

SUSTAINABILITY REPORT AND FINANCIAL STATEMENTS COOXUPÉ 2023/2022

RELATÓRIO DE SUSTENTABILIDADE E CONTAS FINANCEIRAS COOXUPÉ 2023 / 2022



cooxupé

Our coffee
makes the
world smile!

SUS
TAINA
BILI
TY



Cooperative information

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SUMMARY

SUSTAINABILITY REPORT AND FINANCIAL STATEMENTS COOXUPÉ 2023/2022

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INTRODUCTION



cooxupé

ABOUT THIS REPORT

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

It is with great pleasure that we publish the first Sustainability Report of the Cooperativa Regional de Cafeicultores em Guaxupé Ltda - Cooxupé, covering the period from January 1st to December 31st, 2023. Through this initiative, we communicate to our partners our progress in the sustainability agenda, based on cooperative principles.

This report complies with the GRI Standards (Global Reporting Initiative), and our goal is its annual publication. GRI indicators are highlighted throughout the document and consolidated in the GRI Summary, presented on page 94. The content presented in this initial publication gathers information associated with the Environmental, Social, and Governance (ESG) practices of the Cooperative, as well as showcasing its business model, concerning the materiality matrix developed in 2022.

The Cooperativa Regional de Cafeicultores in Guaxupé, with over 90 years of existence, is a cooperative society born from the receipt and sale of coffee, currently produced in more than 300 municipalities within its operational area, encompassing the regions of Southern Minas, Cerrado Mineiro, Matas de Minas, and Média Mogiana Paulista. It has over 19,000 members, with 97.7% of them being small-scale producers who rely on family agriculture. In pursuit of diversifying its businesses, it owns SMC Comercial e Exportadora de Café S/A, dedicated to the commercialization of specialty and certified coffees, and Cooxupé Corretora de Seguros Ltda, a company focused on providing insurance services to its members. The Cooperative's headquarters are located at Rua Manoel Joaquim Magalhães Gomes, No. 400, in the municipality of Guaxupé, Minas Gerais.

The ESG Department was responsible for coordinating the preparation of this document, with contributions from various areas of the Cooperative for data collection and consolidation. Following the report's submission for analysis, the ESG Committee, the Board of Directors, and the Administration Council validated and approved it for presentation at the General Assembly. The report was not subjected to external verification.

Should any doubts arise regarding the information presented herein, they should be forwarded to the email faleconosco@cooxupe.com.br for clarification.

PRESIDENT'S MESSAGE

GRI 2-22

It is with great joy and pride that we, at Cooperativa Cooxupé, present to our members, employees, customers, suppliers, and other business partners, our first Sustainability Report, reflecting our cooperative's sustainable practices from its foundation to the present day.

Our responsibility and commitment to sustainable development are genuine and aligned with the essence of Cooperative Principles, the very foundation of our existence guiding our strategy. This alignment is one of the factors determining credibility and leadership in the global market for coffee production, commercialization, and exportation.

Our strategy revolves around providing technical support, credit, access to inputs, and liquidity in coffee purchases, supporting the implementation of sustainable practices that enhance productivity, coffee quality, profitability, and market security for our over 19,000 members.

Despite the challenges faced in 2023, marked by volatility in coffee prices, producers' diligent attention to market participation, the effects of climatic adversities, and global economic and political issues affecting our production and the market, it was also a year of valuable learning and significant achievements. These achievements reinforce our determination to move forward optimistically, staying focused, aligned with cooperativism,

the essential basis of our strength, keeping us united and connected to our purpose of providing quality coffee sustainably to Brazil and over 50 countries worldwide.

Tougher legislations, such as the law passed by the European Parliament in September 2023 – known as the Anti-Deforestation Law, aimed at controlling the entry of products linked to forest destruction and human rights violations in various areas worldwide, still with varying interpretations even within Europe, undoubtedly pose a significant challenge for all food-producing countries, particularly for Brazil, whose food production reaches 190 other nations, making it the world's second-largest exporter of industrialized food products by volume, considered one of the leading food production powers globally. These are products that comply with 190 different sanitary legislations and numerous private quality standards, also a significant challenge because of our territory's vast biodiversity of fauna and flora to be preserved in synergy with economic development. Despite diverse scenarios and increased legal pressure, at Cooxupé, we see opportunities, as we have been working with georeferencing our members' areas for over 10 years, providing technical support, and maintaining proximity to them. Additionally, the Gerações Protocol, established in 2022, has become an essential tool for implementing more sustainable practices for environmental preservation, with a focus on social responsibility, aligning with European legal requirements. Therefore, we understand that for a buyer in Europe, knowing they are purchasing coffee from a safe and sustainable source becomes a significant competitive advantage.

ACHIEVEMENTS

In terms of achievements, results of collaborative efforts involving our members, employees, customers, and suppliers, which fill us with pride and drive our energy, I highlight:





Our participation in COP28 in Dubai, the United Nations Climate Change Conference, where our Gerações Protocol was chosen to be presented by the Brazilian Cooperatives Organization (OCB), gathering references and world authorities on the subject, was extremely well received. The Gerações Protocol was selected as a tool for continuous improvement on the path to sustainability, a commitment that Cooxupé has at its core and develops very seriously alongside the associated families.

We also celebrate the unprecedented achievement of Cooxupé's Roasting Plant, which, under the Prima Qualitá Specialty Coffees brand, was announced as the first and only in the country to obtain the specialty coffee seal granted by ABIC - Brazilian Coffee Industry Association, in partnership with BSCA - Brazilian Specialty Coffee Association. The announcement took place during the International Coffee Week, in which we also participated, as a reference event in the global coffee market.

Another reason for celebration was our ranking at the 26th position among the 100 largest agribusiness companies in 2023 in the country, according to Forbes Brasil Magazine, with a revenue of R\$ 10.1 billion in 2022, representing a growth of 50.7% compared to 2021. We exported 6.8 million bags of coffee in 2022. The main destinations for the grain were Europe and the United States, and gradually, we are growing in revenue in China and South Korea.

We know that to conquer new international markets, we need to be in synergy with global demands for quality, sustainability, traceability, and food safety. We advocate that the process to add greater value to the grain begins in the field. Therefore, the coffee company increasingly discusses the ESG agenda, carbon credits, and regenerative agriculture. We must bring cultural education and innovative technologies to our cooperators so that they adapt to these needs. This work is continuous, being part of our goals and commitments to the ESG agenda (Environmental, Social, and Corporate Governance).

Challenges are frequent, but we have a family of over 19 thousand cooperators that allow us to face and overcome them with wisdom, strategy, and resilience. Our unity opens doors and gives us strength to break new ground, always striving for innovation and what is best for Cooxupé and its associates.

We are cooperators, and together we will continue to strengthen our activity more and more. To all our cooperative families, we thank you for the solid partnership we have built, the trust, and the love for cooperativism. All of this makes us increasingly prosperous and united. Together, we have gone through another year full of challenges, but also with many achievements. We enter 2024 with great optimism and determination to always work for the evolution of Cooxupé and our cooperative families.

And so, we continue through this year of 2024 with perseverance, faith, and optimism so that we may have abundant harvests and continue building Cooxupé's successful history.



CARLOS AUGUSTO RODRIGUES DE MELO
PRESIDENT OF COOXUPÉ

HIGHLIGHTS

PRODUCTION

Receipt of 5.3 million bags of coffee from our cooperators.
Exportation of 3.7 million bags of coffee to over 50 countries, with the main destinations being the USA, Germany, China, Belgium, Turkey, Sweden, South Korea, Canada, Japan, and Russia.
Launch of the Kafé line, a foliar fertilizer with exclusive distribution for cooperators.

MANAGEMENT

Launch of Gerações - Cooxupé Sustainability Protocol for the global market and consumers worldwide.

RELATIONSHIP WITH COOPERATIVE MEMBERS

Graduation of the 4th class of **the Cooperative Management and Education Development Program.**
Conducted **684 courses** for cooperators, cooperative employees, and cooperative teams in 46 municipalities through the partnership between Cooxupé and FAEMG/SENAR.

SOCIAL

Numerous social actions and initiatives were developed, including the cooperation with Recicla Guaxupé.

ENVIRONMENTAL RESPONSIBILITY

Development and release of the **1st Sustainability Report according to GRI standards. Conducted Carbon Inventories.**
Disposition of 205 tons of recyclable materials through the socio-environmental partnership and cooperation with Recicla Guaxupé and Cooxupé, representing 43% of the volume collected and processed by the cooperative of waste pickers.

- *Implementation of rainwater harvesting system at the new SMC unit.*
- *Provided a channel for the return of Empty Pesticide Packaging to our cooperators through stations, central hubs, and itinerant collections.*
- *Donation of 22,457 tree seedlings to our cooperators through the NEA - Environmental Education Center.*
- *Operation of a proprietary photovoltaic plant to generate clean energy and supply most of our units in Minas Gerais.*



HIGHLIGHTS
2023



ANUÁRIO
2023

Informações Econômicas e Sociais
do Cooperativismo Mineiro
Sistema Ocemg




Forbes



PRÊMIO
somos
coop
EXCELÊNCIA
EM GESTÃO
2023



PRÊMIO
MELHOR AR
2023

2023 Yearbook of Minas Gerais Cooperativism

Cooxupé achieved first place among agricultural cooperatives in the 2023 Annual Report of Minas Gerais Cooperativism, published by the Ocemg System in July. The report presents economic and social information on the segment for the year 2022. According to the annual report, Cooxupé ranks first among the 20 largest cooperatives in Minas Gerais in the agricultural sector in all analyzed data: cooperators, employees, total income/revenues, surpluses before allocations, total assets, net worth, and share capital. The publication divides Minas Gerais cooperativism into seven sectors, namely: Agricultural; Consumer; Credit; Infrastructure; Labor, Production of Goods and Services; Health; and Transport.

Celebration of 25 years of achievement and maintenance of ISO 9001.

In 2023, Cooxupé celebrated 25 years of achievement and maintenance of ISO 9001. The certification attests that the cooperative's management system is of internationally recognized quality. ISO encompasses evaluations of various processes such as receipt, storage, classification, purchase, processing, sale, and shipment of coffee. Receiving ISO placed Cooxupé in a pioneering position in Brazilian cooperativism and transformed the cooperative's image in the international market, the primary focus of business through coffee exports.

Recertification of the FSSC 22000 for the Food Safety Management System of the Roasting Plant. Entry and participation in the Global Coffee Platform (GCP).

Elected as one of the Incredible Places to Work in Brazil by the FIA Employee Experience (FEEx).

The cooperative was elected as one of the Incredible Places to Work in Brazil. According to the FIA Employee Experience (FEEx) survey, the ranking includes 150 companies. The award is an initiative of UOL and the Foundation Institute of Administration (FIA), which highlights Brazilian companies with the highest levels of employee satisfaction. The survey measures the work environment, organizational culture, leadership performance, and satisfaction with People Management processes. In total, the survey interviewed over 209,000 employees from about 400 national organizations, between December 2022 and August 2023.

