALS	—————	Operations in the chemicals industry involving markets such as plastics, textiles, construction, oil & gas, among other areas.
○	■ ■ ■ ■ POLYURETHANE	—————	Raw materials, exclusive specialty products, and systems for various segments of the PU market, such as flexible and rigid PU and CASE for the manufacturing of foams.
○	■ ■ ■ ■ COATINGS	—————	Market for paints used in construction, the automotive industry, printing, among other areas.
○	■ ■ ■ ■ AGRIBUSINESS	—————	Market for Agricultural and Foliar Fertilizer.

## Clients

The high level of technical specificity involved in the products distributed by MCassab requires a close relationship with clients. The departments involved in purchasing, planning, marketing, and research & development maintain consistent contact with clients in order to ensure prompt and efficient service.

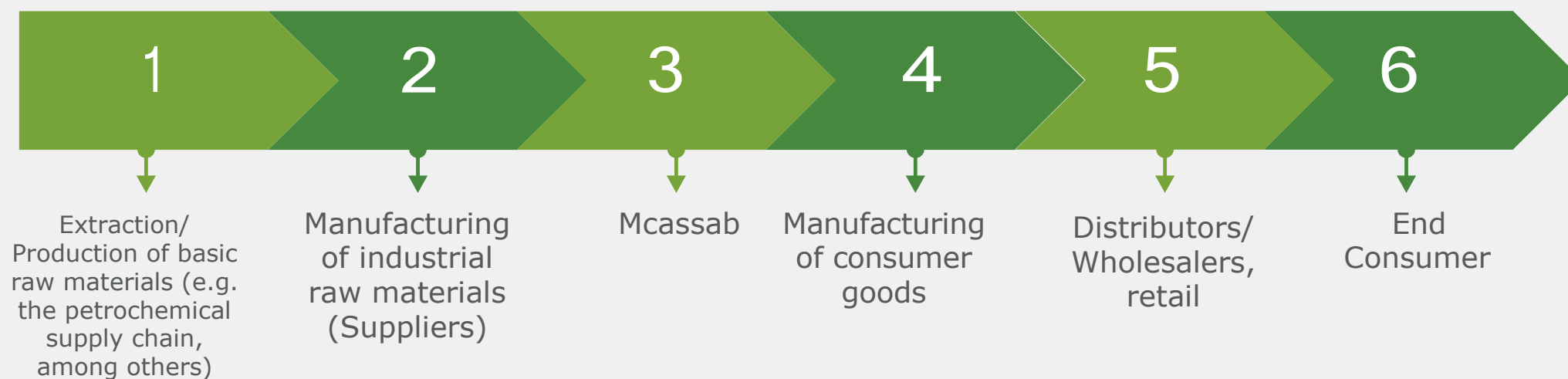
Additionally, MCassab makes use of official channels such as those provided at its website and social networks (LinkedIn, Instagram) for the purposes of exchanging information. Contact is also maintained with clients through trade fairs or events that are held by MCassab (webinars, technical training, symposia, and seminars).

MCassab's Distribution division also conducted a client satisfaction survey in 2021 in order to identify potential areas of improvement. The division received a score of 76%, which, under the Net Promoter Score (NPS) methodology, refers to the Zone of Excellence.

## Supply chain

(D102-9)

MCassab's supply chain is made up of manufacturers that extract, produce, and distribute chemical components.



In 2021, restrictions on the movement of cargo and people due to the Covid-19 pandemic presented significant challenges in the supply of the production chains through which the Distribution Division carries out purchasing. Maintaining quantities of products that were sufficient enough to supply industrial clients was the main challenge faced in 2021.

## Innovation

MCassab's Distribution division makes use of a technical team that offers support to clients in the development of new products and the innovative use of industrial raw materials. It also receives support from corporate areas that offer consultation services with regards to regulations.

Customized industrial raw materials are also developed and manufactured at MCassab's Polyurethane and Nutror® Business Units, which offers a significant competitive advantage.

### Launch of the Nutror® brand

The launch of Nutror® was one of the major highlights at MCassab in 2021. The brand offers customized nutritional solutions for premixed vitamins, minerals, energy drinks and functional ingredients used in the manufacturing of food products, beverage, and food supplements, as well as the clinical nutrition industries.

Nutror® is the product of more than 30 years of experience in the development and production of premixes at MCassab. The brand has its own designated manufacturing facility that has received international certification under the FSSC 22000 standard and fulfills applicable food safety requirements.

Nutror® clients receive support from a team of experts for each product development stage, from the development phase to laboratory analysis of final products, in a manner that is always aligned with current consumption needs and trends.





## NUTRITION AND ANIMAL HEALTH (ANH)

For more than 50 years, MCassab's ANH operational area has provides safe, accessible and sustainable foods that offer complete solutions within the Animal Nutrition and Health market.

MCassab's Distribution division in numbers:



### 5 production units

São Paulo (SP), Valinhos (SP), Cascavel (PR), Campo Grande (MS), Jarinu (SP).



### Collaborators

262 collaborators



### Operations across 2 different countries

Brazil and Paraguay



### Brazil

Operations in 1200+ cities across Brazil.



### Clients

+6000 clients



### Suppliers

292 direct and indirect suppliers.



## Products

(D102-02)

MCassab's product portfolio consists of more than 3,000 items across four different product lines:

- **Manufactured Products:** vitamin and mineral mixes, among other products incorporated at a small scale known as micro-ingredients, which are essential to animal health.
- **Specialty products:** products that improve animal health and performance and offer protection, stimulation, supplementation, etc.
- **Animal Health Line:** veterinary products that can be used to prevent or treat animal-borne diseases.
- **Commodities:** ingredients used in animal feed with low added value.

### Innovative Animal Health and Nutrition Products

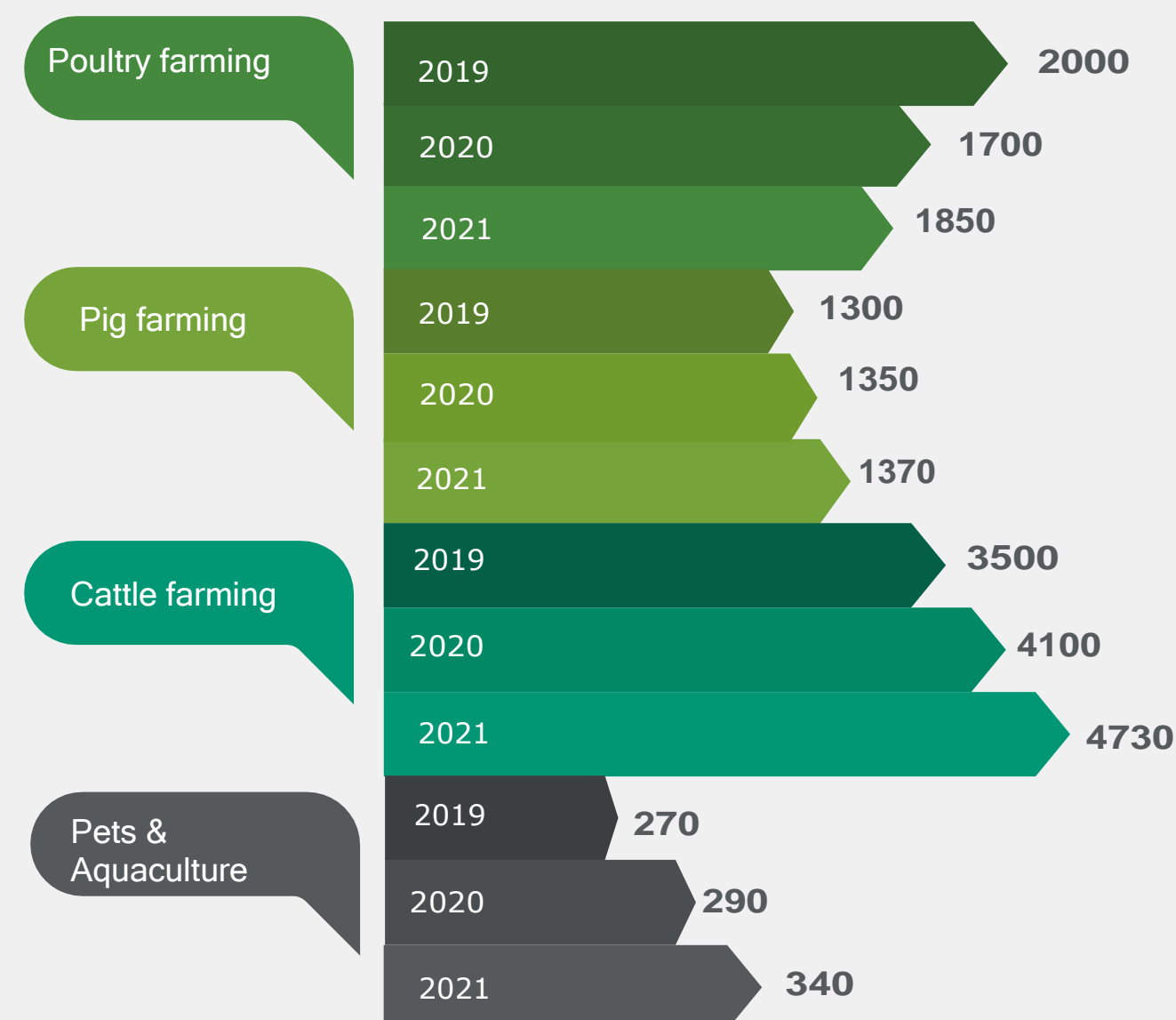
- **EnzyPac Phy SD** - uses high doses of phytase (1500 FTU), which maximizes the acquisition of plant phosphorus in animals, thereby reducing the generation of excrement and phosphorus consumption.
- **EnzyPac Pro** - the use of proteases maximizes animal intake of proteins (amino acids), reducing excretion and the eutrophication of water. Increase protein intake by up to 5% and consequently reduces the use of protein sources.
- **Minerpac Line** - the use of chelated minerals in animal feed in order to reduce the use of Zinc, Copper, Iron and Manganese while producing the same quantity of meat.
- **BioEssence 100** - essential oils used to improve animals' intestinal health immune system, and resistance to disease. BioEssence 100 also aids in the removal of medications used in agriculture.

## Clients

MCassab's Animal Nutrition and Health clients are primarily agribusiness companies that seek to improve herd nutrition in order to offer a high-quality final product. Companies are facing increasing pressure to reduce the environmental impacts behind climate change. For this reason, they look to MCassab for solutions that can reduce the generation of animal excrement, as well as the emission of methane and other greenhouse gases.

In 2021, MCassab carried out a client satisfaction survey in which it received a score of 76.6%. Such a score is considered to be within the Zone of Excellence under the Net Promoter Score (NPS) methodology. The survey was also used to map out potential areas of improvement, which will be addressed as part of the company's action plan.

### Number of ANH clients per sector:



In 2021, MCassab’s ANH area restructured its approach to client relations. The implementation of social distancing measures during the Covid-19 pandemic led the Division to invest in technologies that allowed consultations to be provided remotely with the same degree of technical quality and in a manner that is more agile than even in-person services.

Through the Connect platform, MCassab is able to offer health and productivity assessments, gather data and results for indicators, and prepare reports.

Connect also allowed the company to increase the number of clients receiving services during a given period since it was no longer necessary to visit to the client's premises, thereby creating a win-win situation for MCassab and consumers.

