



Annual Sustainability Report

2023



PEOPLE
INSPIRE US



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About the Report

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

For the second time, CTA – Continental Tobaccos Alliance S/A., a privately held corporation, publishes its Annual Sustainability Report.

Prepared in accordance with the *Global Reporting Initiative* standards, this report covers the period from January 1st to December 31st, 2023 and encompasses both the Headquarters and its branches.

While the information presented has not undergone external verification, all financial data is subject to periodic

audits by an independent firm. All content presented in this report was developed in collaboration with the company's Executive Board and Chief Executive Officer, who bear sole responsibility for the statements made herein.

The collection and organization of information and data, as well as the writing and editorial aspects, were carried out by Peterson Consultoria.

For questions, suggestions or additional information, please contact: sustainability@cta.com.br.

A Message from our CEO

GRI 2-22

CTA proudly presents the second edition of its Sustainability Report. We see this document as a strategic means to show our firm commitment to supporting the evolution of tobacco production practices in Brazil.

As one of the world's leading tobacco suppliers, our country has consistently adapted to evolving regulatory requirements and serves as a benchmark for other tobacco-producing regions. Recognizing our role as a catalyst for this evolution, we invest in initiatives to raise awareness and provide information to our supply chain. Every day we are alongside farmers, offering guidance,

teaching and promoting a better understanding of their business. We are united in the value chain, working together, although each link has its own responsibilities, duties, and contributions.

Our unwavering focus is on risk management, underpinned by our commitment to integrity and uncompromising adherence to ethical and governance standards.

In 2023, we executed several environmental projects aimed at protecting biodiversity, soil, and water resources, both on our suppliers' properties and in the surrounding communities.



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



The increasing frequency and intensity of extreme weather events, such as droughts and heavy rains, underscore the need to incorporate climate projections and variability into our planning.

We also placed particular emphasis on improving the living conditions of farmers and their workers, promoting the adoption of legal labor practices in the sector. Our commitment is to ensure that all agricultural workers have access to a dignified and healthy quality of life.

We also invested significantly in technology. We provided field teams and producers with numerous resources such as satellite antennas, digital certificates, and cargo trackers. For the upcoming year, we will launch CultivA, our exclusive app designed to simplify the lives of our integrated farmers.

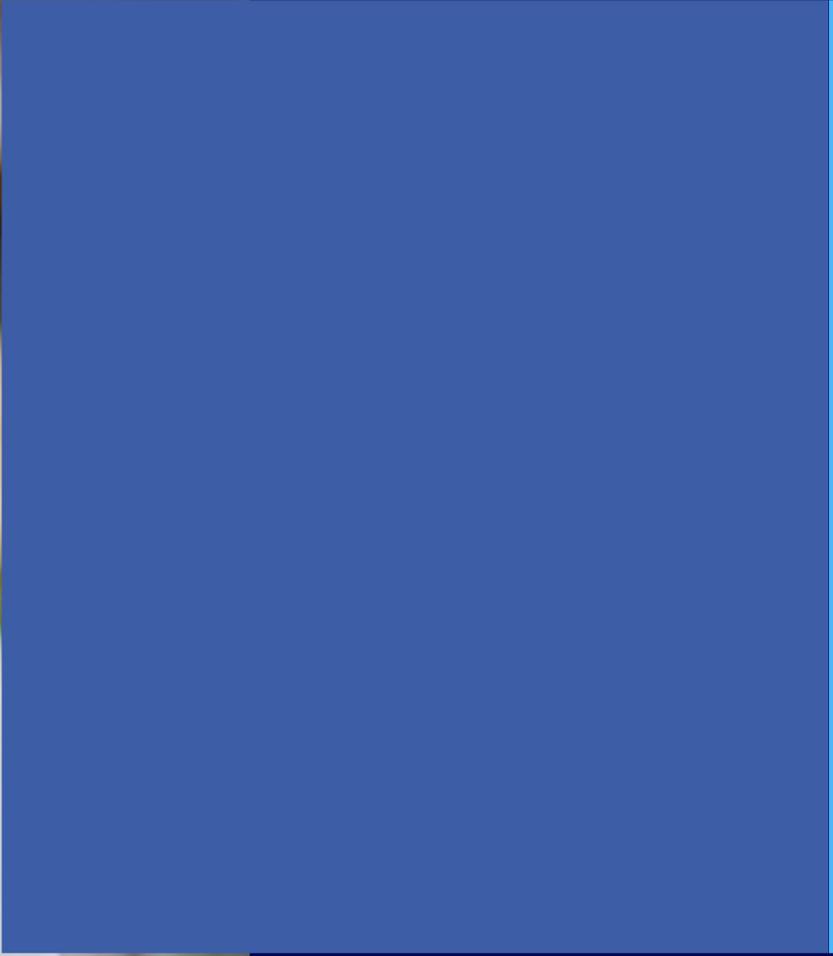
Internally, we have automated processes to enhance agility,

operational efficiency, and data accuracy. This increased security reinforces our commitment to governance, accuracy and transparency.

Despite the significant rainfall in Rio Grande do Sul during the third quarter, 2023 concluded as anticipated. The increasing frequency and intensity of extreme weather events, such as droughts and heavy rains, underscore the need to incorporate climate projections and variability into our planning. Anticipating and responding to each unexpected event is crucial. As our operations rely heavily on natural resources, we are deeply committed to environmental stewardship through various initiatives and awareness campaigns.

In 2023, we achieved a major milestone: completing our first Greenhouse Gas Inventory. This milestone will allow us to outline strategies and contribute to this important global agenda.

We are committed to aligning our words with our actions. All initiatives mentioned will be detailed in the following pages. We hope that each reader will recognize the dedication we are devoting to promoting the growth of our production chain, contributing to a more sustainable and equitable economic development. By working together, we can build a better future for all.



01



CTA



Our Business

GRI 2-6

CTA – Continental Tobaccos Alliance operates in the sale of tobacco produced in the three southern states of Brazil: Paraná (PR), Rio Grande do Sul (RS) and Santa Catarina (SC).

Its operation encompasses the contracting of integrated farmers, technical assistance, tobacco purchasing, processing, storage, and marketing for both the domestic and export markets.

Playing a strategic role in the national tobacco chain, the company becomes a value-generation link between producers and clients.

Through its integrated system, CTA offers tobacco growers comprehensive technical assistance and numerous programs in the social, environmental, and agronomic pillars, acting on any opportunity for improvement that may reflect a potential increase in income and quality of life.

For the tobacco production chain, the company contributes to the sector's evolution in ESG* parameters, addressing criteria such as child labor eradication, human rights promotion, worker safety, good management practices, and environmental preservation.

At the regional level, CTA has a significant impact and influence on the local economy and community, where partnerships and social projects focused on environmental preservation, inclusion, education, and essential needs such as safety and health are developed.

All stakeholders are considered in the strategic planning of the business, designing alternatives to enhance positive impacts, manage risks, and map opportunities for improvement.



CTA processes Flue Cured Virginia, Burley, and Dark Air Cured Tobaccos, delivered in the following forms: Strips, Hand Strips, Loose Leaf, Butted Loose Leaf , Wrappers, Bundles, Fermented tobacco, Stem and Small Lamina / Fines .

*ESG: acronym in English for Environmental, Social and Governance.

Our Locations

GRI 2-1

Headquarters, Technical Assistance, Purchase, Processing and Export of Tobacco: Venancio Aires (RS), Brazil.

Technical Assistance and Tobacco Purchase: Araranguá (SC), Ituporanga (SC), Papanduva (SC) and Irati (PR).

Organizational Culture

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.

VISION

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

VALUES

Respect & Ethics, Integrity, Sustainability, Diversity and Collaboration.

Financial Performance

GRI 2-2

Tobacco procurement presented a challenging scenario due to the limited supply of raw materials relative to the volumes demanded, directly impacting prices, which increased by an average of 6.2%, although substantially lower than the 46% increase in 2022.

The performance achieved was within expectations and as planned, even though the final volume of shipments was impacted by the heavy rains in September 2023 in Rio Grande do Sul. The state's highways were blocked, and logistics flow through the Port was delayed, postponing some important shipments at the end of the year.

As a way to respond to this situation, CTA maintained its focus on financial discipline, given the need for high working capital, mainly due to the increased cost of raw tobacco, coupled with occasional operational and capital increments.

Nevertheless, faced with all the challenges, the company closed the 2023 balance sheet with EBITDA only 27% below that of 2022. The financial balance represented by net working capital was maintained, demonstrating Management's commitment to maintaining sales margins, operational improvements and efficiencies, as well as reducing costs and capital.

The average selling price in dollars charged by the company was higher compared to 2022, with the increase following the rise in purchasing costs. It is important to highlight the appreciation of the Real by 7.7% against the Dollar, considering the exchange rate at the end of 2022 of BRL 5.2171, compared to the end of 2023, of BRL 4.8413.

With strong operational performance, in spite of the financial result impacted by the aforementioned issues, the company, for yet another fiscal year, obtained a positive net profit, slightly lower than that recorded in the previous year.

The company does not publish annual Financial Statements and Explanatory Notes, as it only shares these numbers and analyses with its strategic partners, including banks, main customers and suppliers. The Financial Statements are audited annually by PriceWaterhouseCoopers.



2023 Highlights

100%

of the properties contracted for the production of tobacco being monitored.

100%

of suppliers meeting the company's criteria.



ConeCTAR:

128

improvement actions implemented since 2022.



Agrotop Week:

300

participants in the 4-day event.



Start of operations at the CTA Solar Plant.



Digital signature provided to all tobacco growers.



Implementation of the Agrotop Score for all integrated growers.

Field monitoring:

323

immediate actions,

917

unannounced visits,

233

Accommodation checklists.

Governance

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-16, 2-17, 2-29, 3-3

CTA's governance is structured by an Executive Board, comprised of nine Officers, who report to the Board of Directors (BoD), made up of six members. These members are elected by the shareholders, at a Meeting, and the Chairman of the Board of Directors does not perform an executive function in the company.

Directors have relationships with clients, shareholders and financial institutions and approve the programs and policies that structure the company's strategy.

The Executive Board is responsible

for systematically reporting to the Board of Directors on the company's socio-environmental risks, impacts and actions, or immediately, when necessary.

Meetings are opportunities for exchanging information and reporting. It is through these conversations that technicians receive explanations about the projects carried out and their objectives. With this, the BoD is able to understand the demands and solutions presented by the teams in the face of the main challenges for the company's sustainability.

Ownership Structure



Meetings are opportunities for exchanging information and reporting. It is through these conversations that technicians receive explanations about the projects carried out and their objectives.

Management

The company's governance is firmly committed to promoting sustainability in the tobacco production chain, acting with integrity and in alignment with all legislation that regulates its business. As a result, the company establishes a series of guidelines and orientations in its corporate documents to ensure that all stakeholders are aware of and aligned with its purpose. These policies and guidelines define the way CTA operates, its principles and commitments, as well as the requirements that must be met by those who have business or employment relationships with the company.

Corporate documents: Mission, Vision and Values; Code of Ethical Conduct, Code of Conduct for Suppliers; Management Policy; Human Rights Policy; Data Privacy Policy.

Click here for more information, access the CTA 2022 Sustainability report.



To support organizational management, there are Committees responsible for managing specific agendas, namely: Human Rights Committee, Employee Committee and Diversity & Inclusion Committee, CIPA - Internal Committee for Accident and Harassment Prevention.



Ethics and Compliance

GRI 2-15, 2-24

Through Corporate Policies, the company clarifies the guidelines and conduct related to the main critical issues. The company systematically shares the content with its employees and senior management through training, communication channels and *Diálogos de Vida* (Life Dialogues). Several of these documents are shared with strategic stakeholders and monitored by internal controls and indicators.

Through these same internal controls and the explicit guidelines in its Code of Ethical Conduct, the company establishes protection parameters for the organization and its employees in relation to potential conflicts of interest.

Access the
CTA's Code
of Ethical
Conduct here. 

Risk Management

CTA's risk management, as well as its governance processes, follows the evolution of the company's organizational maturity.

Risks, as well as opportunities, are constantly assessed and

monitored by corporate areas, each of which is responsible for analyzing and identifying them, planning response actions and monitoring them.

For those risks with the potential to impact the

company's ability to achieve projected results, we take into account impacts on the management system, customer satisfaction, undesirable effects, and prevention or mitigation methods to minimize their consequences.



Ombudsman

GRI 2-25, 2-29

CTA provides a communication channel so that all its stakeholders can express any type of complaint or suggestion.

This tool reinforces a culture of respect and open dialogue, fostering an environment with communication, mutual collaboration, and trust. Through the received records, the company is able to identify opportunities for improvement in its services and relationships, proving to be an important source of continuous learning for the organization.

CTA's feedback channels are in accordance with the United Nations Guiding Principles on Business and Human Rights, serving as an efficient resource for identifying

and remedying potential human rights violations in the company's value chain.

Investing in this type of resource contributes significantly to the sustainability of operations, strengthening an ethical and responsible stance, in accordance with its corporate policies.

**CTA Ombudsman's Office.
51 3793 2230,
sustentabilidade@cta.com.br,
Incident Registration form
or in person with the
Sustainability department.**

**CTA's feedback channels
are in line with the United
Nations Guiding Principles on
Business and Human Rights.**





Materiality

GRI 3-1, 3-2

In 2022, CTA conducted a process to define Material Themes. Following a benchmarking exercise and the identification of key business and industry themes, we engaged with our stakeholder representatives. The company's BoD participated in the process and approved its outcome.

To learn more details about the methodology applied, see the [2022 CTA Sustainability Report](#).



The engagement, conducted through conversations and questionnaires, provided the company with a prioritized list of themes (see below).

Environment

1. Water
2. Climate changes
3. Sustainable firewood

Social

4. Subsistence of rural growers and workers
5. Child labor and forced labor

Governance

6. Human Rights
7. Governance and integrity in business



ConeCTAr is a continuous improvement project that aims to enhance the company's internal processes. Since 2022, 128 actions have already been implemented.

ConeCTAr

ConeCTAr is a project designed to assess and update internal processes, aiming to contribute to the evolution of organizational maturity. In 2023, it encouraged employees to present their processes, identify improvement opportunities, and propose actions, allowing other teams to

understand the work flow of other departments.

Based on continuous improvement, it stimulates the participation of all employees to share ideas, contributing, through diverse perspectives, to increasing efficiency and results.

Since 2022, when the project started,

216

opportunities for improvements were detected, of which 128 have already been implemented in different areas of the company.

Process Automation

CTA has a team of professionals specialized in Information Technology (IT). Working in partnership with other departments, this team is constantly seeking to provide solutions for more efficient management and to contribute to the evolution of processes, making them more agile and optimizing employees' time so they can dedicate themselves to more analytical tasks.

CTA's investment in technology goes beyond operational efficiency, as reorganizing flows and data improves accuracy, increases information security, and provides greater control and traceability of processes. All of

these factors contribute to internal and external auditing, promoting corporate integrity, governance and transparency.

Additionally, the agility and security of processes also benefit our relationships with tobacco growers, suppliers, and customers, who are now served in a faster and more assertive manner.

To evolve in this operational efficiency, the company is automating steps and improving its processes. Purchasing and People Management are examples of areas that have improved their services through the adoption of technology. See below for more of these advancements.



CONTINUOUS DEVELOPMENT

The company invested in a review of its Finance and People Management processes to further drive evolution. In an effort to improve the operational efficiency of its internal data system, a diagnosis of the current processes and improvement opportunities was conducted. The primary objective of this effort was to fully leverage the system's potential.

GREATER PROCESS EFFICIENCY

The integration of the Business Process Management Suite (BPMS) into the system that serves the company's core business provides greater efficiency and traceability in all stages of processes, from request to completion.

FINANCIAL STRATEGY

The review, simplification, and integrations in the new Accounting Chart project contributed to a more strategic financial management and resulted from joint efforts between the Controller's Office and IT, providing several benefits to the company, such as standardization and uniformity, more efficient control, improved analysis, and simplification of processes. In this context, the project also impacted the simplification and standardization of the ERP system's configurations and customizations. This project is scheduled for completion in early 2024.

DATA GOVERNANCE

A Customer Relationship Manager (CRM) system was developed, covering the entire commercial cycle, with a focus on data governance.

EVOLUTION OF PERFORMANCE ASSESSMENT TOOLS

The IT area developed new tools to restructure the Competency Assessment Plan and build the Training and Development Plan.

BUSINESS INTELLIGENCE

To contribute to the company's strategic management, Business Intelligence (BI) tools were implemented. Dashboards were developed to visually present various indicators simultaneously, through which it is possible to obtain valuable insights for decision-making. Their use supports and accelerates processes, allowing managers to have a comprehensive and detailed view of organizational performance.



02

AGRICULTURAL
PRODUCTION

Tobacco Growers

GRI 2-12, 2-28, 2-29, 3-3, 13.17.1, 13.19.1, 13.20.1, 13.21.1, 13.22.1

CTA is firmly committed to supporting its integrated tobacco growers. The company only purchases products from previously approved and registered suppliers, and provides them with a qualified team of Field Technicians who provide support, training and technical guidance.

Through guidance from production teams, as well as events and meetings with experts, the company provides information on legislation, social and environmental, and human rights aspects, as well as agronomic instructions.

In 2023, the Inter-State Tobacco Industry Union (SindiTabaco) commissioned a second study on the socioeconomic profile of tobacco growers in the southern region of Brazil.

This publication guides the company in developing strategies and contributes to the reliability of the data collected, monitored, and reported by CTA to its clients and stakeholders. CTA is an active member and partner of SindiTabaco, an organization that seeks to contribute to the evolution of sustainability and the common interests of the industry.

CTA monitors
100%
of contracted
tobacco properties
to ensure
compliance with
key standards
assessed.

Learn more about
the socioeconomic
profile of tobacco
growers in the
southern region of
Brazil here. 





By signing a contract with CTA, every tobacco grower commits to following all the clauses stipulated therein. The document serves as a formal, legal, and official tool for the company to detail the necessary conditions for the business to be carried out. The parties also ensure commitment to the corporate guidelines established in the Code of Conduct for Suppliers. This document determines the ethical and socio-environmental

conduct of suppliers in their relationship with CTA.

At the time of contracting, the tobacco grower is oriented and receives an explanation of all the premises to which they are committing, including legal obligations, in accordance with current legislation, and the requirements demanded by the company.

CTA works with farmers in the three southern states of Brazil, traditional agricultural production poles, offering technical guidance and investing constantly to bring knowledge to its tobacco growers. This is the company's way of contributing to the sustainable development of the country's production chain, which stands out as one of the main tobacco producers in the world.

Access the Code of Conduct for Suppliers here.





Alongside the farmer

Field Technicians

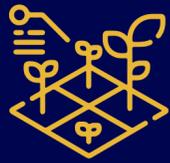
Our Field Technician teams are responsible for managing daily interactions with farmers. They are the ones who represent CTA in tobacco farms.

Field Technicians are trained annually by the Agricultural Sustainability team on data collection standards, monitoring, and identification of improvement opportunities in the contracted farms, as well as on other practices and programs that the company develops with tobacco growers. They are the ones who, in addition to guiding the adoption of best management practices, verify legal compliance and check and assess all the criteria required by CTA in each contracted farm.

Farm visits may be scheduled or unannounced. Free access to these properties is an agreement signed between the parties and provides better risk management across the chain.

The company reinforces this performance with training, events, technical material and media campaigns.

When a Technician identifies an opportunity for improvement, an action plan is immediately drawn up to improve performance in order to achieve compliance with the criteria.



Agricultural Sustainability



In 2023, the field team found

323

opportunities for improvement,

917

unannounced visits,

233

accommodation checklists.

Our Agricultural Sustainability team serves as a strategic bridge between our field Technicians and company governance. The team is responsible for carrying out training and managing data collected during visits and monitoring recorded via the ESG Digital Platform. Based on this database, it develops plans, strategies, training and opportunity maps.

Opportunity maps are the result of analyses that identify

opportunities for improvement in social, environmental and agronomic aspects. They can also be scaled to different levels: macro production, by branch, by region, by technician and by farmer.

The team also supports Technicians in developing action plans and monitors the farmer's progress in the criteria.

In 2023, the company maintained active governance in the ESG

pillars, expanding its mechanisms through a greater number of unannounced visits and checklists focused on accommodations, verifying minimum conditions of health, safety, and quality of life for those involved in the agricultural process.

This year, CTA detected 323 improvement opportunities, with 917 unannounced visits and 233 accommodation checklists.

ESG Digital Platform

Field Technician teams have their own tablet-based company platform, through which they can record all observations of each property visited.

With a checklist that assesses management, agronomic criteria, environmental aspects, and the quality of life of workers and residents, the teams can conduct a thorough analysis of the performance of these pillars and promote improvement opportunities for each farmer, if necessary. Following the assessments, tailored action plans are created in collaboration with farmers to address any identified areas for improvement.

The information is instantly shared through the ESG Digital Platform to the company's Agricultural Sustainability area, which can, with this data, have strategic information about the supply chain and make inferences about regional and local opportunities to promote operational excellence on these properties, aligned with the Agricultural Production Department.

This is an effective tool for the company to manage risks within its supply chain, while simultaneously encouraging the evolution towards increasingly sustainable tobacco production.



Agrotop

Agrotop is a CTA program aimed at promoting continuous improvement of its production base, encouraging adherence to and respect for the social, environmental, and agronomic pillars that structure the program.

The project selects farmers interested in implementing improvements that promote the well-being and sustainability of families. The measures proposed involve actions directed at improving the quality of life of tobacco-growing families, with an emphasis on increasing income and preserving natural resources such as soil, water, and preservation areas. Additionally, it encourages energy self-sufficiency and property infrastructure, focusing on facilities and crop diversification.

With the proposal to work on pilot properties, in 2023, four reference farms were established. The pillars of the program were implemented in these farms, while also providing additional support for legal services and full respect for the health and

In 2023, 4 reference properties received Agrotop. The results include improvements in practices, quality of life, satisfaction and increased income for farmers. For 2024, the goal is to replicate the methodology on four other properties.

safety of workers and residents on the property. Additionally, families receive guidance on organizing and cleaning the site and on crop diversification.

For the participants of this first cycle, the actions resulted in improvements to quality of life, generating satisfaction and increased income for farmers and their families.

Our plan for 2024 is to adopt four more reference farms to implement the project.

Agrotop Score

The Agrotop Score is a ranking of all tobacco growers contracted by CTA. After being assessed by the production teams and having the data entered into the ESG Digital Platform, the system automatically creates a ranking with the score achieved by each property.

This strategy helps analyze and map opportunities for continuous improvement and supply chain excellence from an ESG perspective.

Agrotop Week

To enhance the experience and scope of the program's achievements, CTA organized the Agrotop Week in 2023. The event allowed employees and other farmers to personally see the results of the adopted initiatives.

The Week took place on two reference properties, which hosted four days of training, receiving eight groups and totaling over 300 participants.

For 2024, the plan is to take the initiative to the states of Santa Catarina and Paraná.

Agrotop Week
received more than

300

participants in
a four-day event.





The company analyzes and monitors several environmental aspects of supplier farms and works to support them in meeting legal compliance or potential improvements.

Environmental Projects

Biodiversity Management Plan

The Biodiversity Management Plan designed by CTA is for protecting local biodiversity through the conservation and maintenance of protected areas or areas with high potential for the development of regional fauna and flora, in particular, fruit species and those threatened with extinction.

The company analyzes and monitors several environmental aspects of supplier farms and works to support them in meeting legal compliance or potential improvements.

Key evaluation topics include the mapping and continuous monitoring of Permanent Preservation Areas (PPAs), wetlands or other areas with high biodiversity potential, natural habitats, ecological corridors, and control of exotic and invasive species.



Soil Protection and Conservation Plan

The Soil Protection and Conservation Plan proposes to focus on the management and best practices adopted in the use of agricultural land, seeking to preserve soil health, fostering its recovery, and maintaining the productive capacity of farm land.

With the data recorded via the ESG Platform, the company created a map of opportunities to encourage its integrated network to apply good cultivation practices that promote soil improvement, conservation and protection, such as the adoption of direct planting, minimum cultivation, use of ridges, crop rotation, among others.



Water Protection and Conservation Plan

GRI 3-3, 13.7.1

To understand the origin and volume of water used by farms, CTA carries out systematic surveys and monitoring via the ESG Digital Platform. Furthermore, it enables monitoring of the pollution level of the surrounding waters. Based on this information, it is possible to analyze consumption, application, and potential risks and opportunities for reducing the use of the resource.

In parallel, the company trains its Field Technicians and integrated

farmers on water management and the conservation and protection of natural water resources on the property. Awareness of the need to preserve legal reserve areas, riparian forests, and springs is reinforced through educational materials such as posters and pamphlets. To support these initiatives, the company offers support through a **Forest Management Plan**.

The company's constant monitoring of climatic conditions and variations allows for the development of

strategies that support farmers in overcoming challenging periods. CTA monitors forecasts for the coming cycles, shares this information, and provides immediate guidance on future climatic conditions that may impact the crop, its profitability, subsistence, or the quality of life of their families.

Sanitation is also addressed with the production chain, with company support and awareness initiatives for its producers.



Key points of the Water Protection and Conservation Plan:

- Maintenance of land with Permanent Preservation Areas (PPAs), native forests, and preserved wetlands on the properties
- Management of water in the float system for seedling production.
- Safe use of fertilizers and pesticides, as recommended by the company and legislation.
- Minimum distance between crops and water sources, under current legislation.
- Responsible use and management of resources for seedling and crop planting.
- Use of soil conservation techniques, such as cover crops, minimum tillage, and direct planting, which reduce the risk of soil leaching.

Forest Management Plan

GRI 3-3, 13.1.1, 13.2.1

To assist its production base in complying with legal requirements, CTA has developed a Forest Management Plan, which aims to promote the exclusive use of legally sourced, sustainable, and traceable wood for tobacco curing, as well as for renovations and constructions of barns or structures on properties integrated into its production base.

The Forest Management Plan seeks to support and guide contracted properties in maintaining or achieving energy sufficiency on each property. The company promotes the supply of eucalyptus seedlings, an exotic species legally allowed for energy use or construction, in compliance

with Brazilian legislation and customer requirements.

The company offers a seedling financing arrangement through approved suppliers who deliver directly to farmers. All management actions applied over the years are entered and monitored via the ESG digital platform.

Additionally, in strategic areas where there is no space for planting, the company provides legal and sustainable firewood for producers to use in the curing and drying process of the contracted crop.

To complement and enhance the project, Field Technicians, through

technical visits and educational materials, encourage farmers to build or adapt their greenhouses to the forced air model, which presents better energy efficiency when compared to the conventional greenhouse model.

To further promote CTA's strategy of supporting legal compliance of properties and environmental preservation in producing regions, the company offers, free of charge, native fruit tree seedlings to be directed to permanent preservation areas (PPA), riparian forests, and springs. This initiative contributes to the preservation of wildlife, local biodiversity, water quality in the region, and surrounding communities.



CTA supports its producers to plant forests suitable for harvesting, ensuring energy efficiency of legal and sustainable origin.

Sustainable Firewood

GRI 3-3, 13.1.1, 13.2.1

The exclusive use of sustainable firewood is a golden rule for CTA. The company works tirelessly to educate and demand the use of wood from sustainable reforestation as a source of energy for the curing barns required in the tobacco curing and drying process. The teams of technicians in the field monitor the necessary requirements and information on the use of renewable sources and the origin of the raw materials used on the properties through the ESG digital platform.

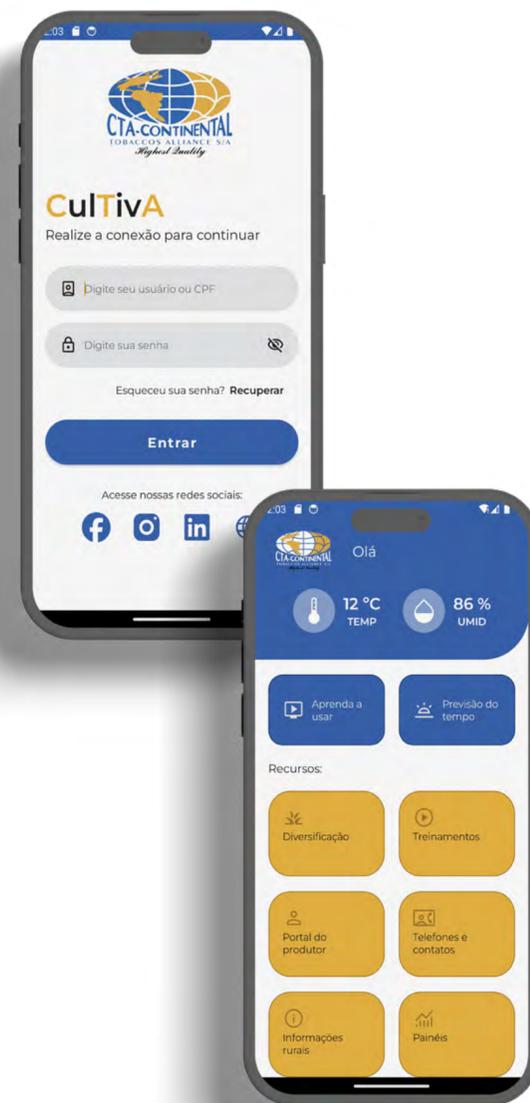
Using the Opportunity Map and Agrotop Score, the company has been able to observe, analyze and develop strategies in areas where there is room for improvement and where the supply of legal and sustainable firewood tends to be scarce, allowing the company to develop an action plan focused on the supply of safe and traceable firewood to producers in that specific location.



Technology in the Field

To streamline the work of its Field Technicians, the company is testing a new Internet access technology. As the teams monitor and record information on the ESG Digital Platform, a connection is required, however some of the properties are located in regions with unstable or no signal.

The tests provide the most modern technology available globally in terms of communications, in order to obtain greater speed, optimizing the efficiency and working time of the teams, thus contributing to the improvement of their technical assistance and the monitoring of the properties.



APP Cultiva – Application

In 2024, CTA will launch an exclusive application for its farmers, aiming to facilitate communication and provide a series of benefits. The tool will allow easy access to the CTA farmer portal, as well as a list of useful contacts and telephone numbers. Additionally, it will offer knowledge and improvement, through information on the climate, crop, technical materials and agriculture in general, as well as technical training and guidance for the management and agricultural diversification of properties.

Digital Signature

In 2023, CTA provided its integrated farmers with another convenience – the introduction of digital signature of contracts.

Through a platform that allows the use of digital certificates, the company provides agility, ease and a significant reduction in the use of paper.



Digital signatures, in addition to being quick and easy, reduce paper use.



Improvement

Rural Management Meeting

In August, CTA held a meeting titled “Rural Management: a commitment from CTA to its integrated farmers. Union for the strengthening and continuity of agriculture”.

The meeting was attended by around 300 participants, including public bodies, political authorities, rural associations and entities, as well as farmers. The event covered topics such as rural management, labor, regulatory standards and several other subjects that allowed participants to have an

overview of the industry and current legislation. The debate highlighted the importance of all agents involved in tobacco farming joining forces to seek alternatives that help small and medium-sized farmers in relation to temporary hiring, taking into account the peculiarities of the crop and the region.

Nearly
300
participants, including public bodies, political authorities, rural associations and entities as well as farmers, took part in the meeting on Rural Management promoted by CTA.

Labor Recruitment

In partnership with the National Rural Learning Service (SENAR), CTA led a pioneering initiative to bring information and awareness to its integrated farmers. A series of 20 training sessions were held, involving farmers from the state of RS, on *Correct and Safe Recruitment of Labor*, and 6 training sessions on Regulatory Standard 31. By 2024, the partnership will replicate these training programs for the states of SC and PR and will also offer courses in *Soil Conservation, in Handling of Agricultural Equipment and Tractors, in Rural Management* and about the work of *Women in Agriculture*.

All initiatives are focused on improving farm management and promoting best practices in the national tobacco production chain.

In partnership with
SENAR, CTA offered
20 training
groups for RS farmers on
good employment practices.

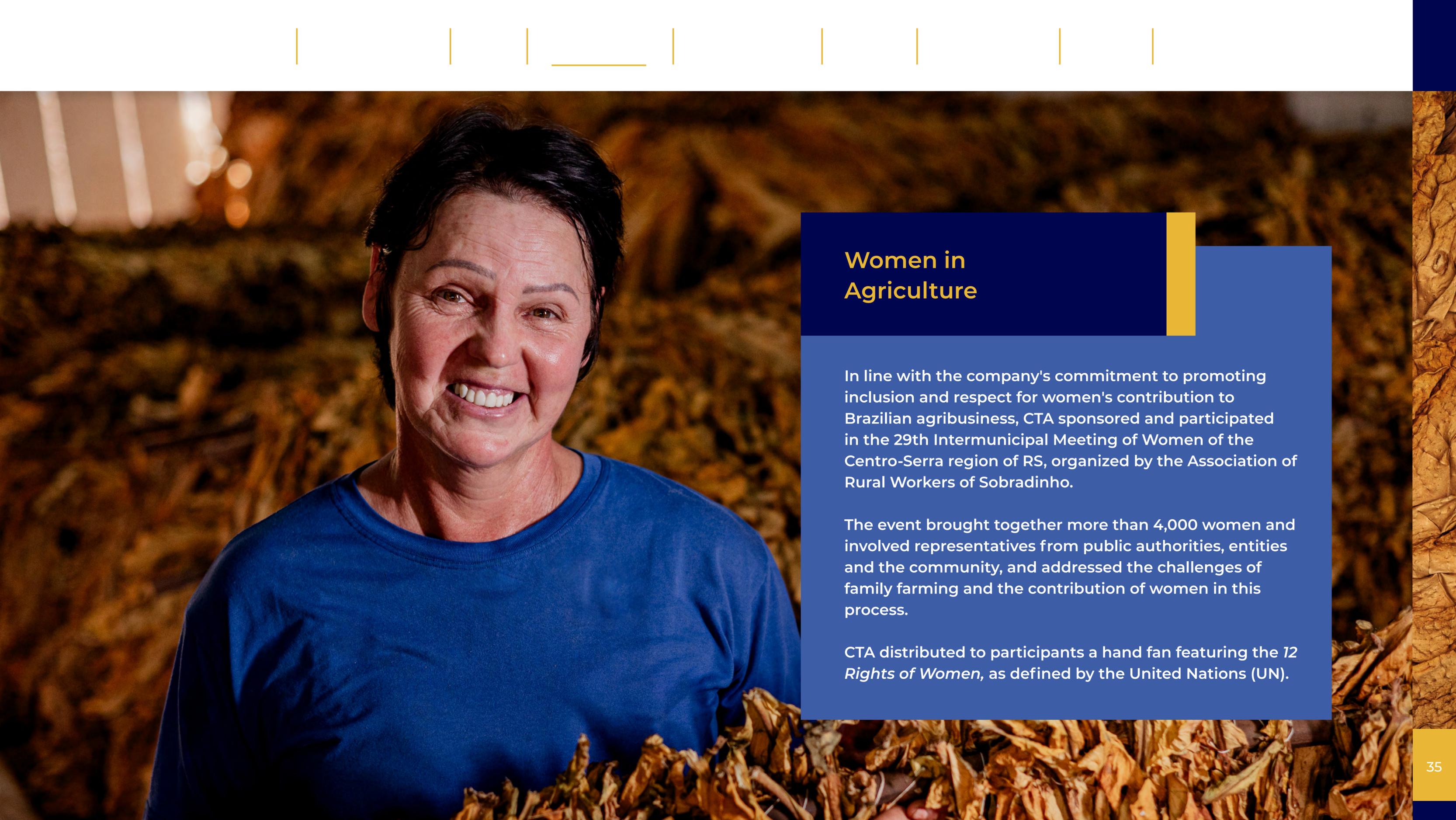
Young People in Agriculture

Believing in the importance of encouraging the integration of new generations into farming, as a way of promoting agricultural sustainability in the country, the company supported the “1st Seminar for Rural Youth of Cerro Branco”.

Organized by the Association of Rural Workers and Family Farmers' Unions of the Vale do Rio Pardo and Baixo Jacuí Union Regional Office, in RS, it engaged family farmers and rural workers, in addition to several rural entities from 16 municipalities in the central region of the state.



All CTA initiatives seek to contribute to the evolution of the management of these properties and to the increase of good practices in the national tobacco production chain.

A woman with dark hair, wearing a blue t-shirt, is smiling and holding a large bunch of harvested tobacco leaves. The background is a vast field of tobacco plants under a warm, golden light, suggesting a sunset or sunrise. The image is framed by a white border at the top with vertical lines and a dark blue border on the right side.

Women in Agriculture

In line with the company's commitment to promoting inclusion and respect for women's contribution to Brazilian agribusiness, CTA sponsored and participated in the 29th Intermunicipal Meeting of Women of the Centro-Serra region of RS, organized by the Association of Rural Workers of Sobradinho.

The event brought together more than 4,000 women and involved representatives from public authorities, entities and the community, and addressed the challenges of family farming and the contribution of women in this process.

CTA distributed to participants a hand fan featuring the *12 Rights of Women*, as defined by the United Nations (UN).



03



Environment

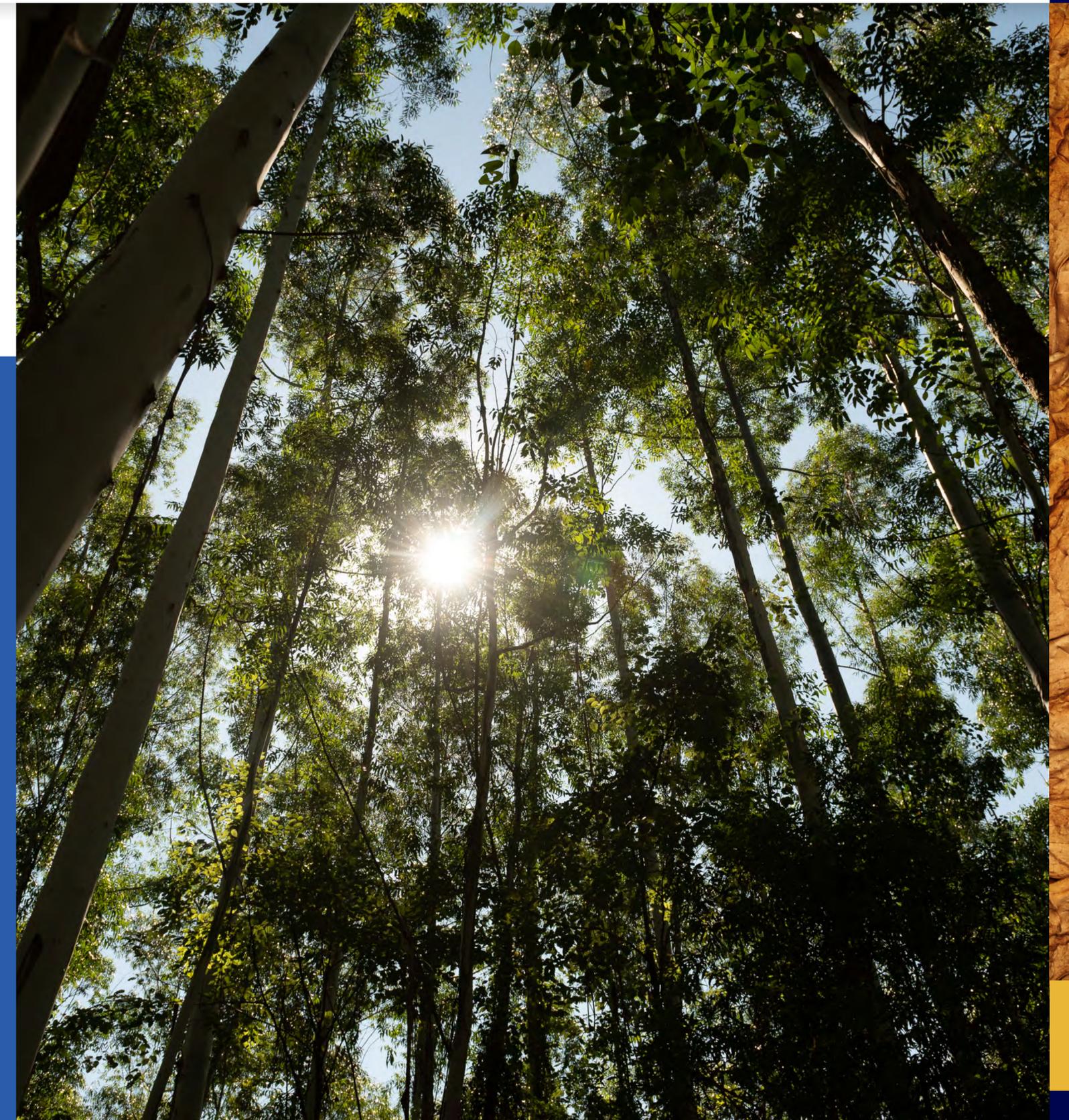


Environmental Responsibility

GRI 3-3, 13.1.1, 13.2.1

CTA is truly committed to the preservation of natural resources. “Business sustainability is associated with the availability of these resources, be it soil, water or biodiversity. **Also, regularity and predictability of seasons and rainfall availability are also essential to crop productivity.** With this in mind, and as a risk management tool for its business, the company monitors advances in the area of climate change.

Due to this absolutely necessary ecosystem, the company invests in numerous projects that promote restoration, preservation and environmental awareness in communities and among its integrated farmers.



Nascentes Project

GRI 3-3, 13.7.1, 13.7.2, 303-1

In 2022, the company launched a project in partnership with other stakeholders, which aims to recover and protect springs and streams located in the Arroio Castelhana basin, in the municipality of Venâncio Aires.

Spring Protection was designed to serve people who depend on springs to meet their basic needs, aiming, through recovery and conservation, to promote water security on these properties. In addition to improving the quantity and quality of water, this system can also prevent sources from running out during periods of water stress.

In 2023,
24
families benefited and
now have access to quality
water.

The company's technical team assists in selecting the families to receive this benefit. The company provides the labor and materials necessary to construct the system, including the installation of water tanks.

In 2023, 24 families benefited and now have access to quality water. The commitment to the project is such that it was included in the company's strategic planning.





MUDA Project

Considering the social, economic and environmental importance of the Arroio Castelhana river basin for the Venâncio Aires region, in 2023, the company started a partnership with selected stakeholders, among them, the University of Santa Cruz (UNISC), for the MUDA Project.

The main purpose of the project is to identify, stabilize and recover erosion processes on the banks of Arroio Castelhana, reducing its potential for silting.

In the first phase, carried out in 2023, using satellite imaging tools, the main erosion processes were identified, from the spring to the mouth of the watercourse, covering a distance of 107 km.

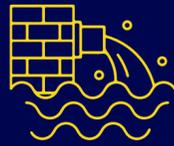
Following this mapping, site visits were conducted to assess the types of erosion processes, soil types, aspects of the vegetation on and around the site, and the shape of the slopes.

In 2024, as part of the second phase, a Basic Executive Project in Natural Engineering will be undertaken. This project will provide an overview of the watershed's characteristics and the overall state of erosive processes. It includes a topographic survey, hydrological data, and an analysis of water flow behavior. The project will conclude by defining excavation and filling requirements, as well as determining the dimensions of inert and living structures within Natural

Engineering. These measures are essential for stabilizing and rehabilitating the erosive processes identified as priorities.

The project also includes guidance and technical assistance work for the properties involved, focusing mainly on soil conservation management and crop diversification on small properties.

This initiative, in line with our commitment to safeguarding and conserving natural resources, holds significant promise for positively influencing the Venâncio Aires community. It is poised to enhance the water resources that serve the municipality.



The Basic Sanitation Project positively impacts the lives of CTA integrated farmers.



Basic Sanitation Project

Another initiative that aims to positively impact the lives of CTA integrated farmers is the one that seeks to offer access to basic sanitation.

Basic sanitation is directly related to people's quality of life and environmental preservation, and the lack of adequate systems has a direct influence on health

and well-being, especially that of children.

The project, developed in partnership with a stakeholder, will enable the installation of biological effluent treatment systems (biodigesters), which neutralize waste and allow its disposal without the risk of contamination to the environment.

Energy

GRI 3-3, 13.1.1, 13.2.1, 302-1

CTA's main branch, with its industrial operations, stands out as the unit with the highest energy consumption. To fulfill this demand, the company chooses to exclusively acquire clean and renewable energy within the Free Market. By opting for this sustainable energy source, the company successfully avoided emitting 332,903 tonnes of carbon dioxide equivalent in 2023.

Eucalyptus firewood, needed to fuel the boilers, comes exclusively from reforestation, certified and suitable for cutting.

The consumption of LPG gas is necessary for heating, cooking and fueling industrial vehicles.



To further reinforce its commitment to generating clean energy, the company has structured its own Solar Plant.

By opting to purchase clean energy, CTA, in 2023, avoided the emission of

332,903 TCO₂e.

Electric power consumption

Main Office: **8,855,043 kW/h** (31,878 Gigajoules)

Branches: **166,450 kW/h** (599 Gigajoules)

Reforestation firewood (eucalyptus):

19,888 stere meters (174,028 Gigajoules)

LPG Gas: 171,210 kg (8,422 Gigajoules)

Fleet fuel: 247,566 liters

Solar Power Plant

In May 2023, CTA's Solar Plants began operations, installed at the Papanduva and Ituporanga branches, both in Santa Catarina.

With a production capacity of 150,000 kW/h per year, the expectation is that the energy generated will be enough to supply the company's three branches in the state from next year.

Emissions

In 2023, CTA took an important step to reinforce its commitment to environmental responsibility. In alignment with global agendas and those of its clients, the company hired a specialized firm to survey its emissions inventory.

By measuring the main emission sources in its value chain, CTA will develop a strategy aligned with international decarbonization goals.

Water

GRI 3-3, 13.7.1, 303-1

Just as with other resources, the company pays close attention to water consumption at all its units. **To further optimize water use, the company actively encourages conscious and rational usage throughout all production stages, from seedling preparation to its processing plant and branches.**

The headquarters unit has the highest demand for the resource. For industrial processes and restrooms, water is drawn from a well, while water for human consumption comes from the local supply system. All licenses and permits are up-to-date, and consumption is closely monitored.



Waste

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

CTA is deeply committed to continuous improvement of its processes, which includes waste management.

In the upcoming cycle, the company plans to enhance its waste management processes by implementing management software. This software will offer agility and improved visibility to information. The decision to adopt the Meu Resíduo (My Residue) platform was influenced by its well-established market presence and its ability to enhance data governance and sustainability indicators.

SEE SOME OF THE ACTIONS TAKEN



Acquisition of modular furniture, facilitating the disassembly and disposal process.



Progressive increase in the use of lighter packaging.



Replacing hazardous chemicals with non-hazardous ones.



Partnership with a licensed company specialized in the treatment of tobacco processing waste.



Consolidation of tobacco dust and boiler ash composting.



Reverse logistics for fumigation material packages and residues.



Adoption of the 5Rs (rethink, refuse, reduce, reuse and recycle), including educational signage.



Adoption of the Environmental Incident Recording.



Incorporation of cardboard pallet utilization.



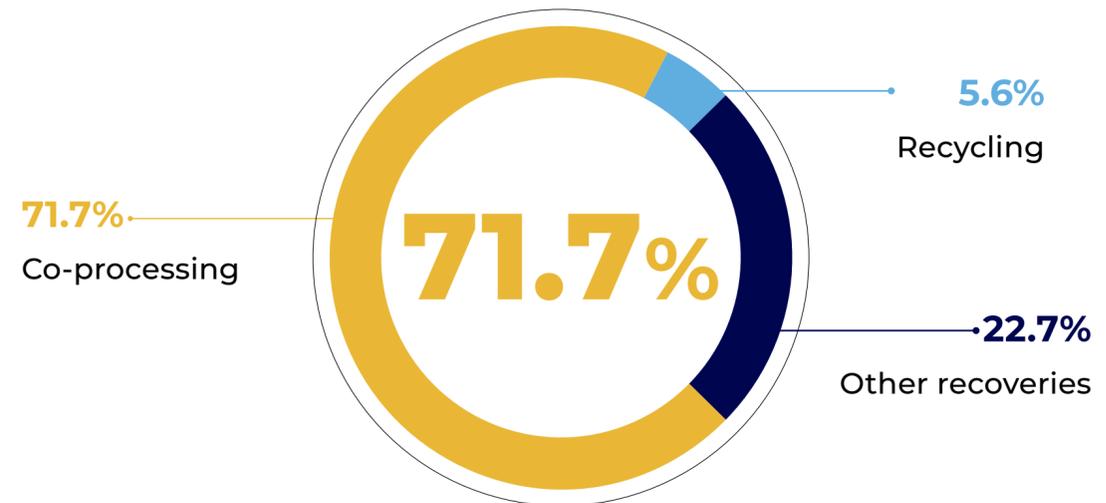
Reuse of plastic packaging.



Use of concentrated products, reducing packaging and transportation.

In recent years, the company has been increasing its recycling and waste reuse initiatives, both inside and outside the company. In 2023, 124 kilograms of waste were sent to final disposal.

Hazardous waste with alternative disposal

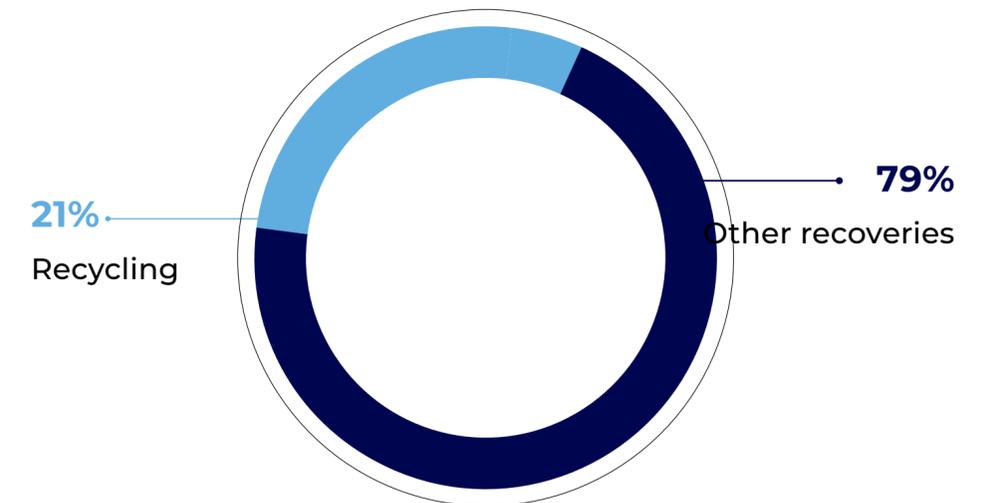


Non-hazardous waste with alternative disposal

In the company



Outside the company





04

Social

Human Rights

GRI 3-3, 13.17.1, 13.19.1, 13.20.1, 13.21.1

CTA is strongly committed to Human Rights. Dedicated to this campaign, the company has structured instruments to incorporate the topic into its Governance, such as policies, procedures, and a dedicated commission focused on the issue, as well as another one focused on Diversity and Inclusion.

To raise awareness among its internal audience, it continually provides training, educational materials and educational meetings. For communities, it contributes by promoting lectures and participating in events that address the topic.

Through its Field Technicians, the company assesses the associated risks at tobacco-producing properties. As a result, the company's management gains insight into the raised issues and can formulate engagement strategies to safeguard the rights of all stakeholders in its production chain.

Child Protection Network Training

As in 2022, in 2023, CTA promoted a training cycle for the Child Protection Network, this time in the municipality of Sobradinho, Rio Grande do Sul. Addressing the topic *“Working as a Network: what are our challenges?”*, brought together representatives from all the entities that make up the protection network.

The workshop reinforced the recognition of children as rights holders, ensuring their comprehensive protection and equipping teams to combat the worst forms of child labor, violence, and sexual abuse.



People Management

GRI 2-7, 2-8, 2-29, 401-1, 401-2

People are CTA's inspiration. This message is consistently reinforced in all company communications and guides the structuring of our People Management department.

Attracting talent and maintaining an engaged internal team is the greatest challenge for companies operating in highly competitive labor markets such as Brazilian agribusiness.

The People Management department reports to the Sustainability Department, helping to structure the governance of the social pillar within the company's senior management.

Annually, there is a high level of fixed-term hiring during the crop period, when operational activities increase. However, in 2023, due to a readjustment of production areas, there was a reduction in the number of temporary hires.





Hiring practices are inclusive and diverse, with no gender restrictions, and are directed towards job positions compatible with each candidate's individuality.

The company directly handles the selection and hiring of Apprentices and Interns, without using intermediaries. For outsourced roles such as meal preparation, mechanical maintenance, and building maintenance, the company contracts specialized service providers.

CTA Employee Profile

	2021			2022			2023			
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
By region	Rio Grande do Sul	850	1,146	1,996	930	1,616	2,546	934	1,161	2,095
	Santa Catarina	113	25	138	113	24	137	136	30	166
	Paraná	52	8	60	46	9	55	55	10	65
By contract term	Temporary Contracts	722	1,096	1,818	788	1,559	2,347	820	1,112	1,932
	Permanent Contracts	293	83	376	301	90	391	305	89	394
	Total	1,015	1,179	2,194	1,089	1,649	2,738	1,125	1,201	2,326

Humanized Attention

CTA strives to create a work environment that prioritizes employee well-being and quality of life. Beyond all the benefits provided, the company places a special emphasis on continuous improvement and offers numerous opportunities for team integration and leisure.



Integration activities:

Celebrations: moments when the company promotes *chimarrão* drinking circles or coffee breaks to promote team socialization.

End of Harvest Event: organized at the CTA Club for all employees, celebrated the end of another harvest with a large colonial buffet. The company's institutional video and first Sustainability Report were presented on the occasion.

Talent Show: The company often opens up space for the presentation of its employees' talents, who can sing, tell jokes, play instruments or perform any other talents. Among those held in 2023, a special show took place to celebrate Labor Day in Brazil, entitled Show do Trabalhador.

Craft Fair: periodically the company organizes the Manual Talent Fair. The employee can present and sell his/her manual work. The products range from knitting, crochet, paintings, crafts, truffles and others.

Coral Ser Mais Feliz: formed by employees, the choir always showcases its performances at all corporate celebrations and also participates in external events. In 2023, it released several videos on social media, as a special gift to the entire community, which resulted in great engagement from the local population.



To learn more about the choir, click here.



Employee Spaces:

CTA Club: a structure with swimming pools, sports courts, barbecue areas, children's playground and ballroom.

Leisure Area: Completely renovated in 2023, the leisure area offers coffee and hot water for *chimarrão*, games, a library and materials that stimulate relaxation and cognitive capacity, such as coloring books and crosswords. The rest area, in addition to being welcoming and comfortable, hosts leisure activities that provide opportunities for relaxation and interaction between colleagues.



Compensation and Benefits

GRI 2-19, 2-20, 2-30, 13.22.3, 401-2

At CTA, compensation is determined based on market values, performance, and collective bargaining agreements, regardless of the position. Both the employee's immediate supervisor and a representative from the Executive Board are involved in these decisions. There are no bonus or productivity-based pay for operational positions

The Executive Board's compensation is set by the Board of Directors and supplemented by the Company's Profit Sharing. Directors do not receive a salary, but receive variable bonuses, linked to the company's overall performance, including socio-environmental parameters. The company provides valuable



All company employees are covered by negotiation agreements or collective agreements.

benefits, such as its own Nursery School, the CTA Club, daily snacks for expectant mothers and diabetics, and gifts for employees' children up to 12 years of age at Easter and Christmas.

BENEFITS:



Food voucher



Health and dental plan



Reimbursement for medication



Life Insurance



Reimbursement for prescription glasses or contact lenses



Profit sharing program



Reduced working hours



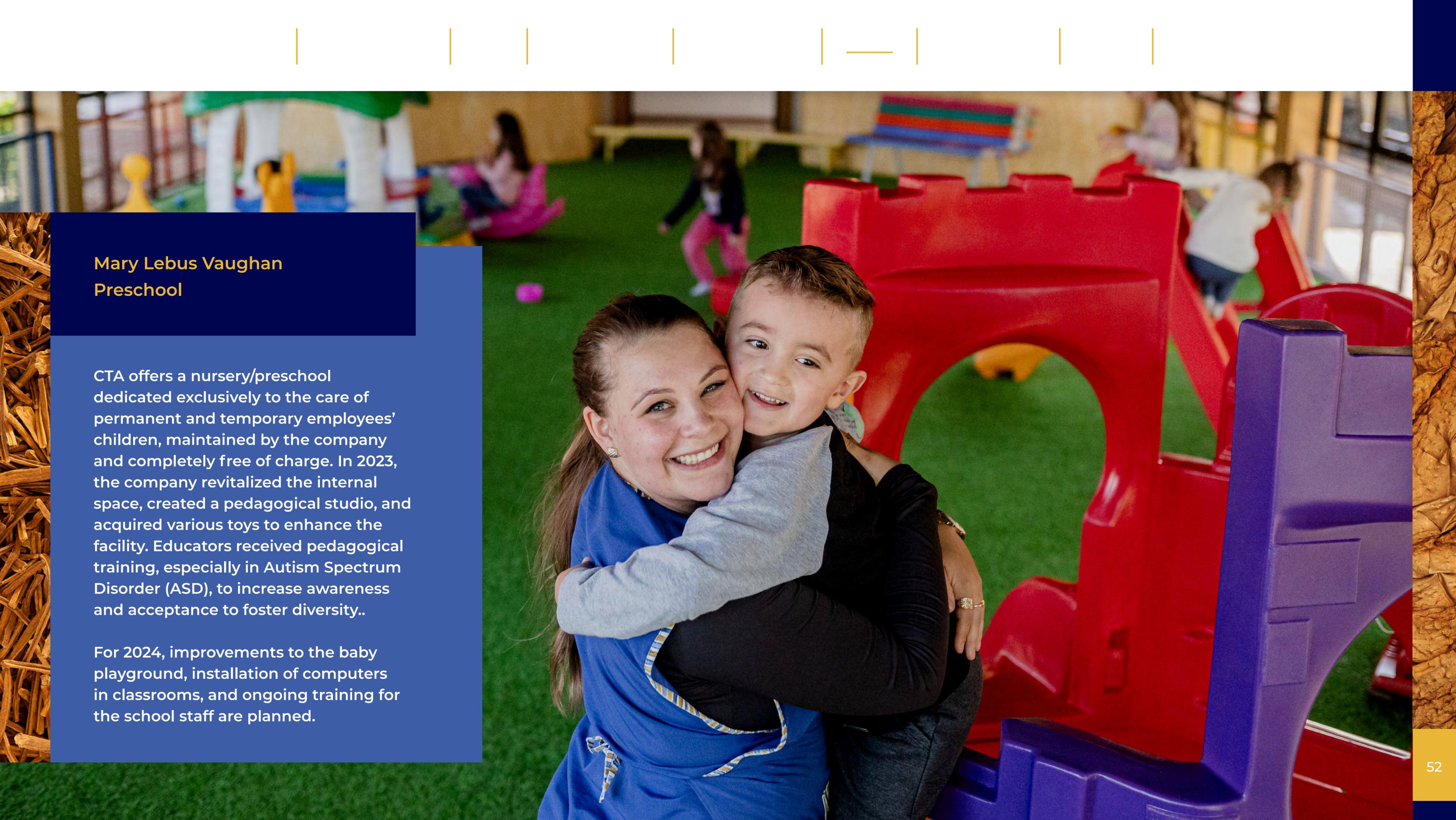
Salary supplement for those on leave



CTA Club



Nursery School



Mary Lebus Vaughan Preschool

CTA offers a nursery/preschool dedicated exclusively to the care of permanent and temporary employees' children, maintained by the company and completely free of charge. In 2023, the company revitalized the internal space, created a pedagogical studio, and acquired various toys to enhance the facility. Educators received pedagogical training, especially in Autism Spectrum Disorder (ASD), to increase awareness and acceptance to foster diversity..

For 2024, improvements to the baby playground, installation of computers in classrooms, and ongoing training for the school staff are planned.

Training and Development

GRI 404-2

CTA is tireless in promoting knowledge for communities, farmers, and its teams, offering opportunities for employee training and personal / professional development.

Investments in training result in quality deliveries, high productivity rates, reduced rework and time optimization. At the same time, they create a motivating work environment for achieving results and promote the well-being of professionals. To achieve these goals, the company has a Competence, Awareness and Training Procedure that establishes the system for assessing, developing and training its employees.



Performance Assessment

One of the main tools that provide opportunities for identifying and improving skills is the Performance Assessment. This is an analysis of the professional's performance in relation to the competencies required by the position, the activities performed, the established goals and the results achieved. With it, it is possible to identify possibilities for improvement that contribute to one's development.

Individual Development Plan

Based on the identified opportunities, the Individual Development Plan (IDP) is designed, an action plan aimed at improving or building the necessary skills and behaviors.

Training & Development Plan

The Training & Development Plan is an annual company plan that brings together all training needs for team development or those identified through the IDPs.

Continuous Training

Processes that foster team involvement, such as ConeCTAr, which proposed the review and discussion of internal procedures, are also tools that promote the natural development of employees. Teams structure presentations and present the content orally to colleagues, a process that contributes to the improvement of communication skills. In addition, discussions and exchanges related to different areas foster logical, innovative and analytical thinking.

IT Internship Program

Since 2014, CTA has been conducting an internship program focused on Information Technology (IT) students. After the registration and selection process, students over 18 years of age are hired for the openings.

During the internship period, participants are assigned to areas such as infrastructure, help desk and software development, receiving advice and supervision from experienced professionals. This experience provides significant preparation for entering the job market.

In 2023, specifically, four interns were selected for the Software Development area. Since the beginning of the program, a total of 28 students have already passed through it, and many of them were later integrated into the company's staff.



Diálogos da Vida (Life Dialogues)

A valuable tool employed by CTA to foster awareness among its internal audience is the 'Diálogos da Vida' (Life Dialogues), which promotes team meetings to address specific topics. Topics such as Human Rights, Safety, Health and awareness about current issues are discussed by leaders.



Security

GRI 13.19.2, 13.19.3,
13.19.5, 13.19.6,
13.19.8, 403-1, 403-2,
403-4, 403-5, 403-7

Safety management at CTA, implemented for 100% of employees, follows the guidelines of the Brazilian Regulatory Standards (NR), with a focus on Occupational Risk Management (GRO), Risk Management Program (PGR), Specialized Service in Engineering and Occupational Safety, and the Occupational Health and Medical Control Program (PCMSO).

Safety management aims to protect workers by standardizing processes, promoting regular training, analyzing work incidents and accidents, and identifying the needs for controlling and reducing occupational risks.

SAFETY MANAGEMENT SUPPORT SYSTEM

In 2023, the company began using a digital tool within the CTA System to support safety management in different areas.

Risk assessments are conducted systematically and contribute to indicators that, along with other information such as the Risk Management Plan, absenteeism, SESMT/CIPA Audits, and clinical services, produce graphs for leaders and the SESMT team.

The tool provides managers with an overview of safety in their respective areas so they can act to prevent incidents.

Risk Management

The Onboarding offered to all new employees is a strategic moment to promote a culture of safety within the company. During this welcoming process, all corporate guidelines, orientations related to their activities, means of protection, and ways to report risks or incidents are demonstrated.

Risk perception is treated in a shared manner, where each employee has the duty to share observations and perspectives that can prevent individual or collective risk exposure. The information is recorded in the Incident Report Form, delivered directly to the Workplace Safety Department (SESMT), or reported to the Ombudsman or CIPA members.

In addition to reporting mechanisms, the company clarifies to all its employees the Right to Refuse, through which any worker can stop an activity if they feel unsafe or in a dangerous situation.

After the formalization of an Incident Report, the SESMT team goes to the specified location to assess potential improvement needs. When necessary, other departments are involved in the investigation or subsequent response action.

For 2024, the company will implement a new tool to enhance this risk management.



**Safety
management
at CTA is
implemented to
100%
of its employees.**

SAFETY TRAINING

Beyond the information provided during Integration Meetings and Life Dialogues, each employee receives special training tailored to the specific tasks they will perform in the company.



SIPAT 2023

The Internal Work Accident Prevention Week (SIPAT) included a lecture on Harassment, guidelines on hearing care, and the sharing of informative videos on women's and men's health.

To engage everyone's participation, a quiz on "Occupational Health and Safety" was conducted, and workshops on self-care and well-being were held.

SIPAT created a unique opportunity to raise awareness about health, safety, and the environment by planting a sapling with the students on the preschool grounds.

It was a week dedicated to strengthening the culture of health and safety in the workplace.

Health

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

Employee health is a daily priority for CTA. In addition to legal requirements and the prevention of occupational diseases, the company aims to safeguard health, prevent illnesses, encourage early diagnosis, and promote well-being.

To foster a culture that values and cares for health, the company provides elective and assistive consultations, chronic disease management, scheduled breaks

and rotations in factory settings, stretching exercises in administrative areas, access to doctor-prescribed medications, and psychological counseling. CTA operates its own clinic, staffed by a dedicated team including an occupational nurse, a technical nurse, nursing technicians, occupational physicians, clinical physicians, a speech therapist, a physiotherapist, a psychologist, and an administrative team.



HEARING CONSERVATION PROGRAM – PCA

As part of the PCA, in 2022, a quiet room was made available, used on a rotational basis by employees in the factory sections.

Following a thorough assessment of noise levels in the factory, the affected positions were identified. Scheduled breaks were implemented for these employees, controlled by an access card system.

MENTAL HEALTH.

Among other healthcare professionals, CTA furnishes a psychologist who, in addition to conducting mandatory assessments for specific activities, provides support to employees who need assistance with mental health or to those who are coping with personal issues. This professional offers immediate help and, when necessary, refers employees for external therapeutic follow-up.

INDIVIDUALIZED CARE

In 2023, the medical team also monitored hypertensive and diabetic employees, providing systematic follow-up, from medication routines to specialist consultations. The follow-up allows the identification of opportunities to improve this assistance, and based on these observations, in 2024, the company will resume the Health Promotion Groups, which monitor and raise awareness of employees with these pathologies.

Pregnant women receive dedicated attention. In 2023, female employees received ergonomic assessments and guidance from a physiotherapist, follow-up by the medical and clinical team, as well as two extra daily snacks, prepared by a nutritionist.

Next year, the Pregnant Women's Group will resume its meetings to offer inclusion, support, and guidance throughout pregnancy. Expectant mothers will receive a Baby Kit, which includes various hygiene products.

CTA FIGHTING DENGUE

In line with the national effort to combat dengue, CTA was a regional pioneer in utilizing the 'Aedes do Bem' (Good Aedes) biological control method.

This innovative solution involves distributing boxes containing male mosquitoes with self-limiting traits. These mosquitoes mate and produce only male offspring with the same characteristics. The initiative aims to reduce the population of female mosquitoes, which are the primary transmitters of the disease.

A single Caixa do Bem box can protect an area of 5,000 square meters. The company installed 6 strategically positioned units, promoting the protection of its employees and surrounding communities. Also, the company had already planted citronella seedlings in the garden, a species that naturally repels insects and mosquitoes, including those that transmit Dengue, Zyka and Chikungunya.

Actions aimed at employee health



Ergonomics breaks: corporate guideline that recommends two daily breaks, with a duration of 10-15 minutes.



Flu Campaign: carried out annually for all employees interested in receiving the vaccine that protects against 4 different viruses.



COVID-19: email campaign and in Life Dialogues, to reinforce the importance of continuous prevention against the disease. Focus on behavioral and cultural habits.



Yellow July: a campaign focused on strengthening surveillance, prevention, and control measures against viral hepatitis.



Yellow September: "If you need help, ask for it!" campaign, offered emotional support to employees who were going through difficult times.



Pink October: in partnership with the Venâncio Aires Women's Cancer Fighting League, we promoted a discussion group on breast cancer prevention. Under the shade of a tree in the company's garden, employees were invited to bring their Chimarrão apparatus for a mate circle and prize draw.



Orange November: dissemination of information about the National Tinnitus Awareness Campaign and hearing health.



Blue November: During Men's Health Awareness Month, a meeting entitled "Men's Health Matters" was held. The event featured a Urologist and addressed the prevention and early diagnosis of prostate cancer. The event took place at the company's training center and there was a prize draw.



Orange December: campaign alluding to Skin Cancer Awareness Month, focusing on care and protection.



World AIDS Day: Information on the disease and how to protect against it. Reinforcement of the free and permanent distribution of male and female condoms within the company premises.

All campaigns are promoted on the company's communication channels and/or on Life Dialogues.

Diversity

To promote workforce diversity, CTA has implemented a Diversity Management Program and the CapaCITAR Inclusion Program for People with Disabilities. Both programs offer initiatives focused on guidance, awareness, support, and respect for individuals.

CapaCITAR has existed for over a decade and seeks to promote the Inclusion of People with Disabilities, integrating them into a productive work environment, minimizing prejudices and expanding understanding of the productive and socialization capacity of these individuals.



Social Responsibility

GRI 2-26, 2-29, 13.22.3, 203-1

CTA shares its best practices with different stakeholders, and as a result, frequently participates in and promotes meetings, workshops, and events, whether in the community, in labor associations, or with specific individuals.



Communication

GRI 2-29

The company's social media, website, event presence and Intranet are exceptional tools for promoting its campaigns, corporate policies and guidelines, as well as community-oriented initiatives.

Aware of the potential to influence good practices and raise awareness about relevant issues, the company dedicated great effort to disseminating information to its internal audience, its farmer base and the community.

ComparTilhAr: CTA Volunteering

ComparTilhAr is CTA's team of volunteer employees. Throughout the year, they carry out several initiatives to contribute to the well-being of the community. The team of volunteers reinforces the spirit of solidarity and social responsibility, which is in line with CTA guidelines.

Company Communal Library

The team of volunteers was also responsible for organizing a book donation campaign to create a library for the company's employees.

Charity Feijoada

ComparTilhAr prepared a Charity Feijoada (bean stew) to help residents of Vila Mariante, victims of the flood that hit the Taquari Valley in September 2023. The event was organized at the CTA Club, in a drive-

thru format, generating extensive community engagement.

In total, 400 meals were sold, resulting in a profit of more than BRL 19,000, which was used to purchase materials for a local school and to purchase furniture for affected families.

The success of this event was only possible thanks to the collaboration of partners, suppliers and the community, who were extremely engaged and willing.

Tampinhas do Bem

In 2023, the team of volunteers launched a challenge to employees: to collect plastic bottle caps to be donated to the Venâncio Aires Cancer Fighting League. To encourage healthy competition among colleagues, the company



section that raised the most would receive a special snack buffet as a prize.

The mobilization was a great success, resulting in almost 250 kg of bottle caps that were sent to the entity to be sold for recycling.

Charity Thrift Store

In 2023, the CTA volunteer team organized another edition of the

charity thrift store, in which employees are invited to contribute with donations of clothes and utensils. The products are sold and the proceeds are donated to charitable institutions, contributing to social causes and strengthening the spirit of solidarity among employees. The value of this cycle was allocated to the Venâncio Aires/RS Casa de Acolhimento shelter.

Ser Mais Feliz na Escola

Since 2004, CTA has been a partner of the Francisco Antônio de Borba Filho Municipal Elementary School, in the municipality of Passo do Sobrado/RS. Through the Ser Mais Feliz na Escola (Being Happier at School) project, it provides support for extracurricular activities, contributing to the eradication of child labor and the development of children, providing learning opportunities.



ACTIVITIES OFFERED:



IT class



School Garden



Arts and Crafts



Music



Sports



Cooperative

Crescer Legal Institute

The Crescer Legal Institute, organized by SindiTabaco and subsidized by its member companies, aims to promote, encourage, develop and support social actions and projects for combating child and adolescent labor in rural areas, especially in the tobacco production chain in the Southern Region of Brazil.



Rural Vocational Training Program trains teenagers in rural management and entrepreneurship courses. Young people are hired as apprentices by companies in the sector and receive a salary equivalent to 20 hours per week - the number of course hours - which takes place outside of school hours.

Nós por Elas Program – The female voice in agriculture values and develops young graduates of the Apprenticeship Program, training them in the area of communication, as multipliers of the knowledge acquired for other young people in rural areas and for the community.

Entrepreneurship for Education Good Practices Program, in partnership with the municipality of Canguçu (RS), promotes meetings and training for teachers, enabling the planning and execution of practical entrepreneurship experiences in the City's schools.

Click here to learn more about the initiative.





Women's Cancer Fighting League

In addition to the amount raised from the bottle caps, the company supported the organization in selling T-shirts celebrating Pink October, installing a point of sale at the headquarters and contributing to the annual raffle organized by the institution.

Parceiros da Esperança (PARESP)

CTA, in partnership with its main cafeteria food supplier, provides lunch, daily, for more than 100 children who attend the organization. In addition to this, the company gives away gifts at Easter and Christmas, reinforcing the holidays at the entity.

Hospital São Sebastião Mártir

In 2023, in addition to providing resources for the purchase of medication to treat patients with acute myocardial infarction, CTA made an important donation by contributing to the renovation of the kitchen at Hospital São Sebastião Mártir.

Associação de Pais e Amigos dos Excepcionais (APAE)

Since 2010, CTA has made monthly donations to the organization and participated in the institution's events to promote its Program for the Inclusion of People with Disabilities – CapaCITAr, in order to encourage the search for opportunities and inclusion in the job market.

Pro-Public Safety Community Council

Another initiative supported with monthly donations since 2010 is the Community Council for Public Safety, which receives and allocates resources to actions in favor of the safety of the Venâncio Aires community.

Perspectives for 2024

The year 2023 ended with a major climate event in RS, impacting many of our integrated farmers. The next cycle promises to be, still, challenging for the market, seeking to equalize supply and demand

CTA is organized to strengthen its structures and be resilient in the face of obstacles that need to be overcome. In order to achieve that, the company will continue to invest in improving and modernizing processes, while encouraging its supply chain to progress in their ESG evolution.



100% of tobacco loads tracked.



Launch of the CultivA APP, CTA's application for farmers.



Training in ethical conduct for suppliers.



Automation of shipping processes.



Validation of internal processes.



Resumption of Pregnancy and Health Promotion Groups.



Extension of breaks under the Hearing Conservation Program.



Planning the decarbonization strategy.



Acquisition and implementation of the Meu Resíduo software.



Improvements to the CTA Club.



“Our commitments to our business partners remain firm, and this Report reflects the great effort we are putting into achieving improvements for everyone. Improvements will continue in the next cycle, but before that, we would like to thank each link in this chain, from tobacco growers to the customer, who allow us to contribute to a more sustainable and just development, and consequently impact hundreds of families in the southern states of Brazil.”

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





05

Annex

GRI 13.8.2, 306-1

Category	Input	Residue	Output
Class I			
020108(*) Pesticides residues and related materials	Fumigants for fumigations	Spent fumigants	Deactivation - subsequent reverse logistics - destination
150202(*) Absorbents, filter materials (including oil filters)	Lubricating oils and greases used in machinery in general	Cardboard/plastic/burlap/sawdust - contaminated	Residue for co-processing
200121 (*) Flourescent Lamps	Flourescent lamps	Post-consumer lamps	Waste for treatment and subsequent recycling
200127(*) Paints, adhesives, glues containing hazardous substances	Paints, adhesives and resins	Paint waste/packaging	Residue for co-processing
200133(*) Batteries and accumulators	Various batteries, including automotive batteries	Post-consumer batteries	Recycling
150110(*) Packaging contaminated with hazardous substance	Chemical product packaging, according to FSPQ/SDS, poses a risk to the environment	Post-consumer packaging	Recycling/co-processing
Group A - health service waste	Dressings, medicines and outpatient supplies	Health service waste	Treatment - after recycling/landfill

Class II

020109 - Pesticide residue	CPA application	Empty packaging	Return to manufacturer - reverse logistics
150203 - Absorbents, filter materials, clothing, post use PPE	Uniforms and PPE	Knitted, nitrile, rubber gloves; ear protectors, dust masks, boots and uniforms, among others, after use	Sorting/recycling
20399 - Other unspecified wastes	Tobacco	Tobacco dust	Composting
100101 - Wood boiler ash	Eucalyptus firewood	Wood boiler ash	Composting
101103 - Glass-based fibrous waste	Rock wool, fiberglass	Post-consumer rock wool and fiberglass	Sorting/recycling/co-processing
160128 - Unusable tires	Tires, inner tubes and rims	Post-consumer tires, inner tubes and rims	Sale/reuse
200101 - Paper and cardboard	Various packaging and tobacco packaging	Administrative papers, post-use paper towels, packaging for various goods, packaging containing tobacco boxes and damaged tobacco boxes and their accessories.	Sale/reuse
200102 - Glass	Miscellaneous packaging, household items and windows	Post-consumer or damaged glass	Sale
200111 - Textiles	Burlap, twine	Post-use burlap, twine	Sale
200138 - Wood	Wooden pallets, wooden boxes, furniture (packaging of various products)	Damaged wooden packaging and furniture	Sale
200139 - Plastic	Various packaging and accessories for tobacco packaging	Plastic packaging in general, carton straps and plastic bag for tobacco.	Sale/reuse

200140 - Metals	Equipment, metal cuttings and shavings, various packaging, replacement or obsolescence of metal equipment	Various packaging, iron, aluminum, copper, stainless steel, among others.	Sale/reuse
170401 - Copper, bronze, brass	Electromechanical equipment	Gears, power cables, joints, among others	Sale
170402 - Aluminum	Electromechanical equipment and packaging	Damaged or obsolete equipment and packaging	Sale
200399 - Urban and similar waste	Tobacco	NTRM - various mixtures removed from tobacco (pieces of paper, plastic, feathers, straw, string, among others)	Co-processing
200399 - Urban and similar waste	Hygiene and cleaning, miscellaneous	Post-use toilet paper, mixtures in general	Co-processing
160214 - Out-of-Service Equipment	Obsolete or damaged entire equipment and appliances	Printers, telephones, computers, calculators, fans, air conditioners, among others	Sale
200305- Sludge from on-site effluent treatment	Sewage system cleaning	Wastewater Treatment Plant Sludge	Treatment/composting
Construction waste - Class A	Works involving masonry removal	Bricks/ceramics/concrete/sand/stones	Landfill/reuse
170407 - Mixed scrap	Diodes and fuses	Fuses and diodes	Sorting/recycling/co-processing



GRI 13.8.4, 306-3

Type	Classification	Material	Weight of waste generated (In metric tons)			
			2020	2021	2022	2023
CLASS I	HAZARDOUS	Pesticides/ health/oils/lamps/ electronics	8,023	4,958	10,289	9,672
CLASS II	NOT HAZARDOUS	Plastic/paper/ cardboard/glass/ iron/organic/ash/ tire	1,643,127	1,896,130	2,509,574	2,472,339
CLASS II (CTA reuse)	NOT HAZARDOUS					11,753.66

GRI 13.8.5, 306-4

Composition	Material	2020	2021	2022	2023	Destination
020399 - Other waste	Tobacco dust	1,242,770	1,447,720	2,099,050	1,845,060	External composting
100101 - Ash	Boiler ash	35,780	41,840	41,680	62,010	External composting
101103 - Waste fibrous materials	Glass wool	100	0	0	490	Intended for Fupasc, which will send it for co-processing.
160128 - Tires	Tires	2,022	1,421	2,183	1,627	CTA reuse (retreading) and sale (co-processing)
101102 - Glass	Bottles, glass in general	481	1,039	1,217	1,287	External recycling
200101 - Paper and cardboard	Packaging	291,522	257,393	288,077	434,575	CTA reuse and external recycling
200138 - Wood	Wooden pallets and packaging	7,027	6,429	5,804	6,315	CTA reuse and external recycling
200139 - Plastic	Packaging	16,521	20,510	23,173	24,039	External recycling
200140 - Metals	Equipment and renovation scrap	26,616	42,690	37,057	35,800	External recycling
200199 - Other fractions	NTRM, toilet paper and waste	5,495	3,243	6,352	26,720	Co-processing
20109 - Pesticide residue	Empty packaging - post-triple wash	0	1,171	427	410	Treatment, after recycling/incineration
Class A construction waste	Bricks, concrete, earth, sand, stone, among others	1,800	33,680	0	26,500	External recycling (reused as civil landfill)
170401- Copper, brass - bronze	Copper	0	57	1,516	225	External recycling
160214 - Out-of-Service Equipment	Refrigerator/air conditioner/ computer	0	1,573	2,008	2,739	External recycling

170402 - Aluminum	Packaging/equipment	0	0	118	67	External recycling
150203 - Absorbents, PPE	Post-use PPE	470	0	0	1,500	Intended for Fupasc, which will send it for co-processing.
20108(*) - Pesticide residue	Spent fumigants	2,216	2,021	2,113	2,170	Deactivation after reverse logistics
150202(*) - Absorbents, contaminated materials	Material contaminated with oil	360	0	0	767	Screening, after co-processing
200121(*) - Fluorescent lamps	Post-consumer lamps	541	264	0	518	External decontamination and recycling
130201(*) - Oils and lubricants	Post-use oils and lubricants	0	2,500	0	0	Re-refine
200127(*) - Epoxy paints	Epoxy resin removed	2,780	0	0	5,430	Screening, after co-processing
200133(*) - Batteries	Batteries	20	0	0	13	External recycling
160601(*) - Batteries and accumulators	Lead-based batteries	300	0	0	0	External recycling
150110(*) - Packaging containing hazardous substance	Contaminated packaging	640	0	0	650	External recycling
200135(*) - Electronic products	Electronic equipment	1,070	0	0	0	External recycling
200111 - Textiles	Burlap, twine	196	789	0	2,670	CTA reuse and external recycling
170407 Mixed scrap	Diodes and fuses	0	0	0	60	External recycling
200305 - Sludge from on-site effluent treatment	Wastewater Treatment Plant	0	0	0	12,000	Composting
20304 - Materials unsuitable for processing	Tobacco	0	2,245	0	0	Co-processing
Total waste not intended for final disposal	–	1,638,727	1,866,585	2,510,775	2,493,640	–

GRI Index

GRI Sector Standard ref. Number	GRI Standard	Disclosure	Page number(s)/URL(s) and/or answer
General Disclosure			
GRI 2: General Disclosures 2021		2-1 Organizational details	Pages 3, 8
		2-2 Entities included in the organization's sustainability reporting	Pages 3, 9
		2-3 Reporting period, frequency and contact point	Page 3
		2-4 Restatements of information	There was no change in information.
		2-5 External assurance	Page 3
		2-6 Activities, value chain and other business relationships	Page 7
		2-7 Employees	Pages 47, 48
		2-8 Workers who are not employees	Pages 47, 48
		2-9 Governance structure and composition	Page 11
		2-10 Nomination and selection of the highest governance body	Page 11
		2-11 Chair of the highest governance body	Page 11
		2-12 Role of the highest governance body in overseeing the management of impacts	Pages 11, 20, 21
		2-13 Delegation of responsibility for managing impacts	Page 11
		2-14 Role of the highest governance body in sustainability reporting	Page 3

GRI Sector Standard ref. Number	GRI Standard	Disclosure	Page number(s)/URL(s) and/or answer
	GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Page 13
		2-16 Communication of critical concerns	Page 11
		2-17 Collective knowledge of the highest governance body	Page 11
		2-18 Evaluation of the performance of the highest governance body	The Board of Directors is not subject to a performance assessment.
		2-19 Remuneration policies	Page 51
		2-20 Process to determine remuneration	Page 51
		2-22 Statement on sustainable development strategy	Pages 4, 5
		2-23 Policy commitments	There were no new corporate policies published in 2023.
		2-24 Embedding policy commitments	Page 13
		2-25 Processes to remediate negative impacts	Page 14
		2-26 Mechanisms for seeking advice and raising concerns	Page 62
		2-27 Compliance with laws and regulations	In 2023, there were no recorded cases of non-compliance with laws or regulations.
		2-28 Membership associations	Pages 20, 21
		2-29 Approach to stakeholder engagement	Pages 11, 14, 20, 21, 47, 48, 62
2-30 Collective bargaining agreements	Page 51		

GRI Sector Standard ref. Number	GRI Standard	Disclosure	Page number(s)/URL(s) and/or answer
	GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 15
		3-2 List of material topics	Page 15
13.7.1	3-3 Management of material topics 2022	Water	Pages 28, 38, 42
13.1.1, 13.2.1	3-3 Management of material topics 2022	Climate changes	Pages 30, 31, 37, 41
	3-3 Management of material topics 2022	Sustainable firewood	Pages 30, 31
13.22.1	3-3 Management of material topics 2022	Subsistence of rural growers and workers	Pages 20, 21
13.20.1, 13.17.1	3-3 Management of material topics 2022	Child labor and forced labor	Pages 20, 21, 46
13.19.1, 13.21.1	3-3 Management of material topics 2022	Human Rights	Pages 20, 21, 46
	3-3 Management of material topics 2022	Governance and integrity in business	Pages 11, 20, 21
13.22.3	GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pages 51, 62
	GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 41
13.7.2	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pages 38, 42

GRI Sector Standard ref. Number	GRI Standard	Disclosure	Page number(s)/URL(s) and/or answer
13.8.2	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 70
13.8.3		306-2 Management of significant waste-related impacts	Pages 43, 44
13.8.4		306-3 Waste generated	Page 73
13.8.5		306-4 Waste diverted from disposal	Pages 43, 44, 74
13.8.6		306-5 Waste directed to disposal	Pages 43, 44
	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 47, 48
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 47, 48, 51
13.19.2	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 55
13.19.3		403-2 Hazard identification, risk assessment, and incident investigation	Page 55
13.19.4		403-3 Occupational health services	Page 58
13.19.5		403-4 Worker participation, consultation, and communication on occupational health and safety	Page 55
13.19.6		403-5 Worker training on occupational health and safety	Page 55
13.19.7		403-6 Promotion of worker health	Page 58
13.19.8		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 55
	GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 53, 54

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