Ranked among the 100 largest agribusiness companies in 2023 by Forbes Brasil magazine.

Cooxupé was among the 100 largest agribusiness companies in 2023, according to Forbes Brasil magazine's ranking. The survey aims to value and honor Brazilian agribusiness, and Cooxupé ranked 26th, as its revenue in 2022 was R\$ 10.1 billion, representing a 50.7% growth compared to 2021.

Due to its excellent placement in the ranking, the cooperative was honored at the Chamber of Deputies in Brasília on November 22. The mention was made by Deputy Lafayette de Andrada alongside the cooperative's president, Carlos Augusto Rodrigues de Melo, and vice-president, Osvaldo Bachião Filho.

Winner of the bronze trophy in the Towards Excellence category of the Somos Coop Award.

In December, Cooxupé took part in the SomosCoop Excellence in Management Award ceremony, hosted by the OCB System (Organization of Brazilian Cooperatives) in Brasília/DF. During the event, the cooperative was honored with the bronze trophy in the Towards Excellence category, which is awarded to cooperatives whose management systems are making significant strides and whose results already showcase competitiveness. Cooxupé has been participating in the award since its inception in 2013, and throughout this journey, has been recognized with bronze, silver, and gold trophies (First Steps), as well as gold (Commitment to Excellence) in previous categories.

Prima Qualità Specialty Coffees is the first and only brand to receive the specialty coffee seal granted by ABIC - Brazilian Coffee Industry Association with the participation of BSCA - Brazilian Specialty Coffee Association.

Hub do Café achieves leadership in the sector's Traffic Share ranking.

FETCEMG Air Quality Award

Cooxupé was awarded as one of the 65 companies that conducted the most inspections on its fleet by the Despoluir Program for Cargo Transport in Minas Gerais. The 15th edition of the Melhor Ar - FETCEMG Air Quality Award took place at the SEST SENAT auditorium in Betim. The award was divided into two categories: Gold and Silver. In the ranking of companies that conducted the most inspections through the Despoluir program in July, Cooxupé conducted a total of 872 inspections and was classified in the Silver category. The award is given by FETCEMG - Federation of Cargo Transport Companies of Minas Gerais and by the Despoluir Program.

INVESTMENTS

COOPERATIVE MEMBERS' ASSETS: INVESTMENTS BRING EXTENSIONS AND RENOVATIONS

Cooxupé's administration is always innovating and investing to expand the assets of its members. And in 2023, it was no different! Cooxupé carried out openings and expansions, continuing with its growth plan and meeting the demands of its members.

TOTAL INVESTMENTS AMOUNTED TO 58.4 MILLION

(R\$ 58.428.774)

Check the results:



OFFICIAL OPENING IN MANHUAÇU

On January 24th, Cooxupé held the official opening ceremony of the nucleus established in Manhuaçu. The cooperative's arrival in the municipality occurred in 2022, but the ceremony marking the official start of activities was held in 2023.

The initiation of Cooxupé's activities in Manhuaçu marked the expansion of the cooperative's operating area to the Matas de Minas, a region considered highly strategic due to its potential in producing quality coffee.

In Manhuaçu, Cooxupé's nucleus features a store offering inputs, pesticides, agricultural equipment, and machinery, as well as a warehouse and depot. The cooperative member also receives assistance throughout the coffee buying and selling process.

The official inauguration was attended by associated producers, Cooxupé's executive board, and authorities.

CITY OF CAMPOS ALTOS RECEIVES NEW FACILITIES

On May 11th, the members of Campos Altos (MG) were welcomed to the new facilities of Cooxupé's Service Unit in the municipality. Since then, the entire structure has been located in a new space and prepared to receive producers with more comfort in all services provided.

The inauguration took place during the "Days of Knowledge" event and brought together approximately 300 people, including authorities, coffee producers, and representatives of partner companies. Also present were the president of Cooxupé, Carlos Augusto Rodrigues de Melo, and the vice president, Osvaldo Bachião Filho, who emphasized the importance of the new headquarters for the sustainable development of the cooperative. Cooxupé's superintendents, managers, employees, and advisors also participated in the occasion.

OPENING OF COOXUPÉ INSURANCE COMPANY

In August, Cooxupé started operations of its own insurance brokerage, aiming to expand the services offered to members and employees, prioritizing differentiated and quality service by a 100% cooperative team.

Cooxupé Insurance Brokerage Ltd.'s insurance lines are focused on agriculture, offering Coffee Plantation Insurance, Machinery and Equipment Insurance, and Property Insurance. However, the company also serves all other sectors such as home, life, automobile insurance, among others.

With the brokerage, Cooxupé expands its portfolio of services and member and employee assistance. The new business is directly aligned with the cooperative's Strategic Planning, which includes, among its strategic agendas, the transformation of service to associated producers, increasing service effectiveness.

Cooxupé Insurance Brokerage Ltd. is accredited with the country's largest insurers and provides, at the time of contracting, all clarifications to members and employees about the various insurance lines available.

COOPERATIVE VALUES

Education, training, information, and intercooperation. Cooxupé values encouraging these principles by promoting relevant events throughout the year.

In 2023, over 1000 events were held across our 49 business units

fostering knowledge,

interaction, and connection in events such as Femagri, Cerrado Fair, Coffee and Climate Forum, Lectures, and Field Days.

Connecting our members with relevant topics.

Connecting our Cooperative Members with relevant topics.

WHO WE ARE



cooxupé



COOXUPÉ

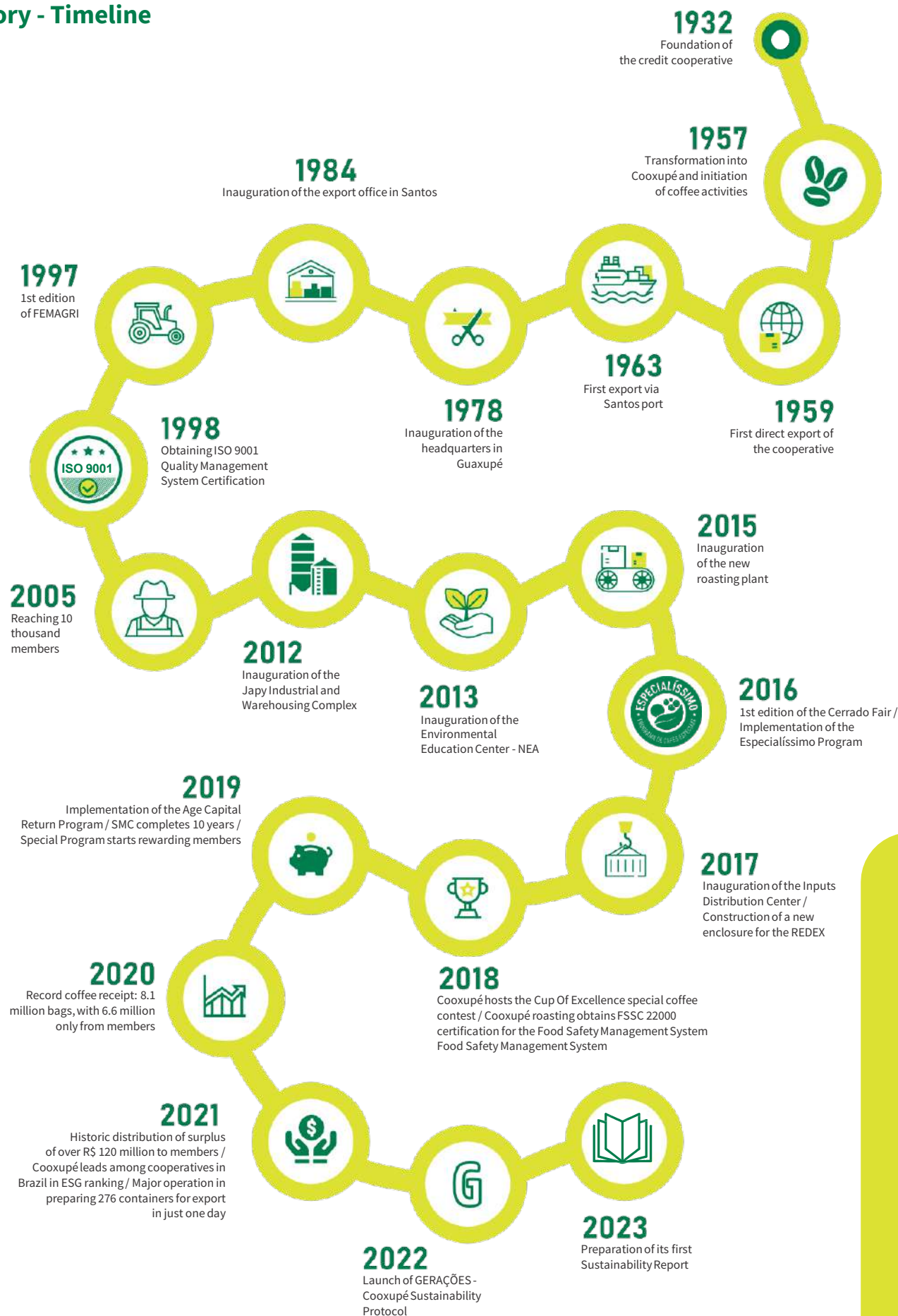
GRI 2-1, 2-2

Coffee is deeply rooted in Minas Gerais people's history and daily life, both as passionate consumers and as dedicated producers of this beloved beverage, which is so important to the economy of our state. Since 1932, Cooxupé has been proud to be an integral part of and to contribute to this rich history. Initially established as an agricultural credit cooperative, in 1957, under the leadership of Isaac Ribeiro Ferreira Leite, it was transformed into the Regional Cooperative of Coffee Growers in Guaxupé. Beginning its journey in the world of coffee with activities such as receiving, processing, and marketing coffee. Thus, by becoming Cooxupé, it was driven into a new era, seeking constant innovations, technologies, and pioneering efforts that have made it, over the years, a reference point for coffee cultivation in Brazil and worldwide.

Since 1959, the year of the cooperative's first export, Cooxupé has advanced across global borders by shipping millions of bags of green coffee to customers in 50 countries on 5 continents. Today, Cooxupé concentrates 80% of its activities on exporting coffee produced by its members, playing a fundamental role in the receiving, processing, and marketing of coffee. Cooxupé represents over 19 thousand members, with over 97.7% of them being small agricultural producers who rely on family farming. The cooperative receives coffee from over 300 municipalities in its area of operation, which includes the Southern Minas, Cerrado Mineiro, Matas de Minas, and the Média Mogiana Paulista regions in the state of São Paulo. In addition to its focus on coffee, Cooxupé has diversified its businesses, including its roasting, support for the production and marketing of corn, a feed factory, soil analysis laboratories, geoprocessing, and other investments. The cooperative has also expanded into specialty and certified coffee markets over the years.