## Supply chain

(D102-9)

MCassab’s supply chain includes suppliers of agricultural products and producers of raw materials, manufacturers, and clients in the livestock industry, and companies that distribute food products intended for use in animal nutrition.



The main challenges faced in the area of Animal Nutrition and Health in 2021 were related to logistics, particularly the availability of containers and ocean freight used in importing raw materials from China. This resulted in a reduction in the number of products available on the market and had a significant effect on MCassab’s supply chain.

Given this situation, MCassab began to implement procedures for the approval of alternative suppliers. The company collaborated with clients in order to revise the criteria and methodologies used in analyses in order to expand the supplier approval process without sacrificing product quality. MCassab’s internal ANH laboratory played a central role in ensuring that specific technical requirements were met.

### Number of ANH suppliers per market segment:

Supplier segment	Percentage	2019	2020	2021
Amino acids	13%	11%	49%	29%
Vitamins	6%	11%	18%	11%
Microminerals and Urea	10%	19%	29%	23%
Animal Health and NIT Portfolio	24%	73%	42%	49%
Carriers, Phosphates and Macroingredients	31%	69%	65%	81%
Antioxidants, ingredients on demand and functional proteins	16%	0%	46%	66%

## Innovation

MCassab’s activities in the field of Animal Nutrition and Health are driven by innovation and the implementation of new technologies and cutting-edge market solutions. With the recent investments made to the company’s Jarinu (SP) plant, the division will be able to reinforce its strategy for offering safe, accessible, and sustainable foods.

The plant will be fitted with new production lines with a capacity of up to eight to ten tons/hour, which will be used to manufacture solid mixes known as premixes or polyvitamin cores that contain minerals and supplements that are used to enhance performance with or without medication. The plant will also make use of an assisted imaging system for the purposes of providing traceability. This system will include the use of barcodes and controls for microdosing silos.

### This automated manufacturing system will provide MCassab’s ANH operations with:

- A Lean Manufacturing process in which the concept of Food&Pharma is applied to animal nutrition;
- Increased safety in eliminating cross-contamination;
- Improvement in mixing process indicators;
- Increased molecular stability in mixes, in addition to a reduction of impacts related to degradation and adverse chemical reactions in products;
- Controls, traceability and real-time management of each process stage;
- Increased productivity in production lines and teams;
- Reduction in the generation and use of solid waste;
- Increased flexibility in the manufacturing of different products;
- Reduction of waste and losses resulting from reprocessing.

The project that is being implemented in Jarinu will undoubtedly usher in a new area at MCassab in terms of the level of manufacturing technology used by the company and strengthen its position as an industry reference.

# CONSUMER PRODUCTS

MCassab's Consumer Products division seeks to strengthen the Group's positioning as Brazil's most well-regarded importer and distributor of premium consumer products through retail and wholesale operations and the use of continuous and exclusive production lines. MCassab's Consumer Products division offers efficient logistics processes and provides a high level of quality, in addition to a diverse portfolio, in-house sales team, and highly-trained representatives.

MCassab's Distribution division in numbers:



### Operations

29 years of experience on the market.



### Collaborators

398 collaborators.



### Brazil

32 Spicy retail locations + e-comm.



### Brazil

13 LEGO® stores + e-comm.



### Suppliers

616 direct and indirect suppliers.

# Products

(D102-02)

MCassab's Consumer Products Division consists of different Units that seek to meet the needs of MCassab's wide range of client profiles.

Unit	Description	Profile of clients receiving services	Commercialized trademarks
HA - High Appliance	Suction hoods, cooktops, ovens, refrigerated wine coolers, stoves, refrigerators, ice machines, charcoal grills, gas and accessories.	specialty stores, sales networks	Cuisinart, Arkton, Easy Cooler, Weber e Spicy
Household and Commercial Kitchen and Dinnerware	Household kitchen and dinnerware and bar accessories.	Specialty stores, e-commerce, sales networks, hardware stores, distributors of promotional prizes, hotels, bars and restaurants	Exclusive brands: SodaStream, OXO, Emsa, Kenya, Maxwell & Williams, Zyliss, Brabantia, Spiegelau, Riedel, WMF and Weber. Other brands: Luminarc, Arcoroc and others.
Spicy	Household kitchen and dinnerware and bar accessories; appliances from the HA unit; portable appliances	End consumer (physical retail locations and e-commerce), architects	
LEGO®	Toy blocks	Wholesale: Toy stores, sales networks, e-commerce, newsstands Retail: End consumer (physical retail locations and e-commerce)	LEGO®
LEGO Education	Learning and technology solutions for educational institutions and robotics enthusiasts	Schools	LEGO®



## CERTIFICATION

- National Institute of Metrology, Quality and Technology (Inmetro) certification for electrical and electronic products, cookware, and toys commercialized by MCassab;
- Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) certification for acceptable environmental noise levels for the electronics commercialized by MCassab.

### Accelerated Growth in HA

In 2021, MCassab's HA business unit grew by 44% compared to the previous year. This accelerated expansion is the result of the introduction of new specialized partners, promotional campaigns, and engagement amongst teams. Although the majority (65%) of the employees working at the unit have been with the company for less than year, they have dedicated themselves to fostering professional development while expanding business activities.

## Clients

The Consumer Product Division's business clients are visited by the company's sales team (executives and commercial representatives) at regional trade fairs and contacted through electronic means (WhatsApp, videoconferencing, telephone calls).

Individual clients are contacted at physical points of sale (Spicy and LEGO® retail locations), through means of e-commerce, and on social media.

## Supply chain (D102-9)

MCassab's Consumer Division makes use of a supply chain that offers importing logistics, local purchasing, and distribution and retail services for both toys and for kitchen and dinnerware.



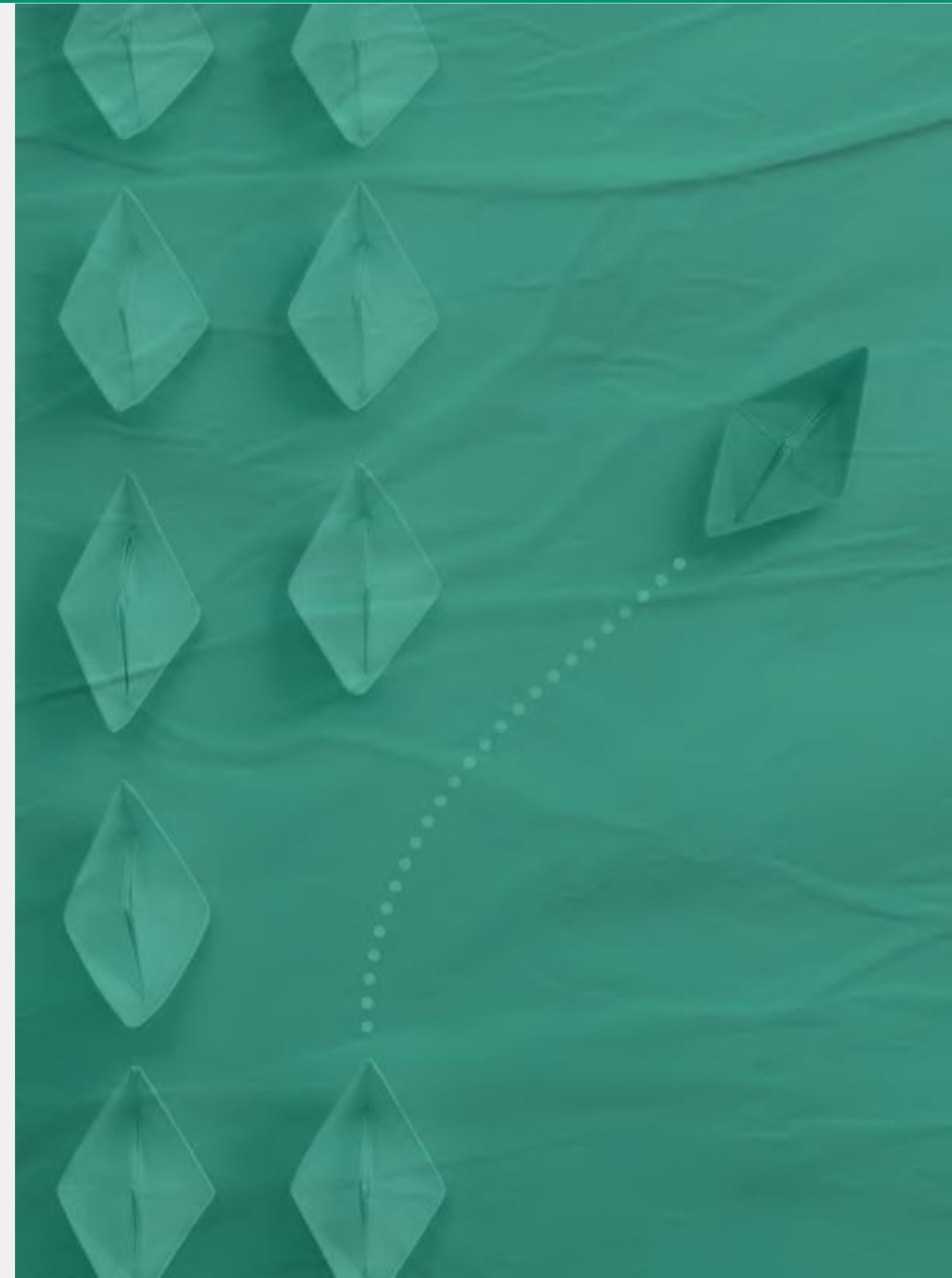
The biggest challenges faced within the Consumer Products' supply chain in 2021 included a lack of available products, difficulties obtaining international freight services (lack of available containers and long waiting lists), and significant price increases. There was also a lack of raw materials for certain products which limited production.

During this period, the Consumer Products Division was able to establish a commercial relationship with 616 direct and indirect suppliers.

## Innovation

In 2021, the brand Spicy, which is part of the Consumer Products division, invested in the digitalization of retail services through the contracting of client segmentation and online communication (CRM) tools. Sales channels were also integrated, allowing products from physical retail locations to be sold on the website and vice versa (Omnichannel).

These improvements strengthened MCassab's connection with individual clients, allowing services to be customized and integrated.



## FIDER PESCADOS

Fider Pescados focuses on taking care of its people by providing foods that are nutritious, safe, and delicious. The company also seeks to protect the environment in order to guarantee a supply of a healthy fish products with an absolutely unmatched flavor.

Fider Pescados in numbers:



### 3 different branches

2 manufacturing and 1 cultivation unit - a farm, meal and oil processing facility (FFO) and a cold store. Rifaina (SP).



### Collaborators

522 collaborators



### Operations across 9 different countries

Brazil, United States of America, Canada, Bangladesh, Taiwan, Sri Lanka, Venezuela, Indonesia and Malaysia.



### Brazil

• Operations in 50 municipalities across Brazil in the states of São Paulo, Rio de Janeiro and Minas Gerais.



### Clients

1000+ clients



### Certification

Best Aquaculture Practices since 2020.



## Products

(D102-02)

Fider Pescados uses the latest technology and cutting-edge machinery to produce fish fillets, oils and meal from tilapia. These food products offer a high nutritional value, are rich in polyunsaturated fatty acids, essential proteins and nutrients, which guarantees a healthy and affordable diet.

Fider Pescado's products adhere to stringent quality standards and requirements from state and federal agencies. The brand's internal practices seek to ensure that the environment, people, and animals are protected. Fider Pescado's commitment was reaffirmed when it was recognized by Best Aquaculture Practices (BAP), a voluntary certification that has been in place since 2020 (D102-12). There are currently only two other cold stores in Brazil with this certification.

The division is also registered with the Food and Drug Administration - FDA, a federal agency that is part of the United States Department of Health.

Fider has a food quality management strategy in place, which includes a Hazard Analysis and Critical Control Point (HACCP) System. This ensures that all inputs that enter the cold store are properly sources and have their cultivation cycle, as well as their disposal, controlled (D417-1).

These operations have received authorizations from the National Water Agency (ANA) and the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA) to produce 1600 tons/month. Currently production is 800 tons/month and investments are being made to reach maximum capacity by 2023.

## Clients

Fider meets the demands of the food products market and relies on a team that is specifically dedicated to making direct sales with retailers and wholesalers. The majority of communication with business clients is carried out directly with the seller.

A satisfaction survey was conducted with sellers using the Net Promoter Score

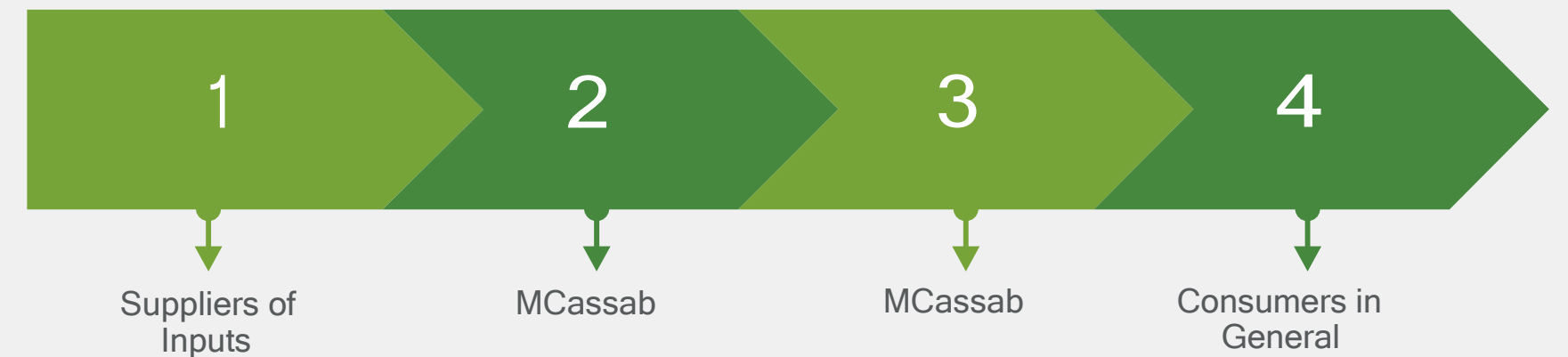
methodology. Fider received a score of 78%, which places it within the Zone of Excellence. Fider also provides a Client Services Channel (SAC), as well as an Auditing Channel (Alô Ética ('Hello Ethics')) for use by clients and end consumers. The channels' contact information are provided on all product packaging, as well as MCassab's website.

Fider is committed to offering clear and transparent product information. Therefore, the label information provided on its products is exactly what is contained in the package, which ensures that consumers are empowered when deciding on a purchase. (D417-1)

## Supply chain

(D102-9)

Fider Pescados' supply chain is primarily made up of feed suppliers, the commercialization of fingerling fish, packaging and transport. The products and services included within Fider's supply chain offer a high degree of specialization and a relatively low availability of suppliers, which can make the chain vulnerable to fluctuations in supply and demand.



## Innovation

Fider Pescados pays close attention to the latest innovations within the sector. Fish are raised through the use of cutting-edge technology, and Fider places a priority on the wellbeing of animals and a high level of productivity. Its cold store has already received recognition for being one of the best examples of technology in the field in Brazil, offering agile processing and extremely fast end-to-end cold storage and freezing, which ensures that even frozen products are kept fresh. In 2021, placement of fillets on the Girofreezer's conveyor belt (equipment used to produce frozen and cooled fillets) was improved, giving the final product a more desirable presentation.



## VITACHEMIE

Fider Pescados in numbers:



4 units

3 commercial buildings and 1 warehouse in São Paulo, SP



Collaborators

23 collaborators



Tenants

28 tenants

## Business Ventures

(D102-02)

The three commercial buildings managed by Vitachemie offer spacious areas and an excellent view, and are located in upscale areas in the city of São Paulo.

A preventive check-up is carried out each week at each of the units, during which several different infrastructure criteria are assessed, including: generators, hydraulic systems, electrical and structural systems.

The pandemic significantly impacted Vitachemie's operations throughout 2020 and 2021. Some clients requested to end the leasing of their unit or that the area initially leased be reduced, or that monthly lease amounts be renegotiated due to the use of remote work during the Covid-19 pandemic and a reduction in the use of spaces.

Additionally, the General Market Price Index (IGP-M), which regulates the adjustment of annual rates, rose to above 30%, which had a significant impact on clients. Many clients therefore negotiated to have this adjustment reduced to a range between 10-15%.

Aware of the effect that the pandemic was having on clients, Vitachemie sought to find a solution that was feasible for the financial health of both their business activities and those of the clients.

### Location of projects

EDIFÍCIO ALBATROZ BUILDING  
Paraíso - São Paulo / SP

EDIFÍCIO CARDINAL BUILDING  
Chácara Santo Antonio - São Paulo / SP

EDIFÍCIO FLAMINGO BUILDING  
Cerqueira Cesar - São Paulo / SP

LAGUNA WAREHOUSE  
Jardim Caravelas, São Paulo / SP

## Clientes

When leasing a space, clients are given the support needed to have a positive experience. Vitachemie seeks to consistently maintain means of open dialogue in order to consistently improve the services that it offers. As part of these efforts, Vitachemie sends out an informative newsletter every 20 days that includes a form for offering suggestions and feedback. The information received is assessed and forwarded to the appropriate department to be resolved as quickly as possible.

Another important point of contact between the company and its clients is property management services available to each building. These professionals have been working at Vitachemie's units for many years. As a result, they have a strong relationship with tenants and understand their needs. This lends itself to the development of close relationships and the fostering of a welcoming and friendly environment.

### Location of projects

Vitachemie offers potential clients virtual visits through the use of the Tour 360 technology. These virtual visits also allow the company to reduce the amount of travel required in meeting with prospective clients.



# GOVERNANCE

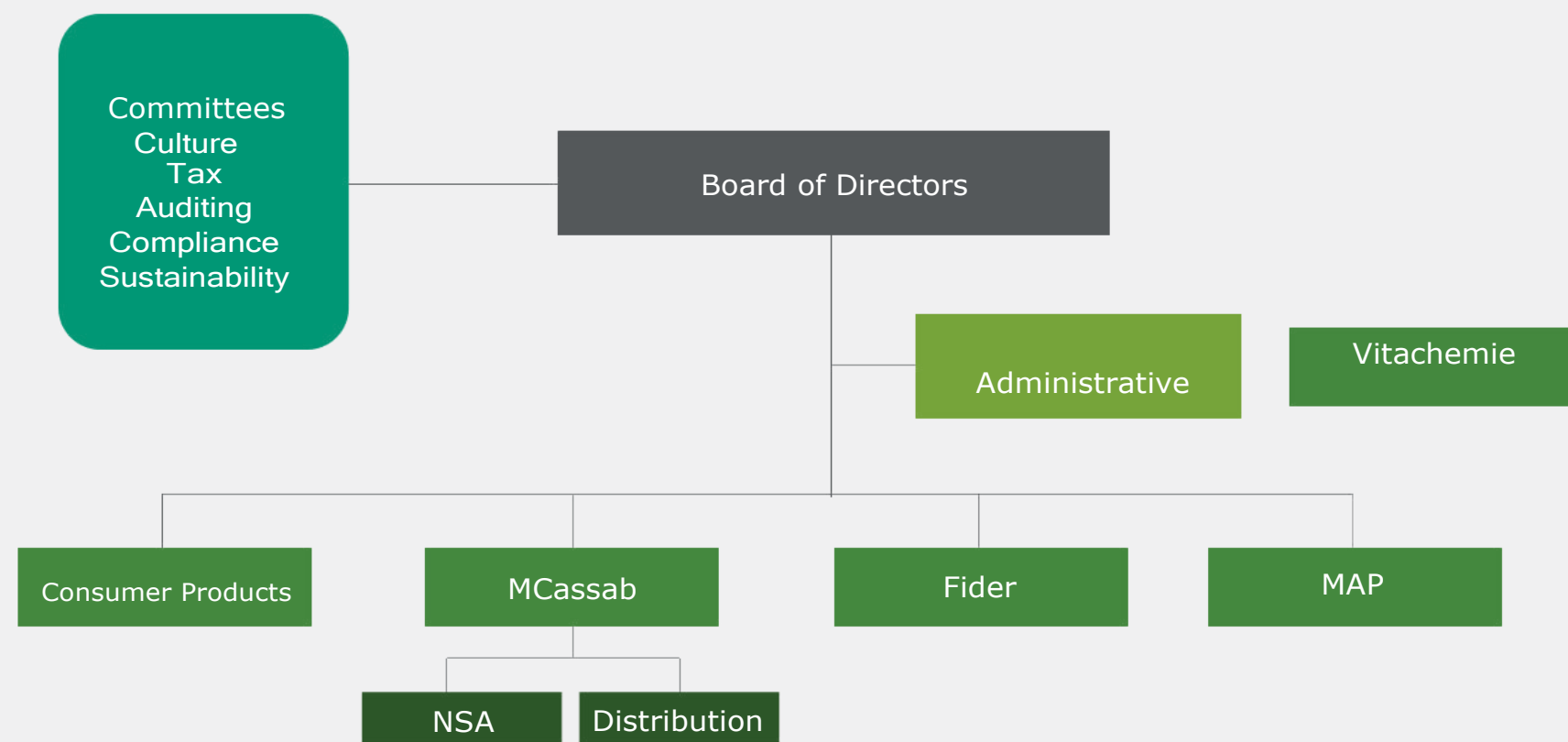
MCassab's success story was built on the principles of ethics and compliance. This allows the company to use clear roles and responsibilities as a central driving force behind its assertive and agile decision-making.

## GOVERNANCE STRUCTURE

(D102-18)

The Group's highest-level governance body is the Board of Directors, which is made up of a chair and five shareholders. The officers in charge of each of the company's Divisions, as well as the directors and managers of corporate areas and multidisciplinary committees, report to the Board.

The Board periodically meets with representatives in order to deliberate upon strategic projects that have an impact on the organization's vision over the long term. Officers are in turn responsible for making sure that decisions are implemented at the operational level together with their teams.



The company also has 14 corporate policies in place and has issued 36 different standards, and 16 operational manuals that establish exactly how processes should be implemented and the decision-making practices for each specific issue. These documents were all prepared according to the guidelines contained in the Document Control system - Docnix.

## RISK MANAGEMENT

(D102-15)

Strategic risk management practices are implemented by senior leadership and their staff, with support from the Regulatory Affairs, Quality, and Legal departments.

All licensing and regulatory aspects are periodically assessed to ensure that the Group stays ahead of changes, thereby reducing the likelihood of any mapped risks becoming a reality.

One area of improvement that is planned for 2022 is the contracting of Legal Management software that will ensure comprehensive analyses of all business activities, which will allow periodic audits to be made.

## SYSTEM OF ETHICS

(D102-16)

The MCassab Group has established a Code of Conduct that clearly defines the ethical principles that guide its actions and the company's commitments to proper conduct.

