

# SUS TAIN ABILITY

REPORT



**MCASSAB**  
HEADING  
TOWARDS



— YEARS



MCassab 



MCassab





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# ABOUT THE REPORT



This is the second edition of the MCassab Group Sustainability Report. It adopts the Standards guidelines of the Global Reporting Initiative (GRI), using the Core option (D102-54). In this second version, covering annual cycles, we present the performance in the social, environmental and governance spheres for the period from January 1 to December 31, 2022 (D102-50; 102-51; 102-52).

The report includes information about our corporate headquarter and the five areas of operation - Distribution, Animal Nutrition and Health, Consumer Goods, Fish, and Real Estate Investments - along with their respective operational units (D102-50).

In this report, quantitative indicators consolidate the results of the five areas of operation, aiming to demonstrate the performance of the MCassab Group. It will be noted when the information refers to specific business units (D 102-48, D102-49).

# ESG INDICATOR MANAGEMENT

In 2022, we invested in the acquisition of GRI indicator management software with the aim of automating the process of data collection and aggregation from all units and structures of the organization. This enhancement resulted in increased operational efficiency, accuracy, and information management, which will be presented in this report. We are currently in the process of improving management; therefore, our intention in this report is presenting indicators with reliable data, without necessarily including all indicators related to material aspects according to the GRI Standard. These indicators will be reported in future group reports as the process matures. It is worth noting that this report has not been externally verified (D102-56).

If you have any questions about the provided information, please contact us at [sustentabilidade@mcassab.com.br](mailto:sustentabilidade@mcassab.com.br) (D102-52, D102-53). This document will be available for consultation on the website [www.mcassab.com.br](http://www.mcassab.com.br) (D102-51).



# MATERIALITY AND MATERIAL TOPICS

The relevant topics for the sustainability management of the MCassab Group, which structure the content of this report, were defined in the materiality exercise conducted in 2021 and remain current.

**List of material topics** (D102-46, D102-47)

BUSINESS PERPETUITY	ENVIRONMENTAL CARE	PEOPLE POTENTIAL
Ethics and Integrity	Materials	Labor Relations
Anti-Corruption	Energy	Health and Safety
Laws and Regulations	Water	Training
Stakeholder Dialogue	Effluents	Diversity
Innovation	Protected Habitats/Biodiversity	Labeling and Product Information
		Customer Privacy
		Community Engagement
		Human Rights / Environmental Impacts in the Supply Chain
		Logistics



\*For the complete materiality list, please refer to the Material Topics and Boundaries section at: [https://www.mcassab.com.br/wp-content/uploads/2022/07/Relatorio-de-Sustentabilidade\\_V2.pdf](https://www.mcassab.com.br/wp-content/uploads/2022/07/Relatorio-de-Sustentabilidade_V2.pdf)



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# HIGHLIGHTS OF 2022

**220**  
MILLION

investment in the new and modern **Operational Complex in Jarinu/SP**



Obtained **Environmental Licensing** for the Operation at the **Operational Complex in Jarinu/SP**



First **SMETA** audit at the **Operational Complex in Jarinu/SP** for integration into the **SEDEX Portal**

**50%**

of operations transferred to the new **Operational Complex**

**2,9**  
BILLION

in gross revenue for the MCassab Group, representing a **10.6% increase compared to 2021**

**20%**  
GROWTH

in the **Toys** product segment of the **Consumer Goods** area of operation

**28%**  
SALES GROWTH

of the **Spicy®** brand through® the **OmniChannel Brazil** platform in the **Consumer Goods** area of operation

**2061**  
EMPLOYEES  
in the MCassab Group



Obtained the **Great Place to Work** certification for the MCassab Group (one of the most respected workplace quality surveys in Brazil)

**12,000**  
MONTHLY ANALYSES

conducted in the **Innovation and Technology Laboratories**

**200**  
PROJECTS

under development in the **Innovation and Technology Laboratory** for solutions in the **agricultural** industry

**SMART PUR**

**Launch of the SMARTPUR®** brand to provide raw materials, exclusive specialties, and systems for various segments of the **Polyurethane** market

**BIS**  
2022

Best Ingredients Suppliers (BIS)

**Best Ingredients Suppliers (BIS) Award** in the **Top Distributors** category (a prestigious award in the input sector)



**NUTROR**

**NUTROR®** was recognized as the **best company in the Premixes and Vitamins** category at the **Best Ingredients Suppliers (BIS) Award**



Obtained the **Aquaculture Stewardship Council (ASC) Certification**, which attests to high sustainable production standards in the **Fish** area of operation

**7** **SUSTAINABILITY POLICIES**

formalized in **governance**



Achieved the **Bronze ECOVADIS Seal**, attesting to socio-environmental standards in the **Distribution, Animal Nutrition, and Health** areas of operation



Association with the Roundtable on Sustainable Palm Oil (RSPO), an ecological seal for the sustainable use of **palm oil**

**55** **SERVICE PROVIDERS**

approved with **socio-environmental requirements**





# COMPLIANCE AND TRUST

We adopt licenses, authorizations, regulations, certifications, and national and international accreditations to guide management and ensure that the operations of our areas of expertise are in compliance with high standards recognized by different industry sectors. (D102-12)



## BUSINESS AREA



### Distribution



**Unit:**  
Cachoeirinha/RS,  
Jaboatão dos Guararapes/PE,  
Jarinu/SP and Itajaí/SC



**Unit:**  
Jarinu/SP



**Unit:**  
Jarinu/SP



### Animal Nutrition and Health



**Unit:**  
Campo Grande/MS,  
Cascavel/PR and  
Jarinu/SP.



**Unit:**  
Cascavel/PR.



**Unit:**  
Cascavel/PR.



### Fish



**Unit:**  
Rifaina/SP.



**Unit:**  
Rifaina/SP.



**Unit:**  
Rifaina/SP.



### Central Laboratory



**Unit:**  
Jarinu/SP.



**Unit:**  
Jarinu/SP.



**Unit:**  
Jarinu/SP.



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# SHAREHOLDERS' MESSAGE

**Our commitment is to today and the future**

D102-14



In 2023 we celebrate our **95th anniversary** with a youthful spirit, plenty of energy and an abundant willingness to seize today's opportunities and optimistic expectations for the future.

In this significant milestone of our history, we are pleased to present the second edition of our Sustainability Report. We have achieved the new Aquaculture Stewardship Council (ASC) Certification, become members of the Roundtable on Sustainable Palm Oil (RSPO), an ecological seal for the sustainable use of palm oil, and achieved the Bronze ECOVADIS Seal, which attests to our socio-environmental standards and reinforces our commitment to a better world for all.

We have also been certified by GPTW (Great Place To Work®), indicating greater engagement and interaction among our 2,061 employees as we transition to a hybrid work format, fostering an organizational climate that strengthens our culture. Additionally, we have invested in a long-term partnership with the Vocação NGO and resumed our social and voluntary actions, promoting the citizenship of our employees and contributing to the development of the communities where we operate.

As a symbol of our evolution, we highlight the progress in transitioning to the new 55,000 m2 operational complex in Jarinu/SP, which incorporates enhancements to our production and logistics processes, new product lines, increased energy efficiency, and reduced environmental impacts within its modern structure.

With dedication and effort, we have overcome challenges and implemented strategies and measures to optimize processes, invest in technology and innovation. Furthermore, we have expanded our international presence, crossing borders to showcase our way of doing business in new regions, intensifying our operations in Colombia and initiating our operations in India. The result of this movement was an excellent economic performance in 2022, with a gross revenue of R\$ 2.9 billion, 10% higher than in 2021, reflecting the solidity, perpetuity, and sustainability of our business.

We have matured our Governance system through the formalization of a Family Council, Board of Directors, and Advisory Council, which includes the involvement of an Independent Advisor. This initiative demonstrates that we are a solid company, maintained by entrepreneurial management that combines the best of family essence with the excellence of professional administration, ensuring the competence and longevity of the MCassab Group.

We are aware of the legacy we have built thus far. However, the perpetuity in the future comes from investing in the development of people and the care for natural resources. Our team of employees, who embody our DNA, will be crucial in charting this horizon, delivering better results for everyone - customers, suppliers, the community, and the environment - based on our culture with principles and values.

**We have learned from the past, but the future will be different and even better.**

**We will continue together, always with a smile!**

**MCASSAB**  
HEADING  
TOWARDS





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# MCASSAB HEADING TOWARDS

# 100 YEARS

## A HISTORY THAT DELIVERS TRUST IN ALL OUR RELATIONSHIPS

We have reached 95 years of existence. The experience, learning, and achievements of the pioneering entrepreneurs and all those who have driven our path of evolution are reflected today in a family-owned company with professional management, 100% national ownership, a gross revenue of R\$2.9 billion, and 2,061 direct employees operating in 5 business areas: Distribution, Animal Nutrition and Health, Consumer Goods, Fish, and Real Estate Investments. (D102, D102-2)





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# OUR DNA

(D102-16)

We are traders. What we do best is entrepreneurship, buying, selling, negotiating, and delivering on our promises.



## Dream

In the businesses we operate in, our aim is to be the best and most profitable for all, with happy people.



# MCASSAB PRINCIPLES

## 1 Innovative Environment

We have the ability to listen and implement new ideas, always respecting our DNA.

## 2 Ownership Mindset

We are hands-on. We take ownership and analyze results, challenges, and consequences personally, and we do not settle for poor results or unproductive processes.

## 3 Result Orientation

Profit is our fuel. Through it, we ensure business growth and generate career opportunities.

## 4 Transparent Communication

We encourage candid feedback and thrive on the clash of ideas for the greater good of the company.

## 5 Team Spirit

We work with humility and simplicity. We do not believe in a single truth and discourage individualistic or self-promoting attitudes.

## 6 Ethics and Integrity

We do not take shortcuts. We value ethics and do not tolerate misconduct. We strive to be the best in a better world.

## 7 Customer Focus

We transform opportunities into profitable businesses for all, ensuring customer satisfaction, loyalty, and growth.

## 8 Safety Focus

Our commitment is to a safe and healthy environment. The well-being of our people is a mission that prevails over all others.

## 9 Meritocracy

We work with clear goals that define the performance of the business and the team.

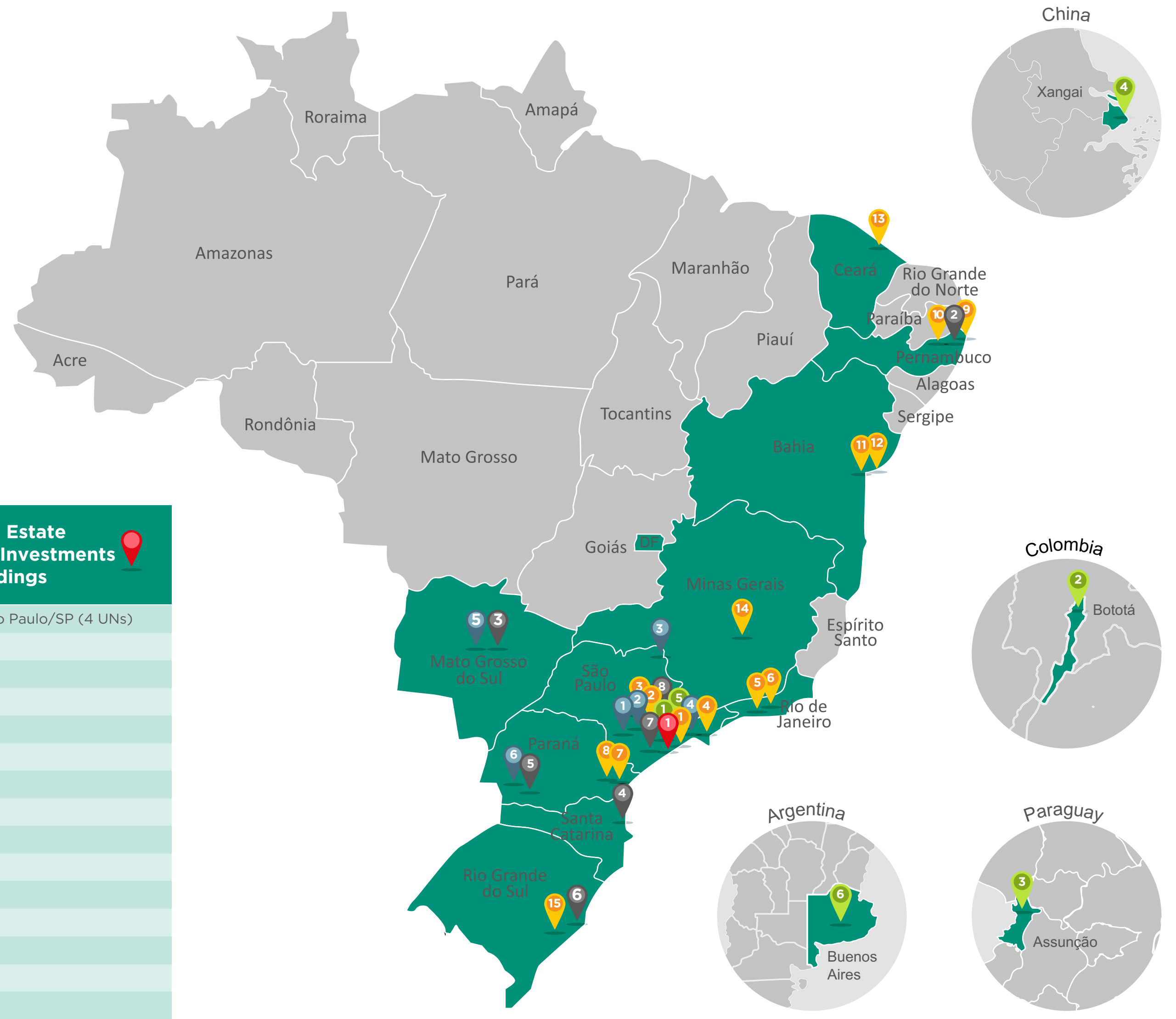
## 10 Sustainability

We care about the world we live in, taking care of people and natural resources.



# GEOGRAPHICAL LOCATION (D102-4)

With our **headquarters located in São Paulo/SP**, we have 02 offices, 06 factories, 08 distribution centers, 47 stores, 03 buildings, and 01 warehouse spread across 24 cities in Brazil. Additionally, we have offices in Shanghai (China), Bogotá (Colombia), Asunción (Paraguay), Buenos Aires (Argentina), and a Distribution Center in Buenos Aires (Argentina). (D102-03, D102-04, D102-05)



Offices	Factories	Distribution Centers	Consumer Goods Stores	Real Estate and Investments Buildings
1. São Paulo/SP (Matriz)	1. Jarinu/SP	1. Jaboatão dos Guararapes/PE	1. Itupeva/SP	1. São Paulo/SP (4 UNs)
2. Bogotá, Colômbia	2. Valinhos/SP	2. Campo Grande/MS	2. Campinas/SP (2 UNs)	
3. Assunção, Paraguai	3. Rifaina/SP (2 UNs)	3. Itajaí/SC	3. São Roque/SP	
4. Xangai, China	4. São Paulo/SP (Matriz)	4. Cascavel/PR	4. São Paulo/SP (15 UNs)	
5. Jarinu, SP	5. Campo Grande/MS	5. Cachoeirinha/RS	5. Rio de Janeiro/RJ (9 UNs)	
6. Buenos Aires, AR	6. Cascavel/PR	6. São Paulo/SP (Matriz)	6. Niterói/RJ	
		7. Jarinu/SP	7. Curitiba/PR (4 UNs)	
			8. Campo Largo/PR	
			9. Recife/PE (2 UNs)	
			10. Moreno/PE	
			11. Salvador/BA (3 UNs)	
			12. Camaçari/BA	
			13. Fortaleza/CE (2 UNs)	
			14. Belo Horizonte/MG (2 UNs)	
			15. Porto Alegre/RS (2 UNs)	



## TRANSITION TO THE OPERATIONAL COMPLEX LOCATED IN JARINU/SP

The transition of operations to the advanced Operational Complex, materialized our financial strength, confidence in the future, and the focus on innovation and expansion of the MCassab Group. With an investment of R\$ 220 million, the new Operational Complex, located in Jarinu, in the countryside of São Paulo, is strategically positioned along one of the main national highways, providing easy access to all other regions of Brazil.

It features an ultra-modern infrastructure of laboratories and innovative production processes in terms of technology and automation, as well as a distribution center with a storage capacity of 20,000 pallet positions. It complies with all municipal, state, and federal licenses and has facilities designed for optimal environmental efficiency, pollution control and reduction, enhanced accessibility for people with disabilities, and high safety standards.

In 2022, half of our operations were conducted at the Operational Complex in Jarinu/SP. The Distribution business related to Industrial Chemicals, SMARTPUR® (Polyurethanes), and Agribusiness were fully transferred. Additionally, we obtained approval from the Ministry of Agriculture for the operation of the factories in the Animal Nutrition and Health area, a crucial step for the complete transfer of this operation, which will take place in 2023.



### Jarinu/SP Operating Complex: New Installed Capacity

Factories	Installed Capacity
Animal Nutrition and Health Factory (NUTRIPAC®) - Solid multivitamin and mineral mixtures with or without medications	3.000 tons/month
Pre-Mixtures Factory (NUTROR®) - Solid multivitamin and mineral mixtures	300 tons/month
Park Movement - Fractionation of chemicals and bulk liquid loadings	5.760 tons/month
Distribution Center	
Movement of packaged products	12.500 pallet positions/month

## CENTRAL LABORATORY

We have the Central Laboratory, which over its 35 years of existence has developed over 400 analytical methods. In 2022, with the transition to the new Operational Complex, the Central Laboratory expanded from an area of 600 m<sup>2</sup> to 1,400 m<sup>2</sup>, including analyses in the areas of Physical Chemistry (instrumental, titrimetric, colorimetric, and gravimetric assays) and Microbiology (classical, rapid, and microscopy methods). Approximately R\$ 15.7 million were specifically invested in the infrastructure of the new Central Laboratory, focusing on compliance with increasingly demanding regulations, expansion of growth, and cutting-edge technology.



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# MAIN TECHNOLOGIES OF THE CENTRAL LABORATORY

- 10 HPLC used for the analysis of vitamins and veterinary drugs.
- LC-MS/MS used for the analysis of drug residues in tissues.
- 2 ICP-OES and 2 Atomic Absorption Spectrometry, including 1 with graphite furnace and hydride generator, used for mineral and contaminant analysis.
- “Mini-Vidas” used for microbiological analysis with results available within 48 hours.
- 4 stability chambers.
- 3 GC-FID, including 1 with headspace injection, for the analysis of organic solvents.
- Ion chromatography.
- Near Infrared Reflectance (NIRS).
- Nitrogen determinator for protein analysis.
- Sulfur determinator.
- 3 fat extractors.
- 2 fiber extractors.

The Central Laboratory performs approximately 12,000 analyses per month, including analyses of vitamins, minerals, contaminants, additives, veterinary drugs, and stability studies, with a capacity to perform around 19,000 analyses per month. For this purpose, we have a team composed of 44 professionals from various backgrounds, such as technicians, chemists, pharmacists, biologists, and veterinarians.



# CENTRAL LABORATORY LICENSE AND ACCREDITATION

We hold licenses and accreditations that ensure a service within a reliable, confidential, impartial, and integral system.



Accreditation by CGCRE/INMETRO according to ISO 17025 standard.



Licensing from the Ministry of Agriculture, Livestock, and Supply (MAPA) for quality control of veterinary pharmaceuticals and fertilizers.



REBLAS certification (ANVISA), accreditation for analytical laboratories performing analyses on products subject to sanitary surveillance regulations.



# AREAS OF OPERATION

(D102-2, D102-06)

Diversification of our areas of operation is one of our strengths for longevity. The five areas of operation in distinct sectors of activity are managed with decision-making autonomy, long-term partnerships, and a reputation for the products and services we deliver.

## Distribution

We play a significant role in improving relationships between suppliers and customers in supply chains. Our purpose is to generate added value through operational efficiency, market intelligence, and innovation in product development and solutions.

In 2022, we served a total of 4,288 customers in 897 cities in the industrial market of Brazil, as well as Argentina, Paraguay, and Colombia. We have established ourselves as an important supplier of raw materials for the productive sectors of Cosmetics, Household and Institutional Cleaning, Pharmaceuticals, Veterinary, Food and Beverages, Polyurethanes, Chemicals, and Agriculture. (D102-02, D102-06).

## Distribution

In 2022, in-person events marked our customer relationships.

- We hosted 8 events of our own for product presentations and technical training.
- We participated as exhibitors in 7 national and international trade fairs for customers and new suppliers.
- We acted as speakers and sponsors of 12 events organized by media outlets in the respective product sectors.
- We offered visits to our customers and suppliers to show and present our Operational Complex located in Jarinu/SP.

## Customers

Distribution Area (D102-6)

Customer Segment	2021	2022
Home Care	12,5%	12%
Personal Care	19%	20,2%
Human Nutrition	16,6%	17,2%
PHarma	5,5%	5,3%
Industrial Chemicals and Coatings	24,7%	24,5%
SMARTPUR® (Polyurethanes)	16,6%	16,6%
Agribusiness	5,1%	4,2%

## Product Portfolio

Division by Business Unit

Home Care	Household and institutional cleaning, including markets for waxes, polishers, disinfectants, laundry detergents, dishwashing, furniture polishes, glass cleaners, multipurpose cleaners, carpet cleaners, among others.
Personal Care	Cosmetics industry, in markets for hair, skin, makeup, and others.
Human Nutrition (NUTROR)	Food, beverage, and supplement industries, for which we provide raw materials, exclusive specialties, additives, and ingredients.
Pharma	Pharmaceutical and veterinary industries, for which we market active ingredients, excipients, botanical extracts, coatings, and others.
Industrial Chemicals	Chemical industry, in markets such as plastics, textiles, construction, oil & gas, and others.
SMARTPUR® (Polyurethanes)	We provide raw materials, exclusive specialties, and systems for various segments of the PU market, including flexible, rigid, and CASE used in foam manufacturing.
Coatings	Market for architectural, automotive, printing, and other types of coatings.
Agribusiness	Market for Agricultural and Foliar Fertilizers.



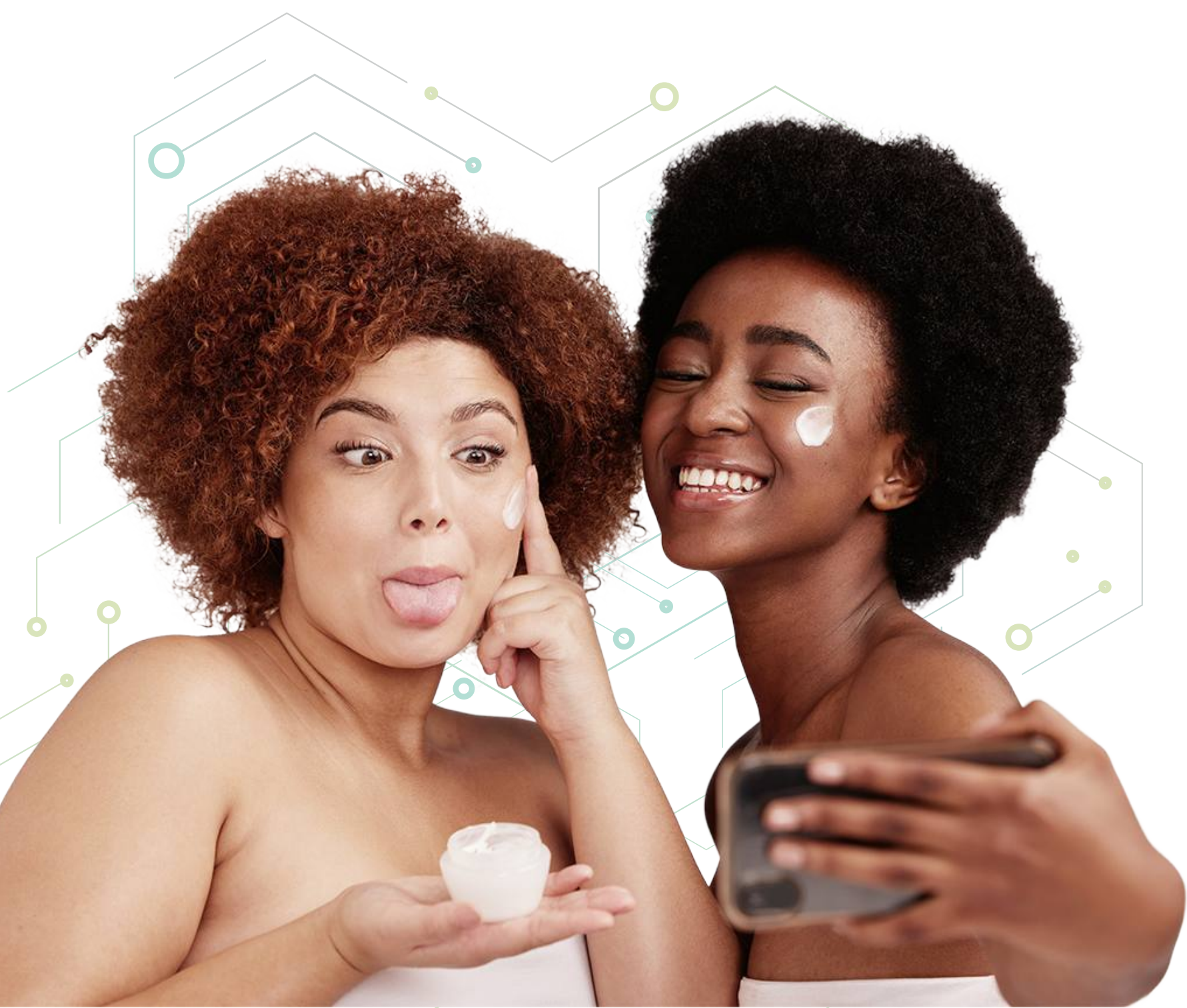


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# INNOVATION

Innovation in distribution is driven by our technical team, which works on specific demands to develop differentiated finished products. Additionally, we have a **Research & Development** area equipped with an Application Laboratory, allowing for the analysis and testing of ideas, resulting in new solutions



# HIGHLIGHT 2022

## Special raw materials in the Personal Care business unit:



**Rejuvenate:** acts on rejuvenation by restoring tone and hydration to the skin.

**Manuka essential oil:** works on skin inflammatory processes such as cellulite, acne, psoriasis, and eczema.

**Cobiosa:** range of natural actives for hair and scalp care.

**Chiaprotect:** reduces scalp inflammation and provides exceptional skin hydration.

**Cobiobalance:** prebiotic complex rich in  $\beta$ -fructooligosaccharides (FOS), promotes skin microbiota homeostasis.

**Ethomega:** is a combination of high-concentration Omega 3, Omega 6, and Omega 9. Restores, nourishes, and protects the integrity of the hair fiber.

**Protacsyl:** extract for hair protein protection and preservation, repairing split ends, anti-breakage, and color protection.

## BRAND LAUNCH



In 2022, we launched the **SMARTPUR** brand, a platform specialized in polyurethane technologies. This initiative was built upon the 15 years of experience and entrepreneurial vision of the MCassab Group, which propelled us to become one of the leading producers of polyurethane solutions in the country.

With a strong commercial and technical team, conducting research in one of the most modern factories in Latin America, we offer our systems and exclusive specialties for various applications in the polyurethane market, including flexible, rigid, and CASE. We deliver value anchored in the pillars of performance, trust, and innovation.

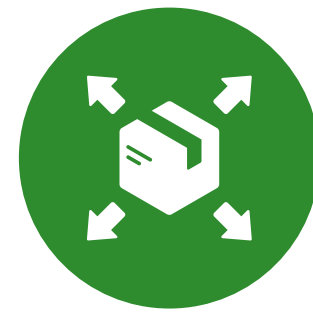
## NUTROR<sup>®</sup> Brand of the MCassab Group

With over 35 years of experience in the development and production of premixes, NUTROR<sup>®</sup> has its own internationally certified factory under the FSSC 22000 standard (Food Safety System Certification 22000), meeting all food safety requirements. **NUTROR** offers customized nutritional solutions in vitamin, mineral, energy, and functional ingredient premixes for the food, beverage, dietary supplement, and clinical nutrition industries.



# VALUE CHAIN

In 2022, the supply chains in which we are an integral part were impacted by the pandemic and the Russia-Ukraine conflict, with uncertainties causing fluctuations in the dollar, prices, demand, and inventory levels. By building strong relationships with our trading partners, we were able to overcome these challenges, even with occasional disruptions in specific sectors of the supply chain.



## Supply Chain in the Distribution Area (D.102.9)



## Suppliers Distribution Area (D204.1)

Supplier Segmentation	2021	2022
National	47%	48%
International	53%	52%

## CUSTOMER RELATIONSHIP

The differential of our product mix ensured the loyalty of our customers, even in scenarios of uncertainty and pressure for price reduction. Above all, we have advanced with research, innovation, and technology to offer tools and specialties that contribute to cost containment in production, animal nutrition, and the reduction of environmental impacts for our customers.



The key to future success lies in our ability to be innovation partners with our customers, with the active participation of our research and development team in the application of new components in groundbreaking products to be launched in the market



**Gustavo Levy Dosualdo**  
Director of Distribution and NUTROR®






# NUTRITION AND ANIMAL HEALTH

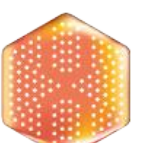
We have the purpose of helping to feed the world in a safe, affordable, and sustainable manner. To achieve this, we rely on over 50 years of experience, characterized by investments in new technologies and strategic solutions for over 6,000 customers in the poultry, swine, cattle, aquaculture, and pet markets in Brazil, Argentina, Colombia, and Paraguay (D102.02, D102.06). We have a wide portfolio, and below are the most relevant environmentally impactful products.




## Portfolio of Products


### Nutrition and Animal Health

**EnzyPAC**  EnzyPac Phy SD - utilizes high doses of phytase (1500 FTU), which enhances the utilization of phosphorus from plants by animals, reducing environmental excretion and the consumption of phosphorus sources.

**EnzyPAC PRO**  EnzyPac Pro - the use of proteases enhances protein utilization (amino acids) by animals, reducing excretion and water eutrophication. It allows for the utilization of up to 5% of proteins and consequent reduction in the use of protein sources.

**MinerPAC**  Minerpac Line - the use of chelated minerals in animal feed reduces the utilization of Zinc, Copper, Iron, and Manganese by 25% for the same amount of meat production.

**BIOESSENCE 100** BioEssence 100 - essential oils used to improve intestinal quality, immune system, and disease resistance. It also aids in the removal of medications used in agriculture.

**BioPAC CID**  BioPac Cid - a plant-based product that offers an alternative way to control pests using natural substances with larvicidal properties. It helps control insects without toxicity risk to animals and workers.

**SAIS BILIARES** BioPac Bile Salts - bile salts that promote the better utilization of lipids in the diet, increasing digestibility and animal performance, allowing for lower inclusion of oil and reduction of natural resources.

# VALUE CHAIN

2022 was a year marked by movements resulting from the war between Russia and Ukraine, impacting fertilizers; avian influenza in the US, Mexico, and Europe; fluctuations in the dollar affecting customer profitability and, consequently, putting pressure on price reduction. However, there was no significant change in the number of suppliers we kept a business relationship with. (D102.18)

## Supply Chain in the Nutrition And Animal Health Area (D102-9)



## Suppliers

### Nutrition and Animal Health Area (D204.1)

Supplier Segmentation	2021	2022
National	76%	77%
International	24%	23%



# CUSTOMER RELATIONSHIPS

The different factor of our product mix ensured the loyalty of our customers, even in uncertain scenarios and under pressure for price reduction. Above all, we advanced with research, innovation, and technology to offer tools and specialties that contribute to production cost containment, animal nutrition, and reduction of our customers' environmental impacts.

## Customers

### Nutrition and Animal Health Division

(D102-6)

Segmentation	2021	2022
Poultry	15,6%	16,5%
Cattle (beef and dairy)	20,5%	17%
Ruminants	40,7%	42,9%
Pet Aqua	4,7%	5,4%
Swine	18,5%	18,2%

# CARBON-NEUTRAL SALES CONVENTION

In our last sales convention, which brought together 120 employees in Atibaia/SP, the objective was to gather the sales team to analyze results, align customer relationship strategies, and define objectives for the future. Additionally, we incorporated the commitment to neutralize the greenhouse gas emissions generated during the event.

This pilot initiative was carried out in partnership with the Responsible Carbon Program by Aguama Environmental Management and Marketing, where we quantified the GHG (Greenhouse Gas) emissions generated by the participants' travel through a questionnaire to identify the mode of transportation used and the respective distances traveled to reach the convention location. We identified opportunities for emissions reduction, and as the final step, we offset the emissions by planting trees in a protected and permanently preserved area, in partnership with IPÊ - Institute for Ecological Research - along with 18 volunteer employees.





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# INNOVATION AND TECHNOLOGY HUB

The Innovation and Technology Hub is the research and development center of the area, consisting of 10 researchers and a technical team composed of professionals with backgrounds in Animal Science, Veterinary Medicine, and Agronomy, including masters, doctors and PhDs, focused on seeking solutions for the challenges of animal production in tropical regions. The hub works closely with 20 universities in the country. Currently, 200 projects are in different stages of development, bringing new alternatives to issues faced by the agricultural market.

**HIGHLIGHT 2022** **Research, Innovation, and Technology**

**connect**

An unprecedented platform in the market, Connect is a digital/technological tool that allows for the compilation of data from all sectors involved in animal production: feed mill, breeding, broiler production, and slaughterhouse, all in one place. It facilitates access to information and analysis of the raw materials used in feed production, as well as monitoring protein residues (eggs and chicken meat) that reach consumers. Its main advantage is providing speed in decision-making for farm managers.

# PRODUCT SOLUTIONS

Launches in 2022, which, after extensive testing and verification, offer alternatives to replace substances in the industry.

**AdPAC PLUS** AdPac Plus - combats mycotoxicosis in animals (acts as a sequestrant for these metabolites).

**AdPAC PROTECT** AdPac Protect - combats mycotoxicosis in animals.

**BioActive PRO** BioActive Pro - microbiome restorer for pigs and an alternative to the use of antibiotics in animal production, helping to reduce the use of medications.

**VALI MP** Vali MP - a natural alternative to the use of ractopamine in pigs as a carcass enhancer, providing a better meat/fat ratio.

**FORCIX** Forcix - a natural alternative to the use of toltrazuril in piglets for reducing the use of anticoccidials.

## PFSA Case

With the aim of avoiding the use of PFSA (perfluoroalkyl and polyfluoroalkyl substances), which are "persistent chemicals" that accumulate and persist in water, air, soil, and human blood, in 2022 we mapped our suppliers to verify if any of them used this component in packaging composition. Starting from 2023, this requirement was considered in the approval questionnaire and must be met by new suppliers.



We are the link that guarantees the cycle of life because we are embedded in the food production chain. In the near future, we will be one of the top 3 players in Latin America, recognized for our innovation, knowledge, and technology to make food increasingly accessible, safe, and sustainably produced.

**Otto Gustav de Pontes Schumacher**  
Director of Consumer Division







# CONSUMER DIVISION

The Consumer Division aims to position MCassab Group as the best importer, distributor, and retailer of premium consumer products, with continuous and exclusive lines, within the Toys and Kitchen, Table and Bar market. (D102.02, D102.06).

## Product Portfolio

Consumer

Unit	Description	Consumer Profile
HA - High Appliance	Range hoods, cooktops, ovens, wine cellars, stoves, refrigerators, ice machines, charcoal and gas barbecues, and accessories	Specialty stores, retail chains
Kitchenware and Professional Tools	Kitchenware, tableware, barware, and wines	Specialty stores, e-commerce platforms, retail chains, construction stores, promotional agencies, hotels, bars, and restaurants
SPICY®	Kitchenware, tableware, barware, wines, and small appliances	End consumers (physical stores and e-commerce), architects
MCassab® TOYS	Dolls, building blocks	Wholesale: toy stores, retail chains, e-commerce platforms, newsstands LEGO® Retail: end consumers (physical stores and e-commerce)
LEGO® Education	Educational and technological solutions for schools and robotics enthusiasts	Schools

# VALUE CHAIN

In 2022, the confrontation between Russia and Ukraine caused an increase in the cost of energy generation in Europe, particularly impacting the prices of glass components traded by the Division, due to the high electricity consumption in their production. However, there was no significant change in the supply chain composition of the Business Unit. (102.9)



## Suppliers

Consumer Area (D204.1)

Segmentation	2021	2022
Imported Toys	1	2
National Toys	1	1
UD, HA Importation*	73	57
UD, HA National	74	61
Indirect National Suppliers (general expenses over R\$ 5,000)	302	364
Indirect Domestic Suppliers (freight over R\$ 5,000)	25	21

\*The reduction in the number of UD, HA Importation suppliers in 2022 is due to the correction in the compilation method applied in 2021 and does not represent an actual decrease in the number of suppliers.



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# HIGHLIGHT 2022 MCassab TOYS

The major highlight of 2022 was the creation of the MCassab Toys unit, which expanded our distribution to include not only LEGO® but also the representation of the MGA brand with the exclusive commercialization of Rainbow High and Na Na Na Dolls in major retail chains in Brazil. This means that we have expanded our presence in a new and important customer market.

We also achieved the opening of two new LEGO® stores and the certification of two others, allowing us to sell exclusive products and provide a unique experience for the consumer. For the first time, we participated as exhibitors at CCXP (Comic Con Experience), a Brazilian pop culture event that brings together enthusiasts of games, movies, series, and comic books, directly showcasing our toy products to a highly engaged audience. As a result of these toy segment strategies, we achieved a 20% growth compared to the year 2021.

## INCREASE IN SPICY'S CONSUMER EXPERIENCE

# Spicy

Spicy® expanded the OmniChannel Brazil Project, leading to a 28% increase in sales in this digital channel. This was achieved through complete inventory management and order fulfillment across the country, enhancing the availability of items nationwide while improving the customer experience with efficient shipping costs and delivery times.

Furthermore, we hosted four editions of the Grill Academy in São Paulo, offering a unique customer relationship experience through a 100% practical course on preparing a full meal on the grill. The course was taught by a renowned professional in this category in Brazil.



## high appliance STRENGTHENING CUSTOMER RELATIONSHIPS

With HA - High Appliance, we strengthened our relationship with architects, decorators, and personal organizers, who are influential decision-makers in the purchase of custom-made furniture. We also expanded sales into the Built-In sector. We acquired customers in new states such as Santa Catarina and Pará, and expanded our market in Goiás, the interior of São Paulo, and the Federal District.

**Towards 100 years, our new cultural principle of 'Customer Focus' is essential for the longevity and growth of our business. It's not just about solving the customer's problem, but about exceeding their expectations and generating value for all parties involved.**

**Isabella Cutait**  
Administrative Manager



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# FISH

We take care of people by providing nutritious, safe, and delicious food, as well as the environment, to ensure the supply of healthy and unparalleled tasting fish.

We have high-quality infrastructure accompanied by specialized professionals at each stage of production, with the capacity to supply 3,000 fish products per month to restaurants, retailers, and wholesalers in 9 countries: Brazil, United States of America, Canada, Bangladesh, Taiwan, Sri Lanka, Venezuela, Indonesia, and Malaysia. (D102.02, D.102.06).

In 2022, Fider® produced 3,017,202 kg of tilapia filets, steaks, and whole fish, adhering to rigorous quality and socio-environmental standards, thus ensuring our commitment to environmentally responsible aquaculture management and the well-being of people and animals.

## STANDARDS AND CERTIFICATIONS



### Seafood Processing Standard (SPS)

Care for the environment, people, and animals.



### Aquaculture Stewardship Council (ASC)

Certification granted to aquaculture farms that have proven to be environmentally and socially responsible.



### Food and Drugs Administration (FDA)

Registration with the federal agency of the United States Health Department.



### National Water Agency (ANA)

Registration with the Ministry of Agriculture, Livestock, and Food Supply (MAPA) for the production of 1,600 tons/month. (D102-12, D417-1).







# VALUE CHAIN

With a 100% domestic supplier base, the year posed challenges in terms of manufacturing costs, as there was an increase in the prices of fish feed due to the rise in the value of commodities (grains) used in their composition. (D102-9)

## Supply Chain in the Fish Industry

(102.9)



## Investment in Continuous Improvement

We made a significant investment aimed at continuous improvement in infrastructure, production processes, food quality, operational efficiency, and environmental enhancements, which was essential to lay the groundwork for tackling increased production costs and balancing the business. Notable highlights include:

- Modification in the oxygenation system of floating water tanks, resulting in a gain of 2 months in fish growth time and improved animal welfare.
- Better utilization of fish carcasses in the processing plant, resulting in a 4% increase in fillet yield.
- Improvement in the freezing and cooling process of fish, providing the product with a better appearance and making it more appealing on supermarket shelves, with a 20% increase in shelf life.
- Installation of an area for the internalization of our own laundry process, operated by a third party, for more efficient cleaning of employee uniforms, enabling cost reduction and a decrease in CO2 emissions resulting from transportation to a local laundry facility.



## HIGHLIGHT

# 2022

## Achievement of ASC Certification





In 2022, we achieved the AQUACULTURE STEWARDSHIP COUNCIL (ASC) certification for our fish farm, processing plant, and fishmeal factory. This certification standard ensures that all individuals involved in the aquaculture sector strictly adhere to practices that minimize environmental impacts with social responsibility. Fider® Fish is one of the few Brazilian companies that meets these high requirements demanded by the global market, where ASC certification is increasingly required.



For MCassab's 100th anniversary, our goal is to establish ourselves as one of the most efficient companies in the tilapia production chain, increasingly positioning the brand as a reference for high standards of food quality

**Juliano Kubitza**  
Business Unit Manager

### Expansion of the International Market

Attending sustainable food production standards has enabled us to export to international retail networks with more stringent criteria, such as the USA and Canada, which accounted for 20% of our production in 2022. This allows us to meet the seafood needs of both domestic and international customers, balancing the typical seasonality of demand throughout the year.

Customers: ▾

Fish Area

(D.204.1)

Customer Segmentation	2021	2022
<b>Retailers</b>	44%	43%
<b>Wholesalers</b>	17%	15%
<b>Restaurants</b>	26%	23%
<b>Exports</b>	13%	19%





# REAL ESTATE INVESTMENTS

**Vitachemie®** - the brand representing the real estate area and other related activities - manages technologically advanced and uniquely designed commercial buildings, which are rented out to third parties.

Within its three buildings, Vitachemie® offers spacious rooms with good visibility and prime locations in São Paulo, along with 28 tenants and 33 employees. (D102.02, 102.06)



VITACHEMIE

## LOCATION OF THE PROPERTIES



### ALBATROZ BUILDING

Paraíso  
São Paulo/SP



### CARDINAL BUILDING

Chácara Santo Antonio  
São Paulo/SP



### FLAMINGO BUILDING

Cerqueira Cesar  
São Paulo/SP



### LAGUNA WAREHOUSE

Jardim Caravelas  
São Paulo/SP





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## CUSTOMER RELATIONSHIP

When renting a space, our customers have all the necessary support for a good experience. We conduct preventive check-ups on a weekly basis in each of our units to assess various infrastructure criteria, including generators, hydraulic systems, electrical systems, and structural aspects.

At Vitachemie®, we strive to maintain an open channel of dialogue to continuously improve the services we offer. To achieve this, we send informative newsletters every 20 days and provide a feedback form for suggestions and feedback, which are evaluated and addressed for resolution. We also offer potential customers a virtual tour through the 360 Tour technology.



The full occupancy of all properties is our main focus for the coming years



**Eduardo Cutait**  
Treasury Analyst





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## BUSINESS PERPETUITY

**We are genuinely ethical and strive to be the best in a better world.**

The MCassab Group consists of business areas that integrate value chains across different sectors, with operations ranging from manufacturing to retail, located in various regions and countries. This diversity of businesses is a key factor in our success and longevity.

In order to Keep our growth process, evolution, and cycles of prosperity, in 2022, we enhanced our governance system with measures that guide decision-making, strengthen control mechanisms, and ensure compliance, all aimed at preserving and optimizing the organization's value and contributing to our longevity.



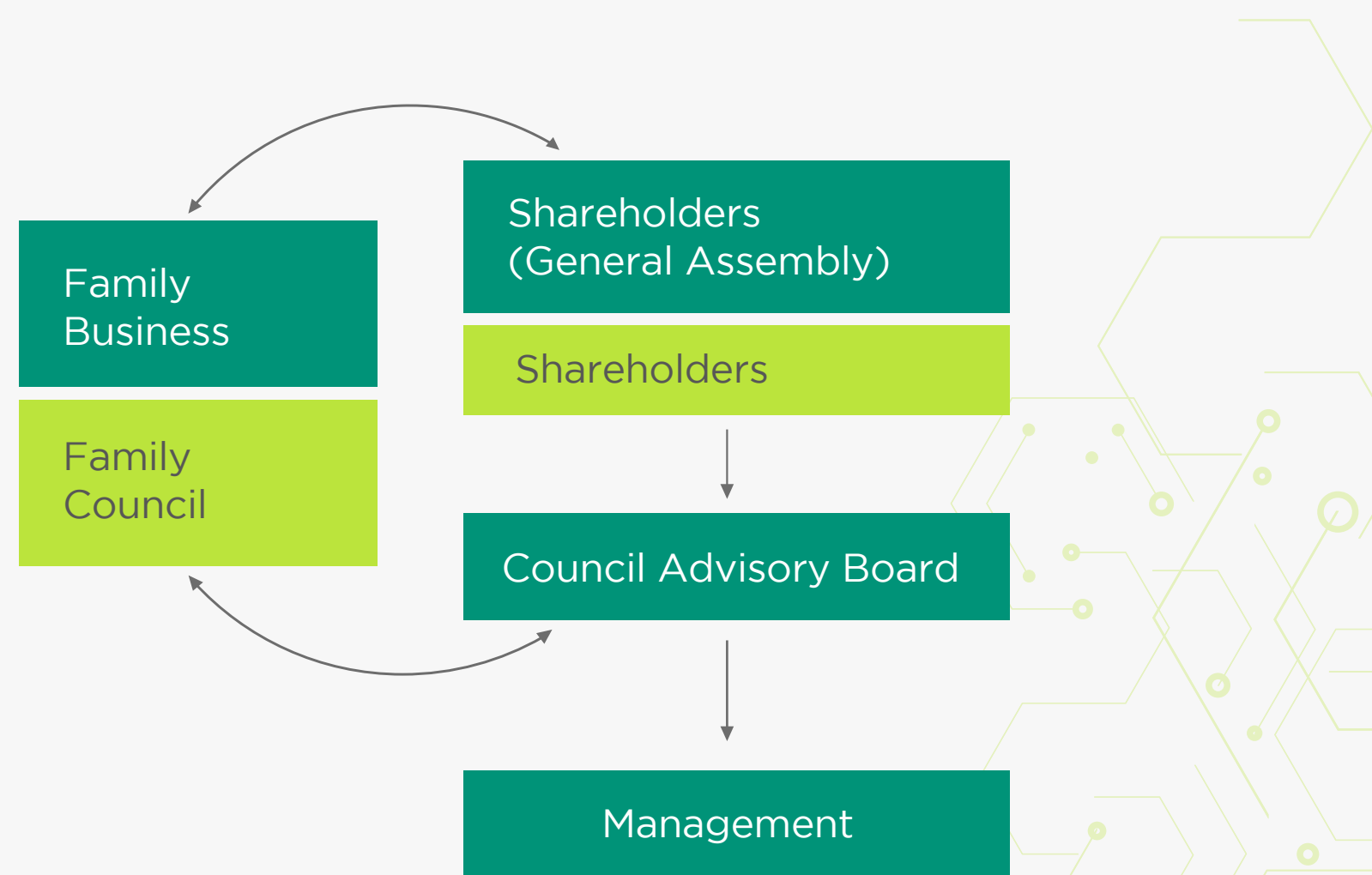


# CORPORATE GOVERNANCE STRUCTURE OF THE MCASSAB GROUP

(D102-18)

Aligned with best practices, we have defined the governance structure of the Group and the respective roles and responsibilities of its organs. We have also implemented the Authority Matrix - ROCI (Responsible, Approver, Consulted, and Informed), defining formal accountability for Strategy, Investment, People, Structures, and Performance, serving as a protocol to guide our decision-making processes.

## Governance Structure



## Roles and Responsibilities of Governance Boards

<b>FAMILY COUNCIL</b>	<ul style="list-style-type: none"> <li>• Alignment of family purpose</li> <li>• Memory and legacy preservation</li> <li>• Definition of family values, mission, and vision</li> <li>• Education and development of family members</li> <li>• Communication within the family and between governance forums</li> </ul>	<ul style="list-style-type: none"> <li>• Conflict resolution and integration</li> <li>• Family/business engagement rules</li> <li>• Family Office management</li> <li>• Social responsibility</li> </ul>
<b>SHAREHOLDERS' COUNCIL</b>	<ul style="list-style-type: none"> <li>• Definition of vision and strategic direction of wealth/business</li> <li>• Definition of optimal governance structure</li> <li>• Definition of mandate for the Board of Directors</li> <li>• Election and removal of Board members</li> </ul>	<ul style="list-style-type: none"> <li>• Succession planning (wealth and leadership)</li> <li>• Dividends, overall remuneration, and major operations</li> </ul>
<b>BOARD OF DIRECTORS</b>	<ul style="list-style-type: none"> <li>• Alignment of strategic vision across all levels of the business</li> <li>• Appointment and replacement of the CEO</li> <li>• Approval of strategic planning and annual budget</li> <li>• Definition of key policies (financial, human resources, audit, compliance, and risk)</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of performance and policies</li> <li>• Recommendation of major operations</li> </ul>
<b>ADVISORY BOARD</b>	<ul style="list-style-type: none"> <li>• Company's mission, values, and vision</li> <li>• Strategic plan and annual budget</li> <li>• Definition of key policies</li> <li>• Hiring and evaluation of the Executive Board</li> </ul>	<ul style="list-style-type: none"> <li>• Succession plan for board members and key executives</li> <li>• Risk management oversight</li> <li>• Selection and evaluation of external auditors</li> <li>• Major operations (M&amp;A, asset sales, partnerships)</li> </ul>
<b>AUDIT COMMITTEE</b>	<ul style="list-style-type: none"> <li>• Oversight and supervision of the process to prepare financial, accounting, and tax statements of the company</li> <li>• Ensuring quality and integrity of risk management and internal control processes through evaluation and monitoring mechanisms</li> <li>• Definition and approval of the risk matrix and identification of priorities for auditing</li> <li>• Support to audit teams in the internal audit process</li> <li>• Presentation of results and recommended actions to the shareholders' council</li> </ul>	



## Compliance System

(D102-16)

Compliance is a staff area that reports directly to the Board of Directors. Its function is to ensure legal and regulatory compliance specific to the business sectors of the Group's business units.

In 2022, significant progress was made with the establishment of the Legal Department, which encompasses Compliance, Legal, LGPD (General Data Protection Law), and Labor Relations areas, in addition to the approval of the Audit Committee at the Board of Directors level.

Furthermore, the advancement in implementing systematic management practices of the Legal Department in overseas units also contributes to the consolidation of MCassab Group's ethical identity in a transnational scope. In this regard, we made investments in software as an important tool to assist in the centralization and management of legal requirements, with an initial focus on implementation in the Operational Complex located in Jarinu/SP, and operation in Itajaí.

## Integrity and Sustainability in Business

We value integrity in all our relationships, and therefore, this commitment is part of our Culture Manual, Code of Ethics, and Policies and Standards, which are the main guides for conduct and management processes within the organization.

In 2022, we formalized 07 Corporate Documents to integrate relevant aspects of sustainability into our governance system. We want to see our values reflected in the decisions and actions of our executives. (D102-16)

# HIGHLIGHT 2022

## Formalization of Sustainability Commitments



Environmental Policy



Sustainability Policy



Land Rights and Use Policy



Information Security Policy



Anti-Corruption Policy



Human Rights and Labor Practices Policy



Code of Conduct for Suppliers and Service Providers

## Cybersecurity

Cybersecurity within the MCassab Group is included in the scope of the company's Information Security area, which is composed of internal and external employees. This area encompasses controls, policies branching into standards and guidelines, and is in compliance with regulatory requirements and international information security standards. The applicable controls aim to protect and support the company's business objectives, ensuring confidentiality, integrity, and availability. In 2022, we invested in server hosting that is 100% cloud-based, which provides protection against cyber attacks and other phenomena such as power outages and floods.

## Ethics System

The ethics system consists of the Code of Ethics, Denounce Channel, and a Committee composed of the Compliance Chief Officer, Legal Manager, and People and Management Manager, guided by three pillars: ethics, transparency, and legality.

The Denounce Channel is impartial, confidential, independent, and managed by a contracted third-party company. Each report receives appropriate handling, including screening, reporting, interpretation, and recommendations for action, which are deliberated by the Ethics Committee. The committee follows legislation and the employees' acceptance terms as parameters for decision-making, in accordance with best compliance practices.







# Denounce Channel for the Consumer Area

In 2022, there was a significant advancement with the hiring of an exclusive Denounce Channel for the Consumer Area. This channel will be available starting in 2023 to receive and handle the specific reports from employees and consumers within the retail universe.



## How to Make a Report

Access the **MCassab**

**Partner** platform

### Handling of Reports from the Legal Channel!

(D102.17. D406-1)

Legal Channel	2021	2022
Number of reports received	48	74
Number of substantiated reports	01	07
Number of reports handled	48	56
Number of reports indicating instances of discrimination	00	01

Among the received reports, which include all areas of the Group's operations, 01 case under analysis is characterized as a situation of discrimination. During this period, there were no reports of corruption, proven complaints regarding privacy violations and customer data loss, or non-compliance with socio-environmental laws and regulations. (D.406.1, 419.01, 418.10)

To integrate and update employees on the ethics system, we maintain continuous and systematic development tracks focused on MCassab Culture, Code of Conduct, and General Data Protection Law in our Corporate University. In 2022, we conducted 09 trainings with an emphasis on sustainability topics covered in the implemented policies, aiming to disseminate and raise awareness, with a total of 1,586 participants.

## Communication and training in ethics and compliance policies and procedures

Top Leadership	2021	2022
Total number of governance body members	06	06
Number of governance body members informed	06	06
% of governance body members informed	100%	100%
Number of governance body members trained	06	0
% of governance body members trained	100%	0

\* The reduction in the number of members in 2021 is due to a typing error correction and does not represent an actual reduction in the number of governance body members.

### Employees (205.2)

Themes	2022
MCassab Culture	300
Code of Conduct	327
Ethics and workplace relations in retail	285
Responsible procurement management	39
Code of Conduct for third parties	46
Code of Conduct for suppliers	45
General Data Protection Law (LGPD)	352
Information Security Policy	347
Sustainability Policy	192
Sustainability - What we all have to do with it?	160
Lecture: We are certified by the Eu Recycle Seal	154

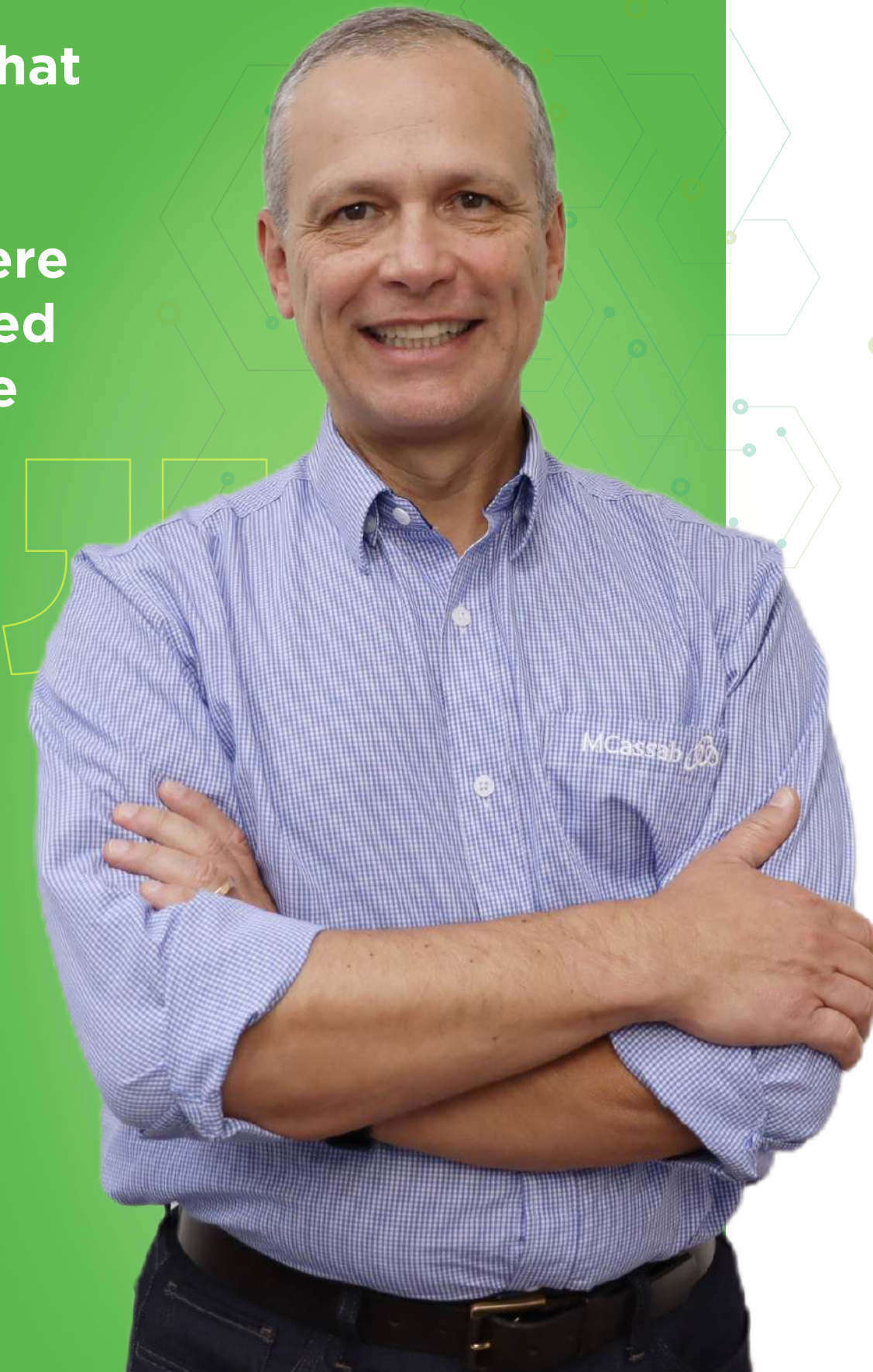


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High levels of trust, as achieved throughout our 95-year journey, will be maintained going forward with a governance and compliance system that adheres to international best practices. This is where our efforts are focused for the years to come

**Alexandre Sante Vasto Junior**  
Director



## GROWTH AND INVESTMENT

(D 102.14, 102.15)

In 2022, resilience and overcoming challenges defined the management of our Business areas. The ongoing influence of the pandemic on supply chains, compounded by international conflicts (Russia-Ukraine), political and economic instability due to the election year in Brazil, increased interest rates and capital costs, logistical difficulties, and demand and price fluctuations were some of the contextual challenges to which we effectively responded.

In the face of these adversities, inventory management, contract negotiations with customers, portfolio diversification, research and innovation in specialized products, close and interactive customer relationship channels, and process improvement with clear productivity indicators were factors that enabled the economic performance balance in our Business areas. The financial health of the Group, resulting from our careful attention to operational profitability, also played a significant role in securing our growth strategy and supporting investment expansion.

## Growth Strategy

In 2022, we achieved a significant milestone of R\$ 2.9 billion in revenue, a growth of 10.6% compared to 2021. Our objective is to achieve 20% annual growth and double our size over the next five years based on the results of 2021. We are focused on delivering results with liquidity and operational excellence, investing in businesses that leverage our capabilities to make things happen, fostering strong customer relationships, and strengthening our reputation. It is the responsibility of the Board of Directors to develop our strategic plan for the next five years, including key indicators and goals to fulfill this mandate. We also distribute the generated value to stakeholders with whom we interact and who contribute to building these results together with us.

## Investment in Expansion

In 2022, we invested R\$ 220 million in the expansion and upgrade of our Operational Complex, spanning 55,000 m<sup>2</sup>, in Jarinu/SP, Brazil. This innovative infrastructure includes laboratories, technology and automation in production processes, and distribution centers known as "Triple AAA," which are among the most advanced in the world.

These investments demonstrate our confidence in growth and are structured with clear goals that define the expected results. It is through these investments that we generate employment opportunities within our value chain and promote the career advancement of our employees.







**Our strategic guideline is to ensure the continuity and sustainability of our family business's historical success, with our values translated into the organizational culture**

**Fábio Cutait**  
President



## ENGAGEMENT WITH STAKEHOLDERS

It is through the establishment of trust and partnerships that an organization thrives. Openness to dialogue is crucial in understanding the needs of society, identifying improvements, and opportunities for engagement with our stakeholders, transforming our strategies, and offering sustainable solutions.

For this purpose, we use corporate channels and specific approaches through our business areas to communicate with our stakeholders.

## Stakeholder Engagement Approach (D102-40, D102-42, D102-43)

Division	Stakeholder	Engagement Channel / Approach
Corporate	Employees	Climate Survey, HR team support, exit interviews
	All stakeholders (including public and environmental agencies, certifiers, community, unions, Procon, media)	Alô Ética (Ethics Helpline), telephone, website, and email
	Customers	Customer Service, Satisfaction Surveys, Ombudsman, trade shows, webinars, social media, sales teams, Jivochat (Website)
	End Consumers	Customer Service (on product packaging), Jivochat (Website), Reclame aqui (consumer complaint website)
	Suppliers	Trade shows
Distribution	Associations	Telephone, website, and email
	Customers	Portal Farma, annual directories
Nutrition and Animal Health	Customers	Connect platform, Satisfaction Surveys, Webinars, Social media profiles for specific audiences, Agro-business (online sales platform)
Fish	Customers	Customer Service
Consumption	Employees	Recover Store Project Spicy® - Virtual Store Managers and Supervision Convention (virtual or in-person) General Consumption Alignment
	End Consumers	LEGO® - Social Media Groups "Fans and brand enthusiasts" E-commerce - Satisfaction surveys after purchase
	Supplier	Annual virtual or in-person supplier convention (SodaStream, Weber) E-commerce - Annual Vtuesday event
Real Estate Investments	Sales Representative	Monthly virtual meetings
	Condominium residents	Monthly newsletter, suggestion form



We use surveys as an important tool to monitor customer satisfaction rates, with a focus on providing information for the creation of action plans that foster continuous improvement of our products and services.

To achieve this, we have engaged the specialized consulting firm Instituto PHD, which applies surveys corporately across our areas of operation, using the Net Promoter® Score (NPS) methodology. This indicates the favorability index in different aspects of each business. (D102.44)



**Consumer Area:** ▼

**Customer Satisfaction**

Surveys Spicy® brand consumers evaluated the quality of our service, achieving a satisfaction rate of 71.3% in e-commerce and 79.8% in physical stores. The Medallia index, which measures customer satisfaction with LEGO® store service, reached an overall average of 95.9%.

To further improve customer satisfaction, in 2023, we will be implementing a new Customer Relationship Management (CRM) system combined with practices, strategies, and technologies focused on retail consumer relationships.



**Distribution Area:** ▼

**Customer Satisfaction Survey**

Our quality and credibility were recognized in the customer satisfaction survey, achieving a score of 76.7 in the Net Promoter Score (NPS) methodology, which corresponds to the excellence zone. The following aspects were positively evaluated: product quality, speed of service, punctuality and promptness in product delivery, product diversity and variety of solutions, as well as availability of raw material stock.



**Fish Area:** ▼

**Customer Satisfaction Survey**

Fider® Seafood achieved a score of 75.8 in terms of quality and reference favorability among wholesale, retail, and restaurant customers. Fresh and high-quality products, well-packaged and with fast delivery, were highlighted as differentiators in the food market.



**Nutrition and Animal Health Area:** ▼

**Customer Satisfaction Survey**

In the Nutrition and Animal Health area, the satisfaction index of 75.3 indicated that customers perceived our products as having better quality than the competition, with efficient service, punctual and fast logistics, and a high level of trust in the products.

To annually measure customer satisfaction and maintain it at high levels, we plan to improve process management. This will be done by creating productivity indicators for all areas, aiming to reduce response times through the enhancement of internal processes. In this way, we seek to ensure more efficient and satisfactory customer service.



**Corporate:** ▼

**Great Place to Work Survey with Employees**

In 2022, we participated in the Great Place to Work survey, with a 71% participation rate among employees in the Corporate, Nutrition and Animal Health, and Distribution areas. Pride in our product brand and the work we do is a common characteristic among most employees, and it is one of our greatest strengths. Additionally, interpersonal relationships were considered pleasant, and the work environment was seen as positive, with well-perceived values and a strong sense of ethics. We identified opportunities for improvement in synergy among areas, celebrations, and expanded feedback between leaders and employees throughout the year.





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## PARTICIPATION IN SOCIETY

(D102-13)

We participate in associations and entities that represent the business areas in which we operate, with the aim of contributing to the development of the sectors in which we are involved.



- Brazilian Association of Food Industry - ABIA



- Brazilian Association of Special Purpose and Related Food Industry - ABIAD



- Brazilian Association of Mineral Supplements Industry - ASBRAM



- Brazilian Association of Pet Products Industries - ABINPET



- Brazilian Association of Resellers and Importers of Pharmaceutical Inputs - ABRIFAR



- Brazilian Association of Chemical and Petrochemical Products Distributors - ASSOCIQUIM/SINCOQUIM



- São Paulo Swine Breeders Association - APCS



- Brazilian Aquaculture Association - Peixe BR



- Brazilian College of Animal Nutrition - CBNA



- Federation of Industries of the State of São Paulo - FIESP



- National Union of Animal Health Product Industries - SINDAN



- National Union of Animal Feed Industries - SINDIRAÇÕES



- Pharmaceutical Products Industry Union - SINDUSFARMA

## SUSTAINABILITY

(D.102.14)

The diverse supply chains in which we operate, from industry to retail, are rapidly moving towards increasing commitments to sustainability. Both consumers and suppliers of raw materials, in both the national and international markets, are exerting pressure for the advancement of environmental, social, and governance practices.

Although the group has always been aware of its responsibilities regarding socio-environmental impacts, our purpose goes beyond responding to societal pressure. We want to be a driving force in developing the potential of people, caring for natural resources, and ensuring the long-term sustainability of our businesses.







# ESG Management Platform

(D.103.2)

In 2021, we invested efforts to develop our ESG Management Platform, formalizing 05 instruments that guide our sustainability management in an integrated and coordinated manner.



1

**Materiality matrix:** defines the relevant sustainability topics.

2

**Sustainability policy:** states our commitments on the topics considered material to our operations.

3

**Sustainability strategy:** establishes where we want to go and value generation.

4

**Sustainability plan:** structures initiatives with actions, goals, and responsible parties.

5

**Sustainability report:** accounts for and provides transparency on our ESG management.

Our sustainability strategy is structured into three main dimensions: Governance, Social, and Environmental, encompassing relevant material aspects and including 10 macro initiatives that guide our progress for the next 5 years through our Sustainability Plan.

## Initiatives of the Sustainability Strategy

Dimensions	Macro Initiatives
<b>Governance</b>	<ul style="list-style-type: none"> <li>Integrate sustainability into governance, strategy, culture, and business management</li> <li>Enhance risk management and compliance system</li> <li>Promote visibility of the company's sustainability best practices</li> <li>Promote responsible supply chain</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Reduce the environmental impact of operations</li> <li>Intensify eco-efficiency actions</li> <li>Develop innovations in sustainable solutions</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Enhance people management system</li> <li>Strengthen customer relationships</li> <li>Expand positive impact on the community</li> </ul>

According to our roadmap, in 2022, we prioritized the implementation of actions in 05 macro initiatives.





# Initiative



## • Integrate sustainability into governance, strategy, culture, and business management.

- We formalized the Sustainability Policy and established the **Strategic Sustainability Committee, Culture Committee, Tactical and Operational Committee, and Leaders Committee** with representatives from business and corporate areas to guide the implementation of the Sustainability Plan, aiming to achieve objectives, monitor goals and indicators for planned performance, as well as generate synergy and optimize actions, resources, and results among the Business areas.

- We **formalized 07 policies** declaring our commitment to relevant sustainability topics, establishing conduct guidelines for leaders and employees on how we conduct business.

- In the process of reviewing the Culture Manual, we included **sustainability as one** of the pillars of our corporate ideology.

- We included a clear objective for the **improvement of sustainability practices and indicators** in our business strategy for the next five years, with the Eco-vadis platform score and compliance with the SEDEX portal as key performance indicators.

- We use the **GRI standard** as a tool to improve and standardize measurement units for compiling indicators. We invested in an ESG management software to facilitate the entry, grouping, and analysis of sustainability indicators. This will improve the systematization and standardization of data, which can be complex due to the specificities of the business divisions and the number of operations and locations. This way, we will have more effective control of our indicators, ensuring better coordination of activities and the establishment of accurate advancement goals.



## • Enhance risk management and compliance system

- We structured the Legal Department with responsibilities to consolidate our compliance system.
- We opened a Denounce Channel for the Consumer area, providing specific treatment for retail-related reports.
- We invested in Legal Requirements Management Software as an important tool to assist in centralizing and managing information.



## • Increase visibility of sustainability best practices

- We published our first Sustainability Report in accordance with the GRI standard.
- We conducted training focused on disseminating and raising awareness among employees about our sustainability guidelines.



## • Promote responsible supply chain

- We released the Supplier Code of Conduct.
- We revised the service provider approval process, making it corporate and including socio-environmental criteria. We expanded this process to also include suppliers of raw materials and products in the Distribution area.



## • Reduce the environmental impact of operations

- We transitioned 50% of our operations to the new Industrial Complex in Jarinu/SP, with infrastructure, equipment, and technology that reduce energy consumption, minimize waste generation, utilize water efficiently, and comply with all regulatory controls and requirements.





## Certification Bronze on the ECOVADIS Portal

In October 2022, we received the ECOVADIS Bronze Seal, achieving a score of 50%. This recognition reflects the practices we have implemented based on our Sustainability Strategy. The assessment is independently conducted by the portal and consists of 21 criteria grouped into four pillars: Environment, Labor Practices and Human Rights, Ethics, and Sustainable Procurement. In 2022, Ethics and Labor Practices and Human Rights were the highlights of our progress.

## SEDEX Portal

We also participated in the socio-environmental assessment of the SEDEX Portal and underwent SMETA audit by an independent certification body, covering the Headquarters, Valinhos, and the Operational Complex located in Jarinu/SP, which was recommended to join the Portal after its first audit.



## Goals for the Next Years

We are aware that there is still a long way to go, and we are ready to embark on this journey with goals set for the pillars of our sustainability strategy.

### Environmental

- Seek ISO 14001 Environmental Management System certification for the Operational Complex located in Jarinu/SP by 2024, starting with the assessment of environmental aspects and impacts in 2023.
- Achieve zero landfill waste in the Pescados area by 2026.
- Conduct greenhouse gas (GHG) inventory for the Operational Complex located in Jarinu/SP by 2024 and for all group units by 2025.
- Reduce electricity and water consumption per kilogram of fish processed by 20% in the Pescados area by 2025.

### Social

- Seek ISO 45001 Occupational Health and Safety Management System certification for the Operational Complex located in Jarinu/SP by 2025.
- Increase per capita training hours by at least 10% in 2023.
- Reduce the accident frequency rate by 5% for health and safety in operational units by 2024.
- Improve our employee engagement/pride of belonging index by 5% in the employee survey by 2024.
- Maintain the Distribution, Nutrição e Saúde Animal, and Pescados businesses at an excellence level in customer satisfaction surveys (NPS>75).
- Expand social actions to at least three more locations where the Distribution and Nutrição e Saúde Animal businesses have facilities by 2024.

### Governance

- Double the net profit of our portfolio in 5 years, starting from the results of 2021.
- Transfer 100% of the operations from the São Paulo/SP units (Distribution and Nutrição e Saúde Animal) and Valinhos/SP (Nutrição e Saúde Animal) to the Operational Complex located in Jarinu/SP in 2023.
- Achieve the Silver Medal on the EcoVadis portal by 2024.





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# Contribution of ESG Goals to the SDGs

(D102.12)

The initiatives that are part of the sustainability strategy are directly related to the following goals of the Sustainable Development Goals (SDGs):

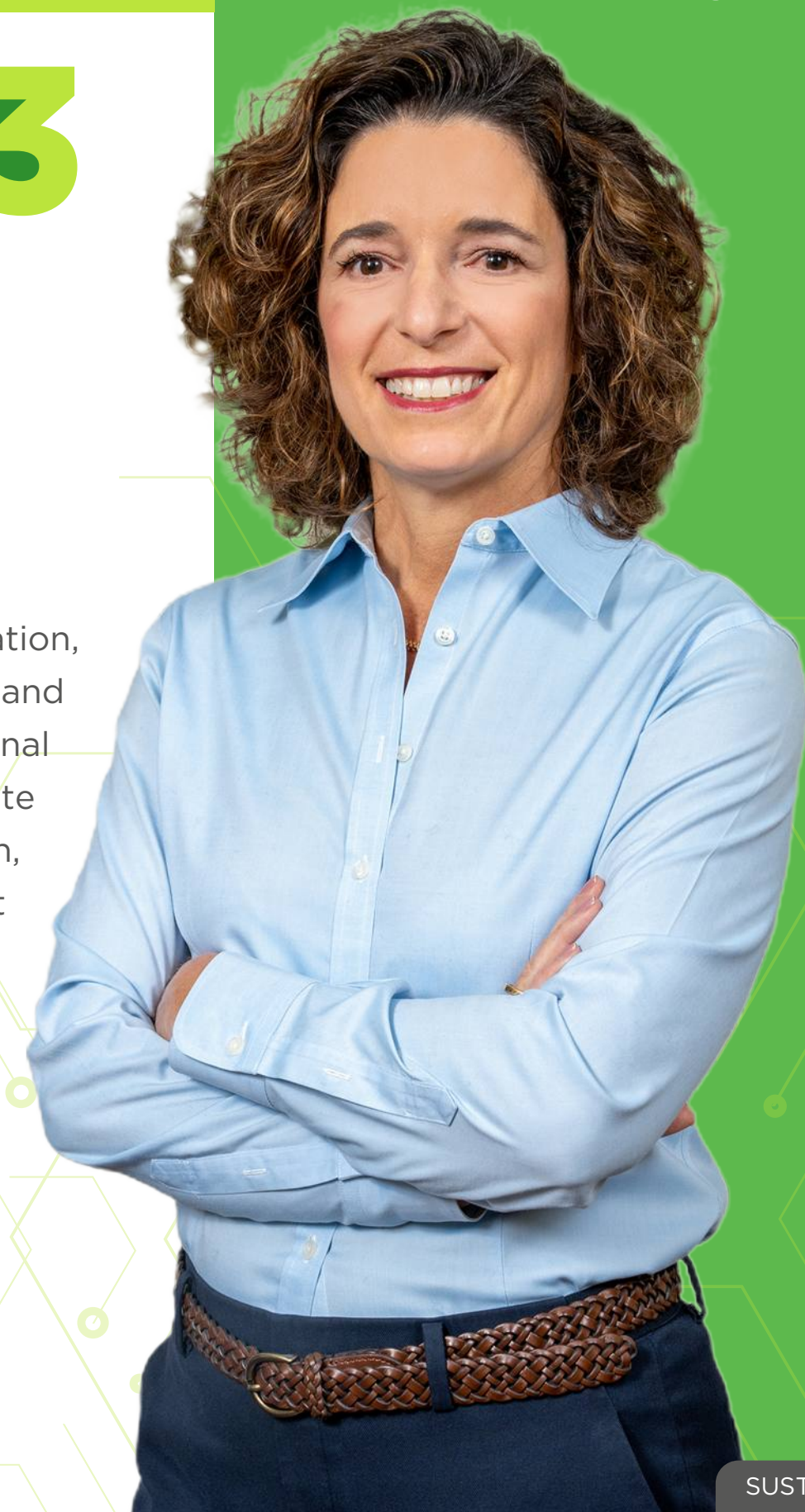


The MCassab Group is a large and diversified company, with very different business areas and over 2,000 employees. Therefore, our main challenge for the coming years is to ensure that sustainability is incorporated into the culture and management processes of the group



**Angela Cutait Vasto**

Director and Shareholder



▼ Goal **2**

2 FOME ZERO E AGRICULTURA SUSTENTÁVEL

## Zero Hunger and Sustainable Agriculture

2.4 - By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, help maintain ecosystems, strengthen the capacity for adaptation to climate change, extreme weather conditions, droughts, floods, and other disasters, and progressively improve land and soil quality.

▼ Goal **9**

9 INDÚSTRIA, INOVAÇÃO E INFRAESTRUTURA

## Industry, Innovation, and Infrastructure

9.4 - By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

▼ Goal **12**

12 CONSUMO E PRODUÇÃO RESPONSÁVEIS

## Responsible Consumption and Production

12.2 - By 2030, achieve sustainable management and efficient use of natural resources.

12.4 - By 2030, achieve environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil to minimize their adverse impacts on human health and the environment.

12.5 - By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

▼ Goal **13**

13 AÇÃO CONTRA A MUDANÇA GLOBAL DO CLIMA

## Climate Action


13.3 - Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning about climate change.





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## CARE FOR PEOPLE

**We work with humility and simplicity, believing that human relationships are diverse and valuable**

We understand that the company is a dynamic organism constantly interdependent with the stakeholders that make the business happen. Our interaction should prioritize the care and development of people and foster a culture of sustainability in our network of relationships.









# EMPLOYEES

People management is carried out in a corporate manner at MCassab Group. The People and Management (P&M) department is responsible for organizing policies and processes, with the diversity of businesses being our main challenge. As a result, the department operates in a business partner model, with professionals focused on addressing the specific needs of each division.

One of the milestones in 2022 was the relocation of operations to the Operational Complex, located in Jarinu/SP. This transition mainly affected the production processes of the following areas: Distribution, Animal Nutrition and Health, NUTROR®, the Innovation and Technology Center, and the Distribution Centers in São Paulo/SP and Osasco, impacting 182 employees.

Communication to employees about the operational change took place in 2021, along with a relocation policy that offered options such as chartered bus transportation for residents of São Paulo, relocation assistance, rental, and home purchase for those who preferred to establish a new residence in Jarinu, and the possibility of hybrid work for employees whose job nature allows such a format. So far, R\$ 287 thousand has been invested to enable the relocation of employees (D402.1).

## Operational Changes

(D.402.1)

Number of employees who opted for chartered bus transportation	35
Number of employees who relocated and intend to establish residence in Jarinu	36
Number of employees who left the company	111
Total number of employees impacted by the change	182

## Employee Profile

We ended 2022 with 2,061 employees, an 11% expansion compared to 2021. Of the total, 95% of employees work full-time, and 98% have permanent contracts. In terms of demographics, 52% are in the age range of 30 to 50 years, and 44% are female. The Consumer area predominantly employs women, and the Seafood area represents 25% of the Group's employees. (D102-07, D102-08)

Total number of employees by employment contract (permanent and temporary), by gender:	2021		2022	
	MEN	WOMEN	MEN	WOMEN
Permanent contract	968	830	1.050	918
Temporary contract	51	2	93	0
<b>Total</b>	<b>1.019</b>	<b>832</b>	<b>1.143</b>	<b>918</b>

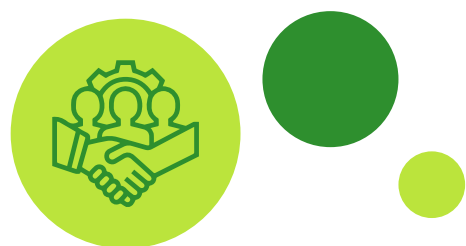
Total number of employees by type of work schedule (full-time or part-time), by gender:	2021		2022	
	MEN	WOMEN	MEN	WOMEN
Full-time	1.000	832	1.125	917
Part-time	19	0	19	0
<b>Total</b>	<b>1.019</b>	<b>832</b>	<b>1.144</b>	<b>917</b>

Total number of employees by division, by gender:	2021		2022	
	MEN	WOMEN	MEN	WOMEN
Distribution	82	104	108	141
Animal Nutrition and Health	211	51	258	56
Corporate	285	175	309	193
Consumer	178	220	210	253
Fish	241	281	237	273
Real Estate Investments	22	01	22	01
<b>Total</b>	<b>1.019</b>	<b>832</b>	<b>1.144</b>	<b>917</b>

Employees by functional category and age	2021			2022		
	TILL 30 YEARS	30-50	OVER 50	TILL 30 YEARS	30-50	OVER 50
Top Management	1	4	8	1	4	8
Executive Leadership	7	65	11	5	65	12
Administrative	309	389	49	302	441	53
Operational	498	433	77	513	569	88
Total Employees	815	891	145	821	1.079	161
<b>% by age</b>	<b>44%</b>	<b>48%</b>	<b>8%</b>	<b>40%</b>	<b>52%</b>	<b>8%</b>

D. 405.1 Diversity in Governance Bodies and Employees	2021		2022	
	MEN	WOMEN	MEN	WOMEN
Top Management	10	3	10	3
Executive Leadership	42	39	44	38
Administrative	334	412	349	447
Operational	631	378	742	428
<b>Total Employees</b>	<b>1.017</b>	<b>832</b>	<b>1.145</b>	<b>916</b>
<b>% by age</b>	<b>55%</b>	<b>45%</b>	<b>56%</b>	<b>44%</b>





## Employment Relationships

Fair relationships are part of the principles of the group, which is why we respect the free organization of employees, with 93% of them being governed by collective agreements from workers' unions that cover the business areas.

(D102-41)

D. 102-41 Collective Bargaining Agreements	2021	2022
Total employees	1.851	2.061
Number of employees covered by collective bargaining agreements	1.786	1.910
<b>% of employees covered by collective agreements</b>	<b>96%</b>	<b>93%</b>



## Unions by Category

Business Areas	Category
Distribution	Union of Employees in Commerce of Jaboatão dos Guararapes Union of Employees in Commerce of Itajaí Union of Employees in Commerce of Canoas Union of Shop Employees of São Paulo
Distribution / Animal Nutrition and Health	Union of Employees in Commerce of Bragança Paulista Federation of Workers in Industries in the State of Mato Grosso do Sul
Animal Nutrition and Health	Union of Employees in Food Industries in Campinas Union of Workers in Food Industries in Cascavel
Fish	Federation of Workers in Food Industries of the State of São Paulo Union of Employees in Commerce of Franca
Consumer	Union of Employees in Commerce of Bragança Paulista Union of Employees in Commerce of Campinas Union of Employees in Commerce of Fortaleza Union of Employees in Commerce of Jundiaí Union of Employees in Commerce of Recife Union of Employees in Commerce of Ribeirão Preto Union of Employees in Commerce of Salvador Union of Employees in Commerce of SP - Stores Union of Workers in Shopping Centers in Curitiba Union of Employees in Commerce of Sorocaba Union of Employees in Commerce of Niterói Union of Employees in Commerce of Porto Alegre Union of Employees in Commerce of Rio de Janeiro Union of Employees in Commerce of Belo Horizonte Union of Employees in Commerce of Camaçari Union of Employees in Commerce of Jarinu Retail Trade Union of Campo Largo Union of Employees in Commerce of Moreno
Real Estate Investments	Union of Workers in Buildings and Condominiums of São Paulo - Sindifícios

In 2022, we formalized the hybrid work model, which involves dividing the weekly schedule between in-person and remote work, according to a schedule organized by each department manager. Approximately 30% of employees are working in this new format in the areas of Information Technology, Human Resources, Finance, Controlling, Tax, Accounting, Legal, Administration, Logistics, and Sales. This flexible work model aims to provide our employees with a better work-life balance.



## Improvement in Benefits Package

We updated the benefits package, increasing the value of meal vouchers by 117% with a 1% discount, benefiting 842 employees from the Jarinu, Cachoeirinha, Head Office, Itajaí, and Jaboatão units. We also eliminated the fixed monthly contribution for health insurance for the employee and first dependent, and it is now based on progressive percentage discounts according to job position and number of dependents.



## Training and Development

Employee development is guided by Training, Education and Language Incentive Policies, as well as the Annual Training Plan, which includes mandatory refresher courses to ensure that employees are prepared to fulfill their responsibilities safely. In 2022, the average training time per employee was 32 hours across various people development programs. (D404.2)

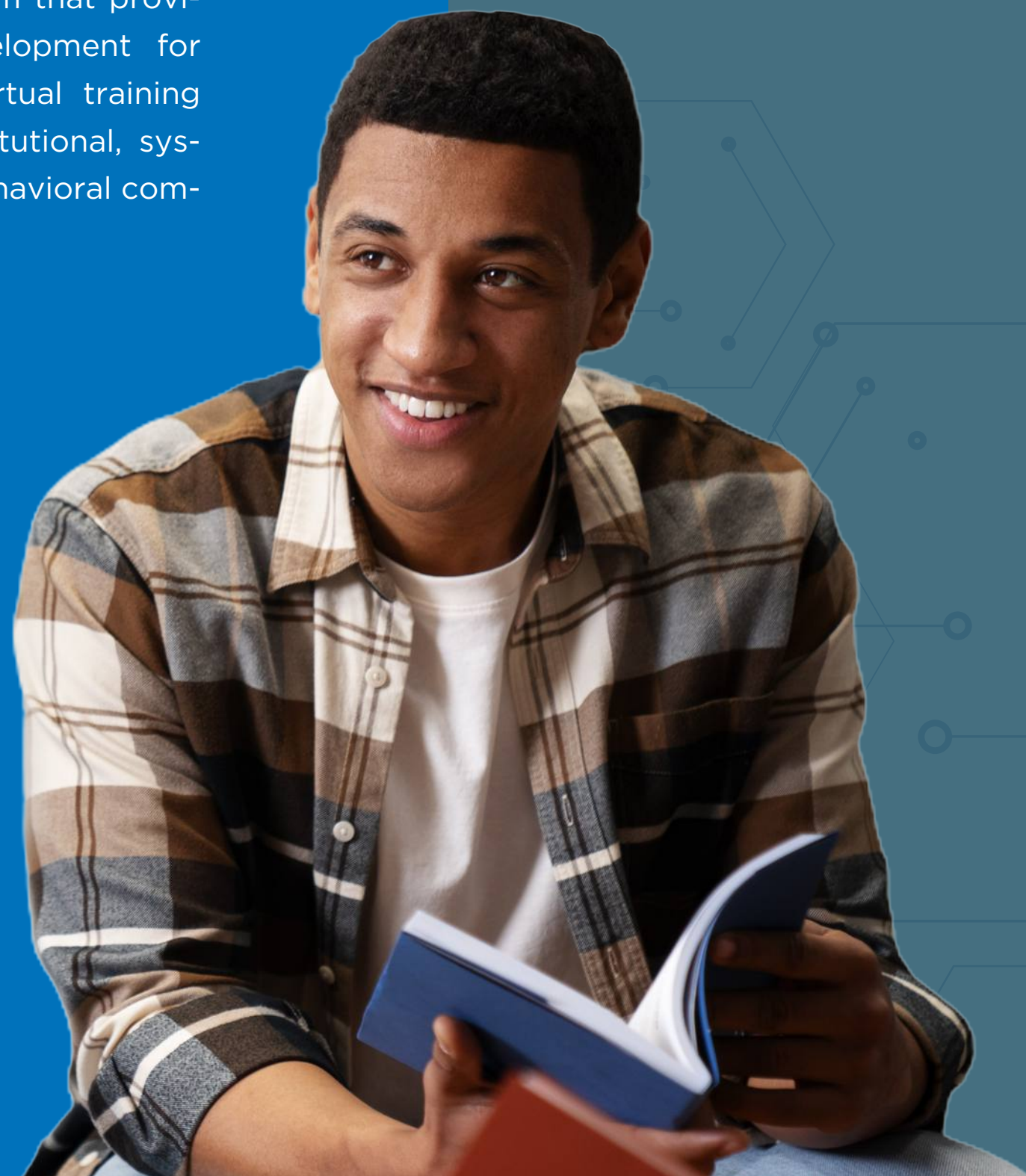


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# MCassab University

One of the highlights was the consolidation of MCassab Corporate University, an LMS platform that provides professional development for employees through virtual training paths focused on institutional, systems, technical, and behavioral competency content.



Launch of Sales Academy, for 334 employees from the Sales teams in the Distribution and Animal Nutrition and Health areas, reinforced our continuous focus on team development. In 2022, we offered 6 courses through the MCassab University, as well as in-person meetings focused on the practical application of concepts related to our B2B sales process and customer journey.



## Education Incentive

In addition to the training provided by the Corporate University, in 2022, we had 73 employees receiving subsidies of up to 50% for technical courses, undergraduate and postgraduate programs, and language courses, in accordance with the Education and Language Incentive Policy. (D404-2)



## Performance Evaluation (D404.3)

In 2022, 696 employees, representing 34% of the workforce, underwent the People Cycle, which was implemented in the Animal Nutrition and Health, Distribution, Corporate, and Fider® administrative teams. This year, the performance evaluation process incorporated the 9Box Methodology, with performance measurement across 9 quadrants, aiming to improve the analysis of employees' development potential and talent utilization.

We also added a new step, including self-assessment, as an initial phase to promote self-reflection, which also contributes to the feedback process, bringing different perspectives on the employee's evaluation compared to their manager's. In addition to the subsequent evaluation stages, calibration meetings, feedback (manager to employee), reverse feedback (employee to manager), and joint development plan creation.



## Diversity

The profile of our employees indicates a balanced gender distribution, with 43% being female and 34% identifying as Black or mixed race. This balance occurs organically within the group, which does not have specific diversity goals at this time and does not work with affirmative action quotas. The new Operational Complex, located in Jarinu/SP, will include infrastructure adaptations to facilitate access for people with disabilities, including ramps and adapted restrooms.

To promote empathy and understanding of the value of people with disabilities, we raised awareness among 100 leaders about ableism and conducted a Diversity in Retail Workshop, with the participation of 283 employees. In 2022, we made our first hiring of a transgender woman in the group for an operational role.



# Employee Health and Safety

(D403-1, D403-2, D403.3, D403-8)

Currently, 100% of our employees are protected by health and safety programs in accordance with the regulatory standards governing the activity sectors of our business areas, managed by a team of 8 individuals. Our Health and Safety Program includes:

- Preliminary risk analysis
- Standards and guidelines for individual and collective protection
- Training and guidance for safe conduct
- Emergency Action Plan
- Occupational Health and Medical Control Program
- Physical Integrity Protection Programs: Respiratory Protection Program (RPP) and Acoustic Conservation Program
- Composition of the CIPA (Internal Commission for Accident Prevention) according to regulatory standards for each business area
- Holding of SIPAT (Internal Week of Accident Prevention) for health and safety guidance
- Internal Health Promotion Campaigns



# Health and Safety Committee

(D403.4)

Internal Health and Safety Committees directly involve 59 employees distributed across the following locations:

- ▶ **Head Office**  
17 participants
- ▶ **Valinhos**  
4 participants
- ▶ **Cascavel**  
4 participants
- ▶ **Jarinu**  
4 participants
- ▶ **Rifaina Cold Store**  
19 participants
- ▶ **Rifaina Farm**  
11 participants



## Health and Safety Training

In 2022, 878 employees received training on regulatory standards that guide their occupational safety. Through both in-person and online lectures, the Internal Week of Accident Prevention (SIPAT) had 1,137 participants, focusing on topics that contributed to disease prevention and health promotion, such as November Blue.

## Safety Training

Topic	Number of Participants
NR 01 - Work Order (OS)	109
NR 01 - Preliminary Risk Analysis (APR)	131
NR 06 - Personal Protective Equipment (PPE)	194
NR 07 - First Aid	7
NR 10 - Electrical Work	14
NR 11 - Forklifts - Pallet Jacks - Material Handling	44
NR 12 - Safety in Machinery and Equipment	1
NR 13 - Pressure Vessels and Boilers	4
NR 15 - Insalubrity	34
NR 17 - Ergonomics	35
NR 20 - Flammable and Combustible Liquids	44
NR 20 - Hazardous Chemicals, Fuels, and Flammables	69
NR 23 - Fire Prevention and Chemical Emergency	29
NR 26 - Safety Signaling	27
NR 26 - GHS (Globally Harmonized System)	56
NR 33 - Management of Confined Spaces	35
35 NR 35 - Work at Heights	45
Safety Alert	29
Eye Protection	11
Traffic Awareness	38
Occupational Safety Integration	30
<b>Total</b>	<b>878</b>



SIPAT Lectures (D.403.5)	Nº de Participants
Mental Health	276
Sleep Health	226
Stop and Think	39
Posture Blitz	41
Value Life	211
Ergotherapy	166
The Challenge of Changes	178
<b>Total</b>	<b>1.137</b>

## Workplace Accident Rates

Workplace Accident (D 403.9)	2021	2022
Injury Rates	56	107
Occupational Disease Rates	0	0
Lost Workday Rates	111	328
Fatality Rates	0	0

The increase in the injury rate from 2021 to 2022 is related to the increase in the total number of employees from 1,851 to 2,061, the expansion of man-hours worked, and the number of overtime hours in the production areas, due to the implementation of the new Operational Complex located in Jarinu/SP. The Pescados area accounts for over 50% of the injury rate, which is attributed to manual operations and an increase in production volume. To improve this rate, a control program has been implemented, including three daily breaks and new measures to reduce accidents in the plant.

At the Operational Complex located in Jarinu/SP, we have a full-time clinic to provide medical assistance to all employees, and an ambulance is available for cases requiring transportation to external hospitals, exceeding the legal requirements of the Ministry of Labor.

## Improvement in the Health and Safety System

In 2022, we placed emphasis on enhancing and integrating management processes, which resulted in the implementation of programs, report generation, improved information controls, and indicators. We fully utilized the platform to compile specific health and safety data in accordance with the E-Social requirements and successfully met external audit requirements. Special dedication was given to the implementation of the occupational health and safety program at the Operational Complex located in Jarinu/SP.

The strengthening of the management system aims to be prepared for ISO 45001 certification by 2025.

### Occupational Medicine

In 2022, occupational health services expanded to include not only occupational exams but also clinical diagnoses of conditions such as obesity, high blood pressure, and diabetes. Appropriate guidance for treatment or prevention, aligned with the services offered by the health plan, was provided. In this initial phase, 80 appointments were made for this purpose.

**We want to increasingly engage our team, strengthening our culture and supporting the continuous organizational development through a strategic approach based on data that assist in decision-making, efficient processes, and initiatives that reinforce our commitment to social responsibility**

**Claudia Melo Ramos**  
Coordinator of People and Management





# SUPPLIERS

D.408.1; D409.1, D412.1

At MCassab Group, supply chain management is carried out through the Corporate Purchasing department, which is responsible for procuring suppliers of indirect materials, investments, packaging, and service providers. The Supply Chain/Product departments of the business areas are also involved in sourcing direct raw materials. The Quality department is responsible for establishing socio-environmental standards and measures to ensure product reliability, while the Regulatory department handles supplier contracts and legal compliance checks.

## Proportion of Expenditure with Local Suppliers in Key Business Units (D204.1)

Total Suppliers	2021	2022
Total Suppliers	1.629	1.989
National Suppliers	1.390	1.753
% of purchases from national suppliers	85%	88%

\*Excluding the Consumption and Transportation areas

Purchase Volume	2021	2022
Total purchase volume	R\$1.183.375.428,13	R\$ 1.397.331.819,47
Total purchases from national suppliers	R\$ 680.960.589,76	R\$ 979.568.093,30
% of purchase volume from national suppliers	58%	70%

\*Excluding the Consumption and Transportation areas

In 2022, we implemented the Supplier Code of Conduct as a significant step towards incorporating socio-environmental standards into our procurement process. The Code was sent to 669 suppliers and service providers, of which 255 accepted, representing 38% of the initial base. In this initial phase, critical suppliers were considered those who directly impact product quality and those with recurring purchases. (D412.1)



# Supplier Code of Conduct

We have formalized the Supplier Code of Conduct, which defines expected standards of behavior in the following areas:

 **Laws and regulations**

 **Unfair competition**

 **Conflict of interest**

 **Gifts, presents, and entertainment**

 **Human rights**

 **Freedom of association**

 **Labor practices**

 **Environment**

 **Confidentiality, transparency of information**



To promote internal alignment on the steps towards responsible procurement management and the dissemination of the Supplier Code of Conduct, we conducted two meetings involving 96 employees from the Purchasing, Product, Quality, and Legal departments of the business areas.

## Supplier Socio-Environmental Qualification

For domestic suppliers of indirect materials and service providers, we have established a corporate qualification process that includes socio-environmental aspects in the initial qualification questionnaire to be used as a parameter in purchasing decisions.

We have also adopted the CAUTUS platform to enhance the management of third parties through control and monitoring of documentation related to legal requirements regarding labor relations and health and safety. Additionally, activities have been carried out to provide training on health and safety for service providers' workers.



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# HIGHLIGHT 2022

In 2022, we monitored 80 third-party companies regarding employment relationships and safety regulations, involving a total of 147 workers at the Operational Complex located in Jarinu/SP.



## Raw Material, Resale, and Packaging Suppliers

For raw material, resale, and packaging suppliers, we initiated the process of centralizing and standardizing Supplier Evaluation and Qualification. We also developed an evaluation questionnaire that includes social and environmental questions, which serve as parameters for supplier qualification.



## Qualification Questionnaires

The evaluation questionnaires include questions related to quality, labor relations, child labor, forced labor, health and safety, compliance with environmental legislation, and socio-environmental monitoring of suppliers.



We are a company that delivers on its promises. Structuring centralized, integrated, and corporate purchasing processes for the group is the collective dream that we will deliver for MCassab's 100th anniversary

## Fabio Cochrane Cutait

Manager of Infrastructure, Purchasing, and Facilities





# COMMUNITY D413-1

Supporting social organizations is how we engage with communities, addressing immediate needs in situations of vulnerability and maintaining long-term relationships with specific projects.

The MCassab Group encourages and sponsors concrete social responsibility actions. These efforts are carried out in partnership with the NGO Vocação, a non-profit organization that has been working in the areas of education, culture, and citizenship for over 50 years.

The Frei Tito de Alencar Lima Promotion and Human Rights Center - Cidade Julia Unit is the main focus of this synergy. In this community, the MCassab Group has built the organization's headquarters and maintains social programs that serve adolescents and young people. The facilities include 5 classrooms, a computer center, a cafeteria, and a sports court.

The partnership between MCassab and Vocação also extends to the Work Preparation Program, implemented in three other institutions: Associação Cidadania Ativa do Macedônia, located in the Campo Limpo region, Movimento Renovador Paulo VI, and Comunidade Missionária de Villaregia, both located in the Embu-Guaçu region.

Considering all the initiatives with Vocação, the MCassab Group supports the development of over 230 children, aged 4 to 15, and 270 adolescents, aged 16 to 18, annually. In total, 500 children and young people benefit from these programs.



## 413-1 Community Development and Engagement Programs

Total Operations (Group Units)	6
Number of Operations with Local Community Actions	4
%	67%

Social Investment Projects	2022
Invested Amount (Own Resources)	R\$ 367,850.00
Number of Supported Projects	6
Number of Beneficiaries	610
Number of Volunteers	388
Number of Volunteer Work Hours	Approximately 30 hours
Product Donations	Over 600

## Volunteer Work

In 2022, we encouraged our employees to engage in volunteer work for the benefit of the ONG Vocação during the Easter, Winter Clothing, and Solidarity Christmas campaigns. We also carried out an environmental awareness initiative by planting tree seedlings with children from early childhood education in Rifaina, through the Fish area.

Volunteer Action	Number of Beneficiaries	Number of Donations
Easter Campaign	128 people	256 boxes of chocolates
Winter Clothing Campaign	128 people	350 blankets
Solidarity Christmas Campaign	132 people	136 gifts
Tree Planting Day	18 people	10 tree seedlings

## Inspiring the Future

Created in 2016, "Inspiring the Future" is a program that aims to connect young people aged 15 to 18 who are going through the vocational guidance process with professionals from different areas of the MCassab Group. These professionals share their academic background, field of work, and professional and personal experiences with the purpose of contributing to the development of behavioral competencies and job opportunities. In 2022, we held the 8th edition of the program with the participation of 25 young people, and we are proud to announce that two participants from previous editions are now working as our interns.





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## RESPECT FOR NATURAL RESOURCES

**We care about the world we live in, which is why we take care of the natural resources we use in our activities.**

It is our responsibility to ensure the systematic reduction of potential impacts resulting from the operations of our business areas. In 2022, we formalized our Environmental Policy to declare and disseminate this commitment in operations that directly interact with relevant environmental aspects such as energy, water, waste, biodiversity, and GHG emissions.







# Environmental Policy

- Compliance with applicable legal parameters and requirements for their business units.
- Collaborating with pollution prevention measures and optimization of natural resources.
- Establishing material aspects in the environmental dimension.
- Collaborating with sustainable development in activities, products, processes, services, and distribution.
- Correct and appropriate land use and prescribed prevention and mitigation measures.
- RSPO (Roundtable on Sustainable Palm Oil): Ensuring that all palm oil-containing acquisitions are obtained exclusively from RSPO-certified companies.



Each business area is responsible for managing and implementing environmental prevention and mitigation measures related to the specific aspects and impacts of their operations. During the transition of some operations to the Operational Complex located in Jarinu/SP, the focus was on obtaining permits at different levels, completing construction and installations for the full implementation of production processes. Due to duplicate operations - old and new facilities - there has been a general increase in water usage, energy consumption, and effluent generation. After completing this stage, it will be possible to consolidate indicators, define goals, and invest in continuous improvements for environmental enhancement.

## ENERGY

The main sources of energy we use are 98% electricity purchased from the public grid and 2% fossil fuels (gasoline). In 2022, we purchased energy from the open market, representing 80% of consumption with alternative energies in major units such as Rifaina, Matriz, and Jarinu.

In the Pescados area, we also transitioned from hydroelectric to diesel as the energy source to improve the oxygenation of the lagoon through combustion engines on barges. Additionally, there has been an increase in electricity consumption due to the dual operation of the Operational Complex located in Jarinu/SP and the Matriz.

Electricity consumption in kWh (D302.1)	2021*	2022
Distribution (Headquarters, Jarinu, Cachoeirinha), Nutrition and Animal Health (Headquarters, Jarinu, Campo Grande, Valinhos, Cascavel), Consumption (Jarinu), Fider (Rifaina), and Vitachemie (Headquarters).		7.591.922,28

*In 2021, there was consolidated corporate measurement. / **Vitachemie:** Buildings not considered. / **Consumption:** Stores and administrative areas not considered.*

In the Fish division, we observed an average energy efficiency of 0.37 kWh/kg of processed product in the slaughterhouse, while maintaining the same energy consumption standard. Despite the increase in production from 10 tons/day in 2019 to 40 tons/day in 2022, and the implementation of the meal factory in the slaughterhouse, we were able to maintain this efficiency due to investment in technology with lower energy consumption. Currently, we are studying the implementation of photovoltaic energy sources in all locations starting from 2023.





# WATER AND EFFLUENTS

The majority of water consumed in MCassab Group's units is sourced from the public water supply network or artesian wells. The Fishery division and the Operational Complex also have artesian wells. The Campo Grande unit has a semi-artesian well. However, in terms of the production process, water is the natural resource with the least intensive use in most operations. (303-01)

Water consumption is mainly related to the cleaning of NUTROR® production lines, Fishery operations, and changing rooms. In 2022, the Fishery division internalized the laundry service, which was previously outsourced for employee uniform cleaning. This change allowed us to reduce the number of uniform sets for employees, reduce CO2 emissions from transportation to the local laundry facility, and reduce water consumption.

Total water withdrawal in m3 (D305.1)	2021	2022
Distribution (Headquarters, Jarinu, Cachoeirinha), Nutrition and Animal Health (Headquarters, Jarinu, Campo Grande, Valinhos, Cascavel), Consumption (Jarinu), Fider (Rifaina), and Vitachemie (Headquarters).		1,676,614,40
<b>Total water discharge (megaliters) (D.303.3)</b>		

*In 2021, there was consolidated corporate measurement. / Vitachemie: Buildings not included. / Consumption: Stores and administrative areas not considered.*

Regarding effluent management, the main discharges are related to restaurants, bathrooms, production line washing, and facility cleaning. In all locations, we follow protocols to ensure that liquids discharged into the public sewer system comply with the physicochemical specifications required by current legislation. In some locations, we have adopted septic tanks and Effluent Treatment Plants in the Fishery division (Rifaina) and Nutrition and Animal Health division (Campo Grande).

In Jarinu, all areas generating industrial effluents have containment tanks for temporary storage of the generated waste, aiming to prevent possible leaks into common areas of the condominium. This ensures that no unintended disposal occurs. The waste is monitored, and collection is requested from the service provider for treatment and final disposal of the effluent, following current legislation.

## Care for Rivers and Lakes in Fish Farming Activity

(D303.1)

In the Fish division in Rifaina, to ensure the water quality of rivers and lakes where fish production takes place, a suction system was implemented to remove sludge or waste generated by fish farming activities. The waste is disposed of in an appropriate location for drainage and drying, and subsequently sent to a licensed landfill or used as organic-mineral fertilizer in agriculture.

Tank rotation was also carried out to improve the dispersion of pollutants in the water, with the dismantling of 36 tanks measuring 20x20m whose cycles had ended. Another point of attention is the containment of excess fish feed and feces. A protocol is in place to allocate feeders in all net tanks to contain the supplied feed. The entire team is trained to interrupt feeding in case of any deviation and promptly apply a solution.

There is constant containment and collection of carcasses of dead fish that may reach areas outside the designated river area for fish farming. Environmental control of birdlife is also in place, and any signs of abnormalities are quickly detected and reported to the environmental authorities.

To ensure the water quality of the Jaraguá reservoir, which is part of the Fish operation, we have expanded the number of sampling points to 13 and increased the frequency of self-monitoring. We have established an additional protocol to the one required by the CETESB Agency in Franca/SP, which will be made available to all interested parties within the group.

To provide systematic information and establish open dialogue with the Rifaina community, we have created a permanent communication channel on our institutional website and social media platforms. This channel is dedicated to receiving reports of disturbances and taking appropriate actions. We also engage in face-to-face communication through environmental education in partnership with the Municipal Government of Rifaina at strategic locations such as Enseada da Fronteira, Barracão Restaurant, Casa da Cultura, Environmental Department, Municipal Government, and City Council. We also conducted lectures on World Water Day for 320 people, including children and adults.



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## WASTE MANAGEMENT

Waste management is carried out through the Waste Management Program, which is tailored to each business area and communicated during employee onboarding. It includes: waste generation mapping, separation, packaging, proper disposal, and waste control. (D306-1, D306-2)

Whenever possible, waste is sent to companies with environmental licensing to carry out the final disposal process, as defined in their licenses. These companies are specialized, approved in socio-environmental requirements, and comply with relevant legislation. When there is no alternative to extend their lifespan, waste is sent for final disposal through authorized third parties.



## Recyclables Commercialization

In 2022, we commercialized 43,531 tons of recyclables and 113.52 tons of raw material waste used in nutritional components for composting in the Nutrition and Animal Health division in Campo Grande.

The Fish division also commercialized 11,784 tons of recyclables. An additional highlight in 2022 was the installation of the Tridecanter technology, which extracts oil and water from sludge resulting from wastewater treatment with improved efficiency. Starting from 2023, this oil and water will also be commercialized as biofuel. Furthermore, 4,750.66 tons of waste that would have been sent for final disposal became raw material for the production of flour and oil at the factory.

The destination and commercialization of recyclable materials have also become an established program in the Operational Complex located in Jarinu/SP. This includes formalizing the procedure, dedicated professionals, baling, and weight control.

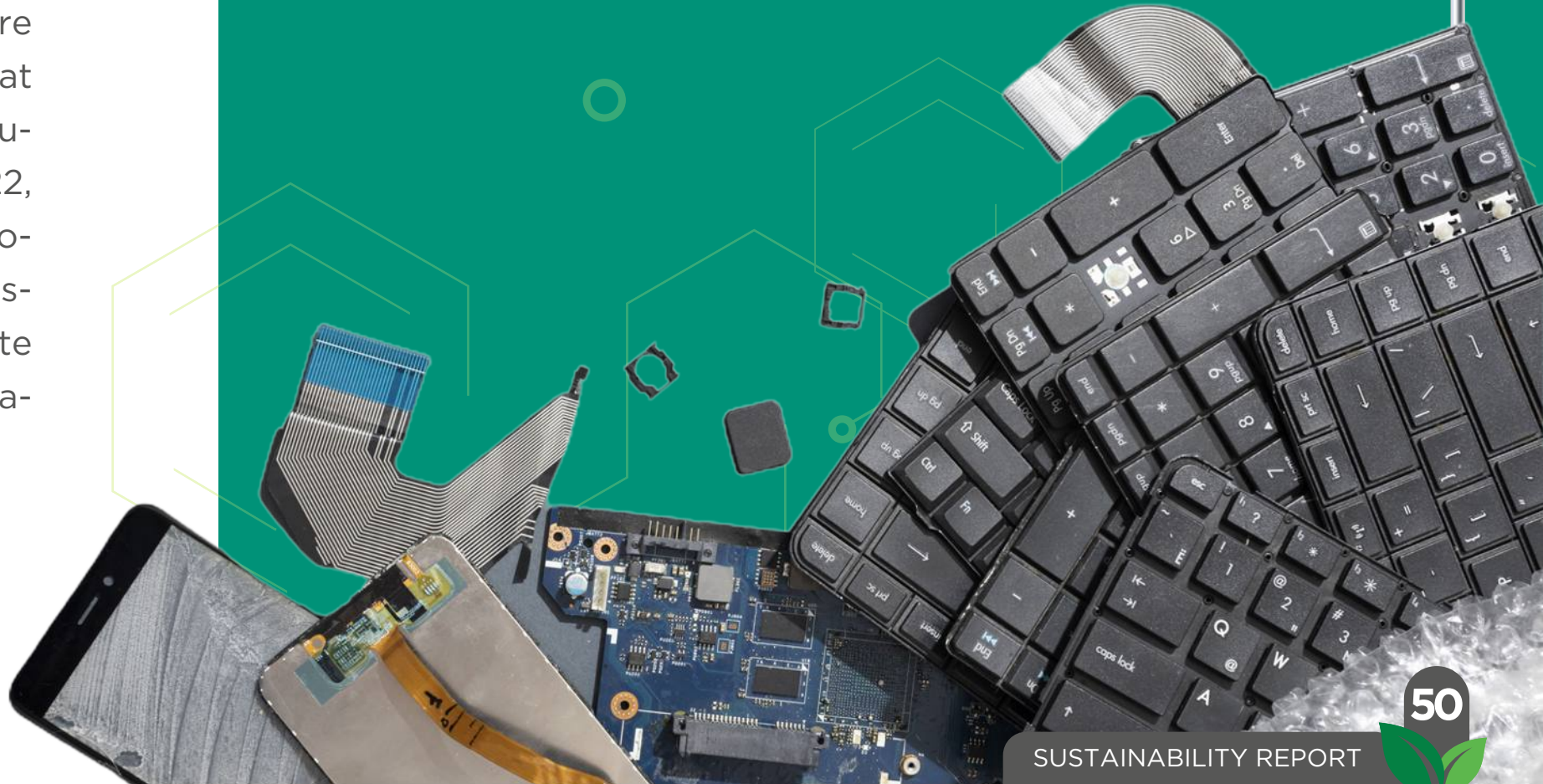
## Loss and Waste Reduction

Strict control was implemented for perishable raw materials traded in the Distribution and Nutrition and Animal Health divisions to ensure that losses are minimized, maintaining stock movement in a way that does not generate waste. Significant investments were made in manufacturing and storage processes to achieve these reductions. In 2022, we established a target for 2023 in the Performance Management Program, which sets indicators for variable compensation, aiming to discard no more than 0.09% of the accounting cost. This promotes waste reduction related to out-of-specification product quality, contamination, unsatisfactory performance, absence, or label discrepancy.



## Consumer Division in Partnership with ABREE

Through our partnership with the Brazilian Association of Recycling of Electronics and Appliances (ABREE), the Consumer Division promotes environmentally friendly disposal and reverse logistics of electronic devices and appliances in accordance with Federal Decree 10,240/20. This decree assigns responsibility for the product life cycle to manufacturers, importers, distributors, and retailers of household electronic devices and their components. As the sector's managing entity, ABREE enables the population to find the nearest collection points by entering their postal code. They also provide a comprehensive list of which products can be discarded.







# HIGHLIGHT 2022

In 2022, we achieved the goal of collecting and properly disposing of 7,894 kg, which represents 3% of the mass volume of imported electronic devices based on 2018.

We also reached the target of 175 kg of packaging, representing 22% of the total mass placed on the market in 2021, both through environmental compensation in partnership with ABREE. This partnership ensures that an equivalent volume generated will have environmentally appropriate disposal.



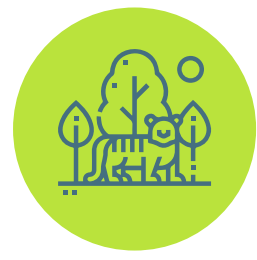
The Fish and Nutrição e Saúde Animal (Nutrition and Animal Health) areas have also adopted environmental compensation through the Eureciclo Seal, compensating for the recycling chain of packaging materials and ensuring that an equivalent volume generated will have environmentally appropriate disposal. The payments to cooperatives increase their sorting capacity and support the proper disposal and recycling of waste.

In the fish area, 21 recycling operators have benefited from the partnership since its inception in 2020. The payments have reached operators in the following states: BA, DF, MA, MG, PE, PI, PR, RJ, and RS. We encourage the collection, sorting, and proportional disposal of materials, including 22.0% of Paper, 22.5% of Cardboard, and 22.4% of Plastic. As of now, 22.0% of Paper, 2.1% of Cardboard, and 5.0% of Plastic have been compensated. In 2022, 9,591 tons of cardboard and 5,482 tons of plastic were compensated.

In the Animal Nutrition and Health area, 60 recycling operators have benefited from the partnership since its inception in 2018. The payments have reached operators in the following states: AM, BA, CE, DF, ES, GO, MA, MG, MS, MT, PA, PB, PE, PI, PR, RJ, RN, RO, RS, SC, SP, and TO. We encourage the collection, sorting, and proportional disposal of materials, including 22.1% of Paper and 22.0% of Plastic. As of now, 13.9% of Paper and 15.8% of Plastic have been compensated. In 2022, 38,641 tons of paper and 99,367 tons of plastic were compensated.

Generated Waste (D303.6)	2021	2022
Non-hazardous waste (tons)	2.104,99	1.841,243
Hazardous waste (tons)	187,73	135,484
Recycling	157,04	322,16
<b>TOTAL</b>	<b>2.449,76</b>	<b>2.298,88</b>

\*Excluding Real Estate Investments and Consumer Unit



## BIODIVERSITY AND PROTECTED HABITATS

The biodiversity theme is specific to the Fisheries division, which is located in a rural area in the city of Rifaina, São Paulo, along the shores of the Jaguará Reservoir. The area includes a Legal Reserve of 10.12 hectares (D304.1, D304.2, D304-3).

The MCassab farm area in Rifaina, where the Fisheries unit is located, constitutes an interface between the Cerrado and Semi Deciduous Forest due to its geological formation and pedological evolution. The vegetation in the area is considered an ecologically tense area, with a large part of it consisting of grass species such as (Brachiaria decumbens), along with a significant forest mass surrounding it, which includes a Permanent Preservation Area of 5.62 hectares and a Legal Reserve of 9.53 hectares.

Among the species present in this forest mass, the following stand out: Tapirira guianensis, Acromia aculeata, Genoma schottiana, Vernonia polysphaera, Cecropia pachystachya, Calophyllum brasiliense, Croton urucurana, Alchornea glandulosa, Inga vera, Dalbergia miscolobium, Schizolobium parahyba, Dimorphandra mollis, Enterolobium contortisiliquum, Mimosa caesalpinifolia, Acacia plumosa, Lafoensia pacari, Guazuma ulmifolia, Magnolia ovata, Tibouchina sp., Virola sebifera, Rapanea ferruginea, Psidium guajava, Solanum lycocarpum, Qualea grandiflora, Qualea parviflora, and Vochysia tucanorum.



In 2022, a study of terrestrial, aerial, and aquatic fauna was conducted, focusing on Avifauna, Herpetofauna, Mammals, and Ichthyofauna, using sampling methods to establish a characterization and diagnosis of the community in a short period. The studied environments were classified into the following categories:

- **Gallery forest (Mg):** forest vegetation that accompanies small rivers and streams, forming closed corridors (galleries) along the watercourse.

- **Anthropized areas (At):** areas highly modified by human activity and generally devoid of natural vegetation, such as orchards, pastures, sugarcane fields, and land surrounding buildings.

- **Wetlands (Br):** lagoons, reservoirs, and environments characterized by marsh vegetation (such as reeds, sedges, water hyacinths, and grasses), confined to patches within the gallery forest.

- **Forest fragments (Fr):** fragments of cerrado and/or semideciduous forest.

A program to enrich native vegetation will be implemented to fill gaps in planting and natural regeneration, aiming to increase vegetation diversity to levels naturally found in the surrounding area. The floristic survey conducted in 2022 will indicate the species to be introduced in the next rainy season of 2023/2024.



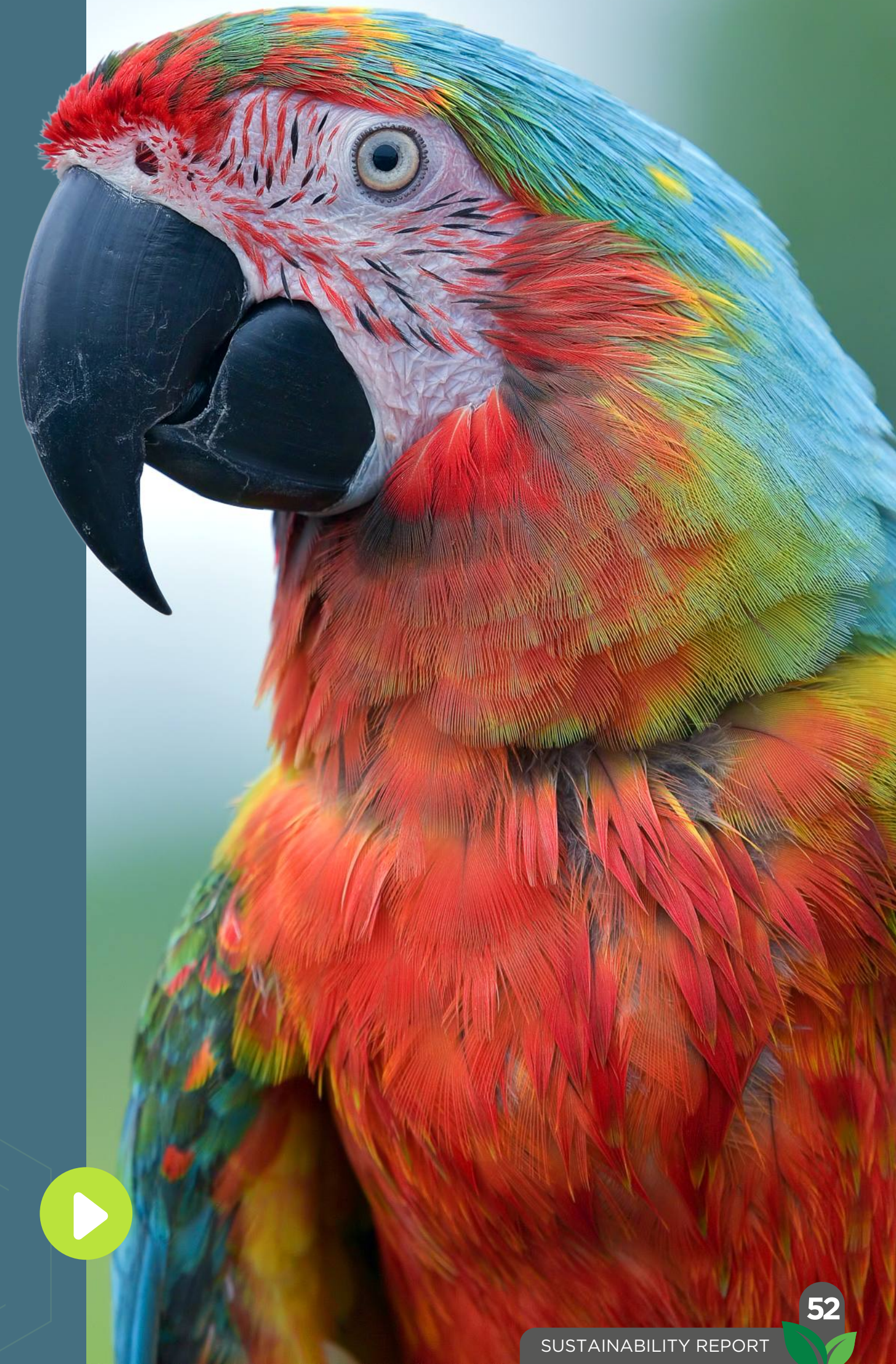
The Fish area has an operational procedure for interaction with wild animals, which regulates processes related to the capture or deterrence of these animals within the unit's facilities. The intention of deterrence is to minimize the loss and number of individuals to be rescued and handled, while also collaborating and providing guidance on wildlife rescue actions.

Additionally, the Fisheries area has a biosafety protocol that imposes measures to mitigate the escape of fish into the reservoir. This ensures that the population growth remains controlled, even though the species is already considered endemic.

## Adjacent Units to Environmental Protection Areas (D304-1)

Adjacent Units to Environmental Protection Areas (D304-1)	
Geographical Location City, State, Country	Rifaina, São Paulo, Brasil
Unit Size (km2)	0,2819
Attribute of the Environmental Protection Area	Terrestrial
Regulation/Category of Protected Area Management	Integrated Environmental Management System - SIGAM Secretary of Infrastructure and Environment Rural Environmental Registry - CAR
Protected Habitats in the Region Species included in the IUCN Red List	Total Property Area: 28.1998 hectares Other bodies of water: 14 fish tanks, 4.4709 hectares Total APP Area: 5.7011 hectares Native Vegetation: 5.7972 hectares Legal Reserve: 10.1191 hectares

Species in the IUCN Red List (D304-4)	2021	2022
Critically Endangered	0	0
Endangered	1	1
Vulnerable	1	1
Near Threatened	2	2
Least Concern	127	127
<b>Total number of species on the conservation list</b>	<b>131</b>	<b>131</b>







**Our initial commitment was to adhere to environmental legislation, no matter how complex it may be, given the diverse operations of our business areas. Now our vision for the future is to look further ahead, improve processes, product life cycles, and raw materials, aiming to reduce the environmental impact associated with our value chain**

**Thami Capitani**  
 Technical Regulatory Coordinator



## GRI CONTENT

D102-55

Here is a summary of the GRI content for the provided GRI codes:

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D102-49	Changes in the reports	4
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**CREDITS:**  
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## General Coordination

Regulatory Affairs Department

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We thank all the employees who were involved in the preparation of the 2022 Sustainability Report.

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