

ESG Report

2023



Summary

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INTRODUCTION



About the Report



Messages from the Administrative Council and Board of Directors



Highlights 2023



About Expocacer




Strategic planning



ESG Agenda

ABOUT THE REPORT

GRI 2-1, 2-2, 2-3, 2-5, 2-6, 2-14



Inspire, foster and nurture
a vanguard coffee farming
linked to the impact

Arlindo Porto – Expocacer member and his technical consultant Educampo, Caio Lazarini

This document, which covers the period from January 1st to December 31st, 2023, is the second Sustainability Report of Cooperativa Expocacer, published with the aim of presenting to all stakeholders our performance and progress in the sustainability agenda. This report follows the GRI (Global Reporting Initiative) Standards, published annually. The markings relating to the GRI indicators are highlighted throughout the document and consolidated in the GRI Summary, which can be found on page 60. Its content brings together the main information about the organization's ESG (Environmental, Social and Governance) practices and its business model, using as a reference the dual materiality matrix, prepared in 2023, with support from TOTVS Consulting.

Expocacer, a cooperative genuinely from Cerrado Mineiro, is located in Patrocínio and Patos de Minas, both cities in the State of Minas Gerais. Since 1993, it has recognized the value of coffee from the first region of Brazil, with designation of origin, certifying that our coffees have exclusive qualitative characteristics and production methods. Receiving, storing, preparing and selling excellent coffees are our specialties.

We constantly seek the most profitable businesses for our members, selling more than 1 million bags of the best coffees from the Cerrado Mineiro region per year, destined for the five continents, to more than 30 countries.

The Sustainability Technical Department was responsible for coordinating the preparation of the report, the result of the contribution of different areas of Expocacer to the collection, consolidation and validation of information at the end of the process. There was analysis by the Board of Directors and the Administrative Council for the necessary validations and approval. The report was not subjected to external verification.

MESSAGE FROM THE BOARD OF DIRECTORS

GRAY 2-22



Dear readers

Over the past year, we have witnessed significant challenges, but also exciting opportunities, that have shaped our path towards a more sustainable and innovative future.

We believe that sustainability is not just a responsibility, but a philosophy, a fundamental strategy for Expocacer's lasting success.

Fernando Noguez Beloni

President of the Board of Expocacer

We implement concrete initiatives, aiming to minimize the negative impact on the environment and promoting socially responsible commercial practices, also aligned with the principles of cooperativism.

We reduced our carbon footprint, adopted energy efficiency measures and encouraged more sustainable agricultural practices among our members. We are committed to preserving the environment for future generations, contributing to a more balanced planet.

We also repositioned our brand, recognizing the importance of staying updated and relevant, in a scenario of constant evolution. We work intensely on revitalizing Expocacer's image, aligning with the global values and aspirations of our community. We invested in innovation, technology and effective communication to strengthen our market presence.

Our collective efforts, together with the decision of all interested parties, solidify Expocacer as a cutting-edge and resilient cooperative.

We appreciate the trust of our members, employees, customers and other business partners. Let's move forward together, towards a more sustainable and prosperous coffee farming for everyone.

MESSAGE FROM THE BOARD

GRAY 2-22

30 years of Expocacer

It is with great satisfaction that we publish our Sustainability Report for 2023, the year in which we celebrate 30 years of Expocacer.

This document reflects the collective commitment, innovation, sustainability in management practice and resilience that characterize our journey over the last year.

We continue to grow and prepare for the future, based on the cooperative ideals of our founders, generating value for members and our community. We maintain strong commitments to integrity and solidity in all of our operations. We always seek to be at the forefront of best governance practices, aligned with global movements and towards cutting-edge coffee farming.

Amid economic challenges, Expocacer has another year marked by historic records, this time in coffee sales, with a notable increase of 20%, surpassing 1.3 million bags of coffee shipped. A sale that represents more than 1.3 billion reais.

We also became the first coffee cooperative in the world to have the 'REGENAGRI' regenerative seal, a significant chapter in our history, confirming our socio-environmental responsibility and commitment to our members, employees, partners and communities.

We ended the year with 696 members (80 joined in 2023), who believe in our purpose and our business model, further strengthening the relationship with our producers, through actions aimed at training and developing their businesses, in sustainable practices. Our employees are also fundamental to our operation and we pride ourselves on providing a healthy and equitable environment for our 260 employees.

We end the year inspired to continue generating positive impact for the entire ecosystem. We feel challenged and excited to continue, taking our members' coffee to more people, promoting new economies and generating socio-environmental development for communities.



Simão Pedro de Lima

CEO of Expocacer



Expocacer Warehouse

WE ARE EXPOCACER

GRAY 2-1, 2-6, 2-22, 3-3

We were born from the sum of many entrepreneurial stories, in a region of attitude, and from each of them we make the most of them, preparing ourselves to dream bigger and innovate more and more.

We are a cutting-edge cooperative, operating in an era full of transformations, connected to the challenges of the future of people and the planet.

Optimistic, we explore new possibilities and are restless for progress. Collaborative, we grow together stimulating and inspiring the future and transformation. Bold, we push limits and go further than ever before.

We want to be protagonists of this fascinating movement towards quality coffee farming with impact. And we are here to provide knowledge, support and new tools that help coffee farmers and the coffee ecosystem grow sustainably, collaborating with regenerative ideas and transparent dialogues.

More than a cooperative, we are producers, collaborators, partners and consumers aiming to inspire changes and the progressive expansion of value, in each decision, generating a positive impact and establishing our commitment to the future of coffee farming.

OUR AMBITION



Make our producers and our region the most innovative and sustainable in the world of coffee, and thus be recognized as a vanguard cooperative, representative, transparent and ahead of its time.

OUR PURPOSE

Commitment is our reason for existing. It's the difference, the positive change we are making in our organization and to the world of coffee.



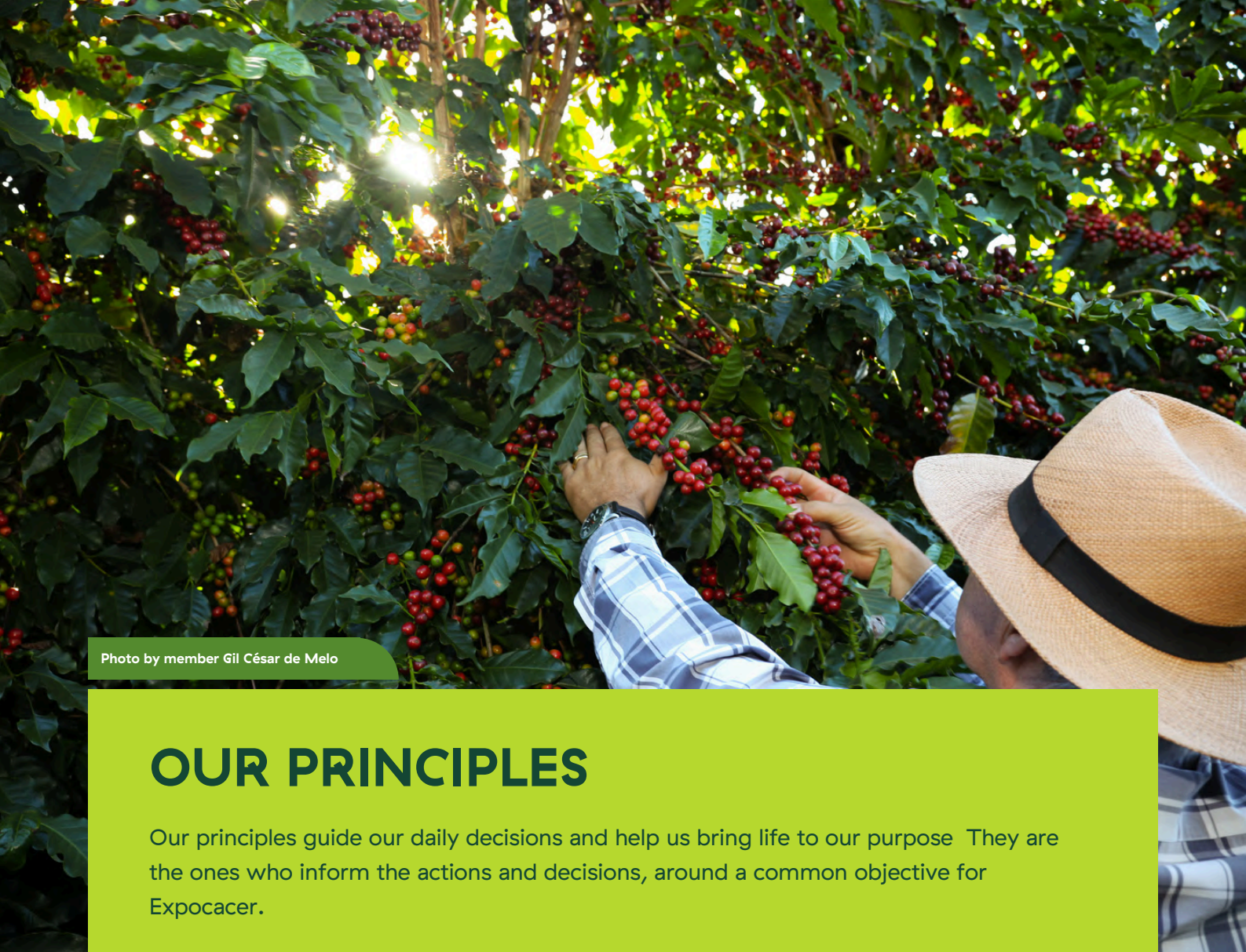


Photo by member Gil César de Melo

OUR PRINCIPLES

Our principles guide our daily decisions and help us bring life to our purpose. They are the ones who inform the actions and decisions, around a common objective for Expocacer.

Tread new paths

Inspire and encourage adaptability, agility and resilient strategies.

Cultural transformation

Nurture a technological, regenerative and equitable culture.

Define new standards

From cultivation to consumption with a focus on sustainability, transparency and positive impact.

Value Integration

Intercooperation in the same direction, committed to the development of the Cerrado Mineiro Region and the generation of value for our ecosystem.

WE ARE EXPOCACER

GRAY 2-1, 2-6

OUR NUMBERS



696

Cooperated Producers



1.000.000

static capacity bags for coffee storage



274

Collaborators



350.000

bags/month of movement, among receipt, preparation and shipment



2

units for storing and preparing coffees, including one for specialty coffees and nano batches



9.000

bags/day of processing capacity

OUR PRODUCTS



Commercial Cafes



Special Coffees



Industrialized Coffees

OUR SERVICES

STORAGE

Warehouse services include all reception movements, storage of raw coffee in bags, shipments and preparation carried out in the machinery (pre-cleaning, sieve separation, ventilation, electronic selection, alloys, among others).

COMMERCIALIZATION

All commercial movement of processed raw coffee beans, from origination to destination. It covers the areas of purchasing, sales, quality laboratory, specialty coffees and logistics. In its structure, work is divided into three areas: domestic export market, foreign market and domestic consumption.

CERTIFICATIONS

Among the services offered are: structural and documentary organization of the property; advice and monitoring for compliance with environmental and labor laws; more advantageous business opportunities; reach of differentiated markets; certifications via groups, with a view to reducing costs; specific training and lectures for achieving and maintaining certifications and developing and monitoring social and environmental projects.

EDUCAMPO SEBRAE/EXPOCACER

Educampo Expocacer are agricultural engineers, selected and trained using the Sebrae methodology, responsible for individual consultancy and have exclusive management tools at their disposal, with access to reliable information and various analyzes that guide decision-making and strategic planning. Management specialists, engineers carry out monthly consultancies in which the technical and managerial aspects of the property are developed, focusing on environmental, social and economic criteria.

INDUSTRIALIZATION OF SPECIALTY COFFEES

The roasting and grinding industry. In addition to roasting and grinding, it packs coffee and industrializes it in a unique and customized way to consumer preferences.

HIGHLIGHTS 2023

30 years of history

GRAY 2-29



The Cerrado Coffee Growers Cooperative (Expocacer), completed in 2023, with a lot of work and dedication, 30 years of a successful history, the result of the union of our people, members, collaborators, our customers and the communities in which we operate.

To commemorate this milestone in the history of Expocacer, an audiovisual series with testimonials and records with unpublished reports was launched. The production showed the advances and impacts of cooperative members in the coffee sector for producers, for local, national and international coffee farming and for the communities in which we operate.

In total, there are 06 episodes, which, through testimonials, present stories of the Cooperative from its roots and foundation, through its development, with activities aligned with sustainability, generating value for society. The contributions to the process of intercooperation and strengthening of the Cerrado Mineiro and the strategies for promoting the work of cooperative members and the challenges and future perspectives are also part of this narrative.

**READ THE QR
CODE AND FIND
OUT MORE:**



HIGHLIGHTS 2023

A new purpose is born

Expocacer, in recognition of global transformations and emerging market trends, went through a process of understanding, repositioning and strategic expression. The Cooperative understood this to be a moment of change, which is being driven by the desires of new consumers, who genuinely value sustainability, with transparency and more conscious decisions, regarding the impact generated by consumption.

STRATEGY

The strategy reinforces Expocacer's commitment to the future of coffee growing, reaffirming its place as a protagonist of this movement, and aiming to consolidate itself as a vanguard Cooperative, mainly aiming at new opportunities for its members.

COMMITMENT

Our positioning is aligned not only with the coffee market, but mainly with a look at the production and consumption chain, emphasizing the promotion of regenerative ideas through the promotion of collaboration, the commitment to equity and awareness of the positive impact on the future of people and the planet.

BRAND

The brand that was previously Expocacer became Expocacer, emphasizing the legibility of the name. The change brought simplification, preserving our essence and connection with the original idea: "Coffee Farming in Cerrado Mineiro".

HIGHLIGHTS 2023



Expocacer is highlighted in the yearbook and overview of Minas Gerais cooperative indicators

Ocemg – Organization of Cooperatives of the State of Minas Gerais, released a study with the main indicators of cooperatives in Minas Gerais and Expocacer was highlighted in the list of TOP 10 in the Alto Paranaíba Region. An achievement that reflects our commitment to generating sustainable and shared value.

When compared between the 10 Cooperatives of Cerrado Mineiro

2a. Position
in economic movement

In the comparison between 20 largest mining cooperatives:

6a. Position
in income/revenue and total assets

8a. Position
in leftovers before destinations

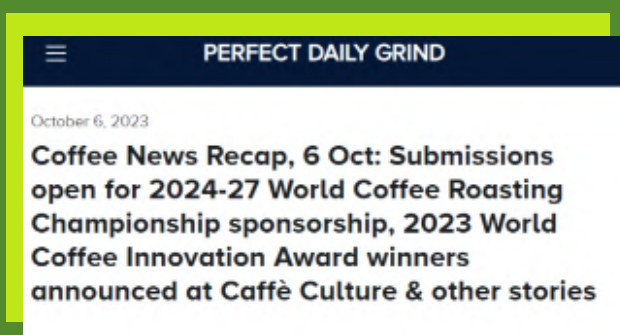
In the comparison between the 50 largest cooperatives in Minas Gerais, in relation to their participation in the State's GDP:

8a. Position
in total income/revenue

31a. Position
in total assets

HIGHLIGHTS 2023

EXPOSURE IN THE MEDIA



CAMPAIGNS RESULTS

282

NUMBER OF PUBLICATIONS

+ 50 M

PEOPLE REACHED

STRATEGIC PLANNING

GRI 2-29, 3-3

Expocacer constantly maintains its strategic planning every four years, with a biannual review. In 2023, the cooperative met with managers, advisors and other stakeholders, to plan actions for the near future. The focus of the planning, in addition to maintaining commitments to commercial growth and financial strengthening of the cooperative, was real sustainability, social and environmental actions with an impact on coffee farming and its entire ecosystem.

In the 2023 Strategic Planning, five vital pillars were worked on for Expocacer:

COOPERATIVE ACTS

Strengthen the sense of belonging together with the cooperative member. Improve communication channels to make producers even more informed. Increase the number of cooperative members by 40% by 2027.



COMMERCIALIZATION

Expand the relationship with the Cerrado Mineiro Region. Expand the customer base, consequently increasing the sale of commercial and specialty coffees. Prospect new markets and establish strategic commercial partnerships.

LOGISTICS AND WAREHOUSE OPERATIONS

Goals aimed at improving production efficiency, expanding the storage area and implementing new technologies.



STRATEGIC PLANNING

GRI 2-29, 3-3



GOVERNANCE

With the aim of always innovating, we revisit the current scenario to propose continuous improvements in the governance structure; One of the important definitions for this next phase was the formal elaboration of the functioning of Expocacer's decision-making process. Furthermore, goals for expanding projects and internal actions aimed at people management were stipulated, such as: training and developing leaders, talent management, improving performance assessments, among others. The management of Cafeteria Dulcerrado and the coffee industry also has goals and projects outlined in this pillar.

BRAND STRENGTHENING

The year 2023 was marked by the celebration of Expocacer's 30th anniversary and also by the rebranding of the brand, therefore this pillar of strategic planning becomes the focus of work; Our transformation agenda and strategic marketing plan will permeate all work carried out by the cooperative over the next four years.



ESG AGENDA

In 2023, we consolidated the structuring of the ESG agenda within Expocacer, by hiring a specialized consultancy. It was up to TOTVS Consulting, TOTVS' strategic ESG consultancy unit, our current technology partner, to map our maturity, risks and opportunities in environmental, social and corporate governance aspects, as well as structuring ESG actions, in line with the material themes for the cooperative.

This structuring was the basis for the creation of the cooperative's ESG Journey, with the motivations being to favor our community and the environment, the improvement of our governance processes, the expansion of the concept of sustainability beyond regulatory bodies and our commitment to inspiring, promoting and nurturing cutting-edge coffee farming, linked to impact.

This work includes everything from ESG diagnosis and mapping of initiatives, to defining the strategy, with the creation of action plans, and the publication of our second sustainability report, based on the GRI model. The next steps consist of expanding the ESG structure and controlling indicators, making sustainability more integrated into the operational routine.



ESG DIAGNOSIS 2023

- ESG Diagnosis and Score;
- Dual Materiality Matrix;
- Map of risks and opportunities;
- SWOT analysis of material themes;
- Setorial Benchmarking ;
- Mapping and prioritizing of internal ESG initiatives;
- ESG agenda guidelines;
- Action plans.



ESG AGENDA 2024

- Development of action plans for environmental, social and corporate governance themes
- GHG emissions inventory;
- Sustainability Report in the GRI model;
- ESG communication plan;
- Training for sustainability;
- Implementation of the TOTVS by DEEP ESG Management Platform.

ESG AGENDA



As next steps, our focus is on consolidating and strengthening actions, with an increasingly focus on generating value, engaging stakeholders in more sustainable practices, valuing human relationships and reducing risks for business, our members and for the planet. In 2023, we advanced in creating the identity for our ESG management, which defines our purpose, mission and vision.

PURPOSE OF THE STRATEGY

Inspire, encourage and nurture cutting-edge coffee farming, linked to impact

ESG PURPOSE OF EXPOCACER



Always adhere to applicable policies, standards and guidelines

Fulfill our responsibilities



Identify risks and opportunities and outline a strategy aligned with our values

Make the best choices



Be a reference for our members, collaborators, partners and suppliers

Inspire our ecosystem

ESG STRATEGY VISION

To be a reference in sustainability within our operating market and recognized by stakeholders as a cooperative that promotes positive impact throughout its value chain.

The eight action fronts created to execute our ESG Strategy are responsible for planning, developing and implementing the mapped initiatives, aiming to ensure sustainability practices in different spaces.

Valuing Our People

Valuing our employees from different perspectives, seeking greater alignment with organizational culture, prioritizing professional well-being.

Quality and Responsibility with Products and Services

Improve the relationship with Expocacer customers in the various interaction channels, throughout their journey, with a focus on actions with a positive impact.

Valuing Cooperators

Develop a sustainable relationship with all our members, aiming to increase efficiency, encourage governance practices and enhance the positive impact on business, the environment and society.

Human Rights and Diversity

Create an environment free of discrimination, which encourages and values respect and equal opportunities for our employees within all of Expocacer's business units, extending the value chain.

Supplier and Third Party Management

Promote a sustainable relationship with the entire supply chain, covering production processes, management, governance, logistics, storage, transport and distribution.

Improving Governance, Transparency and Ethics

Ensure that our ecosystem is aligned with good governance practices, ethics, purpose and organizational values, adopting procedures that promote institutional security, mitigating risks and attesting to our compliance.

Conservation of Nature and Biodiversity

Monitor and improve our operations, focusing on efficiency, mitigating regulatory risks and managing direct and indirect environmental impacts, in addition to providing training to the field.

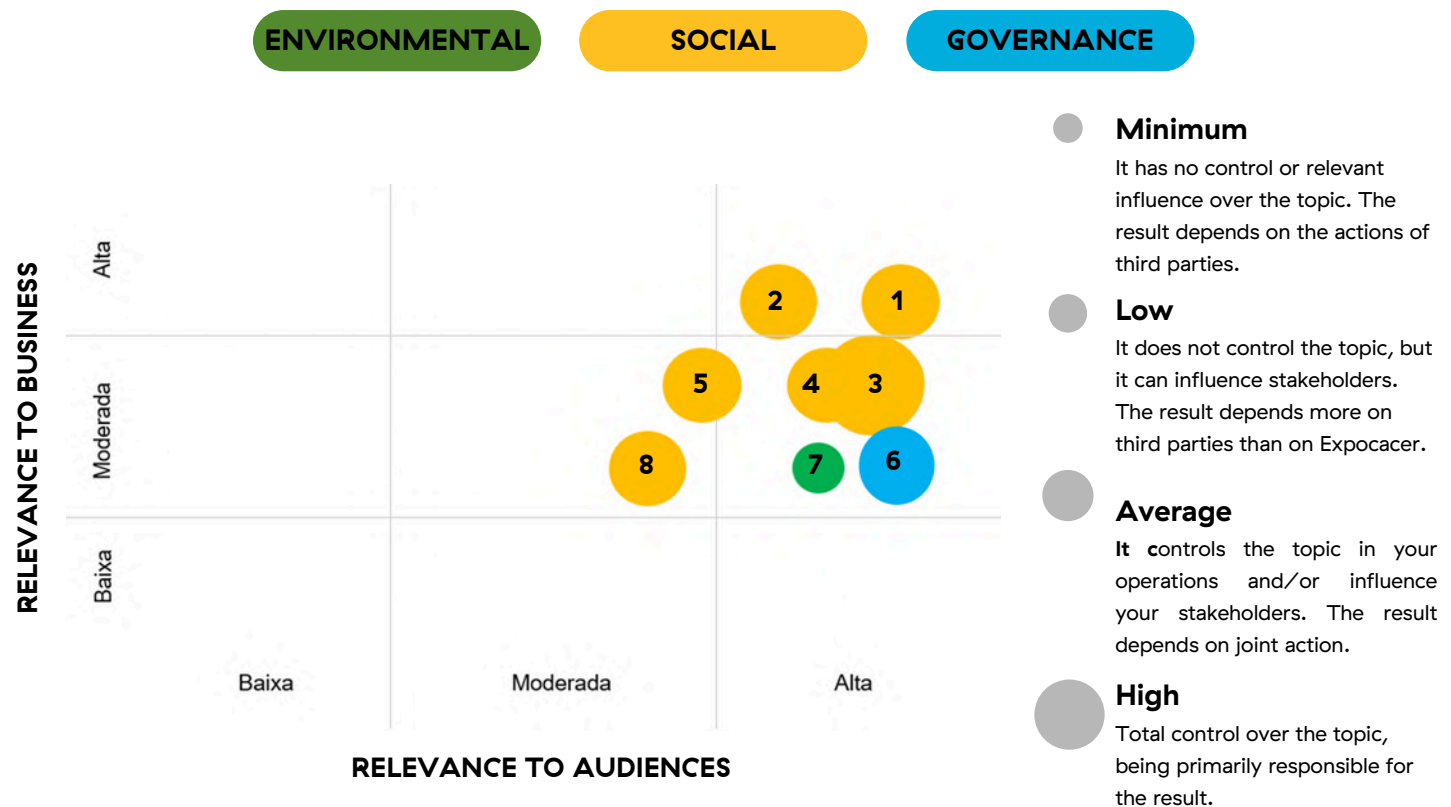
Development of Operating Regions

Contribute to the development of communities in the regions where we operate, through education and structured social actions, carried out with the support of cooperative members and partners.

DUAL MATERIALITY MATRIX

GRAY 3-1, 3-2

The Materiality Matrix was developed with the support of the specialized consultancy, TOTVS Consulting, based on a diagnosis carried out in 2023, which included online surveys with employees, managers and partners, in addition to interviews with strategic stakeholders. The objective was to understand the practices implemented in the organization, the points of attention and vulnerabilities, as well as the risks related to sustainability trends. Initially, six environmental themes, nine social themes and five governance themes were identified, in addition to themes transversal to the ESG pillars, such as the sustainability of the supply chain. Our Materiality Matrix is made up of 8 priority material themes, guided by the Sustainable Development Goals (SDGs) of the United Nations (UN). This mapping is essential to support the company's sustainability strategy and build a vision of how we impact and are impacted by stakeholders.



- 1 Fair Work, Health and Safety Practices
- 5 Supplier and Third Party Management
- 2 Quality and Responsibility of Products and Services
- 6 Governance, Transparency and Ethics
- 3 Valuing Cooperators
- 7 Nature Conservation and Biodiversity
- 4 Human Rights and Diversity
- 8 Development of the Regions in which it operates

IMPACT OF ESG PRACTICES ON EXPOCACER

GRAY 3-3

IMPACT OF THE COOPERATIVE ON SOCIETY

In Cerrado Mineiro, collective initiatives associated with sustainability have made Expocacer a reference in the sustainable aspect. Since its creation, almost 20 years ago, the cooperative has been developing actions and projects aimed at responsible coffee farming and, thus, transforming the production method of coffee growers in the Region.

Annually, Expocacer promotes activities focusing on issues of social and environmental responsibility, public health and support and encouragement for sport.

Our calendar of activities aims to encourage volunteering. Between members and employees, it is estimated that Expocacer projects and programs involve directly or indirectly more than 2,000 families.



SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals are a global call to action to end poverty, protect the environment and climate, and ensure that people everywhere can enjoy peace and prosperity. Expocacer identified, through its material themes, the priority SDGs, and in this way, joins efforts to promote the UN (United Nations) 2030 Agenda.

MATERIAL THEMES	SUSTAINABLE DEVELOPMENT GOALS		
Fair Work, Health and Safety Practices			
Quality and Responsibility of Products and Services			
Valuing Cooperators			
Human Rights and Diversity			
Supplier and Third Party Management			
Improving Governance, Transparency and Ethics			
Nature Conservation and Biodiversity			
Development of the Regions in which it operates			



COOPERATIVIST GOVERNANCE

-  Governance Structure
-  Ethics, Integrity and Transparency
-  Process management
-  Risk Management and Compliance
-  Privacy and Data Security

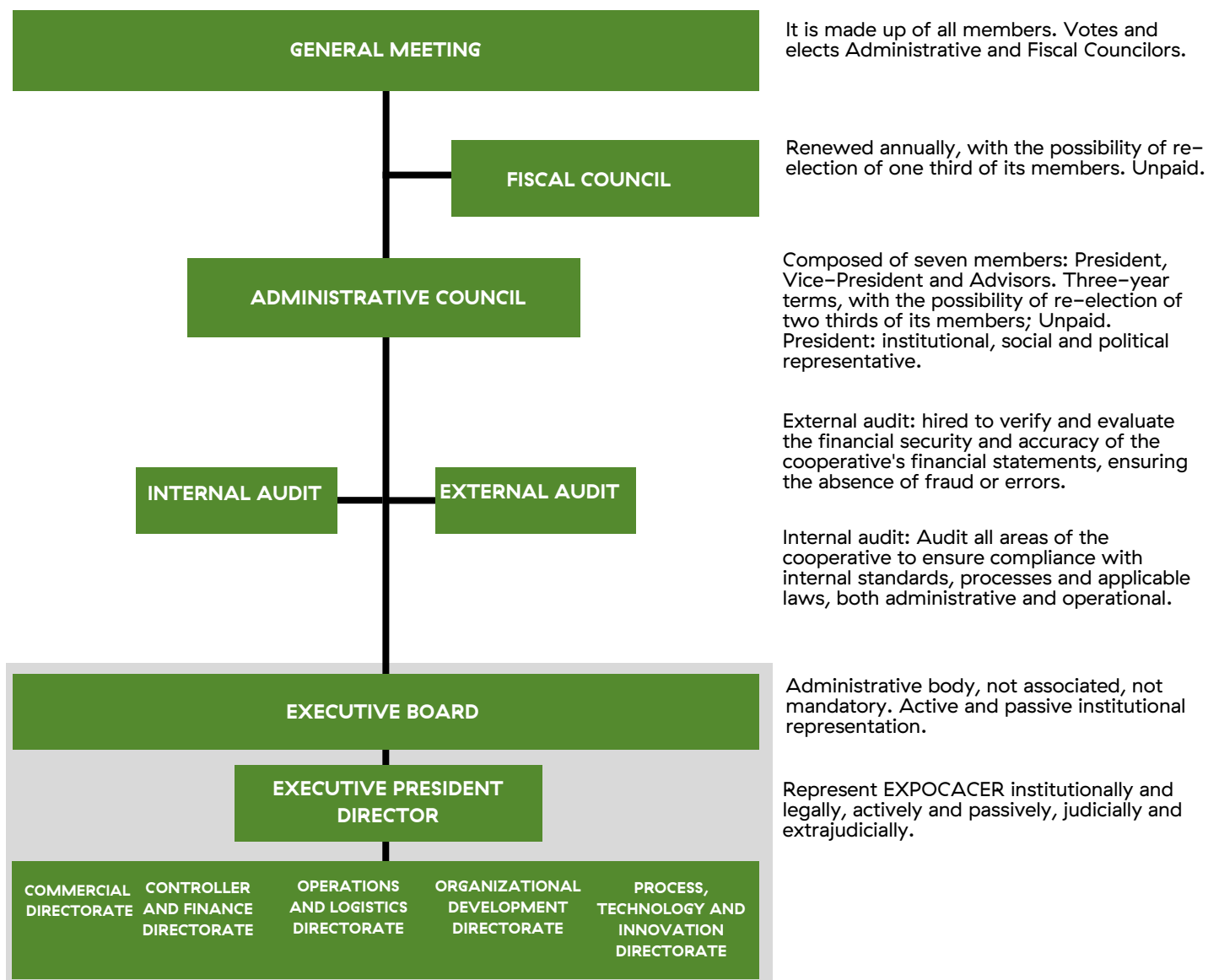
GOVERNANCE STRUCTURE

GRI 2-9, 2-10, 2-11, 2-12, 2-13



Like every cooperative, Expocacer's governance is based on the General Assembly, which is the highest deliberation body. The administration of the cooperative is coordinated by the Board of Directors, made up of seven members, elected by the General Assembly. This Council directly represents the cooperative members and their desires. Organizational management is carried out by the Executive Board, coordinated by the Executive President Director and made up of five directorates, namely: Organizational Development, Controlling and Finance, Commercial, Operations and Logistics and Processes, Technology and Innovation. The cooperative's management model is based on processes and not areas. All directors are professionals with training and experience in the areas in which they work, not cooperated and hired by the Board of Directors, the body to which they report. Expocacer operates through departments, sectors and professionalized technical professionals. It should be noted that this Expocacer governance model is considered by the cooperative segment as a sober, efficient model that adheres to modern management principles.

EXPOCACER GOVERNANCE STRUCTURE



GOVERNANCE STRUCTURE

GRI 2-15, 2-23, 2-24



At Expocacer, we are committed to ensuring that ethical and compliance requirements are disseminated through responsibility and transparency, applied to our governance model. In this sense, we present aspects of our cooperative's governance model.

DEVELOPMENT OF THE COOPERATIVE

Expocacaer board members are not remunerated for carrying out these functions and contribute to the definition of long-term strategies, with a view to new business opportunities, enabling greater transparency and objectivity.

BETTER CORPORATE GOVERNANCE

Our board of directors, made up of members elected at a general meeting, with a term of office of three years and not overlapping, this allows for a better dynamic of participation of members on the board, which contributes to the improvement of corporate governance, ensuring responsible and transparent management.

EFFICIENCY IN MANAGEMENT

At Expocacer, management of the cooperative is carried out by a body of professional directors hired by the Board of Directors, without specific mandates and responsible for administrative acts within the limits of their competences. This professionalized management follows the organizational guidelines and policies established by the Board of Directors, the actions of the board and management are synergistic, contributing to the perfect administration of the cooperative.



Cooperative Service. In the photo, Júlio (on the left) and Petrônio (on the right)

ETHICS, INTEGRITY AND TRANSPARENCY

GRI 2-16, 2-23, 2-24, 2-26, 2-27, 3-3

Ethics and Integrity are essential pillars for establishing a successful and sustainable long-term cooperative. At Expocacer, these values permeate all aspects of its operations, from formulating strategies to interactions with members, customers, suppliers and employees.

Expocacer is committed to strict ethical standards in all its activities. This implies that its decisions are based on principles such as honesty, transparency and responsibility. The cooperative maintains a fair stance in all its transactions and commercial relationships, rejecting dishonest and unethical practices, such as bribery, corruption and fraud, guaranteed by our Compliance Policy. Furthermore, Expocacer cultivates lasting partnerships with producers, suppliers and commercial partners, following ethical and honest practices that strengthen the trust of its employees.

Based on direct and effective service with our members and customers, the Member Service Center – CAC is a channel for intermediating and resolving demands and responding to suggestions, compliments and complaints about the cooperative's actions. The center provides personalized service, with the improvement of services, by conducting all negotiations for direct and timely knowledge of Expocacer's Executive Board. With this, we include associates in our decision-making, valuing their perspectives and interests.

In 2023, the Member Service Center developed a registration update campaign, a satisfaction survey, carried out welcome and outreach visits, as well as events with members, such as coffee with members and the ombudsman's office itself. Some of our benefits and services offered to members involve security, traceability and personalized conditions for receiving, storing and selling coffee, commercial advice, analysis and guidance on the market, access to exclusive online tools with agile and easy application, health plan, provision of services and appreciation of coffee produced by members, among others.

ETHICS, INTEGRITY AND TRANSPARENCY

GRI 2-16, 2-23, 2-24, 2-26, 2-27, 3-3

DEFINE NEW STANDARDS: FROM CULTIVATION TO CONSUMPTION WITH A FOCUS ON SUSTAINABILITY, TRANSPARENCY AND POSITIVE IMPACT

GRI 2-25, 2-26, 2-27

The changes made to the Risk Policy in 2023 brought greater security and management control inherent to the cooperative's business, making calculations of exposure risks clearer and simpler, generating reliability and security.

These initiatives carried out through the work of the Risk Management and Analysis Committee and the Expocacer Risk Management Group generated more credibility with Expocacer's partner financial institutions.

NET MARGIN ON OPERATIONS WITH COOPERATORS

GRI 2-29, 3-3

All operations with cooperative members must have as a ceiling the maximum percentage of net margin established for the current year.

It will be up to the Board of Directors to establish the maximum percentage of the Net Margin to be applied to coffee purchasing operations from cooperative members.

The maximum working margin limit in 2023 was 2%.



Photo of member Michele Silva and family.

STRUCTURING GOVERNANCE POLICIES

Our governance model is well structured, with clear policies and standards that establish corporate guidelines and the responsibilities of each area in the organization, which also add value and direct our members towards the ideal path. Policies provide the guidelines and principles, while processes detail how activities should be carried out. Together, they ensure that the cooperative's actions are aligned with its purpose and principles.

In 2023, updates were carried out and new policies were introduced to ensure increasingly effective and transparent management.

GOVERNANCE POLICIES

 <h3>RELEVANT GOVERNANCE POLICIES</h3> <ul style="list-style-type: none">• Personal Data Protection Policy• Risk Management Policy• Data Security Policy• FATES (Leftovers) usage policy	 <h3>UPDATED POLICIES</h3> <ul style="list-style-type: none">• Risk Management Policy• Compliance Policy	 <h3>NEW POLICIES APPROVED</h3> <ul style="list-style-type: none">• Reserve Policies for Economic Strengthening• Reserve Policy for Social Investments• Environmental Policy
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COMPLIANCE POLICY

The Compliance Policy is our guide to organizational behavior towards the market in which we operate, with the aim of complying with legal obligations and ethical standards of conduct and internal controls. In our quest for the development and robustness of Expocacer, we have established solid foundations through the implementation of our Compliance Policy.

This initiative aims to ensure the compliance of our processes, improving prevention, identification and correction mechanisms, and consolidating our operations under ethical principles, integrity and transparency.

The Compliance team plays a crucial role in verifying operations that resulted in errors, developing solutions to correct them. We carefully analyze failed procedures, proposing improvement actions to ensure the continued effectiveness of our processes and reinforce our organizational culture guided by ethics and respect for people.



Expocacer Field Day of the Regenerative Dialogues Program (Faz Três Meninas)

PROCESS MANAGEMENT

GRI 2-25, 3-3, 205-1

Process Management is extremely important for cooperatives, allowing more efficient and effective control of the activities carried out and resulting in:

- Quality improvements;
- Cost reduction;
- Greater productivity;
- Non-client focus;
- Decisions based on data;
- Improvement of the work environment.

All processes applied at Expocacer come from organizational policies approved by the Board of Directors, which also monitors the approved policies.

In 2023, some processes were reviewed together with the departments, requiring corrections to documents and adjustments to the system, including:

- Creation of the Coffee Purchase Contract Signing Process;
- Review of the Credit Analysis process for Cooperative Members in Future Market operations;
- Initialization of the systematization process of Exchange Hedge Operations and mark-to-market (MtM) controls
- Pricing of coffee prices;
- Improvement in the Specialty Coffee process, providing information to members about the quality of their coffee;
- Availability and transparency to the producer through the on-screen presentation of coffee pricing and the application of premiums and discounts.

PROCESS MANAGEMENT

GRI 2-25, 3-3, 205-2



TRAINING AND QUALIFICATION

In the warehouse, adjustments were also made to documents, such as system improvement settings, and training with users to efficiently control service charges. Daily billing automation was applied to the system, enabling the user to participate and engage in the continuous improvement process. .

In 2023, we carried out an important training and qualification cycle for our service teams for members and other stakeholders, aiming to improve efficiency and quality in the relationship, providing greater agility, with better levels of assertiveness.

The focus of training and qualification was concentrated on four major processes:

Coffee purchasing process

With the participation of the Business Agent, Member Service Center, Backoffice and Finance before the start of the harvest period for better service, transparency and collaboration between the teams involved in direct service to members.

Warehouse Special Regime Tax Process

With the participation of those directly involved in the operation: Administrative, Warehouse, Tax, Member Service Center, Backoffice and IT, for better guidance and adaptation to the regime and guidance to the member in the issuance through exclusive access to the “Cooperative Member Portal”.

Registration Process

Guidance on how to proceed with inclusions, updating records of producers, suppliers, employees in the cooperative, with the participation of those involved: Cooperative Member Service Center, Human Resources, Backoffice, Tax, Finance, Administrative and Warehouse.

Transparent Processes

With guidance for employees and best practices applied, we can reduce the risk of fraud and non-conformity errors, generating a positive impact on the cooperative's results.



In total, 49 employees from the areas involved were qualified in process management.

PRIVACY AND DATA SECURITY



GRI 418-1

The Compliance team plays a crucial role in verifying operations that resulted in errors, developing solutions to correct them. We carefully analyze failed procedures, proposing improvement actions to ensure the continued effectiveness of our processes and reinforce our organizational culture guided by ethics and respect for people.

Expocacer understands that privacy is a fundamental and natural right of the person and understands that, in its business processes where personal data is processed, this information passes through different means of support, storage and communication, which are vulnerable to external factors and internal data that may compromise the Protection of Personal Data and negatively affect the privacy of its holders.

In 2023, we invested in improving our DPO (Data Protection Officer) and restructured our Personal Data Protection Management Committee (CGPDP).

In practice, we encourage and disseminate the culture of personal data protection in the cooperative through training and guidance on practices to be taken in relation to the protection of personal data. By qualifying our employees, we are reinforcing our commitments to ethics, transparency in line with respect for corporate governance practices.



Training series on LGPD practices and practices with Expocacer employees



**274 professionals
qualified in LGPD policies
and practices**



SOCIAL PILLAR



Our people

Training Fair Work Practices, Health and Safety

Age Profile of Employees

Young Apprentice Program

Our Team Program

Engagement and Valuation



Impact on Society

Expocacer in the Community

Donations

Cooperation

Engagement and volunteering

SOCIAL PILLAR

GRAY 3-3



OUR PEOPLE

GRI 2-7, 3-3, 405-1

We believe that our employees are essential to achieving the goals set and enhancing cooperativism. For this reason, we invest more and more efforts to provide our people with a positive experience throughout their journey at Expocacer. Actions to value our internal public, promoting a healthy work environment, including building good relationships and talent attraction and retention programs, are fundamental to strengthening pride and belonging.



88 Women



186 Men



38% in leadership positions



62% in leadership positions

As of December 31, 2023, Expocacer had 274 professionals on its permanent staff. It was found that there was a 26% increase in women on the staff and, of the vacancies offered by the cooperative in leadership positions, there was a significant increase of 44% in the participation of women from 2022 to 2023, making up 38% of Expocacer's leadership, 50% of which is on the board!

In 2024, Expocacer has been improving the study of objectives and goals in gender diversity for leadership positions.

Expocacer's Executive Board is made up of five members, highlighting the significant presence of two women:

Flávia Madureira Horta Nunes
Director of Operations and Logistics

Raquel Zwirtes Paza Lazzarin
Director of Organizational Human Development





Project "They in the cafe"



TRAINING

GRI 3-3, 404-1, 404-2, 404-3

The cooperative model is made up of a society of people with socially shared interests and values who seek economic, social and community development in which they live. We emphasize that all resources generated by Expocacer remain in the locations of origin, contributing to the creation of jobs and income and also to the development of the local economy, generating a virtuous cycle that brings prosperity to the entire community. Connected to people's challenges and future, we work to encourage the qualification of our employees, expanding knowledge and opportunities on an equal basis. The average number of training hours in 2023 was 10 hours.

-  In 2023, Expocacer, through our incentive and investment program in the qualification of our employees, granted scholarships to undergraduate professionals in administration, agronomy, accounting, coffee farming, law and agribusiness management courses. Postgraduate/MBA (process and business management, executive in finance, commercial management, DEVOPS engineering, production engineering, leadership and management in technology and language courses.
-  Internal training tracks for technical and personal development were also developed, with training in various business processes. Every year, a Competency Performance Assessment is carried out with all employees, which results in the creation of their individual development plan, where actions are taken for personal and professional development to improve the assessed skills.



24

Employees included in the Scholarship program



2.500

hours of in-house training



200

Employees trained in business processes

TRAINING

GRI 3-3, 403-5, 404-2



Expocacer made significant investments in several courses for its employees throughout the year, covering both out-company specializations and courses taught by internal specialists, in-company. Specializations are categorized into three distinct segments:



Business Processes:

- Hedge formation;
- Balance Sheet Analysis;
- Accounting analyst;
- CDC Coffee Classification and Tasting, International Business, Export;
- Sustainable purchasing;
- Strategic controlling;
- Production management;
- Training of Market Brokers;
- Efd-Reinf-2023 Integration of IRRF, CSRF and CPRB in addition to e-Social;
- Organizational Structure and Processes;
- Process analysis in the Personnel department (emphasis on e-social);
- Cafeteria Management;
- Working hours and time control methods;
- Tax Legislation – Special Regime;
- Financial Protection;
- Certification Standards, Fairtrade, Rainforest Alliance, Regenagri, among others;
- Confined space supervisor and watchman.



Information technology:

- Information Security Management;
- LGPD — General Data Protection Law;
- Technical training in Simian Simulation Software;
- *Professional Master In Tasting*;
- QGrader e QProcessing;
- DPO (Data Protection Officer);
- IT Governance;
- Operation of Protheus Systems in backoffice modules;
- Forklift operator.

TOTAL OF

30

different
courses
invested



Communication

- Communication Management;
- Measures to Prevent and Combat Harassment and other forms of violence in the workplace;
- Fire brigade;
- SIPAT – Internal Work Accident Prevention Week.

WORK, HEALTH AND SAFETY PRACTICES

GRI 3-3, 403-5, 403-7



Photo: Expocacer collaborator at SIPAT

Training employees in occupational health and safety is an important measure to guarantee the physical and mental integrity of workers, as well as to prevent occupational accidents and illnesses. Expocacer adopts some strategies to ensure health and safety, including:

Training for employees:

Offer specific training for each role and activity, addressing the risks involved and the necessary preventive measures.

Lectures and workshops:

Promote lectures and workshops on topics related to occupational health and safety, with specialized professionals and practical experiences to share.

Encourage participation in courses and training:

Encourage employees to participate in external courses and training, offering financial support and flexible working hours.

Carry out awareness campaigns:

Promote awareness campaigns on specific topics, such as preventing workplace accidents, correct use of personal protective equipment (EPIs), among others.

AGE PROFILE OF EMPLOYEES

GRI 2-7, 3-3, 405-1



Expocacer Collaborators

23,4%

From 16 to 25 years of age

35,8%

From 26 to 35 years of age

24,8%

From 36 to 45 years of age

11,3%

From 46 to 55 years of age

4,4%

From 56 to 65 years of age

0,3%

Over 65 years of age

SOCIAL PILLAR

GRAY 3-3



YOUNG APPRENTICES PROGRAM

GRI 3-3, 404-2

The Young Apprentice Program is a federal government project, supported by the Learning Law no. 10097/2000, which aims to technically train and insert young people, aged between 14 and 24, into the job market. In 2023 we will have a team of 7 young apprentices allocated to the following sectors: Sample Control, Industrialized Coffees, PCP – Production Planning and Control, Tax, Purchasing and Commercial Backoffice. Through the learning program, 5 young apprentices were hired for the respective sectors: Tax, HR – Human Resources, IT – Information Technology, Classification and Industrialized Coffees.

By joining the Young Apprentice Program, Expocacer promotes one of its material objectives, which is aligned with the awakening of young people, the importance of having space for their professional development, but also of staying in their birth territories, preparing them to be protagonists of the future. The development of communities is a topic that we are concerned about, thinking about the continuity of the Cooperative's business, but also thinking about generating jobs, income and better living conditions for families in the regions where we operate.

Developing young people is essential so that they stay in the field and create their roots in order to support future generations.



We closed the year 2023 with a total of 7 young apprentices in various areas of the Cooperative



Even with low turnover in our operation, 5 young apprentices were hired in 2023



Part of the members of the Expocacer Young Apprentice program

OUR TEAM PROGRAM

GRI 3-3, 401-2, 403-6



The Nosso Team Program aims to strengthen the relationship between employees and Expocacer through recognition, training and appreciation actions. We carry out activities annually as a way of demonstrating the value of employees to the cooperative and also recognizing the dedication and commitment they have to Expocacer.

Below, we list the main actions promoted by the Nosso Time Program in 2023 – with lectures, workshops and integrative activities.

Welcome kit for new employees

Life anniversary celebration

Company time celebration

Celebration of the birth of a child

Integrative activity – Carnival Blitz

Lectures and workshops – International Women's Day

Mother's Day celebration

Father's Day celebration

Sports Incentive Campaign (CoopSporte – Promoted by OCEMG)

Family party

White January – Mental Health Awareness Month

Annual flu vaccination campaign

Children's Day celebration at Expocacer

Pink October – Breast Cancer Prevention Awareness Month

Blue November – Prostate Cancer Prevention Awareness Month

Christmas basket for all employees

End of Year Celebration



EXPOCACER ROASTING MASTER IS NATIONAL ROASTING CHAMPION IN 2023.

Matheus is the first representative from Cerrado Mineiro to win the National Championship and represent the Region in the World Cup. He has been roasting since 2012 and is part of the 3rd generation of roast masters in his family.

Furthermore, Matheus has been part of Expocacer since the Jovem Aprendiz program, being subsequently hired and, since then, he has built a brilliant history in the cooperative.

We encourage our employees, as a form of engagement and appreciation, to participate in contests and competitions, which demonstrate technical capacity, but above all, recognize individual talent, beyond the walls of the Cooperative.

In this sense, a competition held from March 24 to 26, 2023, by the Brazilian Association of Specialty Coffees (BSCA), Brazilian Export and Investment Promotion Agency (ApexBrasil), as an action of the sectoral project "Brazil The Coffee Nation", in Belo Horizonte (MG), Matheus Narcizo, Roasting Master at Expocacer, was crowned champion, surpassed the other competitors and took the title, guaranteeing his place in the World Coffee Roasting Championship, a global event in the category, which was held during the Taiwan International Coffee Show, between November 17th and 20th, in Taipei (Taiwan). A source of pride for our Cooperative, the local community and for Brazil.

EXPOCACER SOCIAL IMPACT IN THE COMMUNITY

GRI 3-3, 203-1, 203-2, 413-1



The Expocacer cooperative also supports and contributes to the development and training of employees and the communities where it operates, through education programs and structured social actions, which generate a positive impact.

The involvement of volunteers and partners is fundamental to the success of these initiatives, expanding the reach and effectiveness of the actions, in addition to reinforcing the role of the Cooperative as a transformative agent, increasingly gaining the respect and trust of society and our other stakeholders, in line with the principles of cooperativism.

In this direction, in 2023 we made several donations to philanthropic institutions in Patrocínio, as a means of supporting them in the development of social and collaborative projects, for our Municipality, inspiring the future and transformation.



R\$ 80.641,90

Total investment in social projects in 2023



442

Total people impacted

SOCIAL IMPACT

GRI 3-3, 203-1, 203-2, 413-1



DONATIONS

Committed to the power of union and a more equitable society, we establish partnerships that go beyond commercial issues. Through Taylor's of Harrogate, donations were made to the following institutions:



The Fundação do Lar da Criança de Patrocínio – MG, a non-profit organization, was supported with donations of a sound system, aluminum cauldron, office chairs, cutlery kit, washing machine, butcher's machine, cotton candy machine, microwave, pans, popcorn maker, bounce house, television and fans. Expocacer also sponsors 2 students every month, donating R\$400.00 each, in order to further support the children in their studies.

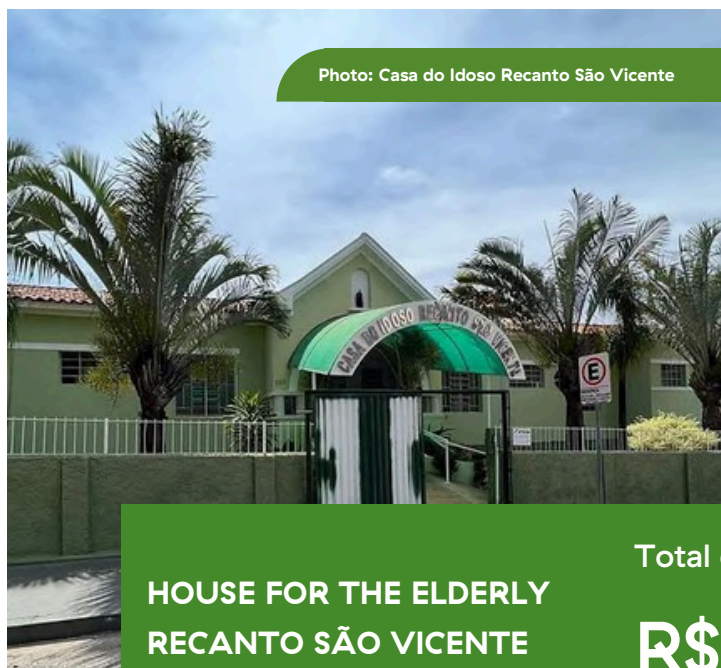
**CHILDREN'S LAR
FOUNDATION**

Total donated

R\$ 25.000

Children served

120



The Casa do Idoso Recanto São Vicente, a non-profit entity that welcomes the elderly and offers health treatment, in addition to social activities, was awarded the support of Expocacer, being recognized as an important organization for the community of Patrocínio .

**HOUSE FOR THE ELDERLY
RECANTO SÃO VICENTE**

Total donated

R\$ 20.000

Elderly people
cared for

58

SOCIAL IMPACT

GRI 3-3, 203-1, 203-2, 413-1



COOPERATION

It is very important for our members and collaborators to participate in social projects, which impact our communities and reflect the way we were born and developed, precisely through the aspect of cooperation.



Love Pedal Action - C Day, Cooperation Day

DAY C - COOPERATE DAY

Expocacer, in partnership with Coopa, Sicoob Credicopa, Unicred, Unimed and Grupo Amigos do Amor, created the campaign in celebration of cooperativism called “Pedal do Amor”, a cycling tour that promoted the sale of t-shirts and solidarity raffles in support of Hospital do Sponsorship Cancer.

DAY C DAY OF COOPERATE

Total donated

R\$30.230

Participants

~200

Image: Expocacer



Christmas Dream Campaign

In conjunction with Sicredi Planalto, the 2023 Christmas Dream Campaign was carried out, where for every three coffees sold from the Christmas Dream Special Edition, a basic food basket was purchased for donation. The donations, which totaled 64 basic basket units, were destined for philanthropic institutions and needy families in Patrocínio-MG.

CHRISTMAS DREAM CAMPAIGN

Total donated

R\$ 5.411,90

Families Served

64

Image: Expocacer

SOCIAL IMPACT

GRI 3-3, 203-1, 203-2, 413-1



SPORT

We understand that sport is an important social tool for the most varied aspects of people's lives, whether practiced as leisure, as an educational or professional activity. The support given to the sponsoring Karate athletes, Maria Fernanda and jiu-jitsu, Gabriel Ávila, Gustavo Santos, contributed to the continuity of training and the participation of fighters in the most important national and international championships held in 2023, generating the achievement of titles, joy, a sense of belonging and pride for Minas Gerais and Brazil.



Maria Fernanda B. Urbano

She is currently an athlete on the Minas Gerais Karate team, with the title of Minas Gerais karate champion in the under 14 minus 42 kg kumite category.

Gabriel Ávila

Participations: Curitiba Open (Participation) Rio Open (Champion) Brazilian Championship (Participation) Betim Open (Champion) BJJPRO São Paulo (Runner-up)

Gustavo Santos

Participation in the No-Gi CBJJE World Cup São Paulo – SP, São Paulo CBJJE Cup, placing (2nd); Curitiba Summer IBJJF Summer No-Gi IBJJF Curitiba, Copa Leão Dourado de Jiu-Jitsu Belo Horizonte – MG (2nd Place)



ENVIRONMENTAL PILLAR



Environmental responsibility

Social, Environmental and Climate Risk
Management Practices

Regenerative Coffee Farming

Waste and Circular Economy

Emissions

Energy

Soil and Nutrient Management



Nature Conservation and Biodiversity

Environmental responsibility



We are committed to exercising sustainability as a philosophy and as a fundamental strategy so that our success is lasting, based on preserving the environment for future generations and contributing to a more balanced planet.

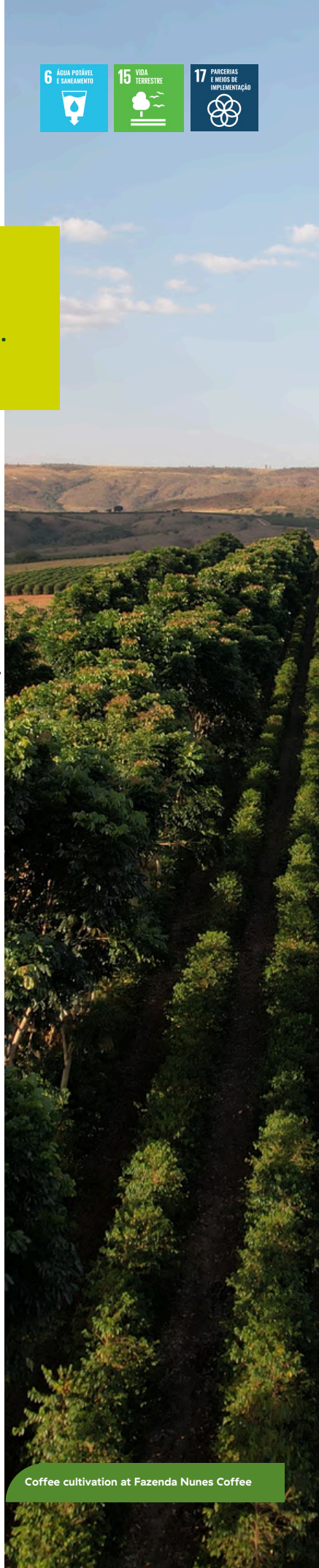
Towards cutting-edge coffee farming, we act in an increasingly responsible way: environmentally, socially and economically viable. We have a Sustainability Technical Department, a specialist team that works with our members to guide compliance with local legislation, as well as carrying out actions together with them, guiding them to meet the criteria of the main market certifications and the socio-environmental projects that we develop.

Throughout 2023, we implemented concrete initiatives that aimed to enhance our positive impact on the environment and socially responsible business practices. As main results, we reduced our carbon footprint, as well as adopted energy efficiency measures and encouraging sustainable agricultural practices among our members.

The area acts directly to support the production of certified coffees, adding value to cooperative members' coffees and meeting the demand of the cooperative's customers and partners from around the world. Between field visits, administrative services and project coordination, we encourage our coffee growers to join groups such as Educampo, Low Carbon Coffee Project, Assisted Pollination Project and Regenerative Coffee Farming.

We assist in the structural and documentary organization of our members' property. To this end, we provide consultancy and monitoring of compliance with environmental and labor laws, aiming to:

- More advantageous business opportunities;
- Scope of differentiated markets
- Certification via groups with a view to reducing costs;
- Specific trainings and lectures to achieve and maintain certifications;
- Developing and monitoring of social and environmental projects.



Coffee cultivation at Fazenda Nunes Coffee

WATER CONSUMPTION AND WASTE MANAGEMENT IN 2023

Water consumption
GRI 303-5

1.014,06 m³

Waste sent for recycling
GRI 306-4

4,72 ton

Waste generated
GRI 306-3

4,91 ton

Waste sent to landfill
GRI 306-5

0,19 ton



Employees of the Sustainability Technical Department

Internally, we continuously monitor our environmental performance and ensure that our facilities comply with current environmental legislation. Even though we have the minimum benchmark for this performance, with the objective of legal compliance, our commitment is to continually identify opportunities to increase the maturity of the actions carried out related to the environmental aspects of our activities. In addition, we have established strategic partnerships that aim to expand our positive impact on interested parties.

Social, Environmental and Climate Risk Management Practices

GRI 3-3, 414-2

We seek, through processes, to manage social, environmental and climate risks that may be caused to our members and suppliers. For the purpose of mitigating these risks, analysis processes were defined for future members and current members, analyzing the social, environmental and climate issues of each property.

Georeferenced images of the areas of each property were evaluated to verify compliance with legal requirements and to assess the impact on biodiversity and ecosystem services, in addition to carrying out 220 visits to conduct field interviews and document analysis of labor issues, such as records and health and safety issues.

Regenerative Coffee Farming

GRI 3-3, 414-2



In 2023, confirming our responsibility with the environment and commitment to our partners, consumers and regenerative producers, we celebrated the achievement of being the first coffee cooperative in the world with a regenerative seal, in which we received 100% approval from the audit carried out by Regenagri®.

The certification proves the integrity of Expocacer's processes in the reception and treatment of coffees certified as regenerative, highlighting the sustainable practices carried out by the cooperative, such as renewable energy, selective collection and traceability of stored coffees, following the product's journey since its entry in the warehouse, until its distribution to final consumers.

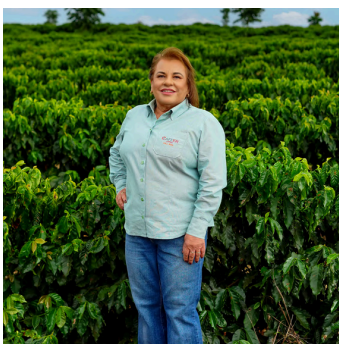
Furthermore, we work to raise awareness of the importance and application of regenerative practices by our producers on their farms. The result was the regenerative certification of two groups in 2023, the first composed of 14 members and the second of 10. The project took place in partnership with Sebrae and other groups are already in development.



Expocacer members of the 1st Regenerative Coffee Farming group

Regenerative Agriculture

We confirm our responsibility towards the environment and our commitment to our partners, consumers and regenerative producers, receiving 100% approval of the audit carried out by Regenagri®.



Waste and Circular Economy



In the last year, we intensified our actions aimed at selective collection to improve waste management in our units. Larger quantities of bins were purchased and installed to receive materials in all sectors of the cooperative. Associated with this, we carry out training and campaigns to raise awareness among the team, with the delivery of rice fiber cups and bottles to reduce the use of plastic materials. In this way, each employee is able to separate waste in their work routine.



In 2023, they were sent **4.72 tons** of recyclable materials for proper disposal.

Circular Economy



We established a strategic partnership with Retalhar Logística Reversa Consciente, which not only recycled the old Expocacer uniforms, transforming them into blankets and promotional materials, but also sent the non-recyclable ones to an incineration plant, where the gas generated feeds a cement factory, using this waste as fuel.

This innovative solution not only responded to conscious disposal, but also had a positive impact on social projects. Part of the resources generated with this service was allocated to generating jobs for communities in socioeconomic vulnerability.



LANDFILL VOLUME
SAVED:

3,68 m³

We forward
492,2 Kg
of disused professional
uniforms.



Process of making materials using uniforms

Emissions

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



The topic of climate change is highly relevant to Expocacer, being incorporated and discussed in our strategic planning. Each year we seek to evolve the journey towards reducing our carbon footprint, considering our units and the activities of our members. Our objective is to develop goals and initiatives that will contribute to gaining maturity on this important front for the business, and mitigating emissions and the impact caused by our activities.

In 2023, Expocacer quantified its sources of greenhouse gas (GHG) emissions in its second inventory, seeking to improve ESG indicators, control its emissions and reduce environmental impact. The measurement of the carbon balance has been carried out since 2021 and we continue to validate this data with the continuous improvement program, focusing on reducing our GHG emissions. For the basis of calculations for the year, the spreadsheet developed by the EPA (United States Environmental Protection Agency) and adapted to ECOM's organizational profile was used. The headquarters and warehouses were considered.

In 2023, in partnership with a specialized consultancy, we carried out the inventory referenced in the methodologies proposed by the Greenhouse Gas (GHG) Protocol and the Brazilian GHG Protocol Program, based on the operational control approach. The direct and indirect emission sources of Scopes 1 and 2 (location approach) were considered. We presented a total of emissions equal to 410.14 tons of carbon dioxide equivalent, of which 272.79 corresponded to Scope 1 emissions, 101.11 to Scope 2 emissions and, for Scope 3, we obtained a total of 36.24 tons of carbon dioxide equivalent.

Based on these results, our next step is to define strategies that will enable the reduction of emissions by source and we envision establishing goals aligned with science in accordance with the SBTi.

Greenhouse Gas Emissions ⁽¹⁾

Indicators GRI 305-1 / 305-2 / 305-3	Result 2023
Total Scope 1 emissions (tCO ₂ e) ⁽²⁾	272,79
Total Scope 1 biogenic emissions (tCO ₂)	14,23
Total Scope 2 emissions (localization approach) (tCO ₂ e)	101,11
Total Scope 3 emissions (tCO ₂ e) ⁽³⁾	36,24
Total Scope 3 biogenic emissions (tCO ₂)	0,092
Total emissions (Scope 1, 2 and 3) (tCO ₂ e)	410,14

(1) All greenhouse gases were covered, namely: CO₂, CH₄, NO₂, HFCs, PFCs, SF₆, NF₃.

(2) Scope 1 categories covered: Stationary combustion, Mobile combustion and Fugitive emissions.

(3) Scope 3 categories covered: Waste generated in operations and Business trips

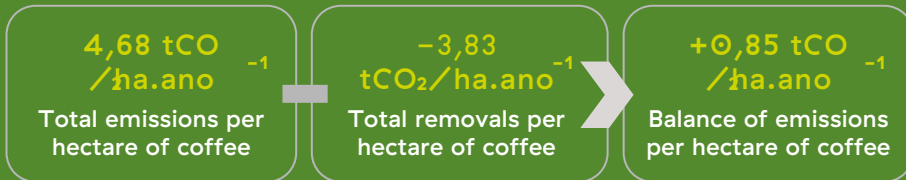
Low Carbon Coffee Farming

A study was carried out in partnership with the Institute of Forestry and Agricultural Management and Certification (Imaflora) which proved that the properties owned by Expocacer members produce a low carbon footprint. We began the assessment with 20 properties, using the services of the Carbon On Track service platform, in which the institute found that all properties have low carbon emissions.

READ THE QR CODE AND FIND OUT MORE:



Source: Imaflora and Carbon On Track platform



Carbon Reduction and Neutralization Actions

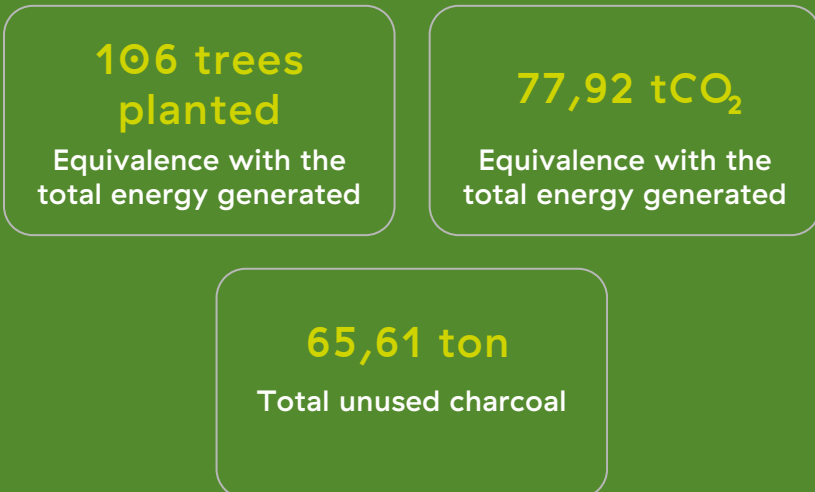
Since November 2022, Expocacer has had its photovoltaic solar energy generation system which, since its installation, has already generated 590.51 GJ of energy and is responsible for the increase in the consumption of clean and renewable energy, supplying the entire energy demand of the administrative building, in addition to reducing part of the demand from other sectors.

In 2023, 519.59 GJ was generated by the system.

Main results of energy generation by solar panels:



Solar panels at Expocacer administrative headquarters



Enhancing these environmental initiatives, we planted 25 fruit seedlings at our headquarters, in addition to promoting incentives for our members to plant native seedlings on their properties.

Energy

GRI 302-1

Energy management is one of Expocacer's main objectives, including guaranteed energy supply, how to manage risks, how increase energy efficiency and how reduce the environmental impacts of the organization's energy matrix, including mitigating greenhouse gas emissions.

We monitor the specific energy performance indicators and we have an institutionalized program, focused on continuous improvement of our energy management model.

In 2023, we began the process of implementing a telemetry system to monitor consumption in our equipment, combining best practices, such as assessing demand and replacing equipment with high consumption.

It is noteworthy that our energy performance in recent years is associated with the decision to reduce the use of fossil fuels and promote the participation of renewable energies in our energy matrix.



We have the support of a specialized consultancy that aims to indicate the best prices for purchasing energy on the free market.

Annually, we evaluate total energy consumption indicators for the previous year to identify areas that can be improved.

Since November 2022, we have had a photovoltaic solar energy generation system and is responsible for increasing the consumption of clean and renewable energy, supplying the entire energy demand of the administrative building, in addition to offsetting part of the demand from other sectors.

Fuel and energy consumption

GRI 302-1

Total Energy Consumed (GJ) ⁽¹⁾	2023
Fuels from non-renewable sources (gasoline, diesel oil and LPG)	4.294,65
Electrical energy consumed	10.011,31
Electricity consumed – Captive Market	9.491,72
Electric energy consumed – Self-generation of the photovoltaic system	519,59
Total	14.305,96

(1) The conversion factors from the 2023 National Energy Balance, made available by the Energy Research Company (ENP), were used.

Solo and Nutrient Management



We believe that, in addition to encouraging coffee growing among our members, we have a responsibility to propose initiatives related to the regeneration of soil health, the restoration of biodiversity and the improvement of water quality. This proposal, called regenerative coffee farming, is a more sustainable and efficient alternative compared to conventional models. Thinking about valuing and recognizing the work of regenerative producers, in partnership with SEBRAE, in 2022 we created the first group of producers dedicated to improving regenerative practices on their farms and who aimed for Regenerative Agriculture certification.



Throughout 2023, we worked to raise awareness of the importance and application of regenerative practices, resulting in the certification of two groups, the first made up of 14 members and the second made up of 10 members.

Aligned with the objective of promoting more sustainable agriculture, we created the first group of coffee growers in Cerrado Mineiro to invest in the TMT methodology of biological management, which seeks to use biological control agents in order to provide soil health, reduce costs and increased productivity, combined with environmental responsibility.

Through consultancy from the Educampo Platform, Expocacer supported practices to promote and apply biological management in the cultivation and production of coffees by its members. The group of professionals dedicated to the program is composed of agronomists that are experts on the subject and, through the proposed management, help members to control possible pests and diseases, promote better root development of plants and increase microbial activity in the soil, in addition to favoring the cycling and availability of nutrients. In 2023, 15% of Educampo farms were directly reached with the use of On Farm, technology for producing biological inputs on agricultural properties for own use;

Educampo

Educampo is a SEBRAE platform that, in partnership with Expocacer, provides exclusive management tools, through which producers have access to reliable information and various analyzes that help in the construction of strategic business planning, making it efficient.



Producers have access to technology and effective management for their business, to consultancy on regenerative coffee farming and biological management.

Composition of Educampo Expocacer



Nature Conservation and Biodiversity



GRAY 3-3

Our work to promote the conservation of nature and biodiversity in the cooperative network is an essential theme for the sustainability of our business and, therefore, we incorporate it into our planning, being one of the themes obtained in our materiality. We adopt structured procedures that enable the assessment of compliance with legislation relevant to our units and processes involving cooperative members. Through our social, environmental and climate risk management practices, we develop an action strategy capable of addressing significant risks and opportunities regarding the relationship and dependence of our activities and business on ecosystem services.

We defined as criteria for participation in the cooperative the inclusion of rural properties in the Rural Environmental Registry (CAR) system and the regularization of Permanent Preservation Areas (APPs), important mechanisms to integrate environmental information on rural properties and possessions. It records information relating to Permanent Preservation Areas (APPs), the Legal Reserve, remaining forests and other forms of native vegetation and consolidated areas, forming the database for control, monitoring, environmental and economic planning and combating deforestation .

We promote environmental conservation on our members' properties through our own projects, related to sectoral certifications and through the celebration of partnerships that enable the dissemination of technical and practical knowledge. Our Sustainability Technical Department is dedicated to conducting the Educampo, Low Carbon Coffee Farming, Regenerative Coffee Farming and Rainforest Alliance, C.A.F.E Practices and 4C Certification projects, among other initiatives that are associated with our objective of conserving nature and its services.

The Sustainability Technical Development team works hard to serve our members in terms of certifications. Among the services provided are:

- Structural and documentary organization of the property;
- Advice and monitoring for the fulfillment with environmental and labor laws;
- More advantageous business opportunities;
- Scope of differentiated markets;
- Certifications via groups, with a view to reducing costs;
- Specific training and lectures to achieve and maintain certifications;
- Development and monitoring of social and environmental projects

OUR CERTIFICATIONS

GRAY 3-3



In the 2023 financial year, consultations with Expocacer certification producer groups continued, respecting the standards established by public bodies. During this period, we achieved new and important certifications that enable the cooperative to store, reprocess and sell its members' coffees to the most demanding markets in the world in terms of quality, traceability and, above all, sustainability.

OUR INITIATIVES AND PARTNERSHIPS

GRAE – Grupos Rainforest Alliance Expocacer

In addition to certification, which validates agricultural, forestry or tourist productions that meet standards of excellence in sustainability, Expocacer has two groups named GRAE (Rainforest Alliance Expocacer Groups), with the aim of promoting initiatives that enable positive impacts on the environment, in accordance with certification standards and include nature conservation. Thus, more and more new members are encouraged to acquire the Rainforest seal for their farms, complying with the three pillars of sustainability.



GRAE certification on one of the Expocacer member farms in 2023

Numbers in 2023



APPCER – Association of Small Cerrado Producers

The association, created in 2009, is the result of the initiative of a group dedicated to family coffee farming, aiming to expand opportunities and promote business collectively. Since then, the organization has continuously worked towards the development of coffee growers, the promotion of collective, social and environmental projects, and the technical and educational training of producers and improving the lives of associated families.



Source: APPCER website

Cerrado das Águas Consortium

Expocacer is one of the associated members of the Cerrado das Águas Consortium (CCA), a collaborative platform that brings together efforts between companies, government and civil society for environmental preservation and conservation for resilience to climate change.



The objective is to combine efforts to implement strategies that guarantee the provision of ecosystem services in order to achieve a productive system resilient to climate change in river basins, currently in three municipalities: Patrocínio, Serra do Salitre and Coromandel.

The methodology of the Conscious Producer Investment Program (PIPC) works on four fronts: institutional engagement, connected landscapes, climate-smart agricultural practices and efficient management of water resources. Through it, the CCA offers alternatives and solutions for the natural resources preservation and increasing resilience to climate change by preparing the PAC – Climate Adaptation Plan and, individually aligning with each producer on the best way to implement the strategies proposed by the CCA team, together with all other producers within the river basin.

Numbers in 2023

Indicators	Result 2023
Number of properties served	116
Number of river basins	3 (Patrocínio, Serra do Salitre and Coromandel)
Size of basins (hectares)	99.571
Total hectares of native vegetation with strategies implemented	50
Total hectares of preserved vegetation	195
Total hectares of crops with strategies implemented	2.981
Carbon Management Index (BMI) alone	86,63%
Number of people impacted	150.000

Source: Consórcio Cerrado das Águas website

Nursery of Attitude

#viveiro de atitude

monteCCer
Seu café, sua história.



In 2023, Expocacer ensured that cooperative members contributed to the collection of 800 seedlings.

Expocacer is one of the “Attitude Partners” of the Viveiro de Attitude Program, a socio-environmental initiative, designed and coordinated by monteCCer – Cooperativa dos Cafeicultores do Cerrado de Monte Carmelo. With the project, we carry out actions to conserve the Cerrado Biome and collaborate with social actions. We intercooperate in the same direction, committed to the development of the Cerrado Mineiro Region and the generation of value for our ecosystem. Since 2019, we have obtained the following results:

- 170 participating farms
- 171 buyers
- 106,808 seedlings produced
- 57,382 seedlings sold
- 140 native species produced
- R\$ 122,685.95 in sales revenue

- 6,343 seedlings planted in urban areas
- 21 municipalities reached
- 106,808 seedlings produced
- 57,382 seedlings sold
- + 64,500 people impacted

Source: Viveiro de Attitude website



ECONOMIC CAPITAL



Financial results

ECONOMIC CAPITAL

GENERATION OF SUSTAINABLE AND SHARED VALUE

GRI 201-1



The economic results presented here were audited in February 2024 by the independent auditing company PWC – PricewaterhouseCoopers Auditores Independentes Ltda., being part of and attached to this document, as the Independent Auditor's Report on the Financial Statements. The financial statements were prepared in accordance with the accounting practices adopted in Brazil considering the Brazilian Accounting Standards, specifically those applicable to cooperative entities and the Cooperative Law No. 5,764/71, including the pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee (CPCs), and highlight all relevant information specific to the financial statements, and only those, which are consistent with that used by management in its management. Expocacer has, throughout its existence, improved its financial and administrative management, increasingly seeking to integrate sustainability into the business strategy, in order to guarantee the longevity of the cooperative, its members, with a positive legacy for society and the environment.

QUANTITATIVE MOVEMENT

	COFFEE INPUT (60KG BAGS)	COFFEE SHIPMENTS (60KG BAGS)	COFFEE PURCHASES (60 KG BAGS)
2022	927.265	1.253.670	1.094.551
2023	1.458.891	1.342.571	1.413.576
% annualized comparative	Increase of 57,33% vs 2022	Increase of 7.09% sales vs 2022	Increase of 29,14% vs 2022

ECONOMIC MOVEMENT

	NET PROFIT (THOUSANDS)	NET REVENUE (MILLION)	RESERVE FORMATION (MILLIONS)	DISTRIBUTION OF LEFTOVERS (to cooperative members)
2022	R\$ 18.361	R\$ 1.459	R\$ 17.105	R\$ 697.912
2023	R\$ 18.610	R\$ 1.352	R\$ 16.281	R\$ 1.294.566,14
% updated comparison	Growth of 1,35% vs 2022	Reduction in 7.33% of net revenue due to the average price of coffee being lower than in 2022	Reserve 4.8% lower than 2022	Distribution of leftovers 85.49% higher than 2022

ATTACHMENTS

GRI Summary Independent Auditor's Report on the Financial Statements

GRI SUMMARY

GENERAL CONTENTS

The organization and its reporting practices

GRI Standard	Disclosure	Page	Response or Reason for Omission
	2-1 Organization Details	04, 11, 12	
	2-2 Entities included in the organization's sustainability report	04	
GRI 2: General contents 2021	2-3 Reporting period, frequency and point of contact	04, 113	Contact email: sistenciacer@expocacer.com.br
	2-4 Information reformulations	-	No information was found in the 1st sustainability report, released in 2022, requiring reformulation.
	2-5 External check	04	

Activities and workers

GRI Standard	Disclosure	Page	Response or Reason for Omission
	2-6 Activities, value chain and other business relationships	04, 11, 12	
GRI 2: General contents 2021	2-7 Employees	33, 37	
	2-8 Workers who are not employees	-	The cooperative does not have outsourced workers, that is, all workers are hired under the CLT regime.

Governance

GRI Standard	Disclosure	Page	Response or Reason for Omission
	2-9 Governance structure and its composition	24	
	2-10 Appointment and selection to the highest governance body	24	
	2-11 President of the highest governance body	24	
	2-12 Role played by the highest governance body in supervising impact management	24	
	2-13 Delegation of responsibility for impact management	24	
GRI 2: General contents 2021	2-14 Role played by the highest governance body in sustainability reporting	04	
	2-15 Conflicts of interest	25	In order to avoid conflicts of interest, Expocacer associates cannot be part of the Executive Board.
	2-16 Communicating Critical Concerns	26, 27	
	2-17 Collective knowledge of the highest governance body	-	Lectures and an annual symposium are held on the theme of regenerative certification. Furthermore, Expocacer encourages the participation of cooperative members and advisors from regenerative certification groups. Materials are created that demonstrate the knowledge provided to members of the highest governance body on the topic.
	2-18 Assessing the performance of the highest governance body	-	A satisfaction survey is carried out annually with members, in which one of the questions is the performance of the board of directors and the board of directors of the cooperative. The research is independent, being carried out by a specialized outsourced company. Regarding the need to make changes to the composition of the board of directors and the executive board, this measure is not permitted, as it is provided for under the conditions established in the bylaws.

GRI SUMMARY

GENERAL CONTENTS

Strategy, policies and practices

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 2: General contents 2021	2-19 Compensation Policies	-	According to the definitions established in the cooperative's statute, the board of directors is not remunerated. There is a reward plan for the board of directors, which has as indicators the efficiency of the teams' performance, compliance with the budget, execution of actions foreseen in the strategic planning, compliance with the guidelines contained in the cooperative's social, environmental and business policies, governance.
	2-20 Process for determining remuneration	-	According to the definitions established in the cooperative's statute, the board of directors is not remunerated. There is a reward plan for the board of directors, which has as indicators the efficiency of the teams' performance, compliance with the budget, execution of actions foreseen in the strategic planning, compliance with the guidelines contained in the cooperative's social, environmental and business policies, governance.
	2-21 Proportion of total annual compensation	-	Ratio of the total annual compensation of the highest-paid individual in the organization to the median total annual compensation of all employees: 3% Ratio of the percentage increase in the total annual compensation of the highest-paid individual in the organization to the median percentage increase in total compensation annual fee for all employees: 10%
	2-22 Declaration on sustainable development strategy	05, 06, 11	
	2-23 Policy Commitments	25, 26, 27, 30	
	2-24 Incorporation of policy commitments	25, 26, 27	
	2-25 Processes to repair negative impacts	27, 28	
	2-26 Mechanisms for counseling and raising concerns	26, 27	
	2-27 Compliance with laws and regulations	26, 27, 30	
2-28 Participation in associations	-	Associations we participate in: <ul style="list-style-type: none"> • CECAFÉ – Brazilian Coffee Exporters Council • BSCA – Brazilian Specialty Coffee Association • CCCMG – Minas Gerais Coffee Commerce Center • CNC – National Coffee Council • GCP – Global Coffee Platform • OCB System (Organization of Brazilian Cooperatives) • OCEMG System – Union and Organization of Cooperatives of the State of Minas Gerais • Cerrado Coffee Growers Federation • Fundaccer – Cerrado Development Foundation • Santos Commercial Association • Patrocínio Industrial Commercial Association • CMU – Energy Trading 	

Stakeholder engagement

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 2: General contents 2021	2-29 Approach to stakeholder engagement	07, 15, 16, 27	
	2-30 Collective bargaining agreements	-	100% of our employees are covered by collective bargaining agreements.

MATERIAL TOPICS

Material themes

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-1 Process of defining material themes	20	
	3-2 List of material themes	20	

GRI SUMMARY

MATERIAL TOPICS

Fair labor, health and safety practices

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 34, 35, 36, 38, 39	
GRI 401: Employment 2016	401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees	39	The following benefits are offered upon completion of the contract: Health Plan, Dental Plan, Agreement with Pharmacy and Gas Station, Agreement with Dulcerrado, Gympass, Consigned Loan Agreement, Daycare/Pre-School Assistance, Incentive for Graduation/Postgraduate Graduation and Languages.
	403-5 Training of workers in occupational health and safety	35, 36	
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	36, 39	The benefits associated with employee health offered by Expocacer are: Health Plan, Dental Plan, Pharmacy Agreement and Gympass. In addition, actions and programs aimed at well-being and health are carried out
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	36	
	404-1 Average hours of training per year, per employee	34	
GRI 404: Training and Education 2016	404-2 Programs for improving employee skills and career transition assistance	34, 35, 38	
	404-3 Percentage of employees who receive regular performance and career development reviews	34	100% of employees

MATERIAL TOPICS

Quality and Responsibility of Products and Services

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 15, 28, 47, 48, 55	

Valuing members

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	11, 15, 26, 27, 28	

Human rights and diversity

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	33, 37	
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity in governance bodies and employees	33, 37	
GRI 406: Non-Discrimination 2016	406-1 Cases of discrimination and corrective measures taken	-	There were no cases of discrimination in 2023.

GRI SUMMARY

MATERIAL TOPICS

Supplier and third party management

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 28, 29, 47, 48, 55	
GRI 414: Social Assessment of Suppliers 2016	414-2 Social Negative impacts on the supply chain and measures taken	47, 48	

Governance, transparency and ethics

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 28, 30	
	205-1 Operations assessed for risks related to corruption	28, 30	
GRI 205: Combating Corruption 2016	205-2 Communication and training in anti-corruption policies and procedures	29	
	205-3 Confirmed cases of corruption and measures taken	-	There were no cases of corruption in 2023.

Nature conservation and biodiversity

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	54, 55	

Development of the regions in which it operates

GRI Standard	Disclosure	Page	Response or Reason for Omission
GRI 3: Material Topics 2021	3-3 Management of material topics	21, 41, 42, 43, 44	
GRI 203: Indirect Economic Impacts 2016	203-1 Investments in infrastructure and support for services	41, 42, 43, 44	
	203-2 Significant indirect economic impacts	41, 42, 43, 44	
GRI 413: Local Communities 2016	413-1 Operations with engagement, impact assessments and development programs aimed at the local community	41, 42, 43, 44	

GRI SUMMARY

NON-MATERIAL TOPICS				
GRI Standard	Disclosure	Page	Response or Reason for Omission	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	58		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	52		
GRI 303: Water and Effluents 2018	303-5 Water consumption	47		
GRI 305: Emissions 2016	305-1 Direct emissions (Scope 1) of greenhouse gases (GHG)	50		
	305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition	50		
	305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)	50		
GRI 306: Waste 2016	306-3 Waste generated	47		
	306-4 Waste not intended for final disposal	47		
	306-5 Waste intended for final disposal	47		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints regarding violation of privacy and loss of customer data	31	There were no complaints regarding privacy violation and loss of customer data in 2023.	

www.pwc.com.br

Expocacer - Cerrado Coffee Growers Cooperative Ltda.

***Financial statements in December 31, 2023 and
independent auditor's report***





Independent auditor's report on the financial statements

To the Administrators and Cooperatives Expocacer
Cooperativa dos Cafeicultores do Cerrado Ltda.

Opinion We examined the financial statements of Expocacer Cooperativa dos Cafeicultores do Cerrado Ltda.

("Cooperative"), which comprise the balance sheet in December 31, 2023 and the respective statements of surpluses or losses, comprehensive income, changes in shareholders' equity and cash flows for the year ending on that date, as well as the corresponding explanatory notes, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above adequately present, in all relevant aspects, the patrimonial and financial position of the Cooperative as at December 31, 2023, the performance of its operations and its cash flows for the year ended on that date, in accordance with accounting practices adopted in Brazil applicable to cooperative societies.

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the section entitled "Auditor's Responsibilities for the Audit of Financial Statements." We are independent in relation to the Cooperative, in accordance with the relevant ethical principles set out in the Accountant's Code of Professional Ethics and the professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Management and governance responsibilities for financial statements

The management of the Cooperative is responsible for the preparation and adequate presentation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to cooperative societies and for the internal controls that it determined to be necessary to allow the preparation of financial statements free from material distortion, regardless of whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the Cooperative's ability to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of

this accounting basis in preparing the financial statements, unless the management intends to liquidate the Cooperative or cease its operations, or has no realistic alternative to avoid closing operations.



Expocacer Cooperativa dos Cafeicultores do Cerrado Ltda.

The responsible for the Cooperative's governance are those responsible for supervising the process of preparing the financial statements.

Auditor's responsibilities for auditing financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable security is a high level of security, but not a guarantee that the audit carried out in accordance with Brazilian and international auditing standards will always detect any existing relevant distortions. Misstatements may arise from fraud or error and are considered material when, individually or collectively, they may influence, within a reasonable perspective, users' economic decisions taken based on said financial statements.

As part of an audit performed in accordance with Brazilian and international auditing standards, we perform professional judgment and maintain professional skepticism throughout the audit. Furthermore:

We identify and assess the risks of material misstatement in the financial statements, whether caused by fraud or error, plan and perform audit procedures in response to such risks, and obtain sufficient appropriate audit evidence to support our opinion. The risk of not detecting a material misstatement resulting from fraud is greater than that arising from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omission or intentional false representations.

We obtain an understanding of the internal controls relevant to the audit to plan audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal controls.

We evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by management.

We conclude on the adequacy of management's use of the going concern accounting basis and, based on the audit evidence obtained, whether there is relevant uncertainty regarding events or conditions that may raise significant doubt regarding the Cooperative's ability to continue as a going concern. . If we conclude that material uncertainty exists, we should draw attention in our audit report to the related disclosures in the financial statements or include a modification of our opinion if the disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report.

However, future events or conditions may lead the Cooperative to no longer remain in operational continuity.

We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether these financial statements represent the corresponding transactions and events in a manner consistent with the objective of fair presentation.



Expocacer Cooperativa dos Cafeicultores do Cerrado Ltda.

We communicate with those responsible for governance regarding, among other aspects, the scope and timing of planned audit work and significant audit findings, including significant deficiencies in internal controls that may have been identified during our work.

Belo Horizonte, February 16, 2024

A handwritten signature in black ink that reads "Ricardo Chaves Coopers".

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

DocuSigned by:
Guilherme Campos
Assinado por: GUILHERME CAMPOS E SILVA 7141149604
CPF: 7141149604
Hora de assinatura: 16 February 2024 | 14:01 BRT

Guilherme Campos e Silva
Contador CRC 1SP218254/O-
1

Expocacer - Cerrado Coffee Growers Cooperative Ltda.

Balance sheet on December 31

In thousands of reais

	2023	2022		2023	2022
Current assets			Liabilities and current equity		
Cash and cash equivalents (Note 7) Securities (Note 8)	321.900	272.270	Loans and financing (Note 14) Suppliers of goods and consumption (Note 15) Suppliers of cooperative members in standardization (Note 10.b) Advances from customers Labor obligations Tax obligations Capital to be repaid Financial instruments (Note 12)	510.459	498.826
Accounts receivable (Note 9) Inventories (Note 10.a)	1.771	22.181		62.172	32.211
Stocks of cooperative members undergoing standardization (Note 10.b) Taxes recoverable (Note 11) Advances to suppliers Prepaid expenses Financial instruments (Note 12) Other credits	75.799	108.480		45.496	34.582
	181.548	130.225		1.923	2.720
	49.889	55.911		3.134	2.237
	10.070	7.640		1.636	836
	1.158	706		331	159
	387	1.168		8.161	58.436
	129.321	171.990	Total current liabilities	633.312	630.007
	3.069	951			
Total current assets	774.912	771.522	Non-current		
			Loans and financing (Note 14)	143.948	144.458
Not Achievable in the long term			Suppliers of goods and consumption (Note 15) Tax obligations Capital to be refunded Funpafi to be refunded Provisions for contingencies (Note 16) Financial instruments (Note 12) Deferred income tax and social contribution (Note 24.b)	1.380	235
CIRCULANT				152	235
Judicial deposits (Note 16) Other credits Accounts receivable (Note 9) Assets held for sale Taxes recoverable (Note 11) Financial instruments (Note 12) Fixed Assets (Note 13) Intangible	93	86		3.035	4.125
	3.956	2.649		136	156
	8.284	1.332		93	86
	558	558		2.054	7.399
	581	427	Total non-current liabilities	151.206	156.459
	5.567	10.639	Shareholders' Equity (Note 17)		
	19.039	15.691	Share capital Statutory Reserves Asset valuation adjustments Funds Remaining available at the AGM	17.662	17.979
	66.319	63.622		46.976	36.427
	1.109	1.240		9.316	9.407
	86.467	80.553		487	450
Total non-current assets				2.420	1.346
			Total equity Total liabilities and equity	76.861	65.609
Total assets	861.379	852.075		861.379	852.075

Management's explanatory notes are an integral part of the financial statements.

Expocacer - Cerrado Coffee Growers Cooperative Ltda.Statement of surpluses or losses Years ending December 31st
In thousands of reais

	2023 Total			2022 Total		
	Cooperated	The 3rd		Cooperated	The 3rd	
Net revenue (Note 18) Costs of products sold and services provided (Note 19)	771.052	581.434	(1.298.014)	554.727	904.696	(1.416.403)
Financial instruments and derivatives and exchange rate variation (Note 23)	41.678	31.428	127.578	25.957	42.332	111.309
Gross surplus Administrative and general expenses (Note 20)	(13.832)	(10.281)	(31.891)	(7.742)	(12.626)	(35.030)
Commercial expenses (Note 21) Other operating income	(18.181)	(13.710)	7.610	(13.315)	(21.715)	8.503
Operating expenses Left over before the financial result	4.423	3.187	(48.394)	3.232	5.271	(46.895)
Financial inflows (note 22) Financial expenditures (note 22)	(27.590)	(20.804)	79.184	(17.825)	(29.070)	64.414
Financial result Net surplus before taxation Income tax and social contribution (Note 24)	45.142	34.042	19.448	24.484	39.930	7.906
Financial inflows (note 22) Financial expenditures (note 22)	11.087	8.361	(75.925)	2.967	4.839	(53.859)
Financial result Net surplus before taxation Income tax and social contribution (Note 24)	(43.285)	(32.640)	(56.477)	(20.472)	(33.387)	(46.053)
Net surplus from the year	12.944	9.763	(4.097)	6.979	11.382	18.361
	12.944	5.666	18.610	6.979	11.382	18.361

Management's explanatory notes are an integral part of the financial statements.

Expocacer - Cerrado Coffee Growers Cooperative Ltda.

Statement of comprehensive income Years ended December 31
In thousands of reais

	<u>2023</u>	<u>2022</u>
Net surpluses for the year cooperative members	12.944	6.979
	<u>5.666</u>	<u>11.382</u>
Net surpluses for the year third parties	18.610	18.361
Total comprehensive income for the year	<u><u>18.610</u></u>	<u><u>18.361</u></u>

Management's explanatory notes are an integral part of the financial statements.

Expocacer - Cerrado Coffee Growers Cooperative Ltda.

Statement of changes in equity In thousands of reais

	Statutory reserves						Funpafi Fund	Leftovers at the disposal of the AGC	Total
	Capital Social	Legal reserve	Reserve for financial strengthening	Social Investment Reserve	Rates	Asset valuation adjustments			
Balances on January 1, 2022			13,044		6,885				54,436
Constitution of reserves 70% of surpluses from the previous year	20,089	2,967		239		9,497	425	1,289	
Distribution 30% of surpluses from the previous year			903					(387)	(387)
Write-offs of capital and funpafi Payment of capital and updating of funpafi Use of RATES Leftovers from the year	(2,258) 148				(3,933)		25	(387)	(2,258)
Constitution of legal and statutory reserves Distribution 10% in kind Realization reserve Balances on December 31, 2022		698	3,490	139	12,080			18,361	173
Constitution of reserves 50% on the surpluses from the previous year	17,979	3,665	17,437	(85)		(90)		(16,407)	(3,933)
Distribution 50% on the surpluses from the previous year				293	15,032	9,407	450	(698)	18,361
Write-offs of capital and funpafi Payment of capital and updating of funpafi Use of RATES Leftovers from the year	(2,549) 2,232		673					(673) (673)	65,609 (673)
Constitution of reserves legal and statutory Distribution 10% in kind Reservation realization Balances on December 31, 2023		1,294	6,472	259	6,960			18,610	18,610
				(237)		(91)		(14,985)	(1,296)
	17,662	4,959	24,582	315	17,120	9,316	487	91	76,861
								2,420	

Management's explanatory notes are an integral part of the financial statements.

Expocacer - Cerrado Coffee Growers Cooperative Ltda.

Statement of cash flows Years ending December 31
In thousands of reais

Net surpluses Financial instruments and derivatives	2023 18.610 (7.879)	2022 (62.897)
Depreciation and amortization	2.922 (603) 7	18.361 (2.907) (37)
Provision for estimated losses on doubtful debts	69.024	43.711
Provision for contingencies	82.081	2.045
Provisioned interest		
Adjusted leftovers		
Variation in assets and liabilities	25.729	(5.866)
Accounts receivable Inventories		
Advances to suppliers	(44.698)	(7.487)
Taxes recoverable		
Other current and non-current assets	(452)	(47)
Suppliers of goods, goods and consumption		
Social, tax obligations, vacation provision and charges	(2.584)	(1.318)
Other current and non-current liabilities		
Cash generated by operating activities	(2.651)	(776)
Interest paid	42.255	17.169
Net cash generated by operating activities	2.022 (57.746)	64 3.523
Cash flow from investment activities	(1.736)	7.307
Acquisitions of fixed assets and intangible	42.220	
Real estate Securities and Securities	99.966	(45.280)
Disposal of fixed assets	(5.607)	(2.906)
Net cash applied in investment activities	20.410 120	(37.973)
Cash flow from financing activities	14.923	42
Obtaining loans and financing		(7.507)
Amortization of loans and financing		
Capital payments and updating Funpafi	655.558	874.086
Capital write-offs and Funpafi		
Distribution of surpluses in kind	(655.713)	(642.619)
Use of Rates and social investments	2.269	173
Net cash generated by (applied in) financing activities	(2.549)	(2.258)
Increase in cash and cash equivalents, net	(1.969)	(1.085)
Change in cash and cash equivalents	(5.109) 49.630	(4.018)
Cash balance and cash equivalents at the	(7.513)	224.279
end of the year.Cash balance and cash	321.900	278.290
equivalents at the beginning of the year.	272.270	93.471
	49.630	178.799

Increase in cash and cash equivalents

Management's explanatory notes are an integral part of the financial statements.
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Expocacer - Cerrado Coffee Growers Cooperative Ltda.
Management's explanatory notes to the financial statements as of December 31,
2023
In thousands of reais, unless otherwise indicated

1 Operational context

Expocacer – Cerrado Coffee Growers Cooperative Ltda. (“Cooperativa” or “Expocacer”), is an agricultural production cooperative with sole headquarters in Patrocínio/MG, its main objective, among others, is to encourage and improve coffee growing in the Cerrado Mineiro region; provide coffee preparation, reprocessing, storage, commercialization and industrialization services, operate as a general store, promote the commercialization of coffees in the domestic and foreign markets, and work with the import and commercialization of inputs, machinery and equipment.

In September this year, the cooperative completed 30 (thirty) years of foundation and began its process of revitalizing the brand, adding, in addition to the basic principles of mission, vision and values, its purpose which is “to inspire, promote and nurture a coffee industry cutting edge linked to impact”. The cooperative's ambition is to make its producers (cooperators) and the region in which it is located (the Cerrado region of Minas Gerais) the most innovative and sustainable in the world of coffee, and to be perceived as a cutting-edge cooperative, representative, transparent and at the forefront of your time.

1.1

Expocacer has members in 36 municipalities specifically in the Cerrado Mineiro region, ensuring the protection of the brand “Café da Região do Cerrado Mineiro”, a demarcated designation of origin and proven by the unique quality of its coffees. The provision of services to its members takes place through the Head Office in Patrocínio/MG and the commercial office in the city of Patos de Minas. The cooperative had 696 members at the end of the 2023 financial year (652 on December 31, 2022). The issuance of Expocacer's financial statements was approved and authorized for publication by the Board of Directors on February 16, 2024.

Impacts conflict between Russia and Ukraine & Israel and Hamas

Agriculture is one of the most important sectors of the Brazilian economy, representing a quarter of the country's GDP. Furthermore, agriculture is also one of the most globalized sectors of the national economy. And that's why the conflicts between: Russia and Ukraine, as well as the most current one between Israel and Hamas, ended up bringing and still bring many impacts to Brazil's agriculture, including the risk of lack of fertilizers and, consequently, food.

The conflict in Eastern Europe began on February 24, 2022, with major impacts on the world economy. The dollar, for example, saw a rise in the exchange rate and stock markets plummeted around the world. It was possible to observe that global prices of important commodities soared. The price of oil, for example, rose to above US\$100 per barrel, a level that had not been seen since 2014. More specifically agricultural commodities, such as wheat, also rose. The most recent conflict between Israel and Hamas has brought and still brings negative logistical consequences, especially on the price of freight when it comes to the Red Sea route, specifically the Suez Canal (an important route between Africa and Europe).

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1.2

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Brazil exported 1.4 million 60-kilo bags of coffee to Russia and Ukraine in 2021, with revenue of approximately US\$209 million, according to data from the Brazilian Coffee Exporters Council (Cecafé). Almost 90% of this volume was shipped to Russia, where at the time it was considered the sixth largest buyer of Brazilian grain. The second conflict: Israel and Hamas has a major impact on freight, which forces many agencies to travel to the extreme south of Africa, making freight up to three times more expensive, as well as the quantitative stock of coffee in strategic points, such as Europe, where To resort to lower costs, several buyers: Dealers and Roasters look for this stock already stored in Europe due to immediate availability, as well as to avoid this considerable increase in freight.

The "perfect storm" for Brazilian coffee growers was completed by the reduction in international coffee prices, which put even more pressure on producers' margins in the event of the conflict in Eastern Europe. Now the movement is the opposite, that is, due to limited supply and/or reduction in stock abroad due to the logistical crisis, the latest/most recent quotations have driven prices upwards. For example, the London Stock Exchange reached its historical record above USD 3,100/ton for Robusta coffee, as Vietnam is an important supply center for this species for the European market.

Despite the apparent normality in exported volume, Brazilian producers face challenges in shipping the product to Europe. As a result, they seek other destinations, such as the Chinese market, which is currently the sixth largest coffee bu from Brazil. With the embargoes, there is still demand from customers who want coffee, but ask for it to be sent via Dubai, as they cannot send it directly to Russia. The situation becomes even more complicated with the rise in maritime freight, a reflection of the collapse caused by the Covid-19 pandemic and now, more recently, by the conflict in the Middle East. Another concern for Brazilian coffee farmers continues to be receiving payments, as banking channels, such as those in Russia, were closed following the exclusion of the Russian financial system from the Society for Worldwide Interbank Financial Telecommunications (Swift). This difficulty also continues to generate supply problems in the European market, especially in Russia.

Meanwhile, Brazilian producers continue to need to postpone shipments and suffer losses due to delayed sales.

Expocacer had only one customer in Russia. Compared to the volume of coffee sales, it represented little compared to the total volume exported, but it suspended business with this client since the beginning of the world market sanctions.

Tax Reform on consumption

On December 20, 2023, Constitutional Amendment ("EC") no. 132 was enacted, which establishes the Tax Reform ("Reform") on consumption. Several topics, including the rates of new taxes, are still pending regulation by Complementary Laws ("LC"), which must be forwarded for evaluation by the National Congress within 180 days.

The Reform model is based on a VAT divided ("dual VAT") into two competences, one federal (Contribution on Goods and Services - CBS) and one sub-national (Tax on Goods and Services - IBS), which will replace PIS taxes, COFINS, ICMS and ISS. A Selective Tax ("IS") was also created – of federal competence, which will focus on the production, extraction, commercialization or import of goods and services harmful to health and the environment, under the terms of LC.

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There will be a transition period from 2024 to 2032, in which the two tax systems – old and new – will coexist. The impacts of the Reform on the calculation of the aforementioned taxes, from the beginning of the transition period, will only be fully known when the process of regulating pending issues by LC is finalized. Consequently, there is no effect of the Reform on the financial statements as of December 31, 2023.

2 Summary of main accounting policies

The financial statements were prepared in accordance with the accounting practices adopted in Brazil considering the Brazilian Accounting Standards, specifically those applicable to cooperative entities and the Cooperative Law No. 5,764/71, including the pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee (CPCs), and highlight all relevant information specific to the financial statements, and only those, which are consistent with that used by management in its management.

2.1 The material accounting policies applied in the preparation of these financial statements are summarized below. These policies were applied consistently in the years presented, unless otherwise stated.

Preparation base

The financial statements were prepared considering historical cost as the basis of value and adjusted to reflect financial assets and liabilities (including financial instruments) measured at fair value through profit or loss for the year.

2.2
(a) The preparation of financial statements requires the use of certain critical accounting estimates and also the exercise of judgment by the Cooperative's management in the process of applying accounting policies. Those areas that require a greater level of judgment and are more complex, as well as the areas in which assumptions and estimates are significant for the financial statements, are disclosed in
(b) Note 3.

Foreign currency conversion Functional currency and presentation currency

Items included in the financial statements are measured using the currency of the main economic environment in which the Cooperative operates ("the functional currency"). The financial statements are presented in R\$, which is the Cooperative's functional currency, and also the presentation currency.
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Transactions and balances

Transactions with foreign currencies are converted to the functional currency, using the exchange rates in force on the transaction dates or on the valuation dates, when the items are remeasured.

Exchange gains and losses resulting from the settlement of operations with foreign currency and conversion at year-end exchange rates, relating to monetary assets and liabilities in foreign currencies, are recognized in the statement of surpluses or losses.

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Foreign exchange gains and losses related to loans, cash and cash equivalents are presented in the statement of surpluses or losses as financial inflows or expenditures.

Cash and cash equivalents

- 2.3** Cash and cash equivalents include cash, bank deposits and other highly liquid short-term investments, with original maturities of up to three months, and with insignificant risk of change in value, with the balance presented net of guaranteed account balances in the statement of cash flows. Guaranteed accounts are shown on the balance sheet as loans and financing.

Financial assets

- 2.4** Financial assets are presented as current assets, except those with a maturity period greater than 12 months after the balance sheet date.

2.4.1 Classification

The Cooperative classifies its financial assets under the following measurement categories:

• Measured at fair value (either through other comprehensive income or through profit or

• loss).

• Measured at amortized cost.

The classification depends on the Cooperative's business model for managing financial assets and the contractual terms of cash flows.

• Financial assets at fair value through other comprehensive income include:

• Patrimonial titles that are not held for negotiation in the initial recognition and that the

Cooperative irrevocably decided to recognize in this category. These investments are strategic and the Cooperative considers this classification to be more relevant.

• Debt securities, in which contractual cash flows basically consist of principal and interest and the objective of the Cooperative's business model is achieved through the collection of contractual cash flows and the sale of financial assets.

• Investments in debt securities that do not qualify for measurement at amortized cost.

The Cooperative classifies the following financial assets at fair value through profit or loss:

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For financial assets measured at fair value, gains and losses will be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether or not the Cooperative made the irrevocable election, at initial recognition, to account for the equity investment at fair value through other comprehensive income.

The Cooperative reclassifies investments in debt securities only when the business model for managing such assets changes.

2.4.2 Recognition and derecognition

Regular purchases and sales of financial assets are recognized on the negotiation date, the date on which the Cooperative commits to buy or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or been transferred and the Cooperative has transferred substantially all the risks and benefits of ownership.

2.4.3 Measurement

Upon initial recognition, the Cooperative measures a financial asset at fair value plus, in the case of a financial asset not measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through profit or loss are recorded as expenses in profit or loss.

- (a) Financial assets with embedded derivatives are considered, in their entirety, when determining whether their cash flows consist only of payment of principal and interest.

Debt Instruments

- The subsequent measurement of debt securities depends on the Cooperative's business model for managing the asset, in addition to the characteristics of the asset's cash flow. The Cooperative classifies its debt securities according to the following three measurement categories:
- Amortized cost - assets, which are held to collect contractual cash flows when such cash flows represent only payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is recorded in financial inflows using the effective interest rate method. Any gains or losses due to the write-off of the asset are recognized directly in profit or loss and presented in "Financial instruments and derivatives" together with foreign exchange gains and losses. Impairment losses are presented in a separate account in the statement of surpluses and losses.
- ^{10 of 42} Fair value through other comprehensive income - assets that are held to collect contractual cash flows and for sale of financial assets when such cash flows represent only payments of principal and interest, are measured at fair value through other comprehensive income comprehensive results. Changes in carrying value are recorded in other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of surpluses and losses. Interest income from these financial assets is recorded in financial inflows

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using the effective interest rate method. Foreign exchange gains and losses are presented in "Financial instruments and derivatives" and impairment expenses are presented in a separate account in the statement of surpluses and losses.

Fair value through profit or loss - assets that do not meet the classification criteria of amortized

cost or fair value through other comprehensive income are measured at fair value through profit or

loss. Any gains or losses on an investment in a debt security that are subsequently measured at fair

value through profit or loss are recognized in profit or loss and presented net in "Financial

instruments and derivatives", in the year in which they occur.

(b) Equity instruments

The Cooperative subsequently measures, at fair value, all equity investments. When the Cooperative's management chooses to present, at fair value, gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of the gains and losses at fair value to profit or loss after writing off the investment. Dividends from these investments continue to be recognized, in profit or loss, as other income when the Cooperative's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in "Financial

2.4.4 instruments and derivatives" in the statement of surpluses and losses when applicable. Impairment

losses (and the reversal of these losses) on equity investments measured at fair value through other

comprehensive income are not disclosed separately from other changes in fair value.

2.4.5 Impairment

The Cooperative evaluates, on a prospective basis, expected credit losses associated with debt securities recorded at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether or not there has been a significant increase in credit risk.

2.4.6

Clearing financial instruments

Financial assets and liabilities are offset and the net value is presented in the balance sheet when there is a legal right to offset the recognized amounts and there is an intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously. The legal right shall not be contingent on future events and shall apply in the ordinary course of business and in the event of default, insolvency or bankruptcy of the company or counterparty.

Non-derivative financial liabilities

The Cooperative recognizes issued debt securities and subordinated liabilities initially on the date they are originated. All other financial liabilities (including liabilities designated at fair value recorded in profit or loss) are initially recognized on the negotiation date on which the Cooperative becomes a party to the contractual provisions of the instrument. The Cooperative writes off a financial liability when its contractual obligations are withdrawn, canceled or expired.

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The Cooperative classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Cooperative has the following non-derivative financial liabilities: loans and financing, suppliers, tax and fiscal, social and labor and other accounts payable.

Derivative financial instruments

2.4.7

The Cooperative maintains derivative financial hedging instruments to protect its risk exposures from changes in the price of coffee and foreign currency.

Initially, derivatives are recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method for recognizing the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument in cases where hedge accounting is adopted. This being the case, the method depends on the nature of the item being hedged.

As of December 31, 2023, and December 31, 2022, the Cooperative did not have derivative financial instruments subject to hedge accounting. Changes in the fair value of any of these derivative instruments are recognized immediately in the statement of surpluses or losses under "Financial instruments and exchange rate variations".

The Cooperative operated in 2023 with the following derivative instrument operations, as follows:

Coffee future purchase and sale contracts for physical delivery;
Coffee and dollar futures contracts (Non Deliverable Forward (NDF)) traded on the New York Stock Exchange;
Contracts with Brokers/Banks: Cargill, Hedge Point, Macquarie, Olam, JP Morgan and Stonex, in the case of coffee future purchase and sale contracts and with "Financial expenses", the results of dollar futures contracts;
Dollar SWAP contracts for CDI; and Coffee and dollar futures contracts on the São Paulo Stock Exchange (B3).

2.5

Accounts receivable from customers

Accounts receivable from customers correspond to amounts receivable for the sale of goods or provision of services in the normal course of activities. If the collection period is equivalent to one year or less, accounts receivable are classified in current assets. Otherwise, they are presented in non-current assets.

Accounts receivable from customers are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less the provision for estimated losses on doubtful debts ("PECLD" or "impairment").

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2.6 Inventories Inventories are stated at cost or net realizable value, whichever is lower. The method of Valuation of stocks is that of the weighted moving average. The cost of finished products comprises the costs of raw materials, labor, other direct costs and the respective direct production expenses (based on normal operating capacity). Net realizable value is the estimated sales price in the normal course of business, less estimated completion costs and estimated costs necessary to make the sale.

2.7 Non-current assets held for sale
 Non-current assets are classified as assets held for sale when their carrying value is recoverable, mainly through a sale and when this sale is practically certain.

2.8 These assets are valued at the lower of book value and fair value less costs to sell.

Immobilized

Land and buildings mainly comprise warehouses for storing coffee. Fixed assets are recorded at acquisition or construction cost, deducted from accumulated depreciation. Historical cost includes expenses directly attributable to the acquisition of items and also includes financing costs related to the acquisition of qualifying assets.

Subsequent costs are included in the carrying value of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow and the cost of the item can be reliably measured. The carrying value of replaced items or parts is written off.

All other repairs and maintenance are charged to profit or loss for the year, when incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Average in years
Buildings and improvements	60
Facilities	35
Machinery and tools	20
Furniture, utensils and equipment	15
Equipment and TI systems	5
Vehicles	10

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at the end of each year.

The carrying value of an asset is immediately written down to its recoverable value when the carrying value of the asset is greater than its estimated recoverable value.

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Gains and losses from disposals are determined by comparing the results with their carrying value and are recognized in "Other operating income" in the statement of surpluses or losses.

2.9 Intangible

Purchased software licenses and deployments are capitalized based on the costs incurred to acquire the software and make it ready for use. These costs are amortized over their useful life, estimated at five years.

Costs associated with software maintenance are recognized as expenses as incurred.

2.10 Reduction to the recoverable value of non-financial assets - Impairment

Assets that have an indefinite useful life are not subject to amortization and are tested annually to identify any need for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

An impairment loss is recognized when the carrying value of the asset exceeds its recoverable value, which represents the greater of the fair value of an asset less its costs to sell and its value in use. For

2.11 impairment assessment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash Generating Units (CGU)). Non-financial assets that have been adjusted for impairment are subsequently reviewed for analysis of a possible reversal of impairment at the balance sheet date.

Loans and financing

Loans and financing are initially recognized at fair value, net of costs incurred in the transaction and are subsequently stated at amortized cost. Any difference between the amounts raised (net of transaction costs) and the settlement value is recognized in the statement of surpluses or losses during the period in which the loans and financing are outstanding, using the effective interest rate method.

Loans and financing are classified as current liabilities, unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.12 Loan and financing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which is an asset that necessarily requires a substantial period of time to be ready for its intended use or sale, are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and that such costs can be measured reliably. Other loan and financing costs are recognized as expenses in the period in which they are incurred.

Suppliers

Accounts payable to suppliers are obligations to pay for goods or services that were acquired in the normal course of business, being classified as current liabilities if payment is due within a period of up to one year. Otherwise, accounts payable are presented as non-current liabilities.

They are initially recognized at fair value and subsequently measured at cost, amortized using the effective interest rate method.

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2.13 Provisions Provisions are recognized when: (i) the Cooperative has a present obligation or not formalized as a result of events that have already occurred; (ii) it is probable that an outflow of resources will be necessary to settle the obligation; and (iii) the value can be reliably estimated.

When there are a series of similar obligations, the probability of settling them is determined taking into account the class of obligations as a whole. A provision is recognized even if the probability of settlement related to any individual item included in the same class of obligation is small.

Provisions are measured at the present value of the expenditure expected to be necessary to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the obligation due to the passage of time is recognized as financial expenditure.

2.14 Current and deferred income tax and social contribution

Income tax and social contribution expenses for the year comprise current and deferred taxes. Income taxes are recognized in the statement of surpluses or losses, except in the proportion in which they are related to items recognized directly in equity or comprehensive income. In this case, the tax is also recognized in equity or comprehensive income.

The income tax charge, current and deferred social contribution is calculated based on the tax laws enacted, or substantially enacted, on the balance sheet date. In the Cooperative, only operations with non-cooperative members are taxed at the current rates. Operations with associated Cooperatives are not subject to income tax (IRPJ) and social contribution (CSLL).

Management periodically evaluates the positions taken by the Cooperative in income tax calculations in relation to situations in which the applicable tax regulations leave room for interpretation; and establishes provisions, when appropriate, based on estimated payment amounts to tax authorities.

Current income tax and social contribution are presented net, in liabilities when there are amounts payable, or in assets when the amounts paid in advance exceed the total due on the reporting date.

Deferred income tax and social contribution are recognized on temporary differences arising from differences between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred income tax and social contribution assets are recognized only in proportion to the probability that future taxable income will be available and against which temporary differences can be used.

Deferred income tax assets and liabilities are presented net in the balance sheet when there is a legal right and intention to offset them when calculating current taxes.

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Benefits for employees Expocacer offers benefits such as a health plan with 50% participation, an

- 2.15 agreement** dental, partnership with pharmacies, cinema, schools for daycare or pre-school with reimbursement of R\$ 150.00 for children under 6 years of age, gas station, Christmas card and food voucher worth R\$ 612.00 per employee, life insurance with 100% participation, in addition to incentives in 50% towards the cost of English, college and postgraduate courses, partnership with financial institutions for payroll loans, 15% discount at Cafeteria Dulcerrado for industrialized coffees and

- 2.16** 10% for consumption, and Wellbeing platform for access to gyms.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the normal course of the Cooperative's activities. Revenue is presented net of taxes, returns, rebates and discounts.

The Cooperative recognizes revenue when the amount of revenue can be reliably measured, it is

- (a)** probable that future economic benefits will flow to the entity and when the performance obligations of the contracts have been met for each of the activities.

Coffee sale

The Cooperative receives, stores, standardizes and sells coffee. Sales of products are recognized when the performance obligation of the contract is fulfilled, which is when the products are delivered to the customer, who now has complete freedom over the channel and price of resale of the products and there

- (b)** is no unsatisfied obligation. that may affect customer acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have passed to the customer, the customer has accepted the products in accordance with the sales contract, and the acceptance provisions have been agreed or the Cooperative has objective evidence
- (c)** that all criteria for acceptance have been met.

Services provision

The Cooperative provides services, essentially, storage and reprocessing of coffee. These services are provided on a time-incurred basis, and revenue is recognized at contracted rates.

Rates are defined according to the type of customer, with the member's charging table being up to 30% lower compared to others.

Financial income

Financial income is recognized over time on an accrual basis, using the effective interest rate method.

When an impairment is identified in relation to an accounts receivable, the Cooperative reduces the carrying value to its recoverable value, which corresponds to the estimated future cash flow, discounted at the instrument's original effective interest rate. Subsequently, as time passes, interest is incorporated into accounts receivable, in exchange for financial income. This financial inflow is calculated at the same effective interest rate used to determine the recoverable value, that is, the original rate of the instrument.

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according to article

- 2.17** 140 of Law 13,097/2015. In the event of dismissal, elimination or exclusion, the quota values are reclassified as liabilities, awaiting approval of the payment schedule by the Board of Directors and will be returned in accordance with the Bylaws and cooperative legislation.

Revaluation reserve and asset valuation adjustment

The realization of the revaluation reserve (basically depreciation of fixed non-current assets) is being recorded directly in the surplus available to the AGO, in shareholders' equity.

2.18

Calculation of surpluses or losses

The Cooperative's results are determined using the accrual accounting system. In compliance with the

2.19

Brazilian Accounting Standard, ITG 2004, of November 24, 2017, the Cooperative segregates, for the purposes of presenting the financial statements, the calculation of results between operations with members and third parties. The criterion adopted for this segregation in the "coffee" product consists of the value of purchasing coffee from the rural producer, being made the proportion of what is acquired from cooperative members and third parties and in the provision of services the direct separation of the revenue from services provided to the cooperative member. and third. In relation to other products, such as cafeteria products, fertilizers and packaging, where acquisition is made only from third parties, the proportion is made through the segregation of sales made to cooperative members/third parties.

2.20 Changes in accounting policies and disclosures

The following rule changes were adopted for the first time for the fiscal year beginning January 1, 2023:

. Amendment to IAS 1/CPC 26(R1) and IFRS Practice Statement 2 - Disclosure of policies accounting policies: change of the term "significant accounting policies" to "significant material". The amendment also defines what is "material accounting policy information", explains how to identify it and clarifies that immaterial accounting policy information does not need to be disclosed, but if it is, that it should not obscure relevant accounting information. The "IFRS Practice Statement 2 Making Materiality Judgments", also amended, provides guidance on how to apply the concept of materiality to accounting policy disclosures.

. Amendment to IAS 8/CPC 23 - Accounting Policies, Change in Estimates and Rectification Error: The change clarifies how entities should distinguish policy changes accounting policies of changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events, as well as to the current period.

. Amendment to IAS 12/CPC 32 - Taxes on Profit: the amendment requires entities recognize deferred tax on transactions that, upon initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This typically applies to lease transactions (right-of-use assets and lease liabilities) and decommissioning and restoration obligations, as an example, and requires the recognition of additional deferred tax assets and liabilities.

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. Amendment to IAS 12/CPC 32 – Taxes on Profit: in December 2021, the Organization

of Economic Cooperation and Development (OECD) released the rules of the Pillar Two model aiming to reform international corporate taxation in order to guarantee that multinational economic groups within the scope of these rules pay tax on the minimum effective profit at the rate of 15%. The effective tax rate on profit for each country, calculated in this model, was called "GloBE effective tax rate". These rules must be approved by the local legislation of each country, with some having already enacted new laws or are in the process of discussion and approval.

In May 2023, the IASB issued scope changes to IAS 12, "Income Taxes" to allow temporary exemption in the accounting of deferred taxes arising from enacted or substantially enacted legislation implementing OECD Pillar Two, which exemption was adopted by Expocacer. However, entities are required to present additional disclosures in their annual financial statements for years beginning on or after 1st January 2023, with no disclosure requirement for interim periods prior to December 31st 2023

The amendments to IAS 12 are applicable immediately and retrospectively in accordance with IAS 8 "Accounting Policies, Change of Estimate and Rectification of Error", including the requirement to disclose whether the exception was applied and whether taxes on the entity's profit were affected as a result of the implementation of Pillar Two rules.

The changes mentioned above did not have material impacts on Expocacer.

Regulations that are not yet in force

2.21 The following changes to standards were issued by the IASB, but are not in force for the 2023 financial year. Early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

. Amendment to IAS 1 "Presentation of Financial Statements": in accordance with IAS 1

– "Presentation of financial statements", for an entity to classify liabilities as non-current in its financial statements, it must have the right to avoid settlement of the liabilities for at least twelve months from the balance sheet date. In January 2020, the IASB issued the amendment to IAS 1 "Classification of liabilities as current or non-current", whose application date was for years starting from January 1, 2023, which determined that the entity would not have the right to avoid the settlement of a liability for at least twelve months, if, on the balance sheet date, it had not complied with indices provided for in restrictive clauses (e.g.: covenants), even if the contractual measurement of the covenant was only required after the date of the balance sheet within twelve months.

Subsequently, in October 2022, a new amendment was issued to clarify that liabilities that contain restrictive contractual clauses requiring achievement of indexes under covenants only after the balance sheet date, do not affect the classification as current or non-current.

Only covenants with which the entity is required to comply by the balance sheet date affect the classification of the liability, even if measurement only occurs after that date.

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The 2022 amendment introduces additional disclosure requirements that allow users of financial statements to understand the risk of the liability being settled within twelve months after the balance sheet date. The 2022 change changed the application date of the 2020 change. Therefore, both changes apply to years beginning on or after January 1, 2024.

Amendment to IFRS 16 – “Leases”: the amendment issued in September 2022 brings

clarifications on the lease liability in a sale and leaseback transaction (“sale and leaseback” leaseback”). *When measuring the lease liability subsequent to the sale and leaseback, the seller-* The lessee determines the “lease payments” and the “revised lease payments” in a manner that does not result in the seller-lessee recognizing any amount of gain or loss related to the right of use it retains. This could particularly affect sale and leaseback transactions where lease payments include variable payments that are not dependent on an index or rate. This change is effective from January 1, 2024.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments:

Disclosure”: the amendment issued by the IASB in May 2023 brings new

disclosure requirements on supplier financing arrangements (SFAs) with the aim of allowing investors to assess the effects on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier financing arrangements are described in this amendment as agreements in which one or more financing providers offer to pay amounts that an entity owes to its suppliers, and the entity agrees to pay in accordance with the terms and conditions of the agreement on the same date, or a later date, that suppliers are paid. The agreements typically provide the entity with extended payment terms, or the entity's suppliers with advanced payment terms, compared to the original due date of the related invoice.

The new disclosures include the following key information:

- (a) The terms and conditions of SFAs agreements.
- (b) For the start and end date of the reporting period:
 - (i) The carrying value and financial statement items associated with financial liabilities that are part of SFAs agreements.
 - (ii) The carrying value and items associated with the financial liabilities in (i) for which suppliers have already received payment from financing providers.
 - (iii) Range of due dates for payments of financial liabilities in (i) and comparable accounts payable that are not part of the aforementioned SFAs agreements.
- (c) Non-cash changes in the carrying values of financial liabilities in b(i)
- (d) Concentration of liquidity risk with financial providers.

The IASB provided a temporary exemption for the disclosure of comparative information in the first year of adoption of this change. This exemption also includes some specific opening opening balances.

Furthermore, the required disclosures are applicable only for annual periods during the first year of application.

This change is effective from January 1, 2024.

These changes are not expected to have a significant impact on Expocacer's financial statements.

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There are no other IFRS standards or IFRIC interpretations that have not yet come into effect that could have a significant impact on Expocacer's financial statements.

3 Critical accounting estimates and judgments

Accounting estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events, considered reasonable in the circumstances.

Based on assumptions, the Cooperative makes estimates regarding the future. By definition, the resulting accounting estimates will rarely be equal to the respective actual results. The estimates and assumptions that present a significant risk, likely to cause a relevant adjustment in the carrying values of assets and liabilities for the next fiscal year, are included below.

(a)

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in active markets is determined using valuation techniques. The Cooperative uses its judgment to choose various methods and define assumptions that are mainly based on market conditions existing at the balance sheet date.

(b)

Provisions for tax, labor and civil risks

The Cooperative recognizes provisions for tax, labor and civil causes. The assessment of the probability of loss includes the assessment of available evidence, the hierarchy of laws, available jurisprudence, the most recent court decisions and their relevance in the legal system, as well as the assessment of external legal advisors. Management believes that these provisions for tax, civil and labor risks are adequately presented in the financial statements, considering the expected cash disbursement.

4

4.1

Financial risk management Financial risk factors

(a)

The Cooperative's activities expose it to various financial risks: market risk, exchange rate risk, risk associated with interest rates, credit risk and liquidity risk.

Market risk

The Cooperative is exposed to a series of market risks arising from its operations. Such risks mainly involve the fact that possible variations in coffee prices and exchange rates may negatively affect the value of the Cooperative's financial assets and liabilities or future cash flows and surplus.

Risk of variation in the price of Coffee

Risk management

The Cooperative generates exposure to the coffee price cycle in its operations (buying and selling). To mitigate this risk, protection is adopted through the purchase and sale of futures contracts with physical delivery/receipt of stocks.

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After management review, if protection is indicated in scenarios with a significant probability of adverse events, the hedge asset protection strategy must be executed with the aim of protecting the Cooperative's solvency and liquidity, considering an integrated analysis of all exposures at the Cooperative's risk.

Considering only the consolidated net exposure to coffee price risk, operations with futures contracts, in general, are limited to protecting the results of transactions carried out in the futures market, that is, they are asset protection operations (hedge) in which the positive or negative variations are fully or partially compensated by the opposite result in the internal physical position.

Main future transactions and commitments protected by derivative transactions

The main operations with future commitments carried out by the Cooperative are intended to protect the expected results of transactions carried out in the domestic and foreign markets. With this objective, operations with derivative instruments are short and long term, following the terms of commercial operations. The instruments used are futures contracts, forwards, options and operations. Operations are carried out on the following exchanges: New York Merchant Exchange and B3 São Paulo.

Asset protection operations settled during the period from January to December 2023 corresponded to approximately all cargo sold.

The Net Coffee Exposure refers mainly to future sales contracts to be fixed, which in this modality is locked with the customer only the NY differential, whose purchase of the coffee and the fixing of the sales price take place at the same time. The following table summarizes information on current coffee futures and derivative contracts: Coffee derivative financial instruments - in bags of coffee.

	Coffee bags	
	2023	2022
Physical inventory	232.112	169,544
Future purchase contracts	143.908	462.193
	(283.106)	(558.322)
Future sales contracts fixed	(213.236)	(204.437)
	(107.920)	(87.677)
Future sales contracts to be fixed S	40.556	58.747
hort position exchange Long position exchange	(187.686)	(159.952)
Liquid Coffee Exposure - purchased (sold)		(159.952)

Parameters used for risk management

The main parameters used in risk management for variations in coffee prices, which arise from correlation between "bag" and "physical", is the establishment of rules for exposure control. The cooperative defined differential sales volume limits, in accordance with the approved Risk Policy.

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Value and type of margins given as collateral

Guarantees given as collateral generally consist of deposits and credit limits approved by international brokers and banks. This limit is used to cover margin calls depending on the variation in the price of the commodity/dollar and serves to provide security for the Cooperative's cash flow. As of December 31, 2023, Expocacer had approximately 13.5 million US dollars approved (15 million in 2022). Additionally,

it was defined in policy that 5% of the financial credit limit must be reserved for possible additional Currency risk is one of the financial risks to which the Cooperative is exposed, arising from movements in exchange rate levels or volatility, mainly of the US dollar.

(b) A "stress" test is carried out daily with the calculation of the MTM of positions with the participating institutions, with the aim of directing decision-making at the trading desk. With regard to exchange rate risk management, the Cooperative seeks to identify and treat it in an integrated manner, aiming to ensure efficient allocation of resources destined for asset protection.

The Cooperative seeks to identify or create natural protections (natural hedges) correlating revenues and expenses (debt).

Risk management is done for net exposure. Periodic analyzes of exchange rate risk are prepared to support the decisions of the executive board. The foreign exchange risk management strategy involves the use of derivative instruments to minimize the foreign exchange exposure of the Cooperative's obligations, which, in accordance with its Risk Policy, seeks to protect its entire foreign exchange position. The net exposure is considered after the decrease in the value relating to the future sales contracts to be fixed, since in this type of contract, the exposure is only in the NY price differential.

The following table summarizes foreign exchange exposure:

	2023		2022	
	Foreign currency	Real	Foreign currency	Real
Active banks in foreign currency				
Bills to receive	3.134	15.169	7.629	39.799
Passive	9.307	45.054	15.654	81.668
Debt	(23.605)	(114.277)	(24.440)	(127.520)
Financial instruments				
Contracts future sales	15.629	75.665	41.480	216.430
Contracts future purchases	(1.671)	(8.089)	(801)	(4.179)
NDF buys dollars	7.041	34.083	14.853	77.490
NDF sells dollars	(20.032)	(96.981)	(56.692)	(295.802)
Financial SWAP	8.000	38.730	(10.744)	(56.053)
Long position on the stock exchange	(3.335)	(16.144)	8.493	44.314
Short position on the stock exchange	3.120	15.105	(4.568)	(23.853)
Net foreign exchange exposure	(2.412)	(11.685)		

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The Cooperative uses the Ptax rate on the last business day of the year as the Foreign Currency conversion rate, with the rate for 2023 being 4.8413 (5.5177 in 2022) in US dollars.

(c) Risk associated with interest rate

The Cooperative's interest rate risk arises from long-term loans. Loans at variable rates expose the Cooperative to cash flow interest rate risk, however, possible changes or reductions in the basic interest rate are monitored and analyzed, and an "interest rate swap" may be carried out at an opportune moment. ", aiming to eliminate this type of risk. Loans at fixed rates expose the Cooperative to fair value risk associated with interest rates.

(d)

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with banks, as well as credit exposures, including outstanding accounts receivable and repo transactions.

The Cooperative's sales policy is subject to the rules of the credit and collection policy approved by the board of directors, which seek to minimize any problems arising from the default of its customers. This objective is achieved through a careful analysis carried out by an outsourced company and the selection of clients according to their payment capacity, debt index, Serasa Rating, balance sheet and through the diversification of their accounts receivable (spreading of risk).

(It is)

Liquidity risk

4.2

The cash flow forecast is carried out by the finance department and made available by the ERP operational system. This department monitors ongoing forecasts of the Cooperative's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Capital management

The Cooperative's objectives when managing its capital are to safeguard its continuity capacity to offer returns to shareholders and benefits to other interested parties, in addition to maintaining an ideal capital structure to reduce this cost.

To maintain or adjust the Cooperative's capital structure, the administration may review, or proposes, in cases where shareholders have to approve, the review of surplus distribution policy, return capital to shareholders or even issue capital calls or sell assets to reduce, for example, the level of debt.

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	2023	2022
Total loans and financing (Note 14)	654.407	643.284
	(1.771)	(22.181)
Securities (Note 8)	(321.900)	(272.270)
Cash and cash equivalents (Note 7)	330.736	348.833
Net debt	76.861	65.609
Total equity	407.597	414.442
Total capital	81%	84%
Financial leverage ratio - %		

4.3

Estimation of fair value

It is assumed that the balances of accounts receivable from customers and accounts payable to suppliers for the value accounting values are close to their fair values. The fair value of financial liabilities is estimated by discounting future contractual cash flows at the current market interest rate and is close to book values.

The Cooperative applies CPC 40 to financial instruments measured in the balance sheet at fair value, which requires disclosure of fair value measurements at the level of the following hierarchy:

- Quoted (unadjusted) prices in active markets for identical assets and liabilities, quoted prices incorporate market assumptions regarding climate change, such as rising interest rates and inflation, as well as changes due to risk ESG (Level 1).
- Information, other than quoted prices included in Level 1, that is observable by the market for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Information for assets or liabilities that is not based on market observable data (i.e., unobservable assumptions). This is the case for unlisted equity securities and instruments where ESG risk gives rise to a significant unobservable adjustment (Level 3).

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) at the principal or most advantageous market asset or liability in a normal transaction between market participants on the measurement date.

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Below is the table of assets and liabilities measured at fair value:

	2023			2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Active						
Financial instruments (Note 12) Stocks of cooperative members undergoing standardization (Note 10.b)	3,051	131,83	134.888	12,313	170,31	182.629
		7	49.889		6	55.911
	3.051	49.889	184.777	12.31	55.911	238.540
		181.72			226.227	
Passive						
Financial instruments (Note 12)	7.321	2.894	10.215		65.835	65.835
Suppliers of cooperative members undergoing standardization (Note 10.b)		45.496	45.496		34.582	34.582
	7.321	48.390	55.711		100.41	100.41
					7	7

Regulated futures contracts included in the account of brokers and banks are valued based on unadjusted quoted prices in active markets and are classified at Level 1, representing the current competitive price.

The Cooperative uses the valuation method with a market approach to measure the majority of its assets and liabilities recorded at fair value (term purchase, sale and stock contracts) which are based on prices quoted on the stock exchange, adjusted to observable quotations for adjustments of locally based and are classified at Level 2.

Based on the historical experience of the relationship with suppliers, customers and knowledge of current market conditions, the Cooperative does not see counterparty risks for fair value and changes in fair value are accounted for directly against profit or loss.

5

Financial instruments

Financial assets and liabilities are stated at fair market values. The Cooperative carries out transactions with derivative financial instruments, without speculative purposes, solely with the aim of reducing risks related to exchange rates, and therefore does not have exotic derivatives of other types.

The Cooperative has been operating in the derivatives markets, both to meet the growing needs of its clients and to execute its risk management policy. This policy is based on the use of derivative instruments as a way of minimizing risks arising from financial commercial operations.

Non Deliverable Forwards (NDF) are contracted by the Cooperative with the aim of protecting its operations against the risks of fluctuations in exchange rates and commodity prices and are not used for speculative purposes.

Futures contracts with B3 and NY are mainly used as price locking instruments to ensure greater profitability in the operation, not just depending on over-the-counter or spot buying and selling operations.

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6 Financial instruments by category

	Category	2023	2022
Assets, according to balance sheet			
Cash and cash equivalents (Note 7)	Amortized Cost	321.900	272.270
Marketable securities (Note 8)	Amortized Cost	1.771	22.181
Accounts receivable (Note 9)	Amortized Cost	84.083	109.812
Judicial deposits (Note 16)	Amortized Cost Fair value through profit or loss	93	86
Financial instruments and derivatives (Note 12)		134.888	182.629
		542.735	586.978
Liabilities, according to the balance sheet			
Loans and financing (Note 14)	Amortized Cost	654.407	643.284
Suppliers of goods and consumption (Note 15)	Amortized Cost Fair value through profit or loss	63.552	32.211
Suppliers cooperating in standardization (Note 10.b)	Fair value	45.496	34.582
Financial instruments and derivatives (Note 12)	through profit or loss	10.215	65.835
Funpafi to be refunded	Amortized Cost	136	156
Capital to be refunded	Amortized Cost	3.366	4.284
		777.172	780.352

7 Cash and cash equivalents

Description Box	2023	2022
Banks account movement		
Financial applications	34	55
Banks in foreign currency	1.486	3.152
	305.211	229.264
	15.169	39.799
	321.900	272.270

Cash equivalents are maintained for the purpose of meeting the Cooperative's short-term cash commitments. Financial investments are immediately convertible into a known amount of cash and are subject to an insignificant risk of change in value, being represented by Bank Deposit Certificates (CDB), remunerated based on a percentage of the variation in the Interbank Deposit Certificate (CDI).), considering the value, term and time of application and can be redeemed according to the Cooperative's need for resources. Balances in banks in foreign currency are made up of amounts received through payment orders from abroad, which at the end of the year had not been nationalized, either via spot exchange or settlement of advances on exchange contracts.

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8 Real State Securities and securities

Securities classified as Investment Funds refer to investments financial resources linked to short-term loans and financing.

Description	<u>2023</u>	<u>2022</u>
Investment fund		11.540
Capitalization bond		40
Values available in brokerage margin accounts	1.771	<u>10.601</u>
	<u>1.771</u>	<u>22.181</u>

9 Bills to receive

	<u>2023</u>	<u>2022</u>
Clients		29.772
Internal Market	40.054	<u>81.668</u>
External Market	85.108	<u>111.440</u>
(-) Provision for loss on accounts receivable credits	(1.025)	(1.628)
	<u>84.083</u>	<u>109.812</u>
Current	75.799	108.480
Non-current	8.284	1.332

Foreign market customers include sales carried out with countries other than Brazil. The Cooperative has a credit and collection policy that establishes limits and deadlines, within liquidity standards, which are determined by various rating instruments. This policy also encompasses the methodology for calculating the provision for estimated losses on doubtful loans (PECLD), which is carried out annually according to the calculated index. In 2023, according to this index, a reversal of 603 thousand of the previously made provision was made.

	<u>2023</u>	<u>2022</u>
Due between 1 and 30 days	82.210	106.07
Past due between 30 and 60 days	579	
Past due between 60 and 120 days	217	8
Past due between 120 and 180 days	992	3.732
Past due between 180 and 360 days	174	97
Past due for more than 360 days	26	489
	<u>910</u>	<u>96</u>
	85.108	<u>73</u>
		<u>875</u>
		111.440

In 2023, the amount of R\$ 14,219 (4,508 in 2022) refers to receivables from cooperative members, of which the amount of R\$ 1,360 (1,142 in 2022) is due and refers to receivables that will be offset with purchases of coffee and They also have the respective capital held in the Cooperative as a guarantee, thus not posing any risk of loss to the Cooperative.

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10 Stocks Stock of goods

(a)

Description	2023	2022
Raw Coffee	152.616	116.220
Big Bag Packaging for coffee	8.780	7.769
Cafeteria Other stocks	4.276	2.574
Advances to suppliers	306	470
	484	291
Simple invoicing for future delivery	15.086	3.246 (345)
	181.548	130.225

The Cooperative makes sales of inputs in the form of simple billing for future delivery, with the customers receivable account being debited at the time of sale, and subsequently, with the shipment of goods, the balance of the simple billing account is reversed and the sales revenue in the result.

The variation presented in the balance in stocks is correlated to the price of R\$884 reais at the end of 2023 (R\$973 reais in 2022) and the composition of volumes in bags at the end of each year, and at the end of 2023 the balance of 177,652 60-kilo bags (119,490 in 2022).

The Cooperative has in its warehouses, cafes owned by members and third parties:

Coffee	unit	2023	Quantity
Product	60 kg bag	560.809	327,665

The Cooperative is responsible for storing stocks, and the services provided are remunerated by the storage fee.

(b) **Stock and suppliers of cooperative members in standardization**

Inventories received from cooperative members for deposit and which have not yet been acquired by the Cooperative, are offset against accounts payable in current liabilities. These inventories, and the corresponding accounts payable, are measured based on the best estimate of the market price for purchase on the date of presentation of the financial statements, as determined by ITG 2004.

Member stocks are reclassified to the Cooperative's stock at the time of these products sale..

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On December 31, the stocks of cooperative members deposited in the Cooperative's warehouses under the standardization program have the following composition:

Description	2023	2022
Raw Coffee	49.889	55.911
	49.889	55.911

The corresponding values of this stock have the following composition in accounts payable:

Description Suppliers of cooperative partners in	2023	2022
standardization	49.889	55.911
Advances to suppliers of cooperative members in standardization	(4.393)	(21.329)
(i)	45.496	34.582

- (i) The standardization program provides in its regulations the possibility for the participant to receive a partial financial advance, on the number of bags adhered to, which reflects in a supplier balance lower than the balance in stock, with the member having to set the the sale price, or, return the amounts to the cooperative if it chooses to leave the standardization program.

The stocks of cooperative members deposited in the Cooperative's warehouses have the following composition in 60 kilogram bags:

Description	2023	2022
Raw Coffee	54.460	50.426
	54.460	50.426

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11 Taxes to be recovered

Description	2023	2022
ICMS		
IRRF	5.061	1.218
CSLL	3.213	3.155
PIS - Presumed export credit	721	720
COFINS - Presumed export credit	149	339
PIS - Credits on inputs	657	1.530
COFINS - Credits on inputs	153	196
Other taxes to be recovered	672	869
	25	40
	10.651	8.067
Description	2023	2022
Current	10.070	7.640
Non-current	581	427
	10.651	8.067

The Cooperative has accrued ICMS, PIS and COFINS in the normal course of its operations, mainly arising from presumed credits on its exports to PIS and COFINS and arising from presumed credit on the acquisition of Raw Coffee from its suppliers. The administration has been implementing operational plans to recover these tax credits, which can be offset against other federal taxes, including social security debts, in the case of PIS and COFINS, and offset against a debt of the same nature in the case of ICMS. In 2023, this compensation with social security debts represented around R\$ 8,443 (R\$ 6,076 in 2022), the administration has been making efforts to reimburse in cash the PIS and COFINS credits that were not compensated, in 2023 the Cooperative refunded in kind the amount of R\$1,309 (R\$821 in 2022).

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12 Financial instruments		2023	2022
Active			
Non Deliverable Forward ("NDF") - Sale of Raw Coffee Bean Stock		3.052	12.107
Sales contracts with fixed price with customer - ME		67.609	7.861
Sales with price to be fixed with customer - ME		1.104	2.942
Sales with price to be fixed with customer - MI		14.791	1.930
Sales contracts with price fixed with client - MI		26.823	3.650
Term purchases with future delivery - MI Stock exchange operations - Forward Sale		21.509	10.117
			<u>143.816</u>
		<u>134.888</u>	<u>182.629</u>
Passive			
Non Deliverable Forward ("NDF") - Sale Financial Swap		6.666	
Sales contracts with fixed price with customer - ME		654	4.554
Sales with price to be fixed with customer - ME		2.895	1.294
Sales contracts with fixed price with customer - MI			53.914
Term purchases with future delivery - MI			<u>6.073</u>
		<u>10.215</u>	<u>65.835</u>

13 Fixed assets
(a) Composition of the balance

Description Land	Annual Depreciation		Accumulated		
	Rate	Cost	depreciation	Net	Net
Buildings and improvements	-	8,604		8,604	8,604
Installations Machines and equipment Vehicles IT	1,67%	35.918	(6.678)	29.240	29.548
equipment Furniture and utensils Fixed assets in progress Vehicle consortiums	2,86% 5% 10% 20% 6,67%	1.324 32.502 2.593 1.515 1.974 3.172 133	(421) (10.90) 1.464 (1.113) (840)	903 21.602 1.129 402 1.134 3.172 133	913 21.915 1.082 364 961 147 88
		<u>87.735</u>	<u>(21.416)</u>	<u>66.319</u>	<u>63.622</u>

In 2010, the Cooperative's Administration hired a company specializing in asset valuation to determine the assigned costs (deemed cost) of the group of land, buildings and improvements and vehicles, which issued the basic technical report for the accounting records. The counterpart of the value added to fixed assets was recorded against equity, in the asset valuation adjustment account. The fixed asset groups of installations, machinery and equipment, IT equipment and furniture and utensils are increased by spontaneous revaluation carried out by independent experts based on a valuation report. Considering the particularity of

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Cooperative, which operates in parts with cooperative acts, Management did not constitute a provision for deferred taxes.

In 2017, the Cooperative's Management reviewed the remaining economic useful life of the fixed assets and made adjustments to the depreciation for the year in line with the useful life report. In 2022 and 2021 no changes were identified in the review carried out. The need to record the adjustment of assets to their recoverable values (impairment) was also not identified.

(b) Movement of fixed assets

In 2023:

Description	2022					2023
	Net	Additions	Depreciations	Transfers	low	Net
Land	8,604					8,604
Buildings and improvements	29.548	46	(655)	301		29.240
Installations	913	9	(24)	5		903
Machines and equipment Vehicles	21.915	1.007	(1.319)		(1)	21.602
IT equipment	1.082	272	(111)		(114)	1.129
Furniture and utensils	364	203	(165)		(5)	402
Fixed assets in progress	961	291	(113)			1.134
Consortium	147	3.331		(306)		3.172
	88	45				133
	63.622	5.204	(2.387)		(120)	66.319

In 2022:

Description	2021					2022
	Net	Additions	Depreciations	Transfers	low	Net
Land	8,604					8,604
Buildings and improvements	29.504	662	(618)			29.548
Installations	921	15	(23)			913
Machines and equipment Vehicles	22.179	992	(1.256)			21.915
IT equipment	561	628	(65)			1.082
Furniture and utensils	360	154	(150)		(42)	364
Fixed assets in progress	860	189	(88)			961
Consortium	3	144				147
	21	67				88
	63.013	2.851	(2.200)		(42)	63.622

Fixed assets in progress consist of investments and development of machinery and equipment.

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14 Loans and financing

Modality	Average annual rate	2023			2022		
		Current	Not CIRCULANT	Total	Current	Not CIRCULANT	Total
Finame	10,16%	840	3.781	4.621	1.081	1.436	2.517
LCA (i)	13,50%	31.922	5.000	31.922	6.310		6.310
Procap-Agro (ii)	11,50%	5.208	12.543	10.208	13.584		13.584
Funcafé (iii)	11,00%	248.628	4.507	261.171	182.635	5.430	188.065
BNDS Autom. - PCA	3,50%	2.264	2.409	6.771	2.301	6.728	9.029
Working Capital (iv)	11,11%	1.232		3.641	1.409	3.614	5.023
ACC (v)	8,63%	75.547		75.547	127.520		127.520
CCE / NCE (vi)	7,40%				7.691		7.691
CRA (vii)	16,15%	34.335	66.978	101.313	1.582	100.000	101.582
Industrialization (viii)	11,50%	86.978		86.978	131.375	7.250	138.625
CPR - Financial (ix)	14,26%	23.505	10.000	33.505	23.337	20.000	43.337
PPE (x)	8,20%		38.730	38.730			
Guaranteed account	12,00%				1		1
		510.45	143.94	654.407	498.826	144.45	643.284

The contractual charges are market standards for the specific modalities. The guarantees are a pledge of merchandise (coffee), fiduciary assignment of credit rights (receivables), board endorsement, financial investments, promissory note and also fixed assets for loans and long-term financing.

(i) Loans in the LCA - Agribusiness Letter of Credit modality correspond to resources

originating from a credit title issued by public or private financial institutions (banks), with the aim of obtaining resources to finance the agricultural sector. When you buy an LCA, you lend money to the agribusiness and receive, in return, your money plus an interest rate. The guarantee offered for this loan line is the pledge of merchandise (coffee) and the approval of the board of directors.

(ii) The Capitalization Program for Agricultural Cooperatives (Procap-Agro) aims to finance the working capital to Cooperatives, aiming to meet immediate operational needs. The line is intended to promote the recovery or restructuring of agricultural production Cooperatives, enabling the strengthening of these Cooperatives.

(iii) Loans in the Funcafé modality correspond to resources originating from the Defense Fund of the Coffee Economy - Funcafé, under the stipulated conditions, for use in storing and purchasing coffee. It is intended for financing, modernization, encouraging productivity in coffee farming, the coffee industry and exports; the development of research, means and routes of transport, ports, price and market defense, internal and external, as well as the living conditions of rural workers. The guarantee offered for this type of operation is the guarantee required by the line itself, which is the pledge of merchandise (coffee) and the endorsement of the board.

(iv) Working capital loans correspond to a line of credit granted by banks to finance the day-to-day operation of the Cooperative. It is generally offered under better conditions by the bank where the Cooperative has an account and, in many cases, a good relationship with the bank can yield better conditions when contracting. The guarantee offered for this loan line is the mortgage of real estate, consisting of coffee storage sheds, located on Avenida Marciano Pires, in Patrocínio/MG.

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- (v) ACCs (exchange contract advances) are specific forward instruments, whose
The bank advances the Cooperative the amount in Reais (national currency), equivalent to the amount of foreign currency purchased by the bank. This resource allows the Cooperative to finance the production and marketing of exported goods. The ACC is divided into two phases, the first phase being based on the advance made by the bank up to 180 days before shipment and the second phase called ACE (export contract advance) which occurs when the merchandise has already been shipped. The guarantee offered for this type of loan is the board's endorsement and the "exchange" or receivables from the exported goods.
- (vi) CCE/NCE - Export credit card, is a line of credit intended for export or production of goods for export, and also support and complementary activities that are integral and fundamental to exports. The guarantee offered for this type of operation is the guarantee required by the line itself, which is the pledge of merchandise (coffee) and the endorsement of the board.
- (vii) The CRA (agribusiness receivables certificate) is a fixed income investment backed by
receivables originating from agribusiness, such as rural producers or their cooperatives, and third parties, such as loans or financing related to production, marketing or agricultural inputs. It is an agribusiness credit title that can only be negotiated by securitization companies.
- (viii) Loans in the industrialization modality is a line aimed at rural producers and its production cooperatives, to finance the industrialization activities of agricultural products, the processing or processing of merchandise. The guarantee offered for this type of loan is the pledge of merchandise (coffee) and the endorsement of the board.
- (ix) The rural product certificate - CPR is a title that represents a promise of future delivery of a agricultural product, functioning as a facilitator in rural production and marketing. The CPR can be settled financially or physically, depending on the modality signed with the financial institution. The guarantee offered in this type of credit is the pledge of the merchandise (coffee) and the endorsement of the board.
- (x) Export prepayment – PPE, is financing for exports in foreign currency foreign, granted before the shipment of goods or the provision of services, whose objective is to provide exporters with advance resources to finance the production, storage and commercialization of goods and services. The guarantee offered for this type of financing is the endorsement of the board, pledge of goods and/or receivables for exported goods.

For loans related to Finames, the guarantee offered is the asset itself being financed.

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Restrictive contractual clauses - covenants Under the terms of the credit line of the Agribusiness

Receivables Certificate - CRA, Expocacer is

obliged to comply with the following financial clauses:

- (a) Liquidity Index: equal to or greater than 1.0 x during duration of the operation.
 (b) The division index of total Net Equity by Total Assets is: greater than or equal to 5% during the duration of the operation.

Expocacer complied with these covenants during the year. On December 31, 2023, the current liquidity ratio was 1.22 and the ratio of the division of total Net Equity by Total Assets was 8,77%.

The maturity of long-term installments is as follows:

Year 2024	2023	2022
2025		59.734
2026		47.247
2027 a 2033	103.666	37.136
	37.575	341
	<u>2.707</u>	<u>144.458</u>
	143.948	

The movement of loan and financing balances can be demonstrated as follows:

	2023	2022
Initial balance		413.386
Inflow of loans and financing	643.284	
Provisioned charges	655.558	874.086
Amortization of the principal amount	69.024	43.711
Amortization of charges	(655.713)	(43.280)
Final balance	(57.746)	643.284
	<u>654.407</u>	<u></u>

15 Suppliers of goods and consumption

	2023	2022
National suppliers	63.552	32.211
	<u>63.552</u>	<u>32.211</u>
Current	62.172	32.211
Non-current	1.380	
	63.552	<u>32.211</u>

Suppliers basically consist of purchasing coffee, purchasing inputs and resale products for the cafeteria and other suppliers of materials for use and consumption.

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16 Provisions for contingencies and judicial deposits

The Cooperative is a party involved in tax, civil and labor lawsuits, which are being discussed in the judicial sphere. The Cooperative's Management decided, based on the opinion of its legal advisors, to record the provision for contingencies in an amount considered sufficient for the actions and amounts involved. There are judicial deposits made to support the demands.

The balance of the provision for contingencies, judicial deposits and financial investments linked to demands are made up as follows:

<u>Description</u>	<u>Provision for Contingencies</u>		<u>Judicial deposits</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
ISS	93	86	93	86
	93	86	93	86

Tax - ISS

The Cooperative Administration is suing the City Hall of the Municipality of Patrocínio with the aim of reimbursing the amount that was unduly collected. In view of the legal discussion, the Cooperative Administration awaits the final outcome of the action, to make the necessary adjustments.

Possible contingencies:

Furthermore, the Cooperative has processes under discussion with a prognosis of possible loss considered by its legal advisors, such actions are presented below:

Civil and labor

Given the stage of the discussion and the prognosis of possible losses informed by the legal advisor, the Cooperative is discussing civil and labor actions in the amount of R\$ 1,399 reais in 2023 (R\$ 1,334 in 2022).

Tax - ICMS

The Cooperative, in the judicial sphere, discussed two infraction notices, respectively of numbers 01.000285231-62 and 01.000285405-63, drawn up in relation to the ICMS state tax, relating to the period from 1/1/2010 to 12/31/2014. As a result of the defense presented by the Cooperative's Administration, the total values of the infraction notices, which totaled R\$5,134 in 2022, were judged and extinguished in 2023, without any cost to the Cooperative.

Furthermore, regarding tax matters, in accordance with current legislation, the Cooperative's operations are subject to review by the tax authorities in prescriptive periods for the various federal, state and municipal taxes, fees and contributions (generally five years). However, the Cooperative's Management is of the opinion that all taxes have been paid or provisioned for adequately and, as of December 31, 2023 and 2022, no other relevant contingencies relating to taxes were identified, with the prospect of probable and possible loss.

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17 Net equity Social capital Social capital is made up of shares distributed among cooperative

(a) members. According to the Statute

Social, each member has the right to a single vote, regardless of the number of their shares.

Statutory allocations

- (b)** In accordance with the Cooperative's Bylaws and Law 5,764/1971, the net surplus for the year will be allocated as follows:

	<u>2023</u>	<u>2022</u>
Statutory reserves		
Legal Reserve (i)	1.294	698
Rates - Cooperative Members (ii)	1.294	698
Rates - Third Parties	5.666	11.382
(iii) Financial strengthening reserve	6.472	3.490
(iv) Social investment reserve (v)	259	139
Distribution through payment in kind (vi)	<u>1.296</u>	<u>698</u>
	<u>16.281</u>	<u>17.105</u>

- (i)** 10% of the net surplus with cooperative members for Legal Reserve, intended to repair losses and support the development of their activities;
- (ii)** 10% of the net surplus with members for the Technical, Educational and Social Assistance Reserve - ("Rates"), intended for providing assistance to associated producers, their families and employees of the Cooperative, in accordance with specific regulations to be defined at the General Assembly ;
- (iii)** According to Law No. 5,764 of December 16, 1971. Art. 87. The results of the Cooperatives' operations with non-members, mentioned in articles 85 and 86, will be taken to the account of the "Technical, Educational and Social Assistance Fund" and will be accounted for separately, in order to allow calculation of tax incidence;
- (iv)** 50% of the net surplus with members for the Financial Strengthening Reserve, intended for strengthening own capital, compensating for possible losses and developing their activities;
- (v)** 2% of the net surplus with members for the Social Investment Reserve, intended to support actions of a social, educational and cultural nature;
- (vi)** 10% of the net surplus with cooperative members will be distributed to members in payment and in kind within the schedule decided by the Board of Directors.

(c)

Asset valuation adjustments

Refers to the equity valuation of the fixed assets of the group of land, buildings and vehicles, in addition to the revaluation of fixed assets carried out in previous years. The carrying out of the asset assessment

(d)

is recorded directly in the surplus account available to the AGO. Of the total, the amount of R\$7,882 refers to the cost attributed to "Land", in 2010.

Statutory fund - Funpafi

The Revolving Deployment and Installation Participation Fund - Funpafi, represented by an endorsable nominative certificate, which corresponds to the number of shares acquired above the

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minimum shares established in the Cooperative's statute, can be used in the payment of the share capital and is remunerated at a rate equivalent to half of the savings remuneration index updated monthly and is available for redemption upon request from the member.

(It is) Leftovers available to the AGO

Of the surpluses determined in the 2022 financial year, 50% were distributed in kind and the other 50% were taken to the financial strengthening reserve, as approved by the General Assembly on February 28, 2023. In 2023, the surpluses determined after the constitution of legal and statutory reserves are available to the Ordinary General Assembly (AGO) for deliberation regarding their allocation. In accordance with the legislation that governs cooperative societies, Law 5,764/1971, and the Bylaws, surpluses available to the AGO can be capitalized or distributed to cooperative members according to their movement within the Cooperative or even incorporated into reserves, according to the resolution of the cooperative members at the General Assembly. Accumulated losses, after compensation with reserves and funds, must be shared among members.

18

	<u>2023</u>	<u>2022</u>
Net Revenue		
Gross revenue		
	1.367.580	1.464.943
Product sales	<u>16.339</u>	<u>13.641</u>
Provision of services	<u>1.383.919</u>	<u>1.478.584</u>
Deductions		
Sales taxes	(4.826)	(9.100)
Returns and rebates	<u>(26.607)</u>	<u>(10.061)</u>
	<u>(31.433)</u>	<u>(19.161)</u>
Net Operating Income	<u>1.352.486</u>	<u>1.459.423</u>

19

	<u>2023</u>	<u>2022</u>
Costs of products sold and services provided		
Raw materials	1.282.118	1.401.576
Personnel and charges Inputs	9.111	8.082
Depreciation and amortization	3.750	4.024
Insurance	<u>1.945</u>	<u>1.873</u>
	<u>1.090</u>	<u>848</u>
	<u>1.298.014</u>	<u>1.416.403</u>

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20	Administrative and general expenses	2023	2022
	Administrative and general expenses	11.701	9.268
	Personnel	4.385	2.536
	Hired labor	102	78
	Electricity	113	73
	Fuel and lubricant	559	507
	Snacks and meals	357	181
	Conservation Movable and Real Estate Assets	977	1.034
	Depreciation and amortization	1.279	1.693
	Taxes fees and contributions	1.323	875
	Right of use	(603)	26
	Losses (reversal) on receipt of credits	1.150	2.084
	Events and Marketing	2.770	2.013
	Others	24.113	20.368
		24.113	20.368
		24.113	20.368
21	Business expenses	2023	2022
	Port and customs expenses	3.579	4.294
	Packaging	2.536	3.255
	Freight	11.125	9.032
	Commissions and brokerages	3.524	5.620
	Preparation expenses	6.439	7.006
	Premium payments (i)	2.192	4.397
	Cancellations (ii)	1.383	539
	Others	1.113	887
		31.891	35.030
		31.891	35.030

(i) Premium payments refer to the Fairtrade premium, which is a fair trade certification aimed at small producers. These producers are members of the Association of Small Producers of the Cerrado - Appcer, which is responsible for receiving this award from Expocacer and passing it on to its members, in the manner defined in its assembly.

(ii) Cancellations, as the name suggests, involve renegotiations of future coffee purchases made with the cooperative members, whose main objective of the contract was not possible to be fulfilled by the seller. This happens when there is a sale of merchandise to a cooperative at a stipulated price and for some reason the producer is unable to deliver the product and the settlement of the contract becomes financial.

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22 Financial result

	<u>2023</u>	<u>2022</u>
Financial Income Interest	18.746	6.915
and income	702	891
Other financial income	19.448	891
	(1.108)	7.806
Financial expenditures	(28)	(1.118)
Banking expenses Interest liabilities Charges	(69.024)	(1.118)
on loans and financing Discounts granted	(4.770)	(119)
Other financial expenses	(995)	(995)
	<u>(75.925)</u>	<u>(43.711)</u>
	<u>(56.477)</u>	<u>(4.087)</u>
	<u><u>(4.824)</u></u>	<u><u>(4.824)</u></u>
		(53.859)

(46.053)

Discounts granted are mostly operations involving the anticipation of receivables that we have with some clients, which are sold in installments, but clients offer agreements for the anticipation of receipt. However, a discount fee is incurred in advance.

23

Financial instruments and derivatives and exchange rate variation

The classification of financial instruments and derivatives and exchange rate variation as operational results is related to the nature of the assets and liabilities exposed to exchange rate risks and changes in commodity prices, which are substantially acquired or contracted in the context of protecting operations from purchase and sale of agricultural commodities (coffee) from the Cooperative.

	<u>2023</u>	<u>2022</u>
Active result of settled exchange rate hedge operations	61.961	84.319
Active exchange rate variation	25.347	41.185
Passive exchange rate variation	(26.757)	(45.827)
Active result of settled exchange rate operations	57.079	121.050
Passive result of settled exchange rate operations	(44.524)	(132.438)
	<u>73.106</u>	<u>68.289</u>

24 Deferred income tax and social contribution

(a) Income tax and social contribution for the period are calculated based on current tax laws and comprise current and deferred tax, which are recognized in the statement of surpluses or losses for the year.

Operations with cooperative members are exempt from income tax and social contribution. Transactions with third parties are taxed at the rates in force in accordance with current legislation. Income tax and current social contribution were calculated according to the calculation basis below:

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	<u>2023</u>	<u>2022</u>
Net surplus before IR and CSLL - Non-cooperative act Nominal	22.707	11.382
income tax and social contribution rate - %	34%	34%
Income tax and social contribution at legislative rates	<u>(7.720)</u>	<u>(3.870)</u>
Adjustment of differences in depreciation rates Derivatives and	285	712
Commodities Other additions and exclusions Income tax and	<u>(32.089)</u>	<u>1.343</u>
current social contribution expense	<u>(3.689)</u>	

- (b) Deferred income tax and social contribution are calculated based on temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements. The rates for these deferred taxes are the same as those for current income tax and social contribution, being 25% for income tax and 9% for social contribution. The balances of deferred tax assets and liabilities have the following composition:

	<u>2023</u>	<u>2022</u>
Asset Deferred tax credits on:		
Tax loss and negative calculation basis	<u>14.782</u>	
	<u>14.782</u>	
Liabilities Deferred tax credits on:		
Operations with financial instruments	<u>15.190</u>	
	<u>15.190</u>	
Deferred income tax and social contribution expenses	<u>(408)</u>	

Deferred income tax and social contribution assets are recognized only in proportion to the probability that future taxable profit (results from operations with third parties) will occur, based on expectations of future results prepared by the management of the Cooperative, which may, therefore, suffer changes. Operations carried out with third parties amounted to 42.99% in 2023 (61.99% in 2022). The Cooperative has always calculated deferred taxes, and on December 31, 2023, recognized it in its statements with the following estimated realization:

	<u>2023</u>	<u>2022</u>
2024 2025	3.074	
2026 Up	2.992	
2027	3.118	
	<u>34.266</u>	
	<u>43.450</u>	

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25 Related Parties Existing related parties are natural persons who have authority and responsibility for

plan, direct, control and supervise the activities of the Cooperative (Board of Directors, Board of Directors and Supervisory Board), including executives.

Transactions with related parties are carried out in the normal context of the Cooperative's operational activities and have the following balances on December 31, 2023 and 2022.

Nature of the operation	2023			2022		
	Administrative Council	Fiscal Council	Total	Administrative Council	Fiscal Council	Total
Attendance card Services	2	4	6	5	6	11
provided receivable	52	8	60	238	3	241
	3	86	89	2 77	1	3 77
Miscellaneous customers	1.591	7	1.598	1.609		1.677
Advance payment Suppliers	3.186	205	3.391	910	68	1.100
Share capital and Funpafi	1.039	151	1.190		190	
	5.873	461	6.334	2.841	268	3.109

26 Insurance coverage (not audited)

The Cooperative's Administration adopts the policy of taking out insurance of different **types, whose** Coverage is considered sufficient by the Administration and insurance agents to cover the occurrence of claims. The risk assumptions adopted, given their nature, are not part of the scope of the audit of the financial statements and were consequently not examined by our independent auditors.

* * *

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ESG Report and Financial Statements 2023

Preparation and General Coordination:

Sustainability Technical Department – Expocacer

Consulting, Writing, Design and GRI Standard

TOTVS Consulting

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