The Code is an essential tool in strengthening corporate culture, which is focused on achieving sustainable development and implementing measures for social, economic, and environmental responsibility in every country in which MCassab has operations.

The topics address in MCassab's Code of Conduct include:

- Equal employment opportunities and the prevention of discriminatory practices;
- The prohibition of child labor or work analogous to slavery.
- Accountable Financial Management;
- Health, Safety and the Environment.

### MCassab Code of Conduct

- Offers orientations for conduct on the part of MCassab and its stakeholders.
- Applicable to all stakeholders, whether internal and external.
- The Code of Conduct is available for download at the company's [website](#).

In 2021, 85% of the Group's employees and 100% of its high-level management were provided with training in the areas of ethics, anti-corruption, and data protection. These measures were aimed at ensuring that each member of the company was aware of their responsibilities in relation to its business activities. (D205-2)

## Ethics hotline

(D102-17)

MCassab provides a channel for reporting violations of its Code of Conduct. Alô Ética ('Hello Ethics') is maintained on an external platform and managed by an independent company that specializes in receiving and handling complaints related to ethical issues, which provides those using the hotline with complete confidentiality and protects them from retaliation.

The Hotline is available to stakeholders 24 hours a day, seven days a week. After an initial assessment is carried out, the complaint is sent to the Group's Auditing and Compliance Committee, which carries out an investigation and forwards a plan for remedying the respective situation.

Violations of the MCassab Group's standards and regulations are not tolerated and are subject to disciplinary measures. Recidivism, including including violations of implemented action plans, may lead to the application of administrative penalties or legal proceedings.

### How to file a report

- Alô Ética - access via MCassab's [website](#) or [partner platform](#).

## Data protection

The MCassab Group understands the importance of electronic records and personal data

provided by clients when using the company's websites and services. The Group's [Privacy Notice](#), which is available at its website, informs users of the manner in which personal data is collected, used, and the appropriate protective measures that are taken.

In adherence to Federal Law 13.709/18 - the Brazilian General Data Protection Act - the Group has also designated a specific individual that is responsible for forwarding the needs and concerns of users. This professional can be easily reached through the form available at MCassab's [website](#).

## Noncompliance

In 2021, no judicial or compliance-related proceedings involving discrimination (D406-1) or a violation of privacy and loss of client data (D418-1) were filed against the Group.

A single series of legal proceedings was filed with regards to environmental issues involving the Fider Pescados Division. However, it was proven in court, that the appropriate corrective measures were immediately implemented at the plant and the respective issue was resolved. The situation in question did not result in any environmental damage (D419-1).

## STAKEHOLDER RELATIONSHIPS

Stakeholder relationships are a central pillar of MCassab's business activities. It is through the building of partnerships that purchases with suppliers and sales are made, and loyalty established amongst clients.

In addition the respective corporate channels, each Business Division offers unique means of engaging with clients and other stakeholders.

Approaches to stakeholder engagement (D102-40, D102-42, D102-43)

Division	Stakeholder	Channel / Approach to Engagement
Corporate	Collaborators	Climate Survey, services provided by HR team, interviews conducted upon termination of employment
	All parties (including government and environmental agencies, certifying bodies, communities, trade unions, Procon (Consumer Affairs), members of the Press)	Alô Ética, telephone, website and email
	Clients	Client Services (SAC), Satisfaction Survey, Complaints department, trade fairs, webinars, social media, sales teams, Jivochat (Website)
	End consumer	SAC (included in product packaging), Jivochat (Website), Reclame aqui ('Complain here')
	Suppliers	Trade fairs
Distribution	Clients	Portal Farma, anuários
Animal Nutrition and Health	Clients	Connect platform, Satisfaction Survey, Webinars, Social media profiles for specific target audiences, Agro2business (Internet sales platform)
Fider	Clients	Client Services (SAC)
Consumer Products	Collaborators	Farma Portal, annual reports SPICY - Online Convention Store managers and Supervisors (virtual and in-person meetings) General Alignment with regards to general client consumption
	End consumer	LEGO - Social Media groups "Fans and brand-lovers" E-comm - Satisfaction survey after purchase
	Supplier	Annual virtual or in-person suppliers' convention (SodaStream, Weber) E-comm - Annual Vtexday
	Sales representatives	Monthly virtual meeting
Vitachemie	Strata members	Monthly newsletter, suggestions form

In 2021, the most significant concern identified by MCassab was keeping employees engaged and ensuring that they were well-trained. One of the main expectations in this area was related remote work (D102-44). In order to offer employees support while working remotely, work formats were reviewed in order to offer greater flexibility. MCassab now offers employees the opportunity to work both remotely and under a hybrid format.

Additionally, MCassab University was launched , in 2021, which offers study tracks for development in relation to institutional, technical, and behavioral issues. These efforts demonstrate the company's concern with career develop and team performance.

## SECTOR INVOLVEMENT

(D102-13)

MCassab is an active participant in sector associations and entities, with the objective of contributing to the development of the markets of which it is part.

- Brazilian Chemical Industry Association - Abiquim
- Brazilian Food Industry Association - Abia
- Brazilian Industry Association for Foods used in Special Applications and Related Products - Abiad
- Brazilian Association of Cosmetology - ABC
- Brazilian Mattress Manufacturers' Association - Abicol
- Brazilian Association of Resellers and Importers of Pharmaceutical Inputs - Abrifar
- Association of Foam and Mattress Manufacturers - Asinec
- APLA
- Brazilian Association of Chemical and Petrochemical Distributors - Associ- quim/Sincoquim
- Pharmaceutical Manufacturers' Union - Sindusfarma
- São Paulo Association for Swine Breeders - APCS
- Brazilian Association for Manufacturers of Mineral Supplements - Asbram
- Center for Industry in the State of São Paulo - CIESP
- Brazilian College of Animal Nutrition - CBNA
- National Union for the Animal Health Products Industry - Sindan
- National Union for the Animal Feed Industry - Sindirações
- Industrial Federation for the State of São Paulo - Fiesp
- Brazilian Association for the Recycling of Electronics and Home Appliances - Abree
- Brazilian Fish Farming Association - Peixe BR

# RECOGNITION AND AWARDS

The recognition that MCassab has received from outside the company the efforts the company and its employees have made in continuously seeking out improvements.



## CIEE AWARD

- The MCassab Group was recognized at the 12th edition of the CIEE Awards - Center for Integration between Companies and Educational Institutions Best Internship Programs.
- The award seeks to distinguish and recognize organizations making use of best practices and are based on assessments from interns with regards to several attributes that represent the most ideal internship environment. The satisfaction rate at MCassab was 91%.



## RECOGNITION FOR SUSTAINABLE MANUFACTURING

- MCassab's head office was recognized as being a "sustainable manufacturer" due to its efforts to remove HCFCs from its production process, thereby working to protect the ozone layer. This initiative is part of the Brazilian Program for the Elimination of HCFCs and recognizes companies that are making a contribution to the achieving Brazil's targets under the Montreal Protocol.



## OXITENO FEATURED DISTRIBUTOR AWARD

- The MCassab Group was also awarded the Oxiteno Featured Distributor Award. The online event brought the company's official distributors together to celebrate having achieved the best performance in the industry for 2021. In addition to being able to head home with the statue, MCassab's CEO was also honored during the awards.



## RECOGNITION AWARDS FOR CONSUMER PRODUCTS

- Spicy received the "Top of Mind Home and Market" award, which recognizes the brands that were most well-received by the those working in architecture interior design in the kitchens category.
- Reclame Aqui ('Complain Here') - Consumer Products is particularly attentive to client complaints and seeks to resolve issues in a rapid and uncomplicated manner. This is reflected in the results achieved by MCassab at the Reclame Aqui website:
  - Spicy - Home and decoration - Reclame Aqui - was awarded the RA1000 seal, which highlights companies with exceptional service indices at Reclame Aqui.
  - SodaStream - Reclame Aqui - the brand was awarded a "Good" reputation, with a score of 7.8.



# STRATEGY

MCassab's strategic planning process is implemented annually. Leaders analyze strengths, weaknesses, opportunities, and threats (SWOT Analysis) to determine strategic projects for the period. (D102-15).

The progress made with regards to priority plans and actions is assessed by the board weekly and includes a review of priority issues. If any issue is found to require decision making, it is carried out immediately.

In 2021, the main highlight in the area of corporate strategic planning was the progress made in development of the Jarinu complex.

## SUSTAINABILITY

From a corporate perspective, the structuring of MCassab's positioning with regards Sustainability a critical factor in its long-term success. Transparency with regards to the company's socio-environmental impacts, the prioritization of areas in which initiatives are implemented, and commitments to the future contribute to business continuity and the fostering of a more just and inclusive society.

In 2021, MCassab invested in the creation of a Sustainability platform, which includes: a materiality matrix, in addition to strategy, planning, and policy initiatives aimed at Sustainability.

A company specialized in ESG was contracted to implement the platform and the process received active involvement from shareholders, leadership and representatives from all of MCassab's business units. Members of the public with which MCassab maintains relationships, such as clients and employees, were also consulted.

The process received active engagement from shareholders, leadership and representatives from all of MCassab's business units. Members of the public with which MCassab maintains relationships, such as clients and employees, were also consulted.




The Quality department is currently responsible for Sustainability , which has dedicated a specific professional to this theme. The Strategic Sustainability Committee. is responsible for leading Sustainability at the level of corporate governance.

### SUSTAINABILITY AT MCASSAB MEANS:

Guaranteeing business continuity while aggregating value for our people, preserving natural resources, and helping others to develop their full potential, thereby helping to build a better society.



# MCassab's 12 Sustainability Commitments

Aspect	Description	Commitments
 <p><b>Business Continuity (Governance)</b></p>	<p>The characteristics of the MCassab Group, which is made up of Business Divisions that integrate production chains from different sectors through business activities that range from manufacturing to retail services and operates across several different regions and countries, means that the company must pay consistent and systematic attention to issues surrounding ethics and legal compliance in the countries in which it operates.</p>	<ol style="list-style-type: none"> <li>1. Guarantee integrity in business activities.</li> <li>2. Guarantee compliance with existing legislation.</li> <li>3. Carry out assessments of economic and socio-environmental risks and impacts.</li> <li>4. Develop an in-depth understanding of stakeholders needs in order to offer sustainable solutions.</li> </ol>
 <p><b>Protect Natural Resources (Environmental)</b></p>	<p>Our planet relies on a balance of different ecosystems. The more we do to protect natural systems, the more the earth is able to regenerate, thrive, and generate precious resources. It is MCassab's responsibility to ensure that the potential impacts that our operations have on the environment are systematically reduced.</p>	<ol style="list-style-type: none"> <li>5. Reduce consumption and generate efficiency in the use of natural resources</li> <li>6. Reduce environmental impacts while meeting legal requirements.</li> <li>7. Preserve protected habitats and biodiversity in the areas surrounding our operations.</li> </ol>
 <p><b>Human Potential (Social)</b></p>	<p>MCassab is a dynamic organism and exists in a state of constant interdependence with stakeholders that directly affects our business. This interaction must seek to care for and nurture the potential of others, protect natural resources, as well as stimulate a culture of Sustainability within MCassab's network of relationships.</p>	<ol style="list-style-type: none"> <li>8. Actively listen and recognize the needs, interests, and expectations of stakeholders.</li> <li>9. Improve our people management practices, stimulating the development of the human potential.</li> <li>10. Improve business relationships with suppliers and service providers that place value in ethics and sustainable practices.</li> <li>11. Ensure that MCassab clients trust in the quality of products and services we provide and the protection of their data.</li> <li>12. Contribute to community development.</li> </ol>

### Sustainability Initiatives

After MCassab’s Sustainability Plan was approved in 2021, the following actions were given priority for implementation in 2022.

- Implementation of ISO 14001;
- Development of sustainable purchasing policy;
- Indicator Platform based on GRI indicators.

## Sustainability

Since 2014, MCassab has used EcoVadis to assess the way in which Corporate Social Responsibility (CSR) practices are incorporated into its business activities and management system. The assessment is carried out independently through the portal and relies on 21 different criteria that are grouped into four pillars: Environment, Labor Practices and Human Rights, Ethics and Sustainable Purchasing.

In early 2022, MCassab received the most recent EcoVadis evaluation (2021 base year), under which it reached a total of 43%, 12 percentage points higher than in 2021 (2020 base year). The industry average for the sector is 39%.

Within the four pillars, MCassab was highlighted for its Labor Practices and work in the area of Human Rights, receiving a total of 60%. These results represent an increase of 20 percentage points when compared to 2021. The growth in current result demonstrates the company's commitment to continuing to make advance with regards to its business practices.

## Sedex

We also fulfill Sedex’ socio-environmental requirements. The goal of this portal is to encourage organizations to improve the lives of those they impact, taking the entire supply chain into consideration and promoting continuous improvement within the value chain.

This assessment focuses on equality between individuals, labor rights, health and safety,

business ethics, and building an environment that is free of bribery and corruption, thereby ensuring that sustainable methods are used to preserve the environment for future generations.

In addition to completing the questionnaires and providing document evidence through the platform, MCassab also submits itself to auditing process, which is part of client verification processes.





# **SOCIAL INDICATORS**

MCassab is committed to helping employees achieve their full potential and offering support for the development of social organizations with which it maintains relationships.

## COLLABORATORS

People management is incorporated at the corporate level at MCassab. The People & Management (P&M) area is responsible for the organizing of policies and processes. Each leader at the company is responsible for implementing these policies and processes among their teams.

Each business unit has specific training and development needs, different profiles that are used in recruitment and selection, and are also located in regions with their own characteristics. As part of these efforts, this area of the company makes use of business partners that focus on facilitating and integrating P&M into business areas, offering specialized approaches to addressing the divisions' main needs.

The major challenge faced by MCassab in 2021 was the start of operations in Jarinu (SP), since these efforts required the relocating, hiring, and training of personnel, as well as the implementation of processes. The success of this business unit is essential to the company achieving its long-term goals. It was therefore important that employees were prepared and engaged during the startup period.

### People management during the pandemic

With the onset of the Covid-19 pandemic, G&G worked to make adjustments to processes in order to guarantee the health and safety of employees and ensure that leadership received support and guidance with regards to the measures that needed to be implemented.

Employees that were not required to carry out work in person were placed on home , a new work format that proved to be very effective and well-regarded by the teams. In fact, some areas were able to increase productivity and achieve greater results during the pandemic.

Ergonomic equipment and materials were made available for those working remotely. Training and orientations were also provided in order to preserve employees' quality of life and well-being while working from home. During this period, 208 collaborators were provided with ergonomic desk chairs. Employees were also provided with orientations and tips for working from home. Several different initiatives aimed at employee engagement were also implemented. This helped to maintain company and guarantee employee satisfaction.

## COLLABORATOR PROFILE

There were a total of 1,851 employees active at MCassab by the end of 2021. Of this total, 99% were working full-time and 97% were provided with a permanent employment contract. With regards to the average collaborator profile, 48% of MCassab's employees are between 30 and 50 years of age and 45% are women. The Fider Pescados Division employs the largest number of people with a total of 522 staff members. (D102-07, D102-08)

Total number of employees by work schedule (full-time or part-time) and gender	2019		2020		2021	
	Male	female	Male	female	Male	female
Full time	751	605	857	733	1000	832
Part time	0	0	0	0	19	0
<b>Total</b>	<b>751</b>	<b>605</b>	<b>857</b>	<b>733</b>	<b>1019</b>	<b>832</b>

Total number of employees by type of employment contract (permanent and temporary) and gender	2019		2020		2021	
	Male	female	Male	female	Male	female
Permanent work contract	751	605	829	707	968	830
Temporary work contract	0	0	28	26	51	2
<b>Total</b>	<b>751</b>	<b>605</b>	<b>857</b>	<b>733</b>	<b>1019</b>	<b>832</b>

Total number of employees by division and gender.	2019		2020		2021	
	Male	female	Male	female	Male	female
Distribution	62	85	67	95	82	104
Animal Nutrition and Health	183	38	179	42	211	51
Corporate	195	129	238	173	285	175
Consumer Products	145	213	171	195	178	220
Fider Pescados	166	140	202	228	241	281
Investments	-	-	-	-	22	1
<b>Total by gender</b>	<b>751</b>	<b>605</b>	<b>857</b>	<b>733</b>	<b>1019</b>	<b>832</b>
<b>Total MCassab</b>	<b>1356</b>		<b>1590</b>		<b>1851</b>	

## LABOR RELATIONS

The Group consistently seeks to maintain labor relations that are ensures ethical and fair. It therefore respects employees' right to labor organization. 97% of MCassab's employees are currently employed under collective labor agreements. Existing agreements do not establish a minimum period for notification of operational changes (D102-41, D402-1).The success of this business unit is essential to the company achieving its long-term long-term goals. It was therefore important that employees were prepared and engaged during the startup period.

Business division	Trade union
Distribution	Commercial employees' union for Jaboatão dos Guararapes
	Commercial employees' union for Itajaí
	Commercial employees' union for Osasco
	Commercial employees' union for Canoas
Distribution / Animal Nutrition and Health	Commercial employees' union for São Paulo
	Commercial employees' union for Bragança Paulista
Animal Nutrition and Health	Federation of industrial workers for the state of Mato Grosso do Sul
	Union of food industry workers for Campinas
	Union of food industry workers for Cascavel
Fider	Union of food industry workers for Franca
	Federation of Food Industry Workers for the State of São Paulo
Consumer Products	Commercial employees' union for Camaçari
	Commercial employees' union for Bragança paulista
	Commercial employees' union for Campinas
	Commercial employees' union for Fortaleza
	Commercial employees' union for Jundiaí
	Commercial employees' union for Recife
	Commercial employees' union for Ribeirão Preto
	Commercial employees' union for Salvador
	Commercial employees' union for SP - retail
	Curitiba shopping center workers' union
	Commercial employees' union for Sorocaba
	Commercial employees' union for Niterói
	Commercial employees' union for Porto Alegre
Commercial employees' union for Rio de Janeiro	
Commercial employees' union for Belo Horizonte	
Vitachemie	São Paulo building and strata workers union - Sindifícios

## TRAINING AND DEVELOPMENT

Note: Divisions included in calculations for quantitative indicators - Distribution, ANH, Fider Pescados (partial data).

Training and development at MCassab is oriented by three corporate policies - Training, Educational Incentives and Language. These policies include rules and eligibility criteria for each business area.

The Annual Training Plan (PAT) for operational areas is updated each year. The PAT includes mandatory and refreshing training needed to ensure that collaborators are fully prepared to fulfill their responsibilities in a manner that is safe and effective. Additional Training and Development initiatives have been implemented in order to prepare teams for high performance deliveries.

The company's People and Management area is responsible for providing training through the Corporate University or contracting external courses aimed at accelerating employee development, who received an average of 4.1 hours of training in 2021. (D404-1)

Since 2020, MCassab has also been implementing its Leadership Development Program, which relies on the participation of more than 140 leaders from the Group. In 2021, three Leaders' Meetings were held to address central themes that included leadership and purpose; vulnerability and patience; performance assessment; the impact of leadership in building high performance teams; and psychological security. A total of 111 leaders took part in the meeting. The remaining 29 members of leadership that were not present did not attend due to a lack of scheduled availability or vacation time.

### Development pathways at MCassab Corporate University

- Integration & Culture: mandatory employee training that addresses important aspects of the company's culture, such as its Code of Conduct.
- Systems: mandatory training customized according to each department's specific needs. This training seeks to provide employees with the work tools they need as part of their daily routines.
- Soft skills - You learn, you grow: training developed to offer employees personal and professional support. Each employee is free to complete the training sessions in which they are interested without any specific obligations.

In 2021, 13 courses were launched through the platform for a total of 1,183 training sessions and 310 hours of training.

### Scholarships

In addition to the training offered internally, employees also have a chance to apply for scholarships as part of technical training and undergraduate and postgraduate courses (specialized degrees, MBAs, master's and doctorate-level courses), as well as language courses.

MCassab offers scholarships that range between 30 and 50% of the total price of the course depending on employee performance and budget availability. In 2021, 84 scholarships were awarded to employees, with a total monthly investment of 25 thousand reals. (D404-2).

## Performance assessment

Note: Divisions included in calculations for quantitative indicators - Distribution, ANH, Fider Pescados (partial data).

(D404-3)

Each year the company implements its People Cycle - a performance assessment that includes the following stages: assessment, calibration meetings, feedback (manager to employee), reverse feedback (employee to manager), and individual development plans.

The objective of the People Cycle is to better understand the deliveries and performance of teams, in addition to promoting transparent communication between managers and employees, thereby contributing to their professional development.

Assessments carried out under the People Cycle also contribute to fair decision making during processes involved in scholarships, the awarding of merits, and promotions.

In 2021, 41% of the Group's employees were subject to a performance assessment. This total percentage is related to the fact that employees at Fider pescados, Consumer Products, and Vitachemie are not assessed under the same system used with other employees. MCassab strives for continuous improvement and updates in assessment processes.

## Climate Survey

Note: Divisions included in calculations for quantitative indicators - Distribution, ANH, Fider Pescados.

MCassab's Climate Survey is another key process used to gather feedback, identify areas of potential improvement, and strengthen transparency in company communications. In 2021, 87% of collaborators participated in the survey, under which MCassab received 84% approval.

Rating	%
Very satisfied	52%
satisfied	32%
Unsatisfied	12%
Very unsatisfied	4%

Action plans aimed at addressing identified areas of improvement will be developed for 2022 in order to optimize employee experience.

## DIVERSITY

MCassab's commitment to diversity, inclusion and the prevention of discriminatory practices is formalized in its Code of Conduct, the Recruitment and Selection and Admission Policy, Positions and Salaries Policy, Labor Practices and Human Rights Policy, and Sustainability Policy. MCassab does not tolerate any form of prejudice, whether it be related to gender, race, religion, age group, political beliefs, nationality, marital status, sexual orientation, physical abilities, or any other aspects of human individuality.

Aware of the challenges presented in the area of corporate diversity, the company continuously seeks to improve processes and structures in order to meet the needs of specific groups that are traditionally underrepresented. In 2021, MCassab began contracting the services of a company specialized in disseminating specific positions for Persons with Disabilities (PwDs). These measures led to a 45% increase in the number of PwDs working at the company between January and December 2021. Additionally, the new Jarinu branch is being designed with accessibility features and offers specific facilities for Persons with Disabilities.

MCassab understands that the fostering of an inclusive and welcoming environment is also a matter of organizational culture. The theme of diversity has therefore been addressed

in a systematic manner within the organization through means of training and internal communications. A practical guide entitled "Eliminating the use of discriminatory expressions" was made available to help employees identify areas in which they are potentially unintentionally perpetuating historical prejudice.

### D405-1 - Diversity in company governance and employee profiles

Employees by employment category and gender	2019		2020		2021	
	male	female	male	female	male	female
Upper management	10	3	10	3	10	3
Executive Leadership	38	40	40	38	44	39
Administration	280	331	281	351	334	412
Operations	424	230	526	341	631	378
<b>Total no. of collaborators</b>	<b>752</b>	<b>604</b>	<b>857</b>	<b>733</b>	<b>1019</b>	<b>832</b>
<b>% by gender</b>	<b>55%</b>	<b>41%</b>	<b>54%</b>	<b>42%</b>	<b>55%</b>	<b>45%</b>

Employees by employment category and demographic	2019			2020			2021		
	up to 30 years of age	30-50 years of age	over 50 years of age	up to 30 years of age	30-50 years of age	over 50 years of age	up to 30 years of age	30-50 years of age	over 50 years of age
Upper management	2	4	7	2	4	7	2	4	7
Executive Leadership	8	59	11	8	61	9	7	65	11
Administration	208	366	37	226	368	38	309	389	49
Operations	286	310	58	426	378	63	498	433	77
<b>Total no. of collaborators</b>	<b>504</b>	<b>739</b>	<b>113</b>	<b>662</b>	<b>811</b>	<b>117</b>	<b>816</b>	<b>891</b>	<b>144</b>
<b>% by age</b>	<b>37%</b>	<b>54%</b>	<b>8%</b>	<b>42%</b>	<b>51%</b>	<b>7%</b>	<b>44%</b>	<b>48%</b>	<b>8%</b>

# HEALTH AND SAFETY

Note: Divisions included in calculations for quantitative indicators - Distribution, ANH, Fider Pescados.

100% of MCassab employees are currently protected under the company’s Health and Safety System, which involves the implementation of policies, standards, and certifications. The organization has strengthened its culture of safety across all business units in order to meet the requirements of the most stringent health and safety regulations. (D403-1, D403-8)

The identification of Risks and Hazards is the platform from which health and safety management initiatives are implemented. Using Preliminary Risk Analyses (PRAs), MCassab assesses risks and dangers inherent to the activities that will be carried out in advance. (D403-2) Specific aspects that are identified are included in Service Orders (SOs), documents that offer workers instructions and orientations regarding the inherent risks and hazards involved in a specific activity, the available collective means of protection, procedures for safely executing the activity, and the measures that must be implemented should any unexpected situation of risk occur.

MCassab also maintains an internal and external Emergency Action Plan (PAE) in all business units that is periodically updated and involves a contract with Ambipar. Ambipar offers MCassab support in responding to national and international emergencies, including the various available modes of transport (maritime, land and air).

Workers have a right to refuse to work in any situation involving an imminent risk. This information is periodically transmitted to employees through means of specific training sessions (D403-4).

The company has also implemented an Occupational Health and Medical Control Program (OHMCP), which is used to monitor technical aspects involving hazards, risks and situations that may lead to or aggravate situations affecting the health of workers (D403-3).

In addition to OHMCP, the company has implemented additional programs aimed at preserving the physical integrity of workers, such as the Respiratory Protection Program (PPR) and the Hearing Loss Prevention Program (PCA), as well as Internal Health Awareness Campaigns.

Whether employees or permanent, temporary or occasional service providers, all MCassab collaborators are included Health and Safety initiatives and given the opportunity to participate in training, workshops, initiatives aimed at integration or internal guidelines (D403-4, D403-5).

MCassab also offers support for national campaigns aimed at promoting health awareness and healthy habits among employees, such as Pink October, Lilac August, Green April, as well as internal campaigns focusing on the prevention of diabetes and prostate cancer, among other illnesses (D403-6).

Health and Safety Standards applicable to Business Divisions:

Business Division	Main Health and Safety Risks	NR
<b>NSA</b>	Physical, Chemical, Mechanical, Biological, Ergonomic and	1,4,5,6,7,9,10,11,12,13,15,16,17,20,23,26,33, 35
<b>Distribution</b>	Physical, Chemical, Mechanical, Biological, Ergonomic and	1,4,5,6,7,9,10,11,12,13,15,16,17,20,23,26,33, 35
<b>Logistics</b>	Physical, Chemical, Mechanical, Biological, Ergonomic and	1,4,5,6,7,9,10,11,12,13,15,16,17,20,23,26,33, 35
<b>FOOD PRODUCTS</b>	Physical, Chemical, Mechanical, Biological, Ergonomic and	1,4,5,6,7,9,10,11,12,13,15,16,17,20,23,26,33, 35,36
<b>CORPORATE</b>	Ergonomic and Mechanical	1,4,5,6,7,9,10,11,12,13,15,16,17,20,23,26,33, 35
<b>CONSUMER PRODUCTS (MSHOP)</b>	Ergonomic and Mechanical	1,4,5,6,7,9,10,11,12,13,15,16,17,20,23,26,33, 35

Physical hazards: noise and humidity  
 Chemical hazards: dust inhalation, contact with chemicals and Chemical storage.  
 Biological risks: contact with garbage from bathrooms at production facilities and in offices, in addition to microbiological analyses.  
 Ergonomic risks: positioning during physical efforts, lifting weight, poor posture, situation of stress, overtime work, monotony and repeatability.  
 Mechanical hazards: fall risks, electric shock, poor physical position, misuse and/or poor maintenance of tools, fires and explosions, falling objects.



**Internal Health and Safety Committees (D403-4)**

- SESMT - committee made up of five people, focusing on 100% of the MCassab Group’s collaborators.
- Cipa - MCassab’s head office, Rifaina and Valinhos business units, have elected 13 employees (members and respective alternates), as well as 13 members recommended by the organization, to the committee. These members offer support for Health and Safety awareness. It is not necessary that a Cipa be established in MCassab’s remaining business units since the company offers employees training in becoming an accident prevention officer (‘Cipeiro’).

## Results for safety

In 2021, the main causes of accidents included collisions with objects or equipment, cutting injuries, and slips and falls.

During this period, there was a 20% decrease in the work-related accidents and/or diseases due to the implementation of Infrastructure.

Health and Safety Results 2021 - MCassab Group (D403-9)

	2019	2020	2021
Injury rate	53	103	56
Rate of occupational illnesses	0	0	0
Time lost accident rate	98	201	111
Fatality rate	0	0	0

Note: the data gathered included accident statistics and did not include accidents that occurred while employees and other collaborators were in transit between their homes and workplace and accidents without time lost. Indices are based on frequency rate x severity, in which  $FR = S \times 1,000,000 / H$ .

## Covid-19 Response Measures

With the emergence of the Covid-19 pandemic, a series of measures were implemented that aimed to preserve the health of workers. These measures included:

- Covid testing for employees that needed to travel or in circumstances in which testing at health care institutions was not possible.
- Individual transport for workers that continued to work in-person in order to avoid contact with large groups of people.
- Expansion of cleaning and sanitation services at company facilities in order to guarantee the safety of all employees.
- Rotating use of the cafeteria in order to avoid agglomerations.
- Strict controls for access to plants; temperatures taken prior to entering facilities and the provision of hand sanitizer. Additionally, spaces were marked to indicate the required distance between people, and service providers and visitors were required to provide proof of vaccination.

In 2021, 286 suspected cases of Covid-19 were monitored among employees, 133 of which were confirmed. Unfortunately, the company registered the death of an employee due to the novel coronavirus. By the end of 2021, 99% of employees were vaccinated against the virus.



**COMMUNITY**

Offering support to social impact organizations is a central part of the relationships that MCassab maintains with the different communities in which it operates. The company strives to meet the urgent needs of institutions and members of the public experiencing situations of vulnerability, as well as maintain long-terms relationships in relation to specific projects. (D413-1)

## SUPPORT FOR THE NGO VOCAÇÃO

Since 1999, the company has offered support to the NGO Vocação, a non-profit organization that has been active in the areas of education, culture and citizenship for 54 years. These efforts are primarily implemented by MCassab's CEO, who acts in the capacity of a corporate officer.

The Frei Tito de Alencar Lima Center for the Promotion and Human Rights - Julia City Branch is a central focus for the company's efforts to develop synergy among communities. The MCassab Group helped to build the organization's headquarters in 2003, from which it maintains social programs that offer support and services to adolescents and young people, through means of annual donations.

The partnership between MCassab and Vocação also includes the Ready to Work Program, which is applied in three other institutions: The Macedônia Active Citizenship Association, which is located in the Campo Limpo region, and the Paulo VI Renewal Movement and Villaregia Missionary Community, both of which are located in the Embu-Guaçu region.

Through the program, MCassab is able to hire apprentices and offer young people the chance to obtain their first employment opportunity and develop professional skills; In 2021, a total of five apprentices became full-time MCassab employees, representing a total of 54% of apprentices moving on to work full-time for the company.

During the same period, a total amount of R\$ 337,477.92 was allocated to Vocação's projects, which helped to support the 500 children receiving services under the project. Additionally, the company offered support in the renovation of Acam - Vocação, which is located in Jardim Macedônia. The following improvements were made to the facility: renovation of staircase flooring and installation of non-slip adhesives, painting of doors, window replacement, installation of screens, and improvements to electrical wiring.

As part of efforts to address the economic difficulties faced by communities as the result of the Covid-19 pandemic, the company also donated 400 care packages containing basic food items to vulnerable families in the Cidade Júlia neighborhood.

## SUPPORT FOR HOSPITAL SÍRIO LIBANÊS

MCassab seeks to contribute to specific projects implemented at Hospital Sírio-Libanês, one of the most important hospitals in all of Brazil and Latin America, including Abrace seu Bairro ('Embrace your neighborhood') and the Pediatric Outpatient Clinic. The Surgical and Molecular Pathological Anatomy Laboratory, which was inaugurated in September 2013, was made possible through a donation made by the MCassab Group's CEO.

Additionally, each year through the "Giving blood means giving life" Campaign, MCassab collaborators volunteer to donate blood. These initiatives reinforce the importance of active citizenship, solidarity, and social responsibility.

## CAMPAIGNS AND DONATIONS

In 2021, MCassab carried out several internal collection and donation campaigns, thereby strengthening its commitment to social responsibility. lines:

- Donations in Rifaina: the company donated 100 food staple baskets to the Secretariat for Social Assistance in Rifaina (SP), which were distributed to families living in situations of vulnerability.
- Donations in Cascavel: the company donated 50 food staple baskets to the organization O Caminho in Cascavel (PR), which offers support to unhoused persons and those struggling with drug addiction. 993 clothing items collected by collaborators were also donated.
- Donations in Campo Grande: 50 food staple baskets were donated to the Casa de Maria preschool in Campo Grande (MS), which offers support to children suffering from chronic kidney disease and paralysis, as well as single mothers.
- Donation to Grajaú Hospital: the company donated an air conditioning system to the ICU at Grajaú General Hospital, which was modified to receive Covid-19 patients.

- Easter Solidarity in Jarinu: employees collected 27 boxes of candies and Easter treats for the Association for Parents and Friends of Persons with Special Needs - Apae in Jarinu (SP).
- Jacket donation campaign: R\$ 13,600.00 and 143 winter coats were collected by employees. The money and clothes were donated to the Abecal Solidarity Shelter in São Paulo.
- Christmas Campaign: Christmas gifts were collected for the NGO Vocação. 75 children were sponsored by MCassab collaborators.

## IOF PROJECT

The Inspiring the Future Project - IOF seeks to offer adolescents between 15 and 18 years old with support in job market. Through workshops, employment-related advising, and events aimed at building self-awareness, IOF exposes young people to the wide range of possibilities that exist within different professional fields. The project involves the weekly exchange of ideas in an online format, and MCassab collaborators are given a chance to act as a speaker at IOF events.

After the program was suspended for two years due to the Covid-19 pandemic, in 2021 we opened 25 vacancies to once again begin holding meetings in January 2022. The program currently includes the Distribution, ANH and Fider Pescados Divisions.





# SUPPLIERS

## SUPPLIERS

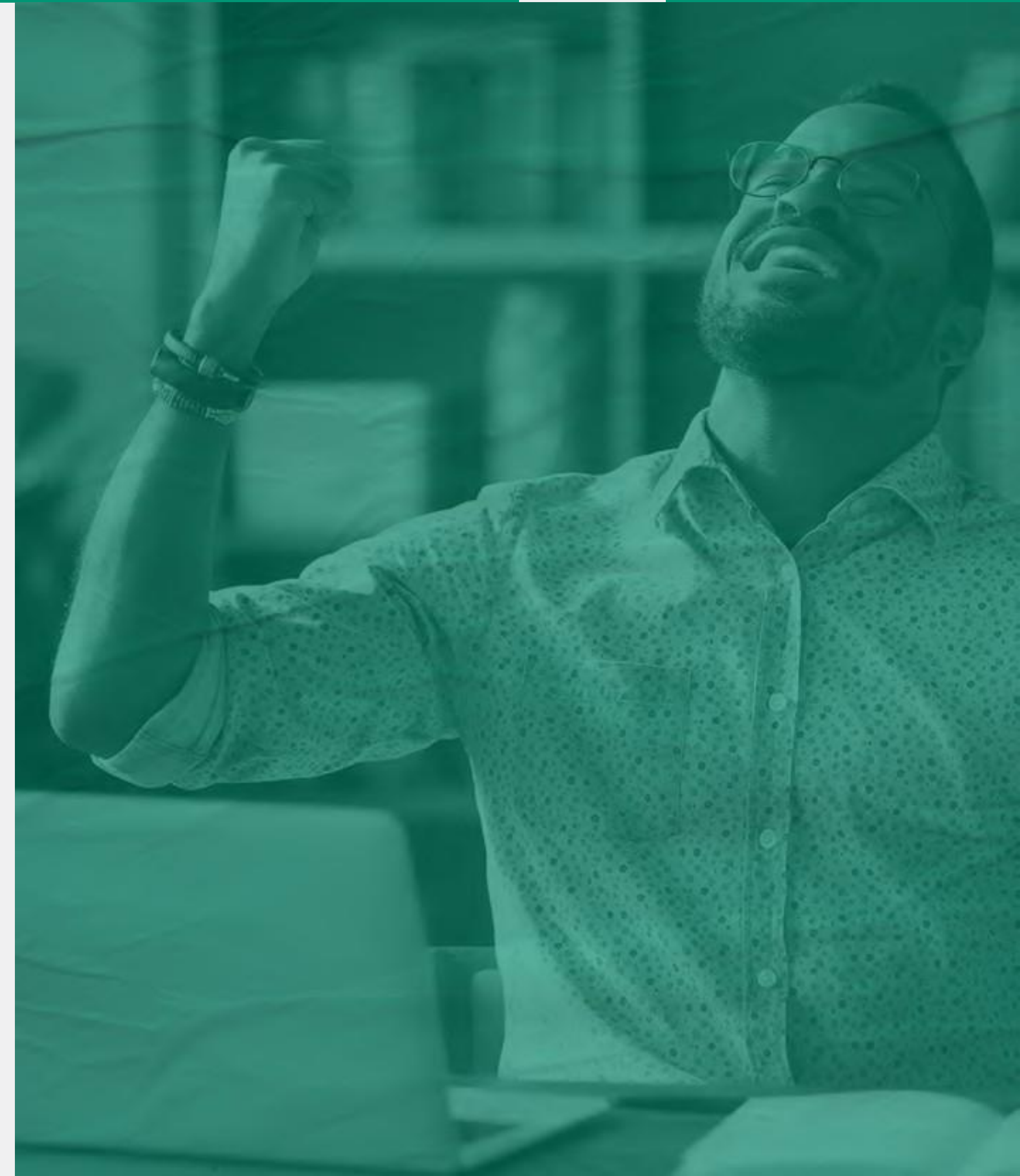
The procurement process at MCassab is organized along two specific fronts. The purchasing of raw materials and supplies is carried out by each Division through means of criteria and technical specifications that meet the specific needs of clients or production activities. The contracting of services and the purchase of packaging and secondary materials, as well as investments (such as machinery and equipment, for example is carried out at the corporate level by MCassab's Infrastructure department.

The MCassab Group's supply base currently consists of 2,271 external suppliers and service providers. When ANH, Distribution and MCassab's Corporate areas are considered, 86% of the company's partners are locally based, which represents 69% of domestic purchasing. Data has not yet been made available for Consumer Products. (D204-1)

## RESPONSIBLE SOURCING

2021 represented an important milestone in strengthening responsible sourcing at MCassab. During this period, the company's Anti-Corruption Policy and the Supplier Code of Conduct were developed. Both documents are expected to be issued in 2022, including a request for formal acceptance of the Code on the part of suppliers (D205-2).

In 2021, 51 service providers received approval at MCassab's Osasco branch through means of a self-assessment questionnaire. Partners were invited to respond to questions regarding the areas of Quality, Environment, Social Responsibility, and Health and Safety. The next step in the process will be to expand the application of this questionnaire to the rest of the company's supply base through means of a corporate-level approach. (D308-2, D408-1, D409-1, D412-1, D414-1)





# **ENVIRONMENTAL INDICATORS**

MCassab considers itself responsible for reducing the impacts that its operations have on the environment. Over the years, the company has implemented different processes and protocols in order to improve environmental management practices across its different Divisions in a manner that accounts for their specific characteristics.

## BIODIVERSITY AND PROTECTED HABITATS

The theme of biodiversity at MCassab specifically involves Fider Pescados. The Division is located in a rural area in the municipality of Rifaina in the interior region of São Paulo state along on the banks of the Jaguara Reservoir.

Part of Fider’s property is located on an Area of Permanent Preservation (APP), in which the surrounding fauna and flora are protected. In 2021, Fider helped to completely reforest the area of permanent protection, which total approximately 22,600m .(D304-2, D304-3)

The area already serves as a refuge for birds and wild animals. The area is also home to different species of monkeys, snakes and other endemic species that are able to find ideal conditions for their survival within the APP. Of the animals that have been mapped in the region, 131 have been included on wildlife conservation lists, and one is threatened with extinction - the giant anteater (*Myrmecophaga tridactyla*).

Fider has an operational procedure in place for interaction with wild animals, which seeks to regulate processes involving the capture or deterrence of these animals on the premises of its business unit. Deterrence practices are aimed at minimizing the loss of individual animals in the area, as well as the number of animals that need to be rescued or handled. These efforts also involve collaborative activities and guidance with regards to the preservation of local fauna.

Additionally, Fider Pescados has a biosecurity protocol in place under which measures are implemented to mitigate the escape of fish species from the reservoir. These measures help to ensure that these populations do not grow in a disorderly manner, even if the species in question is already considered to be endemic.

Business units located near environmental protection areas (D304-1)

<b>Geographic Location (city, state, country)</b>	Rifaina, São Paulo, Brasil
<b>Size of business unit (km2)</b>	0,277748
<b>Characteristics of environmental protection area</b>	Land-based
<b>Regulations/Classification of Protected Area Management</b>	Integrated Environmental Management System - SIGAM Secretariat for Infrastructure and the Environment Rural Environmental Registry - CAR
<b>Protected habitats in the region</b>	Total area of the property: 27,7748 ha
<b>Species included in IUCN Red List</b>	Other bodies of water located in the area: 14 commercial aquaculture tanks 4.4709 ha
	Total area of APP: 5,7011 ha
	Native vegetation: 5,7972 ha
	Legal reserve area: 9,8648 ha

Number of species included in the IUCN Red List and national wildlife conservation lists with habitats located in areas affected by the organization’s operations (D304-4).

	2021
Critically endangered	0
Endangered	1
Vulnerable	1
Near threatened	2
Least concern	127
<b>Total no. of species on wildlife conservation lists</b>	<b>131</b>



## WASTE

Waste management practices at MCassab’s Divisions are implemented under an internal procedure. This document was developed in 2021 in order to formalize and accelerate the adoption of sustainable practices, including the mapping of waste generation, the separating and packaging of waste, proper disposal, and related controls. (D306-2)

Whenever possible, waste is sent to be recycled and approved by specialized companies under the company’s pillars of Sustainability, which adhere to relevant environmental legislation. When there is no alternative available for extending products’ service life, such items are disposed of in landfills through means of third parties.

Strict controls have also been put in place with regards to perishable raw materials that are commercialized by the Distribution and Animal Nutrition and Health Divisions in order to minimize waste.

### Meal and Oil Processing Facility (FFO) – Fider Pescados

In order to ensure that 100% of fish products are used and minimize the amount of waste generated, in 2020 Fider Pescados established a dedicated processing facility for the production of meal and oils.

Inedible parts of fish, once converted into meal and oils, are used in animal feed as well as in the chemical and cosmetics industries. This process involves stages related to the cooking, pressing, drying, and grinding of meal and oils. Part of the liquids removed from the raw materials are concentrated through means of evaporation and reincorporated into the process.

### Fider package recycling

Fider Pescados recycled 13.2 tons of packaging in 2021. This volume represents 22% of the plastic and cardboard mass commercialized during the period, a percentage that adheres to the requirements set forth under Brazil’s National Solid Waste Plan. (D306-4)

In addition to eliminating the disposal of such waste, Fider helped to generate income for several recycling cooperatives and operators in six Brazilian states (SP, RJ, RJ, BA and MG), as well as the Federal District. Fider’s package recycling project has received the Eu Reciclo (‘I Recycle’), seal, a program of which Fider has been a partner since 2017.

### Consumer Products

A total of 4,420 kg of electrical and electronic products were recycled in 2021 as part of reverse logistics processes, which are carried out in partnership with ABRE (the Brazilian Packaging Association), 1.67% of the total produced during the respective base year. (D306-4)

Reverse logistics processes for packaging, which are implemented in partnership with EU RECICLO 2021, kept a total of 175kg of packing out of landfills. These processes will be carried out through means compensation, which is to be paid out in 2022.(D306-4)

Additional targets for reverse logistics were reached in 2022: 22% and 1% of the total mass of packaging and electronics, respectively, produced/imported during the previous year were kept out of landfills.

Consumer Products has already confirmed 100% of agreements for the 2 reverse logistics processes carried out with ABREE, which include collection points spread throughout Brazil, and the company actively participates in the collection of inputs.

## ENERGY

The main sources of energy at MCassab are electricity acquired through the public grid (90%), liquefied petroleum gas - LPG (8%) and fossil fuels - diesel oil and gasoline (2%).

At MCassab's Head Office, the company has been replacing currently installed lightbulbs with more efficient LED bulbs whenever required. It also has gradually implemented motion sensor lighting in common areas and bathrooms, as well as air conditioning units that have received a "Standard A" seal for energy consumption.

In 2021, Fider Pescados implemented Acqua Control, a water quality monitoring system used in fish farming. By only activating aeration systems when absolutely necessary, energy savings of approximately 15% per year are expected under the program. (D302-4)

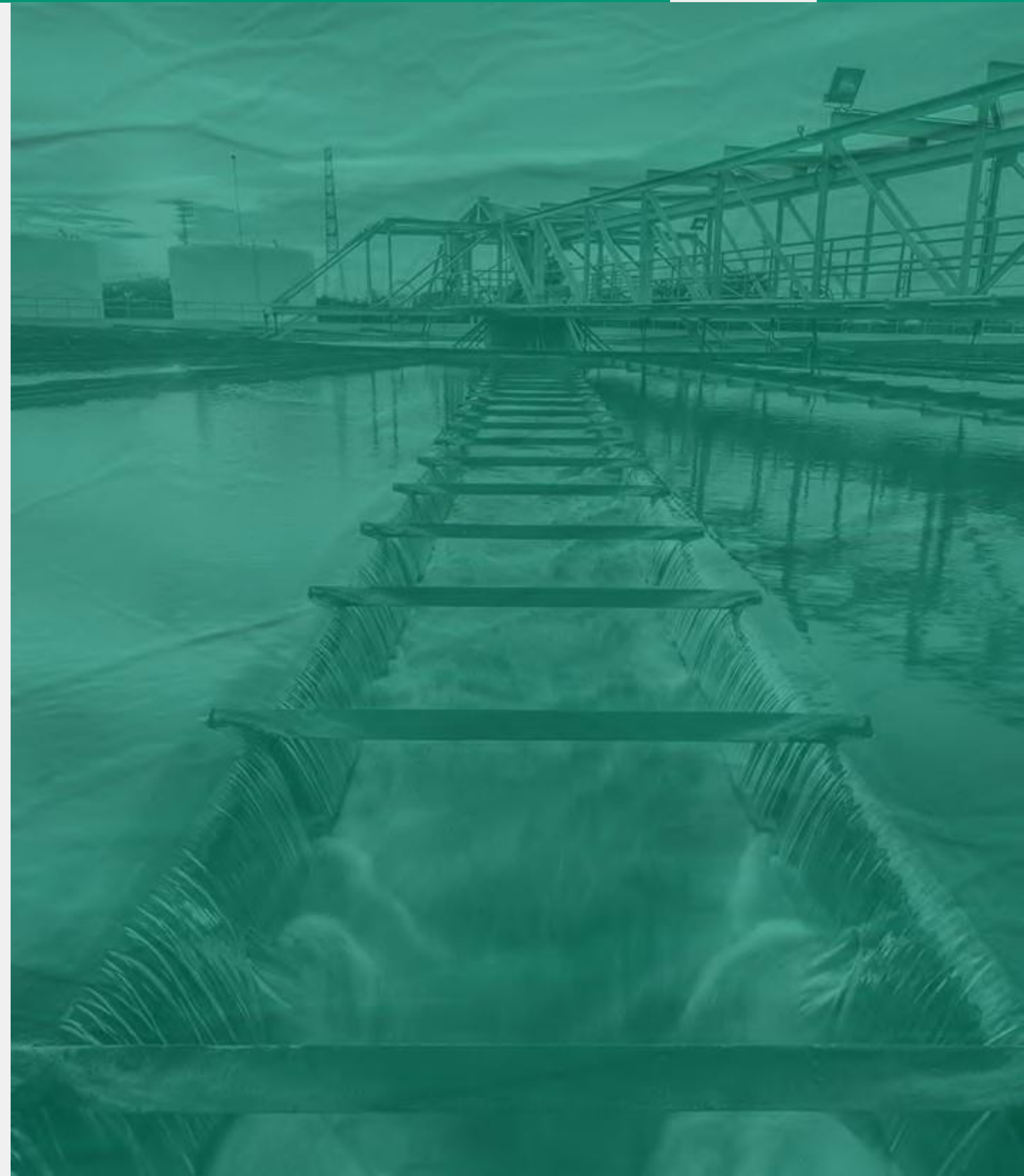
## WATER & EFFLUENTS

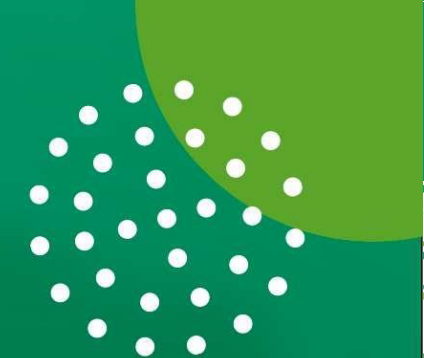
The majority of the water consumed by MCassab's business units is taken from the public water supply network. The company's business units in Rifaina (Fider Pescados) and Jarinu also rely on the use of artesian wells.

MCassab's Campo Grande branch makes use of a partial artesian well. Sanitation of the production lines used in Human Nutrition and Fider, as well as in changing rooms, involves significant water consumption. In order to mitigate potential leaks or unaccounted losses, hydraulic systems are subject to frequent inspections. Taps are gradually being replaced and timers are being installed in order to reduce water consumption. (D303-1)

Fider Pescados is also implementing water recirculation in the processes used during the receiving fish. These efforts will significantly reduce the use of water during production stages. With regards to the management of effluents, MCassab has implemented protocols that ensure that the liquids disposed of within public networks adhere to minimum physical and chemical specifications provided for under existing legislation.

The Fider Pescados Division also makes use of its own Wastewater Treatment Plant (ETE). Through a process of system optimization, Fider will begin using the sludge produced during wastewater treatment as boiler fuel. These initiatives greatly contribute to the circularity in MCassab's production processes.





2021

# ECONOMIC PERFORMANCE



## ECONOMIC PERFORMANCE

MCassab is very pleased to be presenting its economic results for 2021. These results were the best seen in the group's history. 2021 saw some of the challenges faced in 2020 continue for another year. However, the company was still able to obtain excellent results through the implementation of strategies, a high degree of motivation, a reduction in expenses, and, in particular, significant gains in productivity.

MCassab's primary strategy continues to be the optimization of sales portfolios, which favors products with a higher value added, such as Premixes and Specialty Products. Through the efforts of the supply team in China, it was possible to manage the disruption that occurred in certain sectors and avoid a shortage of products. MCassab's highly skilled Comex team was able to manage orders and shipping, without experiencing delays in importing.

Within the areas of Distribution and Animal Nutrition and Health, which represent 85% of the Group's revenue, MCassab continued to make advances in the expansion of "premixes" and "specialty products" in line with strategic planning. It is important to note that these products offer profit margins that are much more desirable and more sustainable than commodities in addition to making a greater contribution to client loyalty. MCassab remains firm in its commitment to continuing to move forward with the expansion of these portfolios over the coming years.

MCassab's Argentinian operations are continuing to experience sustainable growth. Sales and profit margins in dollars were excellent and the default rate remains low. "Specialty products" and new commodities continue to be added to MCassab's portfolio in addition to new operating segments.

As part of the Group's internationalization plan in Latin America, operations were also launched in Paraguay and Colombia. These business units will have the same profile seen in other units in the Americas and are expected to experience substantial growth over the coming years.

Fish products, with the support of additional investments made in the area of production, saw a 60% increase in revenue compared to 2020. Investment in meal and oil processing facilities (FFO) also proved to be assertive and MCassab is already offering products with very high protein content and extremely positive margins. The company began exporting to the USA in 2020, efforts that were made possible by the company's having received BAP certification, which offers a competitive advantage due to the fact that few companies around the world have received this certification. The United States will prove to be an important consumer market for Brazil over the coming years, and there are already plans to extend the

exporting of MCassab's products to other Asian markets.

The Consumer Products division, which represents 15% of MCassab's revenue, continued to benefit from the impact of changes in consumer habits introduced during the Pandemic, such as the preparation of meals at home and the seeking out of new forms of leisure and entertainment, such as cooking and activities that can be enjoyed in the household. These changes positively impacted the Spicy and LEGO® brands. As a result, MCassab was able to achieve surprisingly excellent results for yet another year given the context of the ongoing pandemic.

The group's dollarized debt remains close to 35%, and we remain comfortable with maintaining this percentage over the coming years. For the portion of the Group's debt that is dollarized, MCassab maintains a Hedge Policy that includes the contracting of Foreign Exchange Funds and Derivative Instruments (NDFs) in addition to a product inventory that is primarily dollarized, thereby helping to mitigate the effects of exchange rates on operations. The management of clients and accounts receivable was very effective, and the default rate was once again less than 0.5% on the year.

The Group's strong operational results over the last 2 years allowed leveraging to be reduced to 2x despite the large-scale investment made in recent years, particularly with regards to the new site in Jarinu, which has already seen nearly R\$100 million in investments. In 2021, the Group's property located in Cajamar was sold and revenue from the sale was paid in by the company. With the transfer of operations to Jarinu, the group is also expected to make further divestments over the coming years. The investments in Jarinu are being implemented in such a manner that the group expects that migration of the logistics area and laboratories will be completed by the second half of the year. Development of the processing facilities may experience some delays due to licensing issues, but by January 2023 we will have completed transferred our operations to Jarinu. The group is certain that this new site will allow for greater efficiency in logistics and improved costing.

GRI	Description	PAGE/ ANSWER
D102-01	Name of organization	9
D102-02	Activities, brands, products and services	15, 18, 20, 24, 25
D102-03	Location of head office	9
D102-04	Location of operations	9
D102-05	Property and legal constitution	9
D102-06	Markets served	13
D102-07	Total number of jobs generated by the end of the period by region, gender, age, type of position	9,36
D102-08	Information on employees and other workers	36
D102-09	Supply chain	16, 19, 21, 24
D102-10	Significant changes to the organization and procurement activities	None.
D102-12	External initiatives	24
D102-13	Participation in associations	29
D102-14	Statement from main leader and decision maker	7
D102-15	Main impacts, risks and opportunities	27,32
D102-16	Values, principles and standards with regards to expected behavior	10,27
D102-17	Mechanisms used to provide orientations and resolves concerns related to ethics	28
D102-18	Governance structure	27
D102-40	List of groups of stakeholders	28
D102-41	Collective bargaining agreements	37
D102-42	Identify and select stakeholders	28
D102-43	Approach for engaging with stakeholders	28
D102-44	Main themes and concerns raised	28
D102-46	Definition of content and topics included in Limits report	6
D102-47	List of relevant topics	6
D102-48	Changes to reports	Not applicable
D102-49	Changes to reports	Not applicable
D102-50	Period covered by report	4
D102-51	Date of last report	Not applicable
D102-52	Cycle for issuing of reports	Not applicable
D102-53	Contact information in case of question or concerns related to the report	4, 51
D102-54	Allegations to report in accordance with GRI Standards	4
D102-55	Summary of GRI Content	51
D102-56	External Verification	4
D103-1	Explanation for materials topic and corresponding limits	Indicator included in each chapter.

D103-2	Management approach	Indicator included in each chapter.
D204-1	Proportion of spending allocated to local suppliers in key Business Units	46
D205-2	Communication and training in anti-corruption policies and procedures	28, 46
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## CREDITS

General coordination  
Strategic Sustainability Committee

Collection of data  
We wish to thank all of the collaborators at MCassab that were involved in preparing the 2021 Sustainability Report.

GRI Consulting and Editing  
Nexus Sustainability Consulting

Design and Layout  
People & Management - Internal Communications

Photography