Cooxupé operates through 49 business units, including its headquarters in Guaxupé, 19 nuclei, 14 advanced units, 14 service points, and an export office in Santos. Additionally, the cooperative has warehouses and the Japy Industrial Complex, a state-of-the-art logistics venture. In these regions, the quality of coffee, whether natural or pulped, is recognized for producing fine coffees that, year after year, gain preference in the international market. Cooperativism and sustainability have had a close relationship throughout our history. Therefore, we are constantly striving to improve our processes and culture, aligning them with the principles of ESG (Environmental, Social, and Governance) and with the United Nations 2030 Agenda, which includes 17 Sustainable Development Goals (SDGs).

Our Story - Timeline



Our Expertise: Market, Products, and Customers **How we operate and our businesses** GRI 2-6

With over 90 years of history, Cooxupé - Cooperativa Regional dos Cafeicultores em Guaxupé Ltda. has established itself as a leading cooperative in the agricultural sector, boasting more than 19 thousand members. Our primary activity is the commercialization of raw coffee beans, with receipt from over 340 municipalities in our operational area.

As secondary activities, we engage in:



Receipt, storage, and standardization of coffee.



Production and commercialization of roasted and ground coffee.



Production and commercialization of animal feed and supplements.



Receipt, storage, and commercialization of grains.



Commercialization of agricultural and veterinary inputs.



Production and commercialization of coffee oil and biomass.



Laboratory services for soil, leaf, fertilizer analysis, and others.



Agronomic support services to producers.

Over the years, the Cooperative has expanded its market presence, such as the commercialization of specialty and certified coffees through our wholly-owned subsidiary SMC Specialty Coffees, and the sale of insurance to our members through Cooxupé Corretora de Seguros Ltda.

Currently, we have 05 brands segmented into roasted and ground coffees, whole bean coffees, specialty coffees, single-serve packs, cappuccino, accessories, and machines.



In 2023, we launched our line of foliar fertilizers, Kafe, with products for each stage of cultivation, including post-harvest, flowering, expansion, and grain formation. Additionally, our portfolio includes products based on green arabica coffee beans, Green Coffee Oil, and Green Coffee Scrub, both 100% vegetable-based.

We value the business partnerships we have established over our years of existence, as they have contributed to the expansion of our market reach and the strengthening of our brand, making us competitive. Our supplier chain predominantly consists of our members, who supply raw coffee beans. For other products and services offered, we have various suppliers, organized into companies and cooperatives supplying agricultural inputs, agricultural implements and machinery, veterinary products, raw materials and ingredients, packaging, and transportation.



ENGAGEMENT OF OUR STAKEHOLDERS

GRI 2-29

We recognize and value the role of each stakeholder for the longevity of our business. Engagement with our partners is integral to the construction of Cooxupé's strategic planning, considering aspects highlighted by stakeholders in the current strategic risk matrix, with opportunities and threats assessed, and the definition of projects to mitigate such risks. Therefore, we have established the following mechanisms to bring them closer to the cooperative, to enhance our initiatives and understand our impacts:

1. Identification of Relevant Partners:

The organization identifies and categorizes relevant partners, including members, employees, customers, local communities, NGOs, financial institutions, governments, sectoral organizations including certifiers, business partners, and suppliers.

2. Dialogue and Consultation:

The organization establishes communication and consultation channels with these partners. This may involve meetings, surveys, public consultations, discussion forums, or any other means of interaction.

3. Feedback and Contributions from Partners:

The organization collects feedback and contributions from partners. This can provide valuable insights for policy development, identifying areas for improvement, and validating proposed measures.

4. Performance Indicators and Goals:

The organization defines indicators and goals to assess the effectiveness of measures. These may include financial, environmental, social performance metrics, among others.

5. Data Collection and Monitoring:

The organization collects relevant data to assess the impact of measures. This can be done through reports, data analysis, and periodic evaluations.

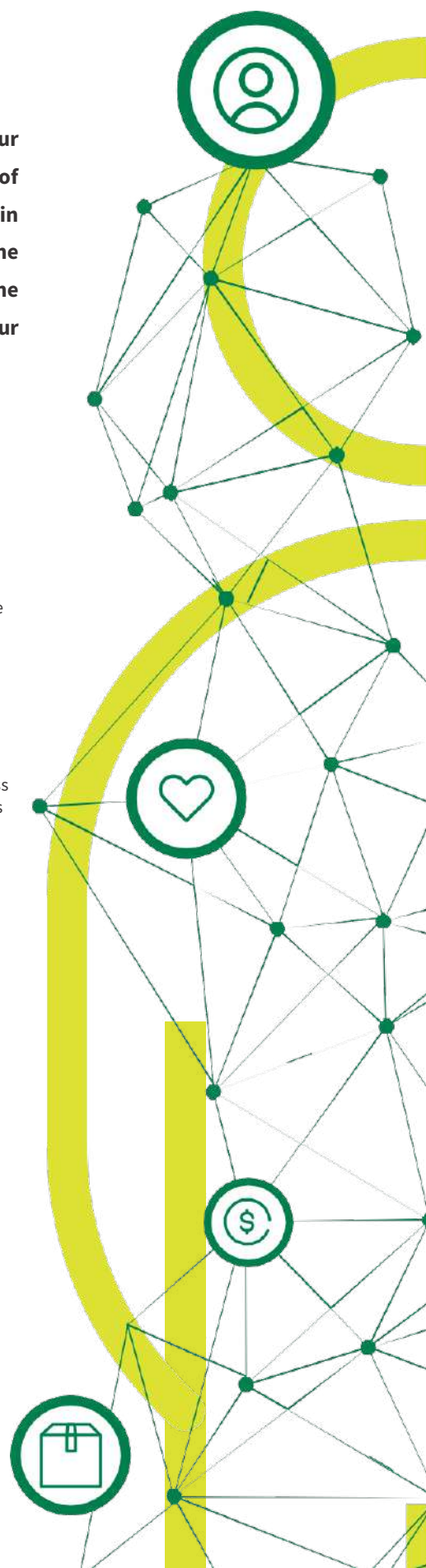
6. Transparent Reporting and Communications:

The organization prepares transparent reports and communications to inform partners about the results achieved. This includes progress towards established goals and the impacts of adopted measures.

7. Continuous Feedback Mechanisms:

The organization maintains open feedback channels for partners.

For all audiences, we engage in regular communication on our social media pages (Instagram, Facebook, LinkedIn), capable of reaching people worldwide interested in following the cooperative's activities.





COOXUPÉ APP GETS NEW MODULE

The Cooxupé app brings various conveniences to the palm of the cooperative member's hand and, in 2023, gained a new feature: the "Campaigns" module. With this function, the producer can easily purchase products from the cooperative, assess them in more detail, view technical specifications, and even watch videos on how each item works.

In the palm of the cooperative member's hand

In the Cooxupé app, members can securely conduct their negotiations and access information that is part of their daily routine. There are various services gathered in a single platform with access credentials. This means that through a username and password, the member can access all their information related to the cooperative, such as coffee trading. The app also provides access to the cooperative's social media, the Coffee Hub, and Cooxupé Focus videos.

What are the features of the Cooxupé app?

- Personal data;
- Financial position;
- Inventory control;
- Coffee commitments;
- Results of laboratory analyses;
- Coffee quotation and daily price paid by Cooxupé for its lots;
- Stock market and dollar situation;
- Information on Income Tax and surplus statements;
- Possibility of coffee trading;
- Settlement of overdue titles.



INCAMPO

The relationship between members and Cooxupé is among the cooperative's top priorities. Therefore, through integration between the technical and commercial teams, this app was created to allow producers to check store inventories, make quotations and orders, thereby avoiding the need for coffee farmers to travel.

For agronomists and agricultural technicians, this app also provides resources that facilitate member assistance, such as including problems detected on farms and suggestions for improvements.

NETWORKS POWERED BY COFFEE

Cooxupé is present on social media platforms communicating with its audiences on Instagram, Facebook, LinkedIn, and X (formerly Twitter). A strong presence in the virtual environment, consolidated by more than 128,000 followers, who seek to be informed about everything that happens with the cooperative, finding a closer channel for communication with Cooxupé.

Highlights:

- More than 128,000 followers on social media;
- In 2023, approximately 245,000 new visitors were registered on Cooxupé's social media, representing an increase of 193.5% on Facebook and 55.2% on Instagram.
- There were more than 1,000 posts made on the Facebook, Instagram, LinkedIn, and X (formerly Twitter) feeds, generating approximately 400,000 interactions among likes, reactions, shares, saves, and comments from followers. Total engagement on these platforms grew by more than 160% over the year.
- The Cooxupé website is also another communication tool, where users find data and services provided by the cooperative, the digital version of the Folha Rural newspaper, among other information.



COFFEE HUB

The Cooxupé news portal provides daily articles covering everything related to the world of coffee, from market-focused content to information for members and consumers.

Launched in 2021, the Coffee Hub also features an international version to disseminate information to foreign audiences, with whom the cooperative maintains a strong relationship.

By 2023, over 1,587 news articles and 38 web stories were published, reaching an audience that met Cooxupé's expectations.

Additionally, the site closed the year by achieving the top position in the Traffic Share ranking within the sector.





As one of our strategies for engaging partners, we open our cooperative doors to various audiences to get to know us, promote the exchange of experiences, and to combine strengths with the aim of further developing both cooperativism and coffee farming.

In 2023 we had the pleasure of welcoming several partners to our units, among them:

Nespresso

Representatives from Nespresso in Switzerland, France, Asia, and Brazil visited the core of Cooxupé in Patrocínio/MG on January 25th. They became acquainted with the unit's structure and presented the overall numbers of the Program carried out with cooperatives in the Cerrado Mineiro region, besides discussing new strategies to further strengthen the partnership between the cooperative and the company.



Conab

In April, the analyst team from the National Supply Company (Conab) visited the cooperative during their stay in this region of the state of Minas Gerais for the second coffee crop survey. They were all welcomed by the executive board and the technical assistance department of Cooxupé.

AgTech Garage

Cooxupé visited one of the world's leading agribusiness innovation hubs, the AgTech Garage in Piracicaba (SP). A discussion was held on strategies and actions to foster innovation within the cooperative. The hub's objective is to facilitate connections among large companies, startups, producers, investors, academia, and other stakeholders within the agribusiness innovation and entrepreneurship ecosystem. The meeting took place on February 1st.



Rainforest Alliance

Members of Rainforest Alliance Brazil visited the cooperative on April 27th. Topics related to certification in Brazil and at Cooxupé, procedures, audits, certificate controls, and traceability were discussed. Another topic addressed was the approval of the European Union law prohibiting the sale of products linked to deforestation. The meeting involved extensive exchange of experiences and proposals for improvements.



Yara

Representatives from Yara's global management, a Norwegian fertilizer company and world leader in plant nutrition, visited Guaxupé to acquaint themselves with the cooperative's headquarters on March 22nd. This visit further strengthened the relationship between Cooxupé and the organization, providing them with the opportunity to assess the structure, processes, and logistics of the cooperative.



In November 2022, Cooxupé and Yara established a partnership, making the cooperative the first in Brazil to receive green fertilizer produced by the company. Among the group were Yara's CEO, Svein Tore Holsether; EVP Corporate Development & Deputy CEO, Lars Røsæg; EVP Americas, Chrystel Monthean; EVP & General Counsel, Kristine Ryssdal; Yara Brazil's President, Marcelo Altieri; SVP Chief Compliance Officer, Cira Holm; Chair of the Board, Trond Berger; VP Strategy Brazil, Gianni Canneti; and the delegation. They were all received by Cooxupé's executive board.



Singapore

On March 1st, members of the Asian company Profile Print and the Singapore government representatives in Brazil visited Cooxupé's headquarters, where they presented a coffee classification solution utilizing artificial intelligence resources. Present were Ray Lim, Director of New Business; Ellis Chua, CFO of Profile Print, based in Singapore; and the representatives of the Singapore government in Brazil, Priscila Sotana and Julien Fruchard. They also toured SMC's facilities with technology presentations suggested for the team of the company operating in the specialty coffee market.



President of the Central Bank of Brazil delivers a lecture at Cooxupé

On June 5th, the President of the Central Bank of Brazil, Roberto Campos Neto, visited Cooxupé and highlighted the importance of rural credit and the need for more fundraising instruments during a lecture held at the cooperative's auditorium. He also toured Cooxupé's facilities, participated in meetings, and spoke about the importance of cooperativism and agribusiness for Brazil. On this occasion, the cooperative also delivered a document outlining the needs of coffee producers. Campos Neto was welcomed by the president and vice president of the cooperative, Carlos Augusto Rodrigues de Melo and Osvaldo Bachião Filho, members of the Board of Directors and directors, as well as political authorities and representatives from the coffee sector.



Sucafina

On June 14th, representatives from Sucafina, a company with bases in Brazil and Europe, accompanied by European roaster clients, visited Cooxupé's headquarters. The group attended an institutional presentation about the activities carried out by the cooperative; visited and participated in a tasting session at the Coffee Classification and Quality Control Laboratory, and toured the facilities of Complex Japy. Additionally, they conducted a cupping of specialty coffees at SMC headquarters.



Meeting with Vice President Geraldo Alckmin

On November 24th, the Vice President of the Republic, Geraldo Alckmin, met with a delegation of representatives from important entities linked to the multimodal logistics sector and grain and coffee exports, in São Paulo. Representing Cooxupé at the meeting were the vice president of the cooperative, Osvaldo Bachião Filho, the superintendent Deivison Ricciardi Ferreira, and the coordinator Guilherme Souza.

During the meeting, participants discussed various issues related to multimodal logistic development, with a special focus on coffee and grain exports. Discussions also included topics such as transportation infrastructure, improvements in highways, railways, and port terminals, aiming to optimize logistic operations and efficient integration among various transportation modes.

Sustainability was also on the agenda, with an emphasis on seeking solutions that promote economic development without compromising the environment. Integrating sustainable practices into logistic operations was discussed as a crucial element for long-term growth. The meeting concluded with a collective commitment to work together to drive multimodal logistic development in the coffee and grain export segment.

French Cooperative

On October 5th, members of a cooperative from France visited Cooxupé's facilities. They visited Complex Japy and the Roastery. The visit included Leila Fraissignes, Langlois Joel, Françoise Quélet, and Fraissignes Jerone.

Ministry of Agriculture

The Director of the Commercialization Department of the Secretariat of Agricultural Policy, Silvio Farnese, and the General Coordinator of Coffee, Janaína Macedo Freitas, both from the Ministry of Agriculture and Livestock (Mapa), visited Cooxupé's headquarters on October 31st. The visit occurred due to the participation of Government representatives in the Coffee Producer Water Program, promoted by the National Coffee Council (CNC). On this occasion, Farnese and Janaína visited the cooperative's facilities, especially the Coffee Classification Laboratory, and then proceeded to visit Complex Japy. The itinerary also included a meeting with Cooxupé's Executive Board to discuss specific demands of coffee farming.

Global Coffee Platform

On November 13th, Cooxupé's board of directors received a visit from representatives of the Global Coffee Platform - GCP, at the headquarters in Guaxupé/MG. The delegation was formed by the Director of Programs and Corporate Partnerships of GCP, Gelkha Buitrago; the Director of GCP Brazil, Pedro Ronca; and the GCP consultant, Eduardo Sampaio. The purpose of the visit was to get to know the cooperative and the structure offered to the producer, especially regarding sustainability initiatives. For this reason, GCP representatives visited Cooxupé's facilities such as the industry, warehouses, and Complex Japy, as well as a property of a cooperative member following the guidelines of the Gerações Protocol.

"Japanese Consumers" Cooperative

A group of Japanese from the 'Japanese Consumers' Cooperative Union', considered the largest consumer organization in Japan, visited Cooxupé's headquarters on November 24th and 25th. The mission to the Brazilian cooperative was facilitated by Ishimitsu, a food company engaged in coffee importation, processing, and sales, which is already a client of Cooxupé.

During the two days of visits, the group toured Cooxupé's facilities and learned about the sustainability actions adopted by the cooperative. The Japanese visitors also visited a supermarket to see Cooxupé's products up close.

PARTICIPATIONS COOXUPÉ EXTERNAL EVENTS IN 2023



1. Fenicafé 2023 and Araguari Nucleus

Cooxupé was present at the National Irrigation in Coffee Farming Fair (Fenicafé) in Araguari, in the Triângulo Mineiro region. The event took place between March 28th and 31st at the Ministro Rondon Pacheco Exhibition Park. The vice president of the cooperative, Osvaldo Bachião Filho, delivered a lecture on a panel, discussing the coffee crop perspectives within Cooxupé's operational area. In addition to participating in Fenicafé, Cooxupé's board of directors took the opportunity to visit the cooperative's nucleus in Araguari/MG for internal alignments and project monitoring.

2. Launch of the Coffee Parliamentary Front

On March 28th, Cooxupé participated in the official launch of the Coffee Parliamentary Front in Brasília. The FP aims to advocate for public policies concerning the Brazilian coffee sector. The group focuses on issues such as the Coffee Economy Defense Fund (Funcafé), research related to coffee cultivation, national policy to encourage the production of quality coffee, as well as social benefits for workers in the sector, rural insurance, among other topics. The President of Cooxupé, Carlos Augusto Rodrigues de Melo, spoke about the importance of the coffee sector for the country and how coffee farming has evolved in terms of sustainability and ESG.

3. Empowering Women in Agriculture

Cooxupé and SMC Specialty Coffees attended the "1st Regional Meeting of Rural Women Producers" on April 15th, for coffee growers from Guaxupé, São Pedro da União, and other cities in the region. Approximately 300 people participated in the event held at Sítio Jaboti, owned by cooperative members Ari Martins de Queiroz and Alice Fukumoto Queiroz.

The meeting, organized by Cooxupé, SENAR/MG (National Rural Learning Service), and Guaxupé Rural Union, aimed to empower women in agribusiness, attracting female farmers, ranchers, and professionals from different fields of agriculture.

Lectures and training sessions were conducted on topics such as the importance of women in agriculture and female entrepreneurship.

4. 1st Market and Sustainability Meeting

On April 28th, Cooxupé participated in the 1st Market and Sustainability Meeting, organized by Mundo Novo Consulting. The event took place at the Peneira Alta Warehouses in São Sebastião do Paraíso (MG) and brought together professionals and experts in the coffee industry.

The vice president of the cooperative, Osvaldo Bachião Filho, participated in one of the panels to discuss important and relevant topics about market and sustainability. Representatives from Cecafé (Brazilian Coffee Exporters Council) and the Rainforest Alliance certification program also participated in the meeting.

5. Lecture at the Federal University of Viçosa, Rio Paranaíba Campus

On the evening of May 16th, Carlos Alberto Paulino da Costa, a board member of Cooxupé, delivered a lecture at the Rio Paranaíba Campus of the Federal University of Viçosa. He emphasized the importance of extension and research for regional rural development and contextualized the 1970s regarding food imports, the frost that occurred in the state of Paraná, and research institutions. He also talked about Cooxupé's arrival in Rio Paranaíba and the cooperative's role in negotiations for the university's establishment in this region. During the lecture, the board member highlighted Brazil's relevance in global agribusiness.

Paulino was honored by the university's rector and directors for his contributions to Brazilian coffee farming and cooperativism, as well as for his involvement in the establishment of the university campus in this city of the state of Minas Gerais.



In 2023, Cooxupé was present at important events held in the country, focused on cooperativism, coffee, cooperativism, coffee, the market and Brazilian agribusiness.



6. ENCA 2023

On June 27th and 28th, Cooxupé took part in the National Meeting of Agricultural Cooperatives in Campinas. The event gathered at least 500 leaders of agricultural cooperatives to discuss the main demands of the sector.

Cooxupé's President, Carlos Augusto Rodrigues de Melo, participated in a panel on the theme "Perspectives for Cooperatives and Agribusiness."

Meanwhile, the Vice President, Osvaldo Bachião Filho, joined a panel discussing "Driving Technological and Energy Transformation: Empowering Cooperatives and their Members."

7. ABAG Congress

On August 7th, Cooxupé's executive board participated in the 22nd Brazilian Agribusiness Congress, promoted by ABAG, in São Paulo. The event's central theme was innovation and governance in Brazilian agriculture. Throughout the program, experts addressed topics such as "Productive Chains and Innovation," "Governance and Perspectives," "Innovation and Markets," and "Geopolitics and Governance." The event also featured presentations of research results and honors for industry personalities.

8. Recognition in Monte Carmelo

The active participation of Cooxupé's president in the development of the agricultural sector led to the awarding of the Agribusiness Merit Medal to Carlos Augusto Rodrigues de Melo in August. The honor was conferred by the Municipal Chamber of Monte Carmelo. During the event, the president highlighted his family history, which is closely linked to coffee. The event was attended by local authorities, cooperative members, and Cooxupé employees.

9. First Environmental Seminar of Guaxupé

The First Environmental Seminar of Guaxupé and Region took place on September 27th. The event was organized by the Guaxupé City Hall, through the Municipal Secretariat of Economic Development and Environment, along with IFSULDEMINAS – Muzambinho Campus, Cooxupé, and the Unifeg university center. The event discussed sustainability in the mining locality with different lectures, including a presentation on "Actions for the Protection, Restoration, and Sustainable Use of Water," conducted by the cooperative's ESG department.

10. 'Technological Showcase' in Monte Carmelo/MG

In October, Cooxupé, represented by Vice President Osvaldo Bachião Filho and the Monte Carmelo Nucleus team, participated in the 1st Technological Showcase of the Mario Jordão Coffee Research Center, in Monte Carmelo/MG. The event, which brought together over 400 coffee growers from the region, was held at the Research Center's headquarters, located on cooperative member companies, the 'Field Day' featured lectures on different topics aimed at bringing innovation and results for coffee farming.

11. Female Cooperatives Participate in ENMCOOP at Sea

Between November 21st and 23rd, a group of female cooperative members and the fiscal counselor of Cooxupé, Elvira Alice de Paula, participated in the National Meeting of Women Cooperativists (ENMCOOP). The event, organized by the Conecta Group, took place aboard a cruise ship along the Brazilian coast (Santos – Balneário Camboriú/SC – Santos).

With the slogan "Women are like water, they grow when they come together," the event brought together more than 300 cooperatives and two thousand participants to discuss topics such as management, succession, finance, overcoming challenges, technology, women's health, communication, and perspectives for agribusiness in the political and economic scenario.

Among the guests of ENMCOOP was the world basketball champion, Hortência Marcari, who lectured on "Lessons from a Life: Strategy, Values, and Attitude of a Champion," highlighting the importance of focus and preparation in a path of achievements. The former athlete also spoke about her relationship with the field.



Roasting gaining more and more of the domestic market



In 2023, Cooxupé's Roasting Division maintained its market share, holding the 6th position among coffee manufacturers in the Brazilian retail market in terms of sales volume (kg), according to data from the Retail Index, Nielsen IQ.

Number of employees: 167

Raw coffee processed: 282,936 bags

Coffee produced: 13,862,578 kilos



EVENTS

To strengthen and expand its presence in the markets it operates in, in 2023, the Roasting Division participated in the country's main business fairs, notably making its debut at APAS SHOW, the largest supermarket fair in Latin America, held in São Paulo.

It also participated in SUPER RIO EXPOFOOD in Rio de Janeiro, SUPERMINAS, SEMANA INTERNACIONAL DO CAFÉ in Belo Horizonte, and FISPAL FOOD SERVICE in São Paulo.

LAUNCH CAFÉ PRIMA QUALITÀ SPECIAL HARVEST 2023

In 2023, another limited edition of the Prima Qualità Special Harvest microlot was launched. This blend is a selection among the finalist lots of the Special Program. With a score of 87.5, the coffee has a fruity aroma, a syrupy body, and sensory notes of cherry and caramel. The product was launched in ground, drip coffee, and whole bean versions.



INTERNATIONAL COFFEE WEEK

Considered one of the largest and most important coffee events in Brazil and the world, the International Coffee Week (SIC) took place in Belo Horizonte from November 8th to 10th. Cooxupé was present with its own booth, where the Roasting Division and SMC Specialty Coffees showcased the lines of coffee produced by the cooperative and the work carried out with the specialty coffee market.

The executive board of Cooxupé also attended the booth of the OCEMG System, along with other cooperative leaders, and the space of ASSPROCAFÉ - Association of Specialty Coffee Producers of Cabo Verde/MG.



Business Model

The business model of Cooxupé - Regional Cooperative of Coffee Growers of Guaxupé, is anchored in the ability to generate and share sustainable value, aligned with the essence of cooperativism. It is an unquestionable model of social responsibility, representing the union of individuals driven by the same purposes, pooling efforts for the development and prosperity of our members and the communities where they are embedded.

Our business model is structured around four lines of action:

1) Coffee Marketing

The main activity of Cooxupé is highlighted by the commercialization of raw coffee beans, with coffee being sold to both external and internal markets. Shipments to the external market represent approximately 80% of the volume, destined for over 50 countries worldwide, serving major distributors and roasters. In the internal market, coffee is sold to roasters, distributors, and exporters. **In 2023, Cooxupé shipped 3.7 million sacks of coffee to the external market.**

3) Roasting

In the Roasting business unit, which brings coffee from our members to consumers in the internal market, we offer products from the "Traditional", "Superior", "Gourmet", and "Special" lines, all produced under the certified Food Safety Management System FSSC 22000 and endorsed by ABIC quality programs.

4) Specialty coffee

Cooxupé owns SMC, its Specialty Coffee House, which was established in 2009 and combines expertise with the care and love we have for coffee. We deliver to the world the best of what our plantations produce, always guided by the three pillars of sustainability. We continue with our mission to share the refinement of the flavors of specialty coffees from the noblest origins of Brazil, honoring our commitment to a better and more united community. Our volume of shipments in 2023 was 154,885 thousand sacks.

2) Inputs: Solutions for production

In Production Solutions, the capillarity of the service structure stands out, with close relationships with our cooperatives, providing support in all phases of the business, with solutions that contribute to better production, management, and financial performance.

Cooxupé offers a portfolio of solutions that include:

- Market access;
- Coffee commercialization;
- Livestock input commercialization;
- Technical assistance;
- Storage and processing;
- Laboratory analysis services for soil, leaves, fertilizers, and water potability.

Our four lines of action are in synergy with Cooxupé's objective

of increasing its presence in the markets it operates in, through excellence in meeting customer needs and product quality throughout its value chain, ensuring the viability of the business for its members, employees, suppliers, and developing the communities in the territories where we operate, in line with the principles of cooperativism:

- 1) Free and voluntary membership;
- 2) Democratic management;
- 3) Economic participation;
- 4) Autonomy and independence;
- 5) Education, training, and information;
- 6) Intercooperation;
- 7) Concern for the community.

Cooxupé's Strategic Planning was developed in collaboration with Ernst & Young consultancy, and from it, an area within the company called "Strategy, Innovation, and Development" was created,

responsible for monitoring, revising, disseminating, and evaluating the plan and project portfolios. To create the strategy with the consultancy, research and analysis were conducted on the coffee market. In total, 150 stakeholders participated in workshops and interviews, generating the 7 strategic agendas until 2028, considered the foundation of the cooperative's strategy:

- 1) Leadership in Sustainable Coffee;
- 2) Cooxupé is where Coffee goes;
- 3) Transformation of Cooperative Members' Services;
- 4) Evolution of Cooperatives Members' Agro 4.0;
- 5) Segment to conquer;
- 6) Cooxupé from Farm to Cup;
- 7) Organization of the Future.



For each agenda, the level of importance, its objectives, how implementation should occur, based on macro projects and by assigning responsibilities, and the definition of evidence are established. Through a committee, the cooperative's strategy is monitored monthly and undergoes punctual revisions.

In 2023, among the main actions executed in the 7 strategic agendas are:

1- Sustainable Coffee Leadership: Expansion of storage capacity was carried out; corporate communication agenda; creation of the Gerações Protocol; and construction of the photovoltaic plant in the Japy Complex.

2- Cooxupé is where Coffee goes: Plans were executed to access new global markets; a new structure for SMC; the search for new cooperatives; and increased participation in current customers.

3- Transformation of Cooperatives' Service: Expansion of financial services occurred; an increase in the portfolio of inputs through own brands; expansion of cooperative service channels through technical area adjustment; and regionalization of prices to cooperatives.

4- Evolution of Cooperatives Agro 4.0: Promotion of access to the new Cooxupé app; partnership with SENAR for cooperative training; access to Vect.Ag credit; new digital platforms for commercialization; and adjustment of the cooperative's database.

5- Segment to conquer: Segments created were Fiel Cooxupé, Fiel Cooperatives, Successor, Auctioneer, Hurt, and Entrepreneur.

6- Cooxupé from Farm to Cup: Implementation of the Market Intelligence area occurred; as well as studies and analysis of new markets and optimization of operations in current markets; revitalization of the Evolutto Coffee packaging; revision of the product portfolio and restyling of specialty coffee packaging; creation of new Prima Qualità packaging; and acquisition of stake in Master Espresso.

7- Organization of the Future: Development tracks were conducted; performance evaluation; Enable and Flagship (Agtech Garage); as well as partnerships with external Hubs.



ESG



cooxupé



ESG AGENDA

Cooxupé, by its essence, is an organization that since its inception has been concerned with ESG aspects (Environmental, Social, and Corporate Governance), considering the principles of cooperativism, which align with sustainability.

In 2022, we consolidated the structuring of the ESG agenda within the cooperative, providing greater robustness to initiatives that were already part of our culture and creating new projects in line with our material themes. We strengthened governance in this area by creating policies that establish principles, guidelines, and procedures for environmental and social practices in business and stakeholder relations, including guidelines for preventing and managing risks, impacts, and opportunities within the organization's sphere of influence.

This structuring was the basis for the creation of the cooperative's ESG Journey, with motivations favoring our community and the environment, enhancing our governance processes, expanding the concept of sustainability beyond regulatory bodies, and maintaining our commitment to generating and sharing sustainable value, aligned with the principles of cooperativism.

This work began with the creation of a specific area to drive the ESG agenda, which previously focused on the Quality and Environment area, with a greater emphasis on environmental issues, internal certifications, and programs and certifications for cooperatives. Subsequently, hiring a consulting firm specialized in building ESG guidelines was essential to align with market practices and requirements, as well as to bring impartiality to the process of developing the ESG agenda.

TOTVS Consulting started work with a deep diagnosis based on the main global sustainability frameworks that are relevant to the cooperative's business, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Brazilian Stock Exchange's Corporate Sustainability Index (ISE), the B-Corporation System, and the SDGs. At the end of this stage, we had a vision of our maturity in environmental, social, and corporate governance aspects. The next step was to build a robust process to reach the cooperative's material themes, in the concept of dual materiality - how the business impacts and is impacted. For this process, 24 themes were submitted to consultation, resulting in 1,616 responses to the questionnaire, with significant participation from our partners, leading to the prioritization of the 10 most relevant themes for Cooxupé, based on risk and opportunity analyses.

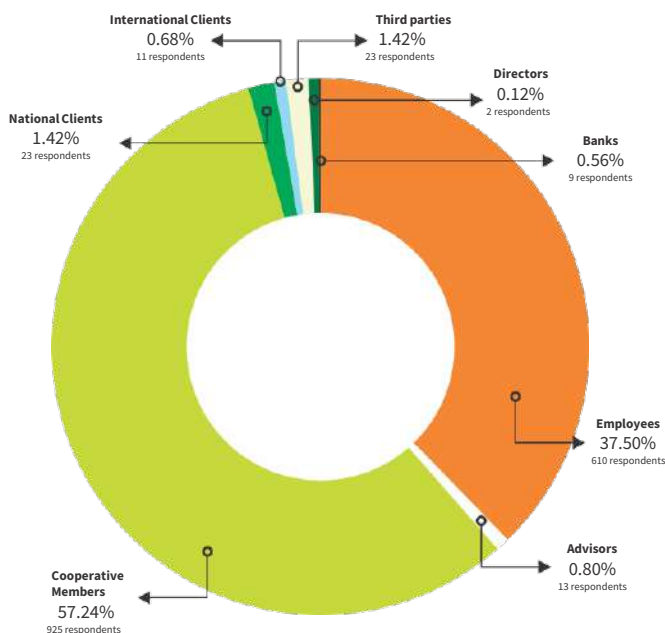
MATERIALITY - MATERIALITY PROCESS AND LIST OF MATERIAL TOPICS

GRI 3-1, 3-2

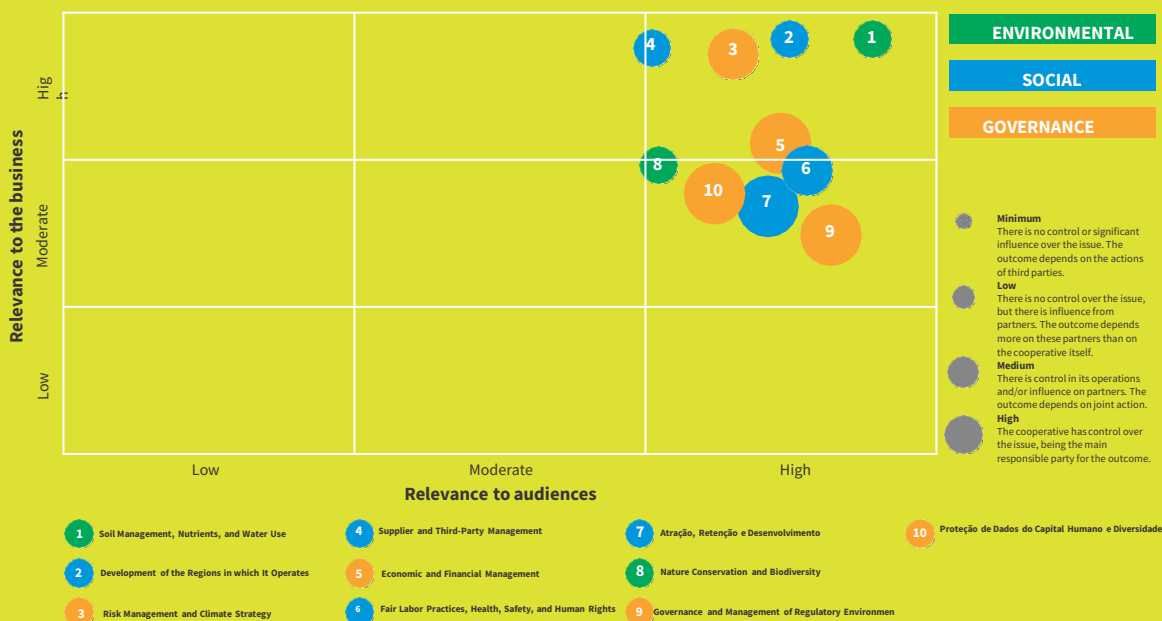
For an organization to be sustainable, it is necessary to have the ability to incorporate environmental and social issues into its business model. In this way, it can have the agility to adapt to changes and challenges presented in various scenarios. These issues are also associated with environmental and social externalities created by partners through their operational activities along the value chain, including aspects such as environmental responsibility, human rights, labor practices, ethics, and corruption, among others. Therefore, to deepen our understanding of the challenges and opportunities related to our activities, in 2023, Cooxupé developed a materiality matrix defining our priority areas of action. This matrix identified the main areas for ESG management at Cooxupé, considering relevant impacts both internally and externally.

To build materiality, we relied on the support of an ESG strategic consultancy and applied a physical and online questionnaire, available in Portuguese and English, to the 8 main groups of partners previously defined with Cooxupé's ESG Committee. The target audiences included employees, directors, and councilors to represent the internal audience, and cooperatives, national clients, international clients, third parties, and banking institutions, representing the external audience. The questionnaire presented 24 relevant themes for the business, selected following relevance criteria by segment proposed by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Brazilian Stock Exchange's Corporate Sustainability Index (ISE), the B-Corporation System, and the SDGs. To complement this stage, benchmarking was conducted with references to the main companies in the sector and coffee-producing agricultural cooperatives.

In total, 1,616 responses were obtained, with 625 respondents from the internal audience and 991 respondents from the external audience.



After analyzing the responses and prioritizing themes based on risk and impact assessment, considering the cooperative's contribution to leverage tangible and intangible value for each theme, 10 topics were defined and validated by the Board as material, which are already incorporated into the cooperative's entire strategy and will be reassessed regarding actions to be reinforced and/or enhanced. These are the material topics of Cooxupé, with their respective descriptions:



1. Soil Management, Nutrients, and Water Use:

Involves practices related to responsible land cultivation, managing soil, its nutrients, and proper water use to ensure sustainable agricultural productivity.

2. Development of the Regions in which It Operates: Refers to actions and strategies that contribute to the economic, social, and environmental development of the communities and regions where we operate.

3. Risk Management and Climate Strategy: Involves the identification, assessment, and management of risks, as well as the development of strategies to deal with climate issues, such as adapting to climate change and mitigating greenhouse gas emissions.

4. Supplier and Third-Party Management: Management of

relationships with suppliers and third parties, ensuring that ethical and sustainable standards are maintained throughout the value chain where we operate.

5. Economic and Financial Management: Responsible management of financial resources, considering both economic and financial aspects to ensure stability and sustainable growth.

6. Fair Labor Practices, Health, Safety, and Human Rights: Compliance with ethical and legal standards regarding human rights, health, and safety in the workplace, as well as the promotion of fair and equitable work practices.

7. Attraction, Retention, and Development of Human Capital and Diversity: Strategies to attract,

retain, and develop talent within the organization, recognizing that human capital is a valuable resource for our business.

8. Nature Conservation and Biodiversity: Protecting and preserving nature and biodiversity, ensuring that our activities minimize negative impacts on the environment.

9. Governance and Management of Regulatory Environments: Compliance with applicable regulations and laws, as well as effective governance practices to ensure integrity and transparency in our operations.

10. Data Protection: Security and privacy of the organization's information and data, ensuring compliance with data protection laws and protecting partner and customer information.



COOXUPÉ SUSTAINABILITY PROTOCOL



Cooxupé Launches Gerações Protocol for Global Coffee Community

On May 25th, the board and team of Cooxupé participated in the 9th Coffee Dinner & Summit, one of the largest global forums that brings together the worldwide coffee chain. On this occasion, the cooperative launched its sustainability protocol called "Gerações" for the global market and consumers worldwide. The presentation was led by President Carlos Augusto Rodrigues de Melo.

He emphasized that sustainability is an indispensable pillar for coffee farming and that the cooperative model itself is sustainable, as it is built by people for people. "ESG practices have been naturally linked to our activities since always. And now, we are showing the world that the coffee produced by our members is anchored in the principle of additionality. We are continuously evolving to become more sustainable from environmental, social, and economic perspectives," highlighted the president on the occasion.

The Coffee Dinner & Summit gathers, every two years, around a thousand people and leaders from all segments of Brazilian and global coffee farming to promote business prospecting, create commercial opportunities, share experiences, and network, bringing together agribusiness players and coffee enthusiasts in a single environment. The 2023 edition took place in São Paulo and had sustainability as its central theme.



E: Focus on the environment (Environmental)

It encompasses aspects and analyses of greenhouse gas emissions, electric/water efficiency, and waste disposal. It signifies the organization's significant role in preventing environmental damage.



S: Focus on society (Social)

This pillar represents how companies interact with the communities where they operate, including transparency, production chain, employee satisfaction, as well as compliance with labor legislation and attention to human rights.



G: Focus on corporate (Governance)

A pillar that drives transparency in actions, ensuring environmental and social aspects, as well as sustainable management in line with the interests of its stakeholders.

Protocol Presented at OCEMG Event

On April 27th, Cooxupé participated in the 2023 Cooperative Day to present its new sustainability protocol, "Gerações," to other cooperatives. The event was held at the Ouro Minas Hotel in Belo Horizonte by the OCEMG System.

The cooperative took part in the ESG Panel and reported on governance through the presentation of "Gerações." The audience included presidents, directors, counselors, managers, and those responsible for Cooperative Day in the cooperatives.

COP28

In December, the Gerações Protocol was chosen to be presented at COP28, the United Nations Climate Change Conference, by the Brazilian Cooperatives Organization (OCB), held in Dubai, United Arab Emirates, bringing together global references and authorities on the subject. Gerações was selected as a tool for continuous improvement on the path to sustainability, a commitment that Cooxupé holds at its core and develops with great seriousness alongside its member families.

In addition to Gerações - Cooxupé Sustainability Protocol, we have developed numerous actions and programs related to sustainability, such as:

NEA

Núcleo de Educação Ambiental (Environmental Education Center)

The unit established in Guaxupé-MG, founded in 2013, promotes environmental education for children from the municipal school network, operating during off-school hours, reaching approximately 6,000 children per year. **It also produces an average of 25,000 seedlings of native trees, destined for cooperative members for the restoration of permanent preservation areas.**

Minas D'Água Project,

whose objective is to restore the spring and river areas of rural properties located in the municipalities of Guaxupé and Guaranésia, through the donation of materials for fencing for protection and natural recovery of areas, as well as the donation of native seedlings.

Since the beginning of this work, approximately 160 km of areas have been fenced and 8,000 native tree seedlings, produced and supplied by NEA, have been planted.

*In line with the previous projects, we have **BELL SPRINGS** and participate in the **programs CERRADO CONSORTIUM OF WATERS AND WATER PRODUCER COFFEE**.*

We are also conducting studies on regenerative agriculture and carbon inventory with specific methodology for coffee cultivation, a program that continues to gain maturity but represents a strategic project for Cooxupé.



As achievements of 2023, we have the development of this Sustainability Report and increased internal engagement with ESG themes.

Cooxupé Joins the Global Coffee Platform (GCP) Global Coffee Platform

In 2023, Cooxupé became a member of the Global Coffee Platform (GCP). It is an international association with more than 140 members from all segments of the coffee production chain, operating in nine countries: Brazil, Colombia, Vietnam, Indonesia, Tanzania, Uganda, Kenya, Honduras, and Peru. The main objective of the GCP is to have a sustainable coffee sector that provides good living conditions for producers and workers, ensuring their continuity in the activity while protecting natural resources. By joining the Global Coffee Platform, the cooperative becomes a reference for its sustainability performance, already evidenced by the creation of its own protocol called "Gerações."

Sustainable coffee farming

Cooxupé participated in an event on sustainable coffee farming in Campinas on June 13th. The Regional Conference of 4C Services discussed the theme "New requirements for coffee export and latest developments in Sustainability Certification," with the presence of experts and global representatives of coffee farming. Addressing the demands of the international market and sustainable strategies applied in Brazil, the event featured a lecture by Alexandre Monteiro on "Sustainability efforts from the perspective of Brazilian producers." He presented the cooperative members' efforts towards sustainable coffee production and the cooperative's Sustainability Protocol, "Gerações."

All practices carried out over the past years have led to Cooxupé's recognition as the national leader in ESG (Environmental, Social, and Governance) aspects in the 2021 Best and Largest ranking by Exame magazine, positioning itself in 1st place among Brazilian Cooperatives, with the highest score.



Cooxupé leads ESG ranking among cooperatives from all over Brazil

Cooxupé achieved leadership in ESG in the 2021 Best and Largest ranking by Exame magazine. Thus, with a perfect score of ten in environmental, social, and corporate responsibility practices, the company was considered the most sustainable among Brazilian cooperatives.

A total of 21 questions on the topic were evaluated in companies, as well as seven environmental, seven social, and seven governance items, in order to compose the score of this indicator.

Following the assessment of the points, data normalization was performed within each of the 18 sectors. Thus, the scores ranged from 1 to 10. Therefore, the higher the score, the better the result in comparison with sector peers.

COOXUPÉ LEADS ESG RANKING

As a result, Cooxupé achieved the maximum score, 10. This is because it stood out in relation to competitors in the Cooperatives sector across all criteria.

The data is part of the Best and Largest ranking. However, these scores primarily enable the comparison of companies and sectors in different stages of ESG practice adoption.

*Our objective for the next year is **to continue driving our ESG agenda**, with actions focused on mitigating risks related to our material issues, while also identifying opportunities for environmental protection, the development of our cooperative members, and society.*

SDG

Strategic Alignment with the Sustainable Development Goals - Agenda 2030:

Driving Positive Impact and Business Sustainability



source: <https://brasil.un.org/pt-br/sdgs>

The integration of Sustainable Development Goals (SDGs) as the essence of business practices and objectives represents an essential pathway for businesses seeking economic prosperity while also being positively recognized in social and environmental spheres, resulting in increased customer loyalty and attracting consumers who value sustainability in their purchasing decisions. Moreover, proactive engagement with the SDGs can strengthen relationships.

Environmentally conscious organizations manage natural resources efficiently and adopt sustainable production practices, resulting in the reduction of their negative environmental impacts while also positioning themselves to address emerging challenges related to climate change, resource scarcity, and planet preservation.

The practices carried out by Cooxupé are intrinsically linked to the principles and fundamentals that sustain the cooperative model and the precepts of the SDGs. Through the ESG Specialized Consulting from TOTVS, there was alignment of the SDGs with the practices and business model of the cooperative. Thus, we are committed to being at the forefront of sustainable innovation, creating a pathway for a cooperative future that balances financial success with social and environmental responsibility.

**Cooxupé
Cooperative
and
Sustainable
Development
Goals**

A PURPOSE FOR TRANSFORMATION



Grounded in the seven cooperative principles, our seven strategic agendas, and our materiality, Cooxupé aims to be a driver of the Sustainable Development Goals (SDGs) proposed by the UN in the territories where it operates. The interconnection between these elements and SDGs 1, 2, 8, 10, 12, 13, 15, and 16 illustrates clearly how the cooperative, which incorporates values such as self-management, economic participation, community concern, and environmental responsibility, plays a key role in promoting sustainability and social justice.

The principle of Voluntary and Open Membership, by enabling economic inclusion, aligns with SDG 1 (No Poverty). By bringing together small coffee farmers, who represent 97.7% of our over 19,000 members, we provide access to markets and resources, boosting their economic conditions.

Democratic Governance, in line with the cooperative principle, aligns with SDG 16 (Peace, Justice, and Strong Institutions), fostering transparency and participation in decision-making. This is exemplified in the cooperative through member involvement in financial decisions, strengthening trust in institutions. To provide effective financial support, it is essential to consider governance structure and conduct General Assembly. Thus, we are grounded in continually developing our structure to become enduring, efficient, and trusted partners across our value chain.

The principle of Member Economic Participation aligns with SDGs 2 and 8 (Zero Hunger and Decent Work and Economic Growth), driving food security and the creation of sustainable jobs. Cooxupé, by involving members in economic processes, improves income and creates jobs in communities.

The principle of Autonomy and Independence, aligned with SDG 10 (Reduced Inequalities), strengthens communities and marginalized groups. Simultaneously, emphasis on Education, Training, and Information, the fifth cooperative principle, contributes to SDG 4 (Quality Education). The dedication of the cooperative to strengthening its members and employees, empowering

them economically and socially through training projects, in addition to investments in projects in the areas of operation.

Cooperation among Cooperatives, the sixth principle, is directly related to SDG 17 (Partnerships for the Goals). Collaboration among cooperatives and other partners expands the offering of various services to our members and promotes synergies for common objectives.

The principle of Concern for Community, the last cooperative principle, embraces multiple SDGs, including SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action). Cooxupé, by prioritizing the well-being of the community, drives sustainable practices through investments and projects, the implementation of Gerações - Cooxupé Sustainability Protocol, the establishment of partnerships with entities in the regions it operates, public sector organizations, sectoral entities, and other partners, as well as the organization of training, awareness, and engagement events.

This web of connections between cooperative principles, our business, and the SDGs highlights the effectiveness of Cooxupé as a change agent. By applying values such as self-management, economic participation, and social and environmental responsibility, we promote sustainable development and offer practical solutions to global challenges. It is in this synergistic integration that we see the cooperative emerging as a business model and catalyst for positive impact, articulating the necessary transformation for a more just, sustainable, and inclusive future.

GOVERNANCE



cooxupé



COOPERATIVE GOVERNANCE GRI 3-3

Cooxupé follows a sustainable management model. Governance practices are based on cooperative principles, with a focus on ethics and transparency, accountability, and equity of outcomes.

The core of sustainability is directed towards the entire coffee production chain: the members (who are our producers), employees, suppliers, community, and customers from Brazil and the more than 50 countries where our coffee is exported and consumed.

We relentlessly pursue the sustainable development of our members, which aligns with "Our Mission" and a "Vision" to be a cooperative that adds value to its producers through their effective participation, based on trust, work, and cooperation, as "Values" fundamental to our existence. Therefore, we fulfill long-term financial sustainability without disconnecting such practices from environmental respect and social responsibility.

We dedicate ourselves to improving our management and governance model, aligned with the provisions of Law No. 5,764, which defines the National Cooperative Policy, by incorporating best practices referenced by the Brazilian Institute of Corporate Governance (IBGC) and through SESCOOP - National Service of Cooperative Learning, part of the OCB System - Organization of Cooperatives of Brazil, from which numerous cooperative development programs and projects originate, contributing to the effective achievement of Cooxupé's objectives:

Our Goals

- 1) Increase market share in the markets where we operate by meeting customer needs and applicable business requirements; 2) Consolidate Cooxupé's image through responsible management;
- 3) Ensure business viability;
- 4) Be the best option for members, enhancing agribusiness with emphasis on coffee;
- 5) Have a committed and qualified team of employees who meet the requirements for their positions and who can perform their activities safely;
- 6) Continuously ensure the quality and safety of our products through standardization and modernization of processes.



Governance Structure

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15

Cooxupé's governance structure is formed by the following bodies and organisms:

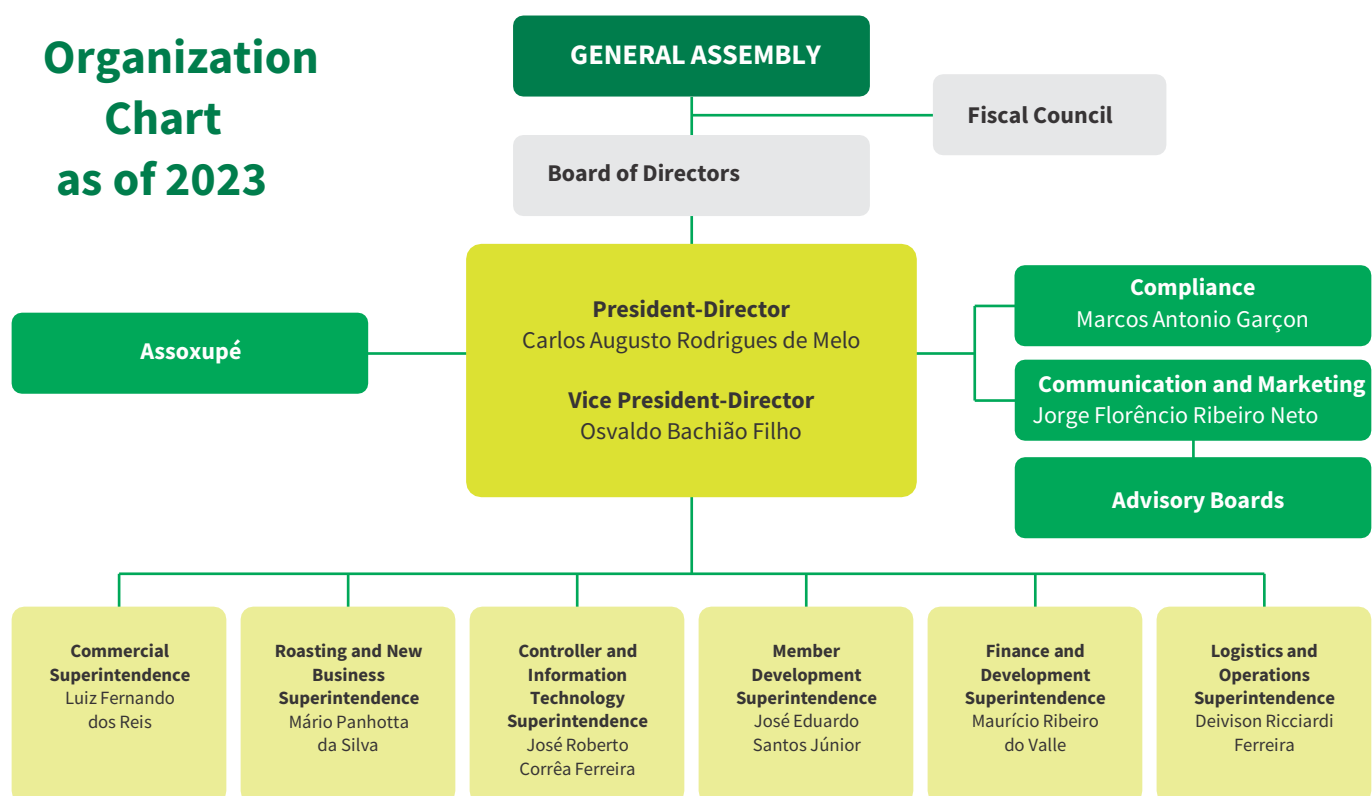
I.- General Assembly;

II.- Executive Board;

III.- Fiscal Committee, an auditing and oversight body, with actions defined by law and statutory complementation;

IV.- Executive Board, which are deliberative and decision-making bodies within the limits of their competencies;

Organization Chart as of 2023



Composition of the Fiscal Council

Adelmir Vidal | Araguari - MG
 Adriano Rogério da Silva | Patrocínio - MG
 Anderson Crespo Coutinho | Serra do Salitre - MG
 Elvira Alice de Souza Ribeiro Terra | Alfenas - MG
 Luiz Antônio Poli Filho | Caconde - SP
 Robson Ferreira Leite | Rio Paranaíba - MG

Composition of the Board of Directors | Term 03/2023 to 03/2027

Carlos Augusto Rodrigues de Melo (President-Director)
 Osvaldo Bachião Filho (Vice President-Director)
 Adelber Vilhena Braga | Campestre - MG
 Carlos Alberto Paulino da Costa | Monte Santo de Minas - MG
 Dimas Silva Jacob | Carmo do Rio Claro - MG
 João Paulo Damasceno de Moraes | Alpinópolis - MG
 José Augusto Gomes | Campos Gerais - MG
 Leocarlos Marques Mundim | Monte Carmelo - MG
 Mário Guilherme Perocco R. Valle | Guaxupé - MG



I - General Assembly

The general assembly of associates, which can be ordinary or extraordinary, is the supreme body of the cooperative, with powers within the limits of the law and the Social Statute, to make any and all decisions of social interest, and its deliberations bind everyone, even those absent or dissenting.

COOPERATIVE MEMBERS PACK THE HEADQUARTERS AND CELEBRATE RESULTS OF THE ORDINARY GENERAL ASSEMBLY

The Ordinary General Assembly took place on March 31, with a highlight being the massive presence of cooperative families at Cooxupé's headquarters. The executive board, accompanied by fiscal and administrative counselors, announced the distribution of over

R\$56.3 million for associated producers.

THE DISTRIBUTION COMES FROM SURPLUSES ACHIEVED IN THE 2022 FINANCIAL YEAR, WHICH ALSO REPORTED RESULTS IN THE AMOUNT OF R\$277.3 MILLION AND A REVENUE OF R\$10.1 BILLION. ALSO, DURING THE OGA, THE RENEWAL OF THE FISCAL AND ADMINISTRATIVE COUNCILS OF COOXUPÉ TOOK PLACE.



CLIMATE LECTURE BEFORE THE BEGINNING OF THE AGM

Before the start of the Ordinary General Assembly, Cooxupé provided producers with a lecture on climate, given by Marco Antônio dos Santos, founding partner of Rural Clima - a consultancy specialized in meteorological forecasting services focused on agribusiness. The speaker presented an assessment of the climatic conditions and events that would impact the 2023/24 coffee crop.

II - Board of Directors

The cooperative is managed by a Board of Directors consisting of an Executive Board and voting members, composed of 09 (nine) effective members, all associates, elected at the General Assembly with a term of 04 (four) years, eligible for reelection or dismissal, with a mandatory renewal of at least 1/3 (one third).

The appointment of the Board of Directors is carried out through **election** at the General Assembly, as established in Articles 41 and 44 of the **SOCIAL STATUTE** of the cooperative.

Cooxupé has an **ELECTION REGULATION**, which aims to define and detail the necessary procedures for compliance with and application of the rules contained in the **Social Statute**, in order to ensure the conduct of a transparent and democratic **election**. The electoral process is conducted by the cooperative's Electoral Commission.

The **ELECTION REGULATION** and the **ELECTION PROCESS CALENDAR** are disclosed to the members through communication channels, at least 45 days before the Ordinary General Assembly. Proposals for work, if presented, are disclosed to the associates through communication channels used by the cooperative, as prescribed by the internal standard **ASSEMBLY PROCESS**, established in addition to what is specified in the Social Statute and in the **Election Regulation**.

Every member who is in full exercise of their rights may apply for a position as a member of the Board of Directors, once the legal and statutory conditions are met.

The duties of the Board of Directors are defined in Article 48 of the cooperative's Social Statute and in the Internal Regulations, which include, but are not limited to, the appointment of the Executive Board, definition of the organizational structure, hiring of independent audits, overall guidance of the cooperative's business, approval of the strategic planning, annual budget approval, proposal of statutory reforms, and ensuring compliance with cooperative, labor, fiscal laws, and other applicable laws.

The evaluation of the cooperative's performance is carried out by the Board of Directors, through monitoring of indicators' results, goal reports, and action plans of the strategic planning, established for this purpose.

Meetings are held according to the Meetings/General Assembly Calendar, prepared annually.





III - Fiscal Council

The administration of the cooperative is supervised by a Fiscal Council, composed of 6 (six) members, with 3 (three) being effective and 3 (three) alternates, elected by the General Assembly, with this election conducted by the Electoral Commission, as established in Article 59 of the **Social Statute**.

The duties of the Fiscal Council defined in Article 62 of the **Social Statute** of the cooperative and in the Internal Regulations, which include, but are not limited to, exercising diligent supervision over the operations, activities, and services of Cooxupé; studying the balance sheets and other monthly statements, the balance sheet, and the annual report of the Executive Board, issuing opinions on these to the General Assembly; ensuring that the actions of the administrators fulfill their legal and statutory objectives.

IV - Executive Board

The Executive Board consists of two members of the Board of Directors, President and Vice-President, according to Article 42 of the Social Statute, who have as their main duties, as per Article 50, the elaboration of policies and strategies regarding operations, compliance with acts and actions delegated by the Board of Directors, approval of admission or dismissal of direct subordinates, who are the superintendents.

Currently, Cooxupé has six superintendencies, each with its respective managements:

- **Commercial Superintendence;**
- **Roasting and New Business Superintendence;**
- **Controlling and Information Technology Superintendence;**
- **Cooperative Development Superintendence;**
- **Finance and Development Superintendence;**
- **Logistics and Operations Superintendence.**

In addition to statutory deliberations, the cooperative's business processes are documented in internal standards and procedures, based on the Strategic Management standard, which documents the mission, vision, values, and policy in alignment with Cooxupé's objectives and strategies, as well as risk management and responsibility to ensure continuous adequacy, sufficiency, and effectiveness. Directors and superintendencies are responsible for periodically analyzing the cooperative's management impacts.

V – Committees

The Board of Directors, when deemed necessary, may establish permanent or temporary committees, with specific advisory and support functions, regarding the subjects for which they have been established. The existence of these committees does not imply the delegation of responsibilities that belong to the administration as a whole. They do not have executive functions or decision-making power. Their role is to study the matters within their competencies, meeting as necessary, issuing opinions, and preparing proposals for consideration by the Board of Directors and the Executive Board in periodic meetings, according to the annual meeting calendar.

Currently, Cooxupé has committees/working groups established by the business areas, independently, to support and assist in cooperative management, such as:

- **ESG Committee;**
- **Management Committee;**
- **Risk Management Committee;**
- **Ethics Committee;**
- **Crisis Committee;**
- **Privacy and Personal Data Treatment Committee;**
- **Registry Committee.**

VI - Participation in Associations

GRI 2-28

We work in partnership with sector entities in a strategic manner, seeking to expand dialogue with diverse audiences and establishing understanding about the aspects that may affect our businesses in a negative and/or positive manner. The partnerships established operate in line with the agricultural, coffee-growing, and agricultural cooperatives sectors of which we are a part. Together with these entities, we develop policies and plan joint actions that represent these sectors. In this way, we are aligned with market demands and the interests of our partners.

We highlight the main associations and sector entities of which we are part:

- **OCB System - Brazilian Cooperatives Organization;**
- **SENAR System – National Rural Learning Service;**
- **OCEMG System – Union and Organization of Cooperatives of the State of Minas Gerais;**
- **CECAFÉ – Brazilian Coffee Exporters Council;**
- **EMATER – Institute of Innovation for Sustainable Rural Development;**
- **ICO - International Coffee Organization**
- **ABAG – Brazilian Agribusiness Association;**
- **CODEMA – Conselho Municipal de Defesa e Conservação do Meio Ambiente de Guaxupé;**
- **CNC - National Coffee Council.**

Cooxupé also has partnerships with educational institutions, research institutes, and unions.



VII - Strategic Planning and Risk Management

GRI 2-25

During the process of developing our strategic planning, aspects related to Corporate Governance and Regulatory and Legal Environments were included, a topic that was later defined as material for the cooperative.

As a result, this theme is incorporated into the matrix of current strategic risks, with opportunities and threats assessed, and projects defined to mitigate such risks, following the guidelines established in the internal standard of Strategic Management.

Monitoring of the strategic planning and the effectiveness of the projects established to mitigate the potential risks that Coocupé is exposed to is carried out, with tracking of objectives and goals by the Strategy and Risk Committee, based on the measurement of Coocupé's strategic indicators and the presentation of results at critical analysis meetings.

The lessons learned from dealing with impacts, whether positive or negative, are valuable for Coocupé. When faced with such situations, the context of the facts is analyzed and reevaluated, using norms and procedures, specific training for our employees, and implementation of contingency protocols, among other actions, to understand opportunities for improving actions.

Actions taken to mitigate damage and negative impacts on Coocupé's reputation and longevity regarding crisis occurrences are documented in an internal Crisis Management standard and include the responsibilities for forming the standard committee, committee roles and responsibilities, crisis process and management, communication with stakeholders, and post-crisis activities.

Risk Management

GRI 3-3

Cooxupé's operations are subject to market, financial, climate-related risks, changes in export regulations, as well as factors such as economic and political crises. Risk management encompasses constant monitoring of the macroeconomic and sectoral landscape, as well as regulations and laws governing the sector that may influence activities.

The objective is to ensure preventive action and create short, medium, and long-term plans. A culture of informed decision-making allows the cooperative to act preventively, transparently, and in accordance with laws, internal norms, and guidelines.

To mitigate risks, processes are mapped, and requirements are controlled, monitored, and linked to actions and strategic indicators to ensure that the organization's activities, results, and reputation are not impacted. Cooxupé's Integrity Program consists of a set of internal mechanisms and procedures for integrity, auditing, encouraging reporting of irregularities, effectively applying the Code of Ethical Conduct, Social Statute, Mission, Vision, Values, and policies and guidelines to prevent, monitor, detect, and/or address deviations, fraud, irregularities, and harmful acts as provided for in Law No. 12,846/2013.

Corporate and Productive Risk Management

Corporate and Productive Risk Management is a fundamental part of our activities and is directly linked to Strategic Planning, with the support of the Strategy and Risk Committee, composed of employees from Compliance, EID, and ESG areas. The effectiveness of measures taken on the subject is monitored by the Committee, as well as the effectiveness of objectives outlined in strategic planning. Its management is divided into 5 (five) main areas with the following responsibilities:

