



Annual Sustainability Report

2022



PEOPLE
INSPIRE US



Contents

3	32
4	39
6	50
7	62
16	66
25	68

About this Report

GRI 2-1, 2-2, 2-3, 2-4, 2-5

This is the first Annual Sustainability Report of CTA – Continental Tobaccos Alliance S/A, a privately held corporation.

The report covers the period from January 1 to December 31, 2022 and was produced with the support of Peterson Consultancy using the GRI (*Global Reporting Initiative*) 2021 standard as a reference. All information presented herein has been supervised and approved by representatives of the company's Board of Executive Officers and its financial results have been audited by independent companies. The information refers to the performance of the parent company and its four business units.

If you have any questions or suggestions, please contact us by email:
sustentabilidade@cta.com.br



Message from the **CEO**

GRI 2-22

It is with great satisfaction that we present CTA Continental's first Sustainability Report. It reflects everyone in management and all of the teams' unwavering dedication to being at the forefront of best practices, maintaining transparency, and providing information on our efforts and performance to all of our stakeholders.

Brazilian tobacco is experiencing an increase in value, and in 2022 in particular, this was clearly perceived. The drop in stockpiles, which also coincided with the pandemic era, offered further proof of the strong demand for this raw material, being met by balanced production.

We were able to close out 2022 with notable results because of these market dynamics and the implementation of sound management practices. The year's bottom line reflected many actions and business decisions, which led to a significant improvement in our financial indicators.

We understand that being a sustainable company means being a responsible company, one that reaches its financial objectives, seeks to evolve its governance processes, maximizes its positive impacts and, thus, guarantees the perpetuity of the business for current and future generations.



Eduardo Renner, CEO CTA
Continental Tobaccos Alliance S/A.

Our initiatives and actions promote genuine purpose positioning. We have already achieved recognition in terms of our institutional image, in which we are perceived as a reference company regarding good ESG and compliance practices throughout our value chain, as well as through our competitiveness in national and international markets.

This credibility is reflected in the businesses, by clients, and in higher levels of funding released by financial institutions. We are confident about our potential; our expansion has been steady, organic, and incremental; we have avoided taking any needless risks; and we place a premium on the stability of our company and the

development of honest relations with our clients, growers and investors.

We strive to create a long-lasting organization based on responsible decisions that deliver consistent growth and enable us to meet all of the requirements and face the dynamics of the modern business world.

We resumed our investments in team training and showing appreciation for our staff. We encourage shared management by enabling greater participation, autonomy, a sense of belonging, responsibility and a global vision of the business. Based on a holistic vision of the supply chain and

the businesses, our employees take ownership of and comprehend their roles in the overall strategy.

By recognizing the worth of our talents, we are able to construct a solid and consistent succession plan, thereby preparing future generations for business continuity. We continually invest in process innovations and tools that enable our teams to perform both at their best and more efficiently, encouraging them to innovate and be creative.

In 2022, we conducted an organizational climate survey and offered employees the opportunity to evaluate the new management. The result revealed a high rate of approval and a very positive perception and level of satisfaction with our efforts to date, indicating that we are on the right track.

We invest heavily in projects focused on growers and communities, concentrating on the quality of life of those around us, encouraging the use of resources for subsistence in a sustainable manner and promoting their access by future generations.

We want to share value and prosperity with everyone who contributes to the success of our results. We strive to make our employees feel good about working for us, and want them to be well-qualified and satisfied professionals.

We can say that 2022 was an important year and that it ended with a sense of accomplishment. The company's credibility, already strong with its many stakeholders, is further solidified by this achievement. And we aim to additionally reinforce such trust; this Report is a major example of our dedication. I invite you all to join us on our journey.

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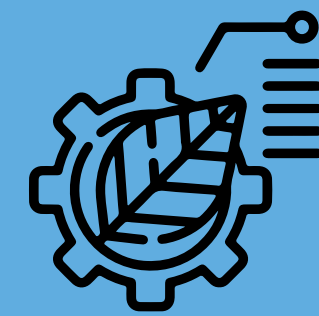
2022 Highlights



To learn about our commitments for next year, visit: [Outlook 2023](#)



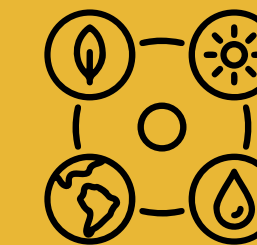
Formulation of a Strategic Plan for the Next Three Years



Implementation of the Agrotop Program



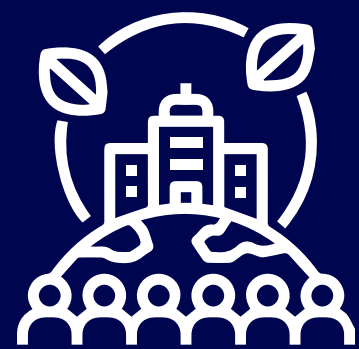
With the assistance of CTA, ten Arroio Castelhana springs were recovered and preserved



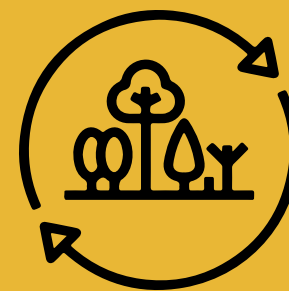
Biodiversity Management Plan - Agrotop



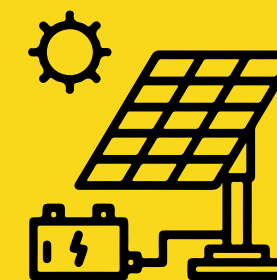
Creation of the Code of Conduct for Suppliers



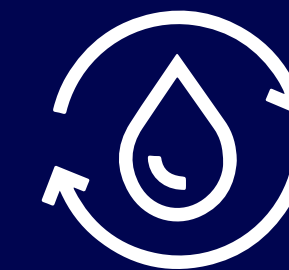
Development of CTA's ESG Platform, which collects and unifies the requirements of the company, compliance and customers



Forest Management Plan - Agrotop



Use of electricity from renewable sources and installation of solar panels



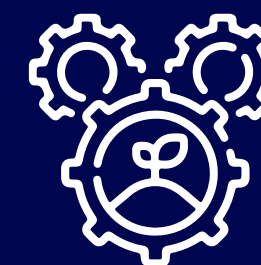
Water Protection and Conservation Plan - Agrotop



Mapping and internal process improvements through ConeCTAr



Implementation of the Soil Protection and Conservation Plan - Agrotop



Improvements in Agricultural Production processes



Review of the Code of Ethical Conduct and Compliance



Conducting of organizational climate survey, with significant positive results

About Us

CTA's History

Where We Are

Our Businesses

Tobacco Processing

Financial Performance



CTA's History

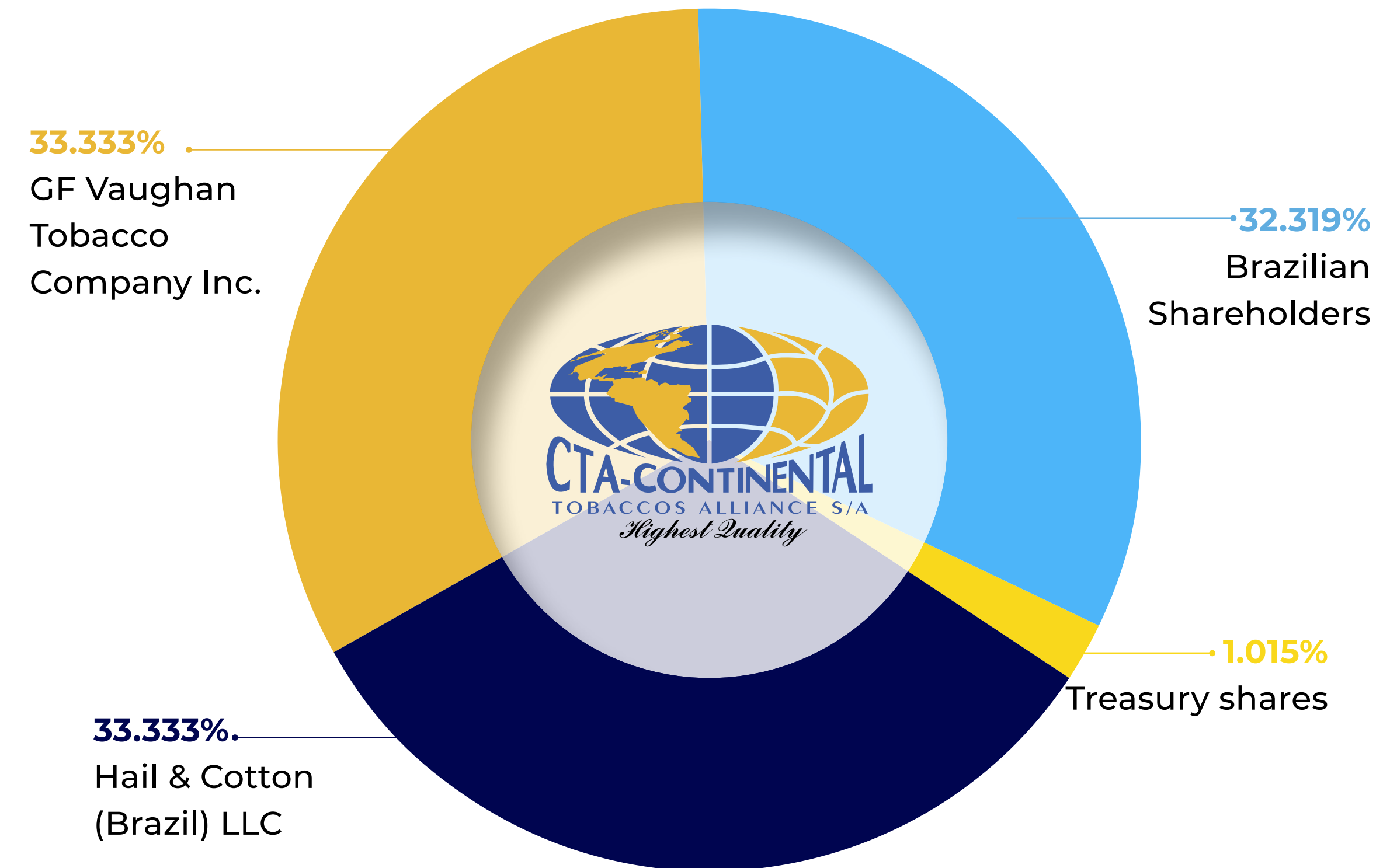
GRI 2-1

CTA originated from Sul Continental de Tabacos, which was founded on June 14, 1994, and entered into a partnership the same year with G. F. Vaughan Tobacco Co. Inc., thus creating CTA – Continental Tobaccos Alliance S/A. In 2017, Hail & Cotton International Group joined the Company, acquiring a stake in its capital stock. The mergers were strategic for the company to join forces and consolidate itself as a major global tobacco supplier.

Over the years, the company has invested heavily in its industrial park, reaching the capacity to process approximately 120 million kg of tobacco per crop.

It is installed on 41 hectares of land with 140,000 m² constructed facilities, distributed among the factory, warehouses, offices, nursery and preschool, cafeteria, leisure area, Training Center, and a Social Club for its employees.

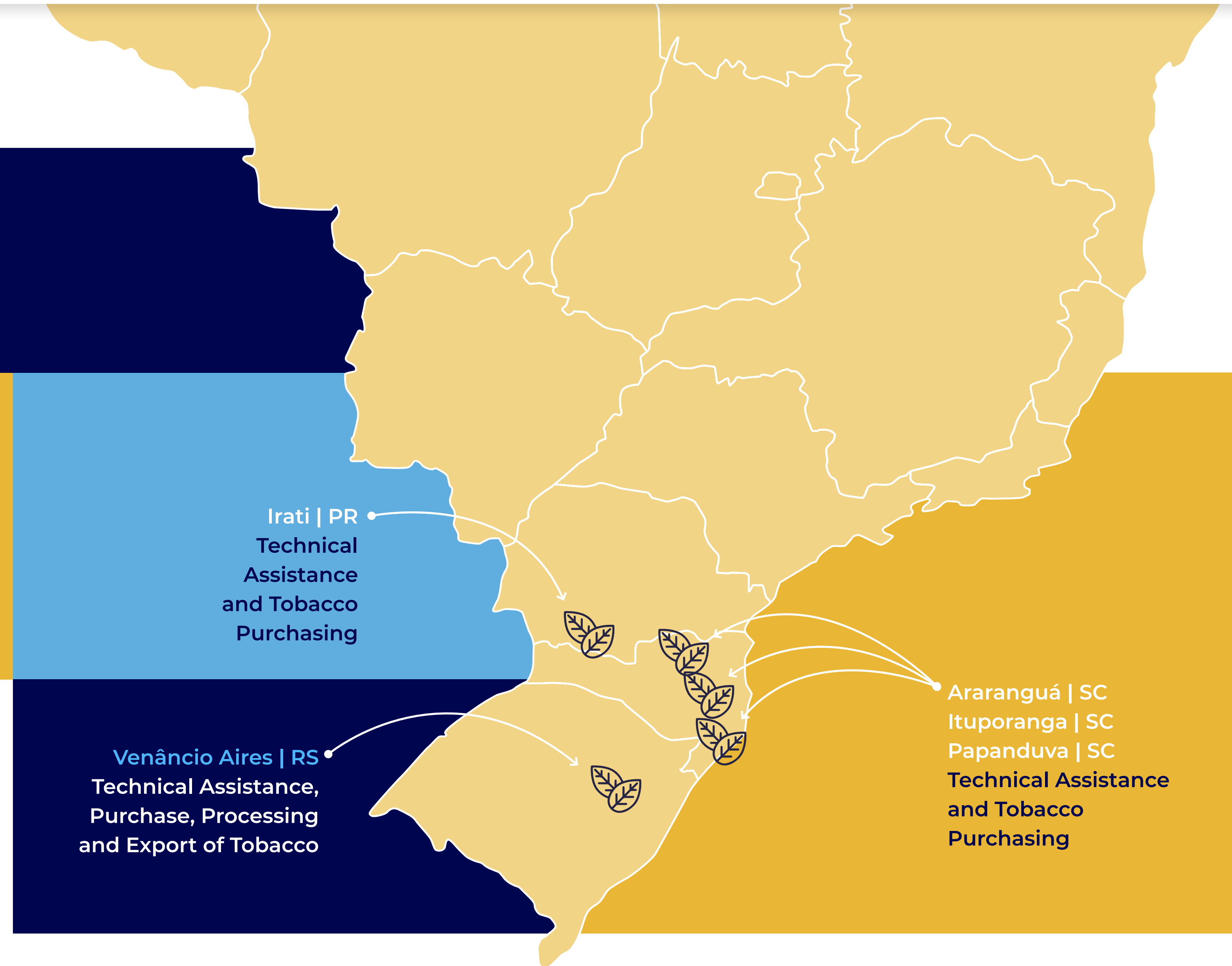
The mergers were strategic for the company to join forces and consolidate itself as a major global tobacco supplier.



Where We Are

GRI 2-1, 2-6

The Company's headquarters are located in Venâncio Aires, in the state of Rio Grande do Sul. In addition, the company has four Tobacco Procurement Facilities, three located in the state of Santa Catarina and one in Paraná, all in the southern region of Brazil.



Our Businesses

CTA's business involves tobacco purchase contracts and technical assistance to producers (according to Federal Law No. 13.288/16), processing, storage, marketing and export. The production is destined for the domestic and international markets.

CTA processes Flue Cured Virginia, Burley, and Dark Air Cured Tobaccos. Products are delivered in the following forms:

- **Strips**
- **Hand Strips**
- **Loose Leaf**
- **Butted Loose Leaf**
- **Wrappers**
- **Bundles**
- **Fermented tobacco**
- **Stem**
- **Small Lamina / Fines**



Processing capacity
120
million kg per crop.

20 thousand m²
of dehumidified storage area,
ensuring the quality of the
finished product.

CTA's business involves tobacco purchase contracts and technical assistance to producers, processing, storage, marketing and export.



Tobacco growers are the company's main suppliers and are spread across the three southern states of Brazil. The customers, that is tobacco manufacturing companies, may be in Brazil or around the world. To find out which continents were served in 2022, go to: [Financial Performance](#).

Tobacco Production and Processing Steps

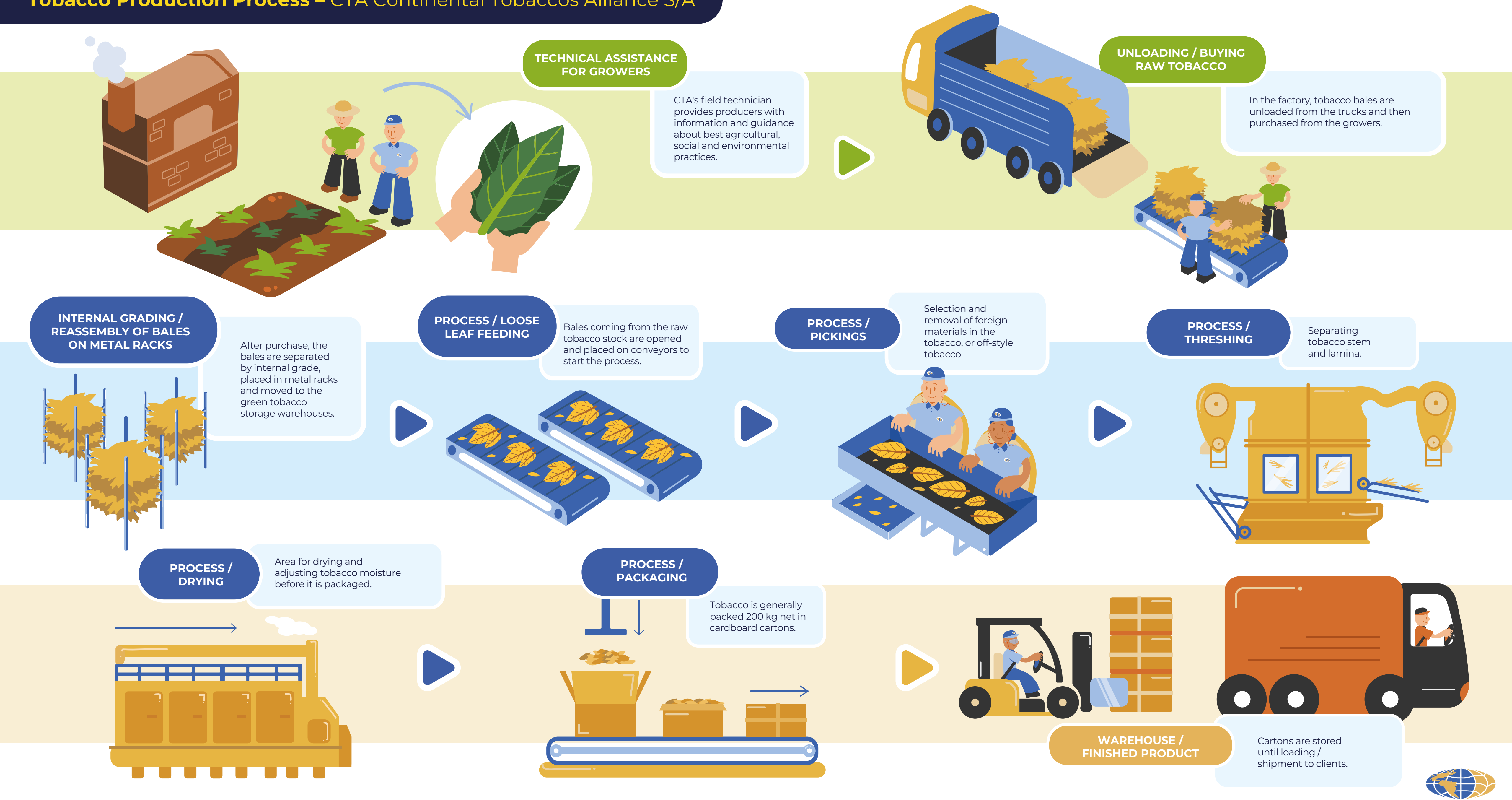
When signing the contract with its integrated growers, CTA makes available a qualified team that delivers Technical Assistance in all phases, from crop production to marketing.

Upon arriving at the company, tobacco is graded and complies with a sequence of steps to meet customer demands and ensure product quality standards.

Learn about CTA's production process below.



Tobacco Production Process – CTA Continental Tobaccos Alliance S/A



Clean Tobacco Program

For decades, CTA has run its Clean Tobacco Program, **focused on NTRM elimination, further enhancing product quality.** The campaign covers all stages of production, from the farm site to loading of finished products, destined for the four corners of the world.

The company continuously improves its processes to guarantee product quality, thus ensuring full traceability of its production.



Financial Performance

In 2022, the company reached one of the best operating results in its history despite inflationary pressure and logistical restrictions. One could say that it was a year filled with both successes and difficulties.

The conflict between Russia and Ukraine affected maritime logistics on a global scale, driving up shipping costs just as the market was beginning to restabilize again after the pandemic. This factor, combined with the demand for Brazilian tobacco, sustained the product price increase. CTA was able to respond promptly to operational changes required to ensure projected performance. Exports that were already directed

to Russia and Ukraine were redirected to other regions. The dynamics of product flows through Brazilian ports also needed to be reviewed and redistributed.

CTA overcame obstacles and produced commendable outcomes thanks to the strength of its teams, corporate culture, operations, and relationships with all stakeholders. OIt generated an EBITDA that was 69% higher than in 2021, despite a scenario that needed more working capital to meet the high cost and larger purchase volumes, due to high market demand. The company shipped 117% more than in the previous year.

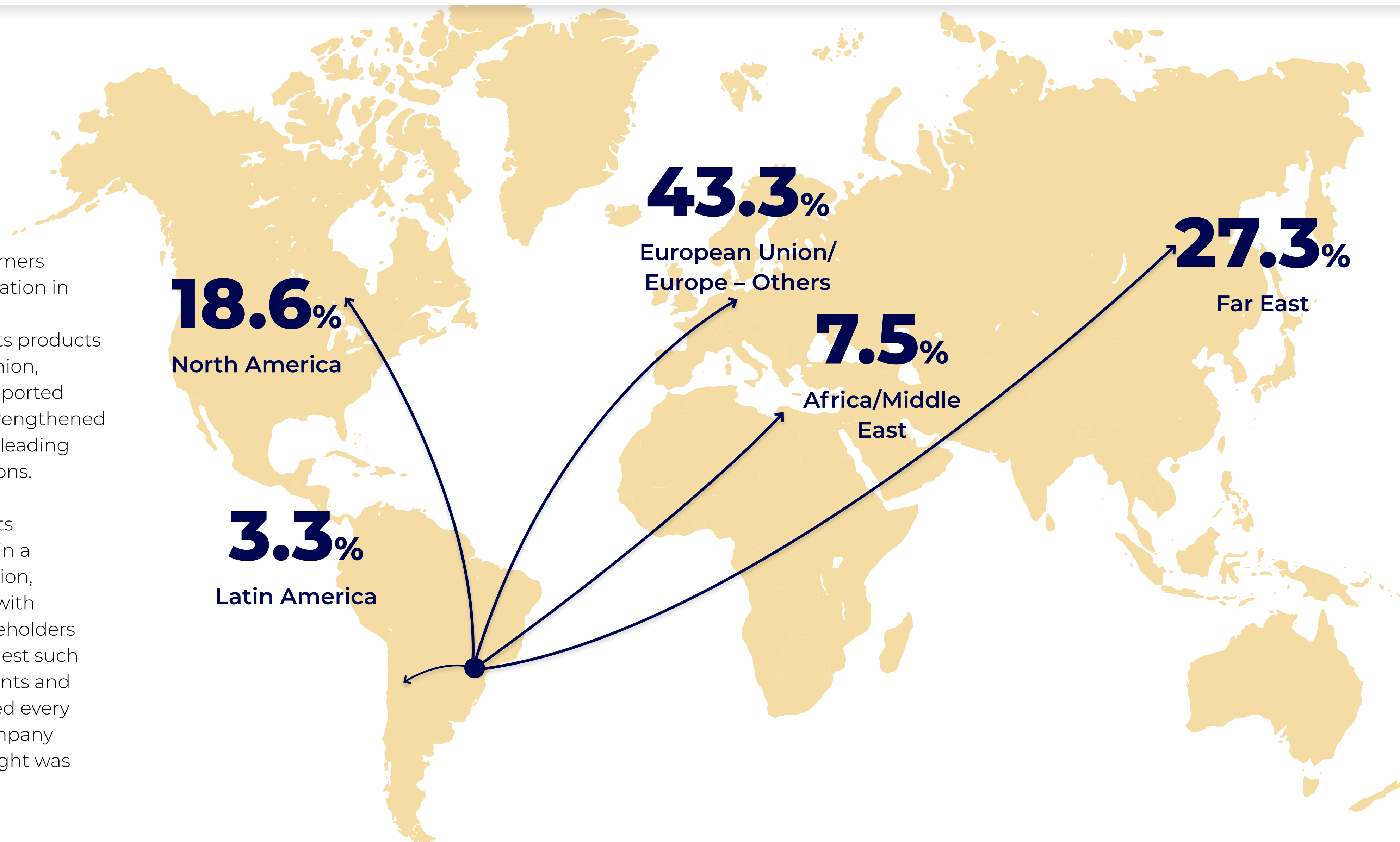


**EBITDA:
growth of
69%**

**Increase in
sales of
117%**

CTA maintained its customers and increased its participation in important markets. The main destination of its products remains the European Union, absorbing 43.3% of the exported volume. The Company strengthened its position in the world's leading tobacco-consuming nations.

The company publishes its financial report annually in a state newspaper. In addition, it shares these numbers with strategic managers, shareholders or stakeholders who request such information. The statements and balance sheets are audited every year and, in 2022, the company responsible for the oversight was PWC.





Governance

Organizational Culture

Our Management

Internal Committees

Privacy Policy

Code of Ethical Conduct

Code of Conduct for Suppliers

Integrity and Compliance

Strategic Plan

ConeCTAr

Organizational Culture

GRI 2-29

CTA CONTINENTAL'S MISSION

To act with excellence and transparency, ensuring the quality of all supplied products, through initiatives that foster sustainability and integrity in order to generate value for society.

CTA CONTINENTAL'S VISION

To consolidate itself as a benchmark company in terms of quality, sustainability and integrity in the agribusiness sector.

CTA CONTINENTAL'S VALUES

Respect & Ethics
Integrity
Sustainability
Diversity
Collaboration



Our Management

GRI 2-9, 2-10, 2-12, 2-19

CTA's Board of Directors (BoD) selects and appoints the executives who comprise the company's Executive Board, as well as their remuneration, through an annual Meeting. Executive Officers may not hold seats on the BoD.

CTA's highest governance body receives biweekly updates in ordinary meetings, and, in exceptional cases, an extraordinary meeting may be convoked. The meetings include reports on social, environmental and financial performance and the progress of risk analysis and potential impacts on the company, its stakeholders and the production chain.



The Company is strategically positioned for sustainability throughout its value chain, promoting sustainable development in both the countryside as well as the communities in which operates through programs and projects. Internally, its governance has been bolstered while continuous improvement processes have been introduced.

Significant advancements were made to the company's governance processes in 2022. Comprehensive evaluations of organizational culture, policies, and pertinent documents, such as the Code of Ethical Conduct and the Code of Conduct for Suppliers, were conducted.

Also notable is organizational development. Indicators, targets, actions and programs were realigned and structured with a focus on ESG (*Environmental, Social and Governance*). A more robust and consistent strategic plan was prepared and a review of internal processes was initiated through the **ConeCTAr** project.

CTA's Information Technology area rose to prominence during this period due to the intense work that led to the expansion and evolution of computerization in several company processes.

Institutional communication has also received attention. Greater investment and dedication resulted in the strengthening of the brand's visibility and CTA's actions on internal and external channels.



Internal Committees

GRI 2-9



CTA has a structure of multidisciplinary Committees responsible for studying, managing and developing strategies and initiatives to assist governance in dealing with important topics and to reinforce shared management dynamic.

Human Rights Committee

Seeks to contribute to assuring basic rights, guaranteed to any and all human beings, to be treated decently at work, to express their opinions and beliefs, without recriminations, to have the right to privacy and to be free from harassment, abuse or discrimination.

Diversity Committee

Aims to respect, promote and value diversity in the workplace, enabling fairer, healthier and more inclusive relationships.

Sustainability Committee

This group is involved with the governance of actions in the field that affect the agronomic, social and environmental pillars in order to analyze and develop strategies targeting continuous improvement and mitigation of potential risks to the company's business. Through strategic meetings with the production teams, the *status* of the mechanisms is presented and deliberated, with corrective measures taken.

Employee Commission

Evaluates targets and results as per regulations established by the company's Profit-Sharing Program. The group, formed annually, is free to suggest changes and improvements and is formed annually.

Privacy Policy

CTA's Privacy Policy, published in 2022, formalizes commitment to protecting both Company and third-party data. Based on the General Data Protection Regulation (GDPR), which governs companies' responsibility for the disclosure and processing of data and information, the policy expresses CTA's commitment to personal data privacy and protection of all individuals with whom it interacts. The document can be consulted in its entirety on the **Company's website**.

Code of **Ethical Conduct**

GRI 2-15, 2-23

CTA's Code of Ethical Conduct, revised in 2022, establishes guidelines that must be respected and followed by all employees, officers, shareholders, suppliers, and other stakeholders who have relations or links with the company's business. The code is available in its entirety in CTA's internal system, as well as on the company's website and leisure area, for free and continuous access.

Violations of the Code of Ethical Conduct can be reported in person to the Grievance Office, by calling (51) 3793.2230, or recorded on a standard "Incident Report" form.



To access CTA's Code of Ethical Conduct, [click here](#).

Code of Conduct for Suppliers

GRI 2-23

The Code of Conduct for Suppliers aims to establish the rules that should guide CTA suppliers' ethical posture and socio-environmental performance. All guidelines are directly aligned with the Code of Ethical Conduct and reaffirm the company's commitment to the highest ethical standards.

CTA respects and promotes human rights in all of its activities and does not tolerate discrimination, intimidation, or harassment of any kind. As a result, CTA expects its suppliers to monitor and manage potential situations, committing themselves to ensuring reputable working conditions and compliance with legislation. Suppliers must recognize employees' health and safety.

Principles that guide the Code of Conduct for CTA Suppliers:



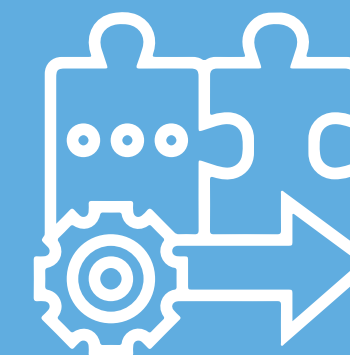
**Respect and
promote Human
Rights**



**Value
people**



**Promote worker
safety and health**



**Foster integrity
and sustainability**



**Value client
and partner
relationships**



**Foster
continuous
improvement**

Integrity and **Compliance**

All of the mechanisms for evolving management and strengthening institutional communication are part of the restructuring that the company intends to consolidate. Governance and Integrity are constant themes in its history and are part of CTA's materiality. Corporate Policies and Codes of Conduct also demonstrate the Company's commitment to protecting itself from the risks inherent in any business by proactively demonstrating the

posture and guidelines that should govern relations with the company and its partners.

CTA is genuinely committed to raising awareness among its business chain and the community about the importance of human rights respect, thereby reinforcing its commitment to the subject. To learn more about the company's initiatives in relation to this matter, please go to the **Human Rights** chapter.

Internally, the company has created a strong Permanent Tobacco Production Control Mechanism. The instrument aims to define actions among its integrated growers to promote the abolition of child labor and the performance of work with dignity. To learn more about the due diligence mechanism created, please go to the **Due Diligence** section in the Human Rights chapter.

CTA is genuinely committed to raising awareness about the importance of human rights among its business chain and the community, reinforcing its commitment to this issue.



Strategic Planning

CTA understands the importance of planning the next steps assertively and on the basis of studies and risk analysis, allowing it to outline and define the direction to be followed, setting clear objectives and planning the actions needed to achieve them.

Starting in October 2022, the company's Strategic Plan was developed from four different perspectives (opposite).

The entire strategy designed for the coming years follows four guidelines that direct these objectives: ESG, People, Processes and Technology.

Planning is a reflection of mature management that seeks to consolidate achievements and determine outlooks that ensure the sustainability of CTA's business.



ConeCTAr

The ConeCTAr Project, started in 2022, was designed to map and identify opportunities for improvement in the company's processes to make them more efficient and effective. In accordance with the Strategic Plan, it contributes to the optimization of internal procedures, resulting in operational gains in quality and agility while eliminating waste of time and resources.

CTA's Strategy

Materiality

Human Rights

Stakeholder
Engagement



Materiality

GRI 3-1, 3-2

CTA conducted the process of defining its Material Topics in 2022.

The process began with a benchmarking of companies in the sector and agribusiness. As a result of this first stage, the main topics related to the business were identified.

The second step involved engaging stakeholders to learn about their perceptions of the importance of each topic's impacts. To consolidate this process, representatives from each group were invited to contribute by filling out a questionnaire and identifying which topics, in their opinion, were the most relevant among those listed.



Seven material topics were prioritized and assigned to the three ESG pillars as a result of the full process:

E	Water
	Climate change
	Sustainable firewood
S	Subsistence of growers and rural workers
	Child labor and forced labor
G	Human rights
	Governance and business integrity



The dynamics used to define Materiality provide the company's governance with a variety of data points and strategic perspectives. This information makes it possible to enhance risk analysis, seize opportunities, better comprehend the impact of businesses on society and the environment, enhance engagement with stakeholders, and thereby increase the company's value creation.

In 2023, CTA will review and plan indicators and actions that support the objectives of the material topics, in line with the company's Strategic Plan, including important initiatives such as the analysis of scope 1, 2 and 3 emissions and the expansion of projects to preserve water and improve rural properties.

Human Rights

GRI 2-23

For some years now, CTA has been working on a strong campaign in defense of human rights, constantly developing internal strategies to help raise awareness and management of the issue. Since 2021, it has had its Human Rights Policy and an Internal Commission focused exclusively on the subject.

This Policy applies to all employees, managers, shareholders, customers, suppliers, partners and other entities or institutions that maintain business relationships with the company.

The company continuously acts to prevent and mitigate potential risks and adverse impacts that are identified in its operations and those of its integrated growers, through guidance, awareness and prevention actions. The contractual commitments and responsibilities relating to labor law that regulate the outsourced labor contracted for the work with the crops are specified by the commercial relationships.

CTA has a Corporate Policy and an Internal Commission focused exclusively on Human Rights.





The company believes that the integral, fair and respectful relationship between people is the most important thing, and the basic condition for starting any business.

CTA condemns and does not tolerate slave labor, child labor or exploitation, at any level and of any individual, and expects its suppliers to monitor their value chain with the aim of preventing and combating such situations. The company does not condone such practices, and if they are identified, they will be appropriately reported to the qualified authorities.

Training the Child and Adolescent Protection Network

In August 2022, CTA organized a training course for the Child and Adolescent Protection Network in the municipalities of Venâncio Aires, Boqueirão do Leão and Passo do Sobrado. The Network is formed by representatives of public agencies and society, who seek to guarantee and promote the rights of children and adolescents in their regions. Among the subjects addressed were social protection of children and adolescents, action to combat child sexual abuse and exploitation, and the importance of communication and connections through networking.

Due Diligence

The Permanent Tobacco Production Control Mechanism (due diligence) structured by CTA presents the processes and actions that seek to prevent and monitor, among its integrated producers, respect for the Human Rights of all workers in the field involved with the crops.

Systematically conducted by the company's field technicians, the technical assistance visits monitor criteria related to labor practices employed on the properties belonging to its integrated growers. The evaluations check for the presence and activity of children and adolescents in the fields; school attendance of minors residing

on the properties; respect for labor legislation; health, comfort and safety conditions in the work environment; in addition to violations of any other rights.

Another system adopted, to reinforce the performance monitoring of these properties, is unannounced visits carried out by employees who do not have a direct relationship with the grower.

To reinforce awareness of the farmer base and communities, the company develops actions that include guidance training, communication campaigns, measures and strategic articulations.

CTA's actions in favor of Human Rights

- Training in correct handling and storage of pesticides
- Awareness of child labor
- Be Happier at School Project
- Training of the Protection Network
- Media campaign on World Child Labor Combat Day
- CTA Human Rights Commission Campaigns
- Hiring apprentices from the Instituto Crescer Legal
- Engagement with Child and Adolescent Protection Networks
- Strong training of agricultural technician team members
- CTA Grievance Office
- Partnership in community awareness events/lectures

CTA also adopts a focus on continuous improvement that provides for the analysis of all activities carried out, with all teams involved, together with the Executive Board. The objective is to review the processes and understand opportunities to leverage initiatives that improve the results and positive impacts of the mechanism developed by the company.

Stakeholder Engagement

GRI 2-26

Everyone involved in the company's operations is important and receives individualized attention. The organizational processes map the management of these relationships extremely well, as depicted in the adjacent diagram.

All relationships managed by CTA employees are based on the company's values and follow the guidelines established in the Code of Ethical Conduct.





Alongside the Grower

**Our Integrated Growers
Agricultural Production
Integrated Production System
Agronomic Program
CTA ESG Platform
Agrotop**



Our Integrated Growers

GRI 13.22.4, 203-2

CTA has a genuinely strong desire to contribute to promoting the quality of life of its integrated growers so that they can prosper, and understands that the satisfaction of these families is a motivating factor for their productivity and continued presence in the countryside. Not by chance, this is one of the topics prioritized in the definition of materiality, conducted by the company in 2022.

The most significant delivery of CTA is being present with the producer in their daily lives. There are more than 11,000 properties assisted. The technical visits seek to guide producers regarding good

agricultural practices in order to enhance their productivity, product quality and, consequently, their profitability. At the same time, numerous social and environmental criteria, compliance with laws and business governance are monitored and evaluated. There is extensive planning and commitment, including strategic meetings, training, dissemination campaigns, monitoring, and, if necessary, action plans, to raise awareness of the importance of paying attention and ensuring compliance with all of these aspects.

The technical assistance that CTA offers to integrated growers aims

to enhance the productivity of their crops and their performance in social, environmental and governance criteria. These initiatives to guide the tobacco production base include managing potential risks to the company's policies, the quality of the product delivered to customers, and operational legal compliance. In addition, the evolution of the practices employed in production, regardless of culture, are prerogatives of international markets, increasingly demanding with regard to Human Rights, environmental preservation and maintenance of the sustainability of business and resources, guaranteeing access to them for the next generations.





Over
11,000
integrated growers

There is also advice on how to expand and diversify property activities in order to support livelihoods and improve the quality of life for these families.

CTA has a long history of developing projects that support the evolution of properties and their producers, always aiming to have a positive impact on their lives and, as a result, reflect on the promotion of the local economies of the communities. In 2022, the company launched Agrotop, a Program designed to encourage better agronomic, social and environmental practices. To learn more, see the **Agrotop chapter** in this Report.

In addition to this program, several initiatives, such as the Spring Protection Project, reforestation initiatives, and all social actions that support various local institutions, have an impact on the quality of life of rural communities that comprise the company's producing regions.

These initiatives, in addition to directly benefiting the lives of integrated producers and their families, are strategic for the company as they aim to stimulate their interest, and that of their successors, in remaining in the field, thus ensuring the sustainability of the business.

Agricultural **Production**

The basis of all CTA's business comes from the agricultural production of tobacco, cultivated by its integrated growers.

All monitoring – technical visits, data collection, monitoring of agronomic, social and environmental aspects, producer training and recording of property information – is carried out by CTA's Field Technicians and the Agricultural Production and

Sustainability teams. CTA's ESG Platform is a digital system provided to each field technician by the company. The company conducts a critical analysis of all indicators using information obtained through monitoring and data collection at 100% of the properties and then implements action plans when necessary to comply with legal requirements and sustainability programs.





Integrated Production System

The decades-old Integrated Tobacco Production System (SIPT) established through the work and commitment of SindTabaco (Interstate Tobacco Industry Union) aims to promote sustainability in the production chain, making Brazilian production prominent and a world benchmark.

Through a future purchase and sale agreement, the company and the grower agree to negotiate an estimated volume of tobacco to be produced in a given harvest. The program provides growers with specialized Technical Assistance

to boost their production, as well as assistance with the agronomic, economic, social and environmental planning actions for the property. There is also the possibility of financing inputs approved and recommended by legislation and customers, ensuring access to a technological production package that meets the principles of Good Agronomic and ESG Practices.

The company's own verification initiatives and this program guarantee that it is endorsed for its socio-environmental management of tobacco production.

Agronomic Program

The Agricultural Sustainability team developed an Agronomic Guidance Manual, passed on to CTA's integrated growers. This document is a compilation of the most up-to-date and effective methods for growing tobacco, as well as the best products as recommended by both customers and current legislation.

At CTA, every integrated grower receives diverse training and guidance through the technical assistance offered by the agricultural technician teams.

The company uses high-tech seeds, internationally approved and not genetically modified, with characteristics of high productivity

and resistance to disease, thus making it possible to reduce the use of pesticides in crops.

In the technical guidelines for tillage, maximum care is recommended with soil protection, through techniques such as subsoiling, broad-base ridges, direct planting, minimum cultivation, cover crops, integrated pest management, use of biological products and others.

Production teams and growers are trained to apply IPM (Integrated Pest Management), and technical guidance materials and booklets are annually distributed and delivered to 100% of the producer base.



Soil Protection and Conservation Plan

CTA's Agricultural Sustainability team developed a soil protection and conservation plan for the properties. The strategy is part of an effort to raise awareness and encourage producers to increase the percentage of areas covered by good soil preservation and conservation practices. The actions allow greater protection and regeneration of the natural balance of the environment, in addition to favoring the health of workers and the next generations. CTA performs soil analysis on integrated properties in order to maintain and increase the productivity and quality of future crops, as well as contribute to the preservation of the environment in general.

CTA's ESG Platform

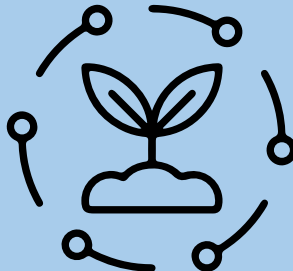


CTA's ESG Platform allows field technicians to collect information and monitor the property and apply action plans, if necessary, in a simplified and agile manner on a single platform, avoiding repetitions and optimizing the evaluation time spent in the process.

In addition to all the improvement of the monitoring process carried out by the supervisor in the properties, the system allows the information to be updated immediately, ensuring greater assertiveness and security of the collected data, feeding a database that allows strategic decision-making in an agile and reliable way.

Agrotop

The Agrotop project emerged to encourage good agronomic, environmental and social practices, in addition to also aiming to raise the profitability of rural properties. It selects integrated growers interested in applying improvements to their properties.

The project structures the performance of the teams to stimulate the improvement of properties in the following items:

	<p>Agronomic: to increase productivity, crop quality and profitability.</p>
	<p>Environmental: focusing on the preservation areas, springs and streams of the property, and, if there is an area available, encouraging the planting of seedlings that promote energy self-sufficiency in the property.</p>
	<p>Social: seeking to improve the quality of life of workers and families residing in rural properties, with the property complying with current legislation and the sustainability programs in which the company operates. More than that, it motivates generations of families to keep living and working in rural areas.</p>

Environment



Biodiversity Management Plan

Sustainable Firewood

Water

Waste

Energy

Climate Change



Biodiversity Management Plan

In order to promote the protection and stimulation of local biodiversity, CTA developed the Biodiversity Management Plan. It calls for the use of instruments that integrate the reduction of risks and threats to tobacco production process biodiversity in accordance with current protection and conservation laws.

The initiative provides for the training of company technicians and property managers. In addition, with the support of the ESG Platform, data will be collected on 100% of the contracted properties.

Actions to protect and conserve biodiversity in integrated CTA producer regions contribute to more sustainable tobacco production.

The Biodiversity Management Plan sets forth the use of instruments that integrate the reduction of risks and threats to biodiversity in the tobacco production process, in accordance with current protection and conservation laws.





Sustainable Firewood

CTA is committed to the sector and to society, orienting its producers to use firewood from legal and sustainable sources and thus complying with the company's sustainability programs and current legislation.

The company developed a Forest Management Plan in which, through individual and sectoral actions, it aims to secure compliance with legislation and its commitments to sustainability in the tobacco production chain. Specifically, it strives to assure that 100% of the wood used in the curing process complies with the company's guidelines. To that end, the Agricultural Field Technicians Team is constantly trained and is in charge of coaching contracted growers.

The monitoring and verification of the firewood used in these properties takes place through the ESG platform, which allows performance measurements, critical analysis of the data and the development of future actions, when necessary.

The information makes it possible to identify and map the species used in the production base, a possible shortage of raw material for the coming years and marketing issues that can significantly impact the costs of the firewood needed for the tobacco curing process. As a result, the company develops strategies to identify other sustainable sources in order to contribute to the self-sufficiency of the growers in this regard.

Forest Inventory

CTA started its forest inventory in 2022 by analyzing the needs for energy self-sufficiency and the traceability of firewood from the company's integrated growers for the upcoming harvests.

The initiative seeks to understand and map the origin of the firewood used by its growers and to predict strategies for the next harvests.

Forest Management Plan

CTA offers exotic species seedlings to growers who have areas available for planting in order to contribute to their energy self-sufficiency.

In addition to exotic seedlings, the company provides native fruit tree seedlings. This action seeks to promote native reforestation in the region as well as contribute to local biodiversity and environmental preservation.

The guidelines are for native seedlings to be used to protect springs and riparian forests, promoting the protection and maintenance of water resources while at the same time offering shelter and refuge to local biodiversity species.

Bio-burning

CTA is constantly focused on the quality of life of its growers and, as such, seeks to contribute to the development of new techniques and possibilities that can improve or facilitate processes in its production chain through research and innovation.

CTA engaged in a partnership with a company that develops hermetically sealed furnaces that will be adapted for curing tobacco in an effort to offer and make available novel alternative sources of biomass and to be cognizant of market developments. The new system significantly expands the energy efficiency and calorific value of the process and also reduces CO₂ emissions.

To complement this proposal, another partnership was signed between CTA and a local timber company, which will supply the pellets that will feed this system. Pellets are produced with residues, such as sawdust or wood scraps, compacted into a cylindrical shape. This biofuel, which will be used to fuel the furnaces, is certified and derived entirely from sustainable, traceable biomass.

In 2023, this new system will be tested in two pilot projects. Depending on the results achieved, the company will develop an internal strategy to encourage take-up and availability to its base of growers who show an interest in acquiring this new technology.



Water

GRI 13.7.2, 303-1

One of CTA's material topics because it is an essential resource for any agricultural crop, water has always been treated as a priority in the company's business management practices. We are tireless in the pursuit of conscious consumption, managing how it is employed, and promoting actions for its rational and effective use.

Wells that have all been licensed through Grants and are regularly inspected provide the water used in CTA's industrial facility. Water intended for human consumption, on the other hand, comes from the public network.

Between 80 and 90% of water consumption is destined for the

generation of steam used in tobacco processing. After being consumed, wastewater is processed at effluent treatment plants (ETE), where it is returned to the local water supply once it has reached the legal limit.

On Growers' Properties

The field technicians collect data regarding the source of water used in production and the company deals with the issue as a strategic matter.

CTA is heavily involved in initiatives that seek to preserve or provide access to the resource, knowing the importance of promoting a water culture and the business risk it represents.



Water Protection and Conservation Plan

CTA determines whether there is a potential risk of a water shortage in specific regions through studies and indicators. Seeking to protect its integrated growers from the impacts of this scenario, the company has developed an initiative within the Agrotop Program called the Water Protection and Conservation Plan. To learn more about the Program, visit [**Agrotop**](#).

The main motivator of the initiative is to encourage the livelihood of families. The regions go through seasonal periods of above-average rainfall, but during periods of drought, the opposite is true and, without strategic reserves, risk is imminent. The objective of the Water Protection and Conservation Plan is to encourage growers to install rainwater catchment systems on their properties so that families have access to the resource even during droughts.

Spring Preservation Project

GRI 13.22.3, 203-1

Arroio Castelhana, in the community of Venâncio Aires (RS), is responsible for 95% of the supply of the municipality and surrounding regions. The company, together with strategic partners, invested in a Spring Preservation Project, which seeks to recover, protect and promote the preservation of the springs of the tributaries of this stream.

These efforts reinforce CTA's corporate commitment to the sustainability of its production base and the community, which will also benefit from the positive results of the initiative.

In 2022, 10 springs were recovered or protected by the Preservation of Springs Project, CTA's partnership with local agents.

The goal for 2023 is to more than double what was accomplished in the year of this report, achieving total protection of 28 springs in the region and directly benefiting more than 40 families.





The Seedling Project

CTA will develop a project in 2023, in collaboration with the University of Santa Cruz (UNISC), to contribute to the reduction of siltation caused by erosive processes on the banks of the Arroio Castelhana.

The company supports the initiative, which, with a Natural Engineering project, will identify and promote actions to recover areas in the process of degradation.

The project also incorporates riverside communities, which now receive technical guidance on conservationist soil management practices, as well as encourages crop diversification in the areas. Farmers will be selected within the Arroio Castelhana basin, who, in addition to technical support, will be invited to participate in CTA's Field Days, an event aimed at integrated growers who share knowledge and agricultural innovations.

Springs: Our Water, Our Future

In 2022, CTA joined an initiative promoted by the local newspaper and radio station. The Project is supported by the Venâncio Aires mayor's office, the City Council of the municipality and other companies in the region.

The initiative raises awareness by disseminating journalistic articles, radio content, and advertising on the subject. Among the main issues raised and monitored by the project is the awareness of the importance of the recovery of springs of this spring.



To learn more about the initiative, visit [here](#).

In 2022, the media published ten special reports on the subject, totaling 45,000 publications.

The project conducts awareness-raising activities in schools and distributes the materials produced. In 2022, four schools participated and 140 students had access to the educational materials. The plan is to publish ten more brochures in 2023, over a ten-month period, along with promotional materials, interactive Journal content, and events in local schools.

In 2022, the awareness-raising program directly impacted approximately 140 students from four schools, featuring events and informational materials. In total, 45,000 copies were distributed in the community.

Waste

GRI 13.8.3, 13.8.4, 13.8.5, 13.8.6, 306-2, 306-3, 306-4, 306-5

Waste is a significant issue for CTA, which always treats it with genuine responsibility, sharing best practices advice with its network of suppliers and systematically strengthening them.

The initiatives developed by the company with the goal of reducing or replacing materials are consistent, resulting in a lower volume of waste in its operations.

In addition, the company adopts the following actions for the management of its waste:

- Allocation of 100% of tobacco dust and boiler ash for fertilizer production.
- Reinforcement of the guidelines and monitoring of its production

base for the disposal of pesticide packaging via reverse logistics, as systematized by Sinditabaco.

- Residues sent for co-processing.

CTA also pays special attention to pesticide residues. The tobacco production chain in the country was a pioneer in the reverse logistics system, responsible for the collection of packaging. All growers are instructed to sanitize used packaging by triple washing at the end of the product use cycle, in addition to storing the used packs appropriately and safely until disposal. Sinditabaco runs an exclusive program for an itinerant collection system that picks up all pesticide packaging used in the crop.

306-3. Waste generated

Type of waste	Weight (metric tons) 2022
Class I (hazardous)	10,716
Class II (non-hazardous)	2,538,883
Total	2,549,599

The Corporate Work Instruction trains teams in segregating, storing and disposing of materials within the company so that they can be allocated later in a specific and appropriate manner.

306-4./306-5. Waste generated according to its disposal

Disposal	Weight (metric tons) 2022
Waste not destined for final disposal	2,537,971
Waste destined for final disposal	11,628

Organic materials with potential for reuse, such as boiler ash and residual smoke dust from the process, are sent to companies that process and transform them into fertilizer. Recyclable waste, such as packaging, paper, cardboard, plastic,

wood or metals, is all segregated and sent to specific recyclers. Agrochemical packaging follows good practices that guide the triple washing procedure and subsequent forwarding to the reverse logistics process.

Energy

GRI 302-1

The highest energy consumption among the company's units is at the headquarters in Venâncio Aires, where tobacco processing takes place. In this operation, CTA always opts for the purchase of clean energy deriving from clean and renewable sources, through trading on the Free Electric Energy Market.



The other branches, responsible only for the purchase of raw materials, do not require high energy expenditures as they are not manufacturing facilities.

All unit consumption is tracked using specific meters installed on the sites by the power utilities.

302-1. Consumption of energy within the organization

Type	Consumption	Unit of measure
Electricity at Headquarters	10,007,490	kW/h
Electricity at the branches	186,368	kW/h
Firewood for boilers	21,163	Cubic ("estéreo") meters
Gasoline for light vehicle fleet	125,468	L
LPG	180,741	kg



CTA ceased to emit

381.721 tCO₂e
with the purchase of energy from
clean and renewable sources in 2022.

Firewood used in the boilers, necessary for steam generation for processing tobacco in the GLT, comes from certified and traceable reforested trees.

Accurate measurements at each stage of the process allow the company to calculate the amount of energy required for the processing of each ton of tobacco delivered.

CTA is deeply committed to continuous process improvement and is always looking for ways to improve in order to reduce energy consumption across all stages of production.



CTA's Solar Energy

In 2022, CTA invested in solar panels in two of its branches located in the state of Santa Catarina.

The energy generated in these two branches is expected to feed the three operating units in the state.

Expected production of
150,000 kw/h
 through solar
 power generation.

Climate Change

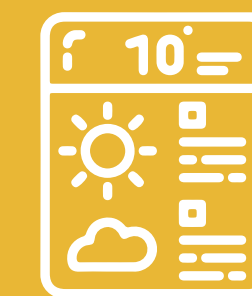
Climate stability in producing regions is critical for crop productivity and business profitability, as it is for any agricultural crop. Precisely because of this real impact, CTA systematically monitors and analyzes studies and projections on the possible climate changes predicted for the regions where its integrated growers are located.

CTA tirelessly seeks initiatives that can contribute to sectoral and global agendas for reducing Greenhouse Gas (GHG) emissions and protecting biomes, strategically and scientifically

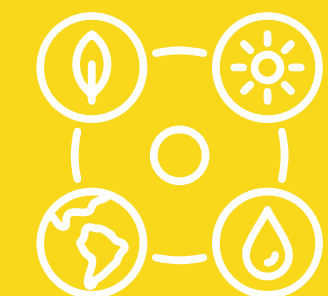
recognized as significant and necessary contributions to slowing these changes. Within this scope, emissions mapping in scopes 1, 2 and 3 is projected for 2023, planning of objectives will begin after data collection.

The year 2023 will put into practice what the company's teams have been planning and designing over the past few years. These consist of initiatives that recognize the company's environmental responsibilities and will result in local benefits and global developments, thereby contributing to international engagement in this critical agenda for all of us.

Environmental projects 2023



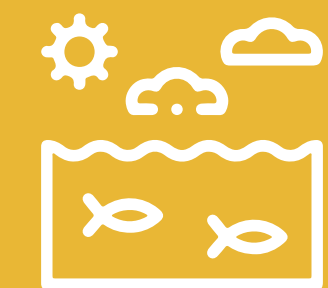
Emissions Inventory



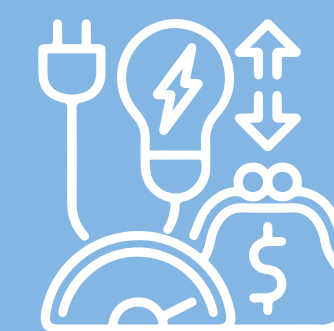
Biodiversity Management Plan



Soil Protection and Conservation Plan



Water Protection and Conservation Plan



The option to buy energy from renewable sources on the Free Electricity Market is another action that avoids GHG emissions and thus also contributes to the agenda.



Personnel Management

Our Employees

Qualification and Training

Benefits

Endomarketing

Diversity

Trainee Program

Health and Safety

Our Employees

GRI 2-7, 2-29, 401-1

CTA's workforce includes permanent employees and a large number of seasonal personnel. Because of the seasonal nature and perishability of the product, the factory normally operates between January and August of each year. This characteristic of the business represents a significant variation in the number of employees in every cycle.

CTA promotes employee well-being as a strategic action. Offering a social club, a chapel, choir, contests and cultural events, leisure activities

during the break, school for the children and humanized service is an example of what the company does to captivate its internal audience. Creating an inclusive and excellent workplace environment where employees really want to be can set a company apart from the competition. And two positive reflections of this commitment are the number of permanent employees who have been with the company for many years and the high rate of return among seasonal workers.



CTA hires, on average,
2,100
 harvest-time employees
 per year, and
95%
 of these contracts are at the
 Headquarters unit, in RS.

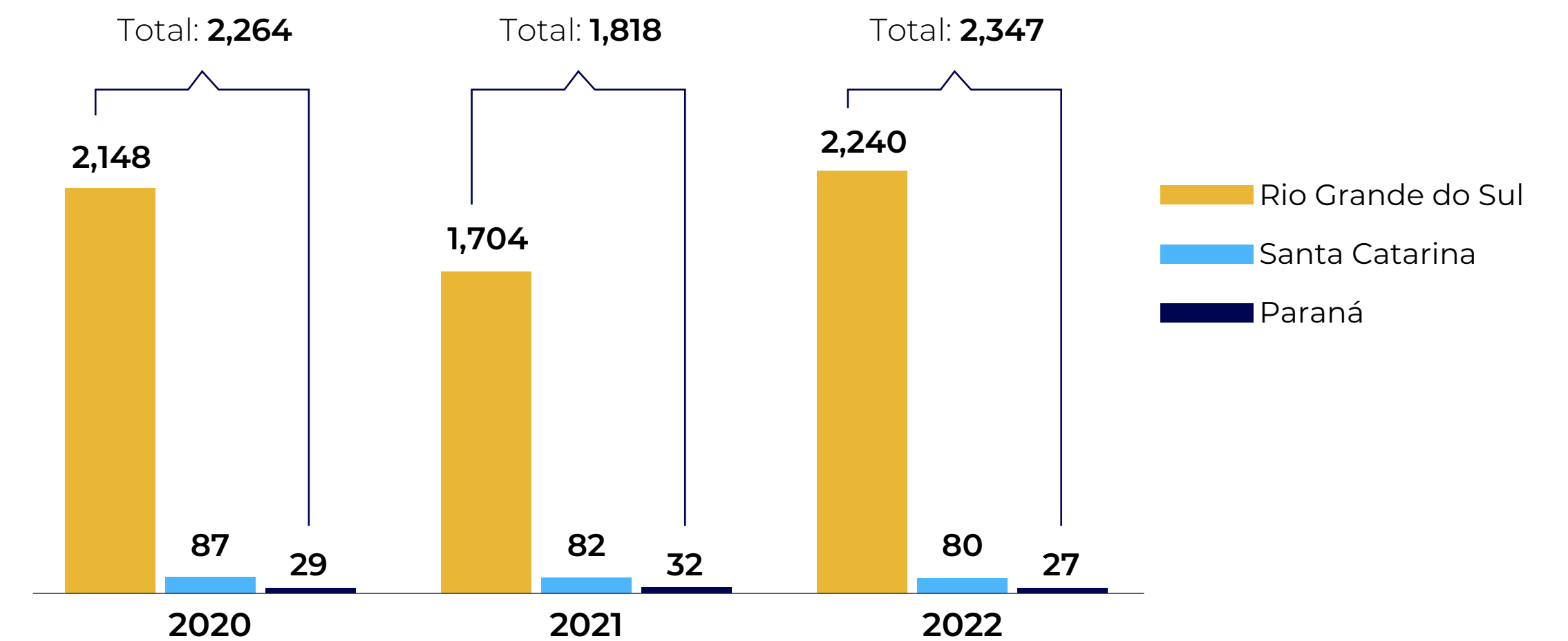
Of these hires,
65%
 are women and
 around
40%
 are between 30 and
 50 years old.



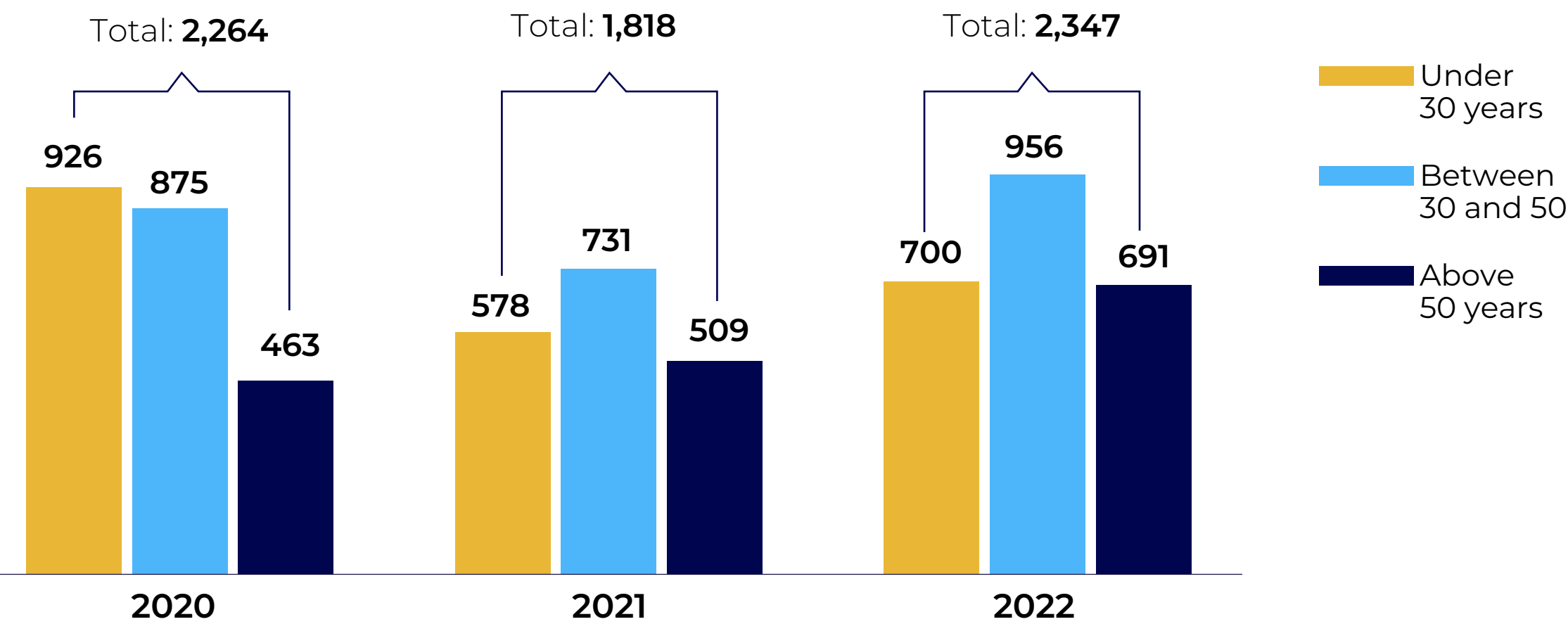
Due to its placement in small communities, CTA has a significant impact on the local economy through its hiring practices and fosters spontaneous engagement by serving as an example of a company that takes ethical social and environmental action in these areas.

The Organizational Climate Survey, a useful instrument to gauge internal public satisfaction with the working environment and corporate management in general, was carried out by the company in 2022. In addition to demonstrating a very positive degree of satisfaction, the survey also served as a point of reference for the analysis of possible internal improvements.

401-1. Number of employees who were hired by region



401-1. Number of employees who were hired by age group



Note. The chart includes both permanent and temporary employee data for the reported period. To consolidate the data, the number of permanent employees on December 31 of each year was considered. The reduction in the number of employees in 2021 occurred mainly in the Hand-stripping operation.

2-7. Total number of employees by gender and by region

Regions	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Rio Grande do Sul	715	1729	2444	850	1146	1996	930	1616	2546
Santa Catarina	117	26	143	113	25	138	113	24	137
Paraná	48	8	56	52	8	60	46	9	55
Total	880	1763	2643	1015	1179	2194	1089	1649	2738





Capacity Building and Training

GRI 404-2

CTA is firmly committed to providing career growth for its employees and, to this end, constantly invests in training its internal public. The performance appraisal is the guiding tool for understanding the shortcomings that need to be addressed. Behavioral and technical training is offered in order to expand the skills of employees.

Staff in leadership positions received development support during this reporting period, including training and workshops on Human Rights and Sustainability, as well as technical training. In addition, they also participated in an orientation workshop focused on the creation of the Strategic Plan.

Benefits

GRI 401-2

Thinking about health, well-being and the quality of life of its employees, the company offers a benefits package. All are made available to employees on the initiative and courtesy of the company in accordance with the law or as a result of a union contract, and may vary based on the contractual relationship in place.



Among the main benefits offered we can mention:

- Profit-Sharing Program;
- Health and dental plan;
- Reimbursement for Medication
- Refund of prescription glasses/contact lens;
- Food voucher;
- Meals in the company (breakfast and lunch/dinner);
- Life insurance or funeral allowance;
- Bonus leave;
- Reduced working hours in the off-season;
- Salary supplement for those on leave.

In addition to these benefits, the company also offers:

- A club with swimming pools, sports courts, barbecue areas, playground and a ballroom;
- The Mary Lebus Vaughan Nursery School: a facility for the children of permanent and temporary employees, maintained by the company and completely free of charge to employees;
- Snacks for pregnant women and diabetes patients: every day, the company offers a mid-morning and mid-afternoon snack to expectant mothers and people with diabetes, completely free of charge;
- Delivery of Easter and Christmas presents for employees' children up to the age of 12.

Nursery and Preschool

Mary Lebus Vaughan

CTA offers its employees the possibility for their children, from 4 months to 5 years and 11 months, to attend the company's nursery school.

The service is another benefit that contributes to promoting the well-being of the internal public and retaining talent. Being on the same grounds as the company provides a sense of security and ease of access for mothers, including those who are breastfeeding.

At school, children receive five meals a day, all instructive materials, enjoy ample physical space for educational activities plus external and internal playgrounds.



Endomarketing

Every June 14th is CTA's anniversary and on that date the company pays tribute to employees who have completed 10 and 20 years of employment as a way of thanking them for their years of service.

During the company's anniversary week in 2022, an in-house photography contest was run.



Recreation area

The company provides an environment especially tailored to the well-being of its employees. Used during break times, the area includes games, a café and ample space for networking and socializing.

Talent Show

CTA often organizes and encourages its employees to participate in a Talent Show during work breaks. Through singing and interpretation activities, the initiative aims to foster integration among coworkers, recognize talented employees, and foster well-being in a relaxing moment.

Handicraft Fair and Commemorative Dates

The Craft Fair is an opportunity for employees to showcase their manual skills and market the crafts they produce.

Activities related to these themes are carried out on commemorative dates such as Environment Day, Women's Day, and Mother's Day.



Coral Singing

The Coral Ser Mais Feliz singing group is made up entirely of CTA employees and offers a repertoire blending Brazilian and international popular music. The initiative represents an opportunity for leisure and social integration among colleagues, another way for CTA to contribute to the personal well-being of its employees.

Diversity

CapaCiTAr

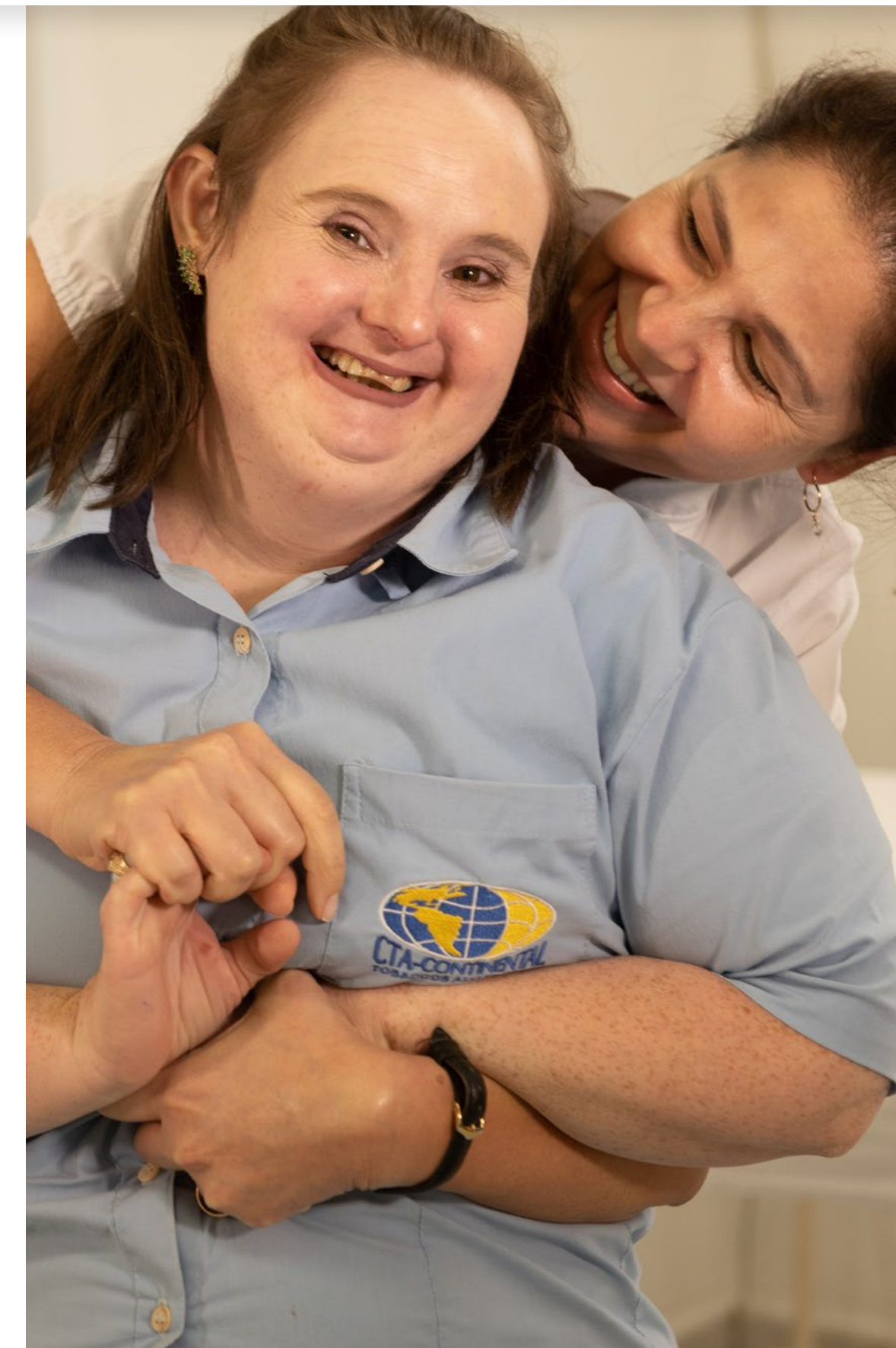
CTA understands the importance of its role in building a more dignified and fair society for all. Thus, it promotes actions aimed at the development of people, focusing on their personal and professional fulfillment.

The CapaCiTAr Program is an initiative that has existed for more than a decade. It is a program for the inclusion of people with

disabilities, aimed at integrating them into a productive and pleasant work environment. To this end, it provides an exchange of experiences and raises employee awareness of the issue to reduce prejudices and broaden understanding of the productive and socializing capacity of people with disabilities (PWD).

The program involves the training and awareness of leaders, employees, family members, suppliers, welfare and public entities and the community in general. Every year, actions are taken to raise awareness among teams and leaders and to monitor people with disabilities.

Some employees who participated as students in the apprenticeship course sponsored by CTA and were subsequently invited to become employees received recognition in 2022 for their ten years of service. It was a very special moment that included the participation of their families.



Learn about some initiatives of CTA's CapaCiTAr:

- Workplace Exercises in the administrative areas led by an employee with an intellectual disability, supervised and accompanied by an occupational physiotherapist;
- Video alluding to the National Week of People with Intellectual and Multiple Disabilities (available at [link](#));
- Continuous monitoring of PWDs to promote their personal and professional development.

Trainee Program

The company introduced its Trainee Program in 2022. The program seeks to select potential talent from the agricultural production team who possess a leadership profile to be trained for future strategic assignments within the company.

Safety and Health

GRI 13.19.2, 13.19.3, 13.19.5, 13.19.9, 403-1, 403-2, 403-4, 403-8

Occupational Safety and Health (OSH) are CTA management priorities. For the company, ensuring the integrity and wellness of its employees is a strategic action, since it is reflected in high levels of satisfaction and engagement and contributes to talent retention. As such, management relies on a robust Risk Management Program (PGR) within its Occupational Risk Management System (GRO), investing heavily in training to guide its teams and leaders in prevention and behavioral practices. All initiatives and efforts in this direction are aimed at 100% of the company's employees irrespective of the class of contract the worker is subject to.

The company abides by the rules outlined in the Regulatory Standards, decrees, and other local, state and federal regulations to meet its legal and operational needs.

All employees, whether they are full-time, part-time, seasonal, or contracted workers, go through an integration process in which they are informed about their activities, the company, and the accuracy of the OSH protocols with which they are required to comply.

The Internal Commission for the Prevention of Accidents and Harassment (CIPAA) helps manage the safety issue, joining forces with





the SESMT (Specialized Services in Safety and Occupational Medicine) team and other managers, applying monitoring routines, audits, communications, CIPAA meetings, investigation of incidents and accidents and promoting the annual SIPAT program.

Risk Assessments are routine and systematic to identify potential risks of accidents or occupational illnesses. The managers and the SESMT team receive up-to-date information on the accident risk circumstances in their respective areas so they can take action to avoid incidents.

Employees who identify a potentially risky situation are instructed to report it directly to the SESMT teams or during technical visits to the areas,

by filling in the Incident Report Form directly with CIPAA members or by contacting the Grievance Office.

A great deal of effort has been put into minimizing the influence of noise risk on workers and, to ensure the well-being of these teams, the company has put in place a Hearing Conservation Program (HCP). The success of the initiative is supported by the indicators that track them.

Occupational Health and Safety Management is backed by the use of a computerized tool that cross-references a range of information, which is then shared with area managers and makes it possible to take action to prevent accidents or occupational illnesses.

Occupational Health

GRI 13.19.4, 13.19.7, 403-3, 403-6

Through the Medical Control and Occupational Health Program (PCMSO), which is based on the PGR, the company's procedures and conducts are defined in order to prevent, monitor, and control potential injuries and to safeguard employees' occupational health.

CTA's Medical Clinic has a team made up of an Occupational Nurse, a Chief Technical Nurse, Nursing Technicians, Occupational Doctors and Medical Assistants. In addition to

these, there are specialists, such as the phonoaudiologist, responsible for the Hearing Conservation Program, a professional Occupational Physiotherapist, responsible for the Ergonomics Program and the Ergonomics Committee, and a psychologist, responsible for psychological evaluations.

Employees can schedule non-occupational appointments at the company's medical clinic in addition to occupational exams.

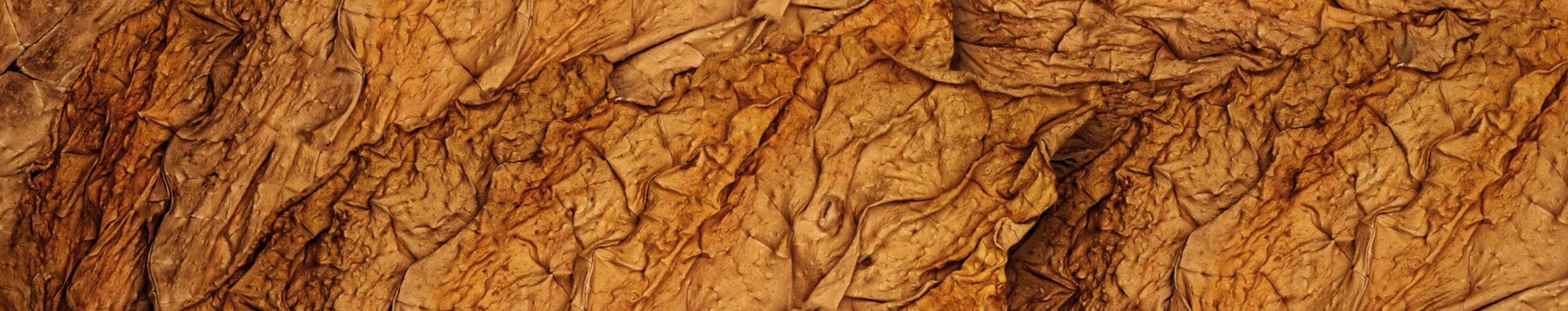
Every year, CTA offers the quadrivalent flu vaccine to all its employees and encourages them to take the remaining vaccines on the National Immunization Schedule.

Auditory Preservation Program – PCA

Noise in the workplace receives special attention from the Health and Safety team and company's management. As a result, several actions to quantify, qualify and mitigate risks and impacts were implemented (opposite).

Acoustic booths were made available so that workers could take breaks in locations with controlled noise. A rotation system between employees in areas of greater and lesser noise intensity was also implemented after analysis. With these measures, it was possible to lower the risk below the tolerance level, providing hearing comfort to the teams.

- **Carrying out evaluations, mapping the noise in the industrial plant;**
- **Investigations into the engineering of noisy equipment;**
- **Carrying out audiometries and analysis based on the information from the tests;**
- **Provision of different types and sizes of hearing protectors;**
- **Constant guidance from Occupational Safety Technicians and phonoaudiologist to employees on the cleaning and proper use of hearing PPE, as well as reinforcing the importance of hearing care.**



Social Actions



CTA Initiatives

Through investments in philanthropic social support, projects, and partnerships, CTA maintains a constant presence in the communities where it conducts business. As well as being opportunities to show their social responsibility in practice, the actions have a positive impact on the company's institutional image and generate a great deal of engagement within the internal public, who repeatedly show their pride in belonging to

the team through spontaneous demonstrations on social networks.

They represent ways for CTA to give back to the communities where it operates. Because they take place in rural areas, they also have an effect on the families of its workers and producers. The following are initiatives and some of the organizations that have established relationships with CTA to promote community benefits.

These actions generate strong engagement among the internal public, who show their pride in belonging to the team through spontaneous expressions on social networks.



ComparTilhAr

CTA's team of volunteer employees, formed in 2022, worked in the organization of the Brechó Solidário used clothing and utensiles initiative. In this action, the internal public is invited to make donations and the funds collected from their sale is earmarked for a charitable cause.



Parceiros da Esperança (Partners of Hope)

The activities of the NGO Parceiros da Esperança (PARESP) occur opposite school hours. It helps 120 students (4-17) from low-income families or those in vulnerable social situations succeed in public schools.

Among others, the activities involve: homework time, dance, sports, choir, cooking, computer, and handicrafts.

CTA has been a partner since the foundation of the Project and has even supported the construction of its headquarters and a number of improvements over the years. In addition, the company provides daily

meals in partnership with its food supplier, which operates the Venâncio Aires unit's cafeteria.

Every year, students are invited to a special program at the CTA Club. Aside from this special day, the company also donates warm clothes, Easter gifts, and Christmas gifts to the children over the course of the year.

Crescer Legal GRI 2-28

CTA is one of the maintainers of the Instituto Crescer Legal initiative of the Interstate Tobacco Industry Union (SindiTabaco). The entity distributes quotas to its associated companies, which are responsible for the costs involved with a range of students.

The Program's objective is very much in line with CTA's purpose of eradicating child labor. Through a course lasting four hours a day, opposite school hours for 11 months of the year, they develop the students' skills and abilities for rural entrepreneurship and farm management.

The target audience is teenagers aged 14 to 18, from families with small farms, thus also helping to improve their productivity and quality of life with the aim of preventing the exodus of new generations.

Association of Parents and Friends of Disabled Children (APAE)

The Association of Parents and Friends of the Handicapped (APAE) is a partner of CTA's CapaCITAr program. The company is permanently involved in supporting the institution.

Donations are made monthly to assist the Institution with its fixed costs of maintaining the activities.

Community Council for Public Security

The Community Council for Public Security (CONSEPRO) is a non-profit, assistance-oriented organization whose mission is to collaborate with the Secretariat of Security of RS so that it can more effectively defend the order and safety of the community. CTA collaborates to assist in the maintenance of the Entity.



Women's Cancer Fighting League

The company collaborates in actions promoted by the Liga Feminina de Combate ao Câncer (Women's Cancer Fighting League), a philanthropic, non-profit or economic association, of a charitable and welfare nature.

Hospital São Sebastião Mártir

For years, CTA has been responsible for the acquisition and availability of medication used for the treatment of Acute Myocardial Infarction at São Sebastião Mártir Hospital. In addition to this recurring contribution, other requests are supported whenever necessary.

Ser Mais Feliz na Escola

CTA initiative at the Francisco Antônio de Borba Filho Municipal School, in the municipality of Passo do Sobrado, RS. The Program aims to contribute to the eradication of child labor and minimize classroom evasion in tobacco-producing regions.

The program serves students in sports, homework time, band, choir, vegetable garden, handicrafts, dance and computer workshops. The realization of this Project has the support of the City Hall of Passo do Sobrado, the community and the School Mothers Club.



Outlook 2023

Next year will be one of hard work and dedication for CTA, as it strives to continuously improve processes and increase positive impact on those who either contribute or have any relationship with the company’s business. Learn about some of these commitments:



Launch of CTA's ESG Platform, an integral part of the system already in use



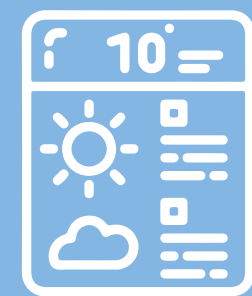
Expansion of Agrotop to Brazil's 3 southernmost states



Improvements to employees' leisure and rest spaces



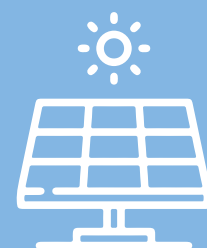
25% increase in the number of properties with soil analysis



Emissions Inventory



Launch of Digital Signature for contracts with growers



Start of solar generation that will power 3 SC branches



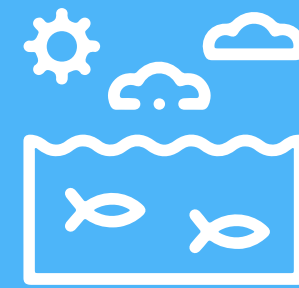
Seedling Project, which aims to recover Arroio Castelhana erosion-affected areas



Noise level reduction in the manufacturing area: quiet room with monitored breaks



Pilot test of furnace fed by certified wood pellets



Expansion of the Springs Preservation Project



Resumption of Pregnancy, Diabetes and Hypertension Programs

This Report reflects the Company's strategic planning and demonstrates rapport with our *stakeholders*, generating value for the entire production chain and society as a whole.

We thank everyone who contributed to our actions and results in 2022, and we reaffirm our commitment to work for continuous improvement, promoting the sustainability and integrity of our businesses.

Eduardo Renner,
CEO CTA - Continental Tobaccos Alliance S/A.





GRI Summary



GRI Index

GRI Standard	Disclosure	Page number	GRI Sector Standard ref. Number
General Disclosures			
The organization and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 3, 8, 9	-
	2-2 Entities included in the organization’s sustainability reporting	Page 3	
	2-3 Reporting period, frequency and contact point	Page 3	
	2-4 Restatements of information	Page 3	
	2-5 External assurance	Page 3	
Activities and workers			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Page 9	-
	2-7 Employees	Pages 51, 52, 53	
Governance			
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Pages 18, 19, 20	-
	2-10 Nomination and selection of the highest governance body	Pages 18, 19	
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 18, 19	
	2-15 Conflicts of interest	Page 21	
	2-19 Remuneration policies	Pages 18, 19	

Strategy, policies and practices			
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Pages 4, 5	
	2-23 Policy commitments	Pages 21, 22, 28	-
	2-26 Mechanisms for seeking advice and raising concerns	Page 31	
Stakeholder engagement			
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Pages 17, 51, 52	-
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pages 26, 27	
	3-2 List of material topics	Page 27	-
Economic			
Indirect Economic Impacts			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 44	13.22.3
	203-2 Significant indirect economic impacts	Pages 33, 34	13.22.4
Environmental			
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 47	-
Water and Effluents			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 43	13.7.2

Waste			
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Page 46	13.8.3
	306-3 Waste generated	Page 46	13.8.4
	306-4 Waste diverted from disposal	Page 46	13.8.5
	306-5 Waste directed to disposal	Page 46	13.8.6
Social			
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 51, 52, 53	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 55	-
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 59, 60	13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 59, 60	13.19.3
	403-3 Occupational health services	Page 61	13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 59, 60	13.19.5
	403-6 Promotion of worker health	Page 61	13.19.7
	403-8 Workers covered by an occupational health and safety management system	Page 59	13.19.9
Training and Education			
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 54	-



PEOPLE
INSPIRE US

CTA - CONTINENTAL TOBACCOS ALLIANCE S/A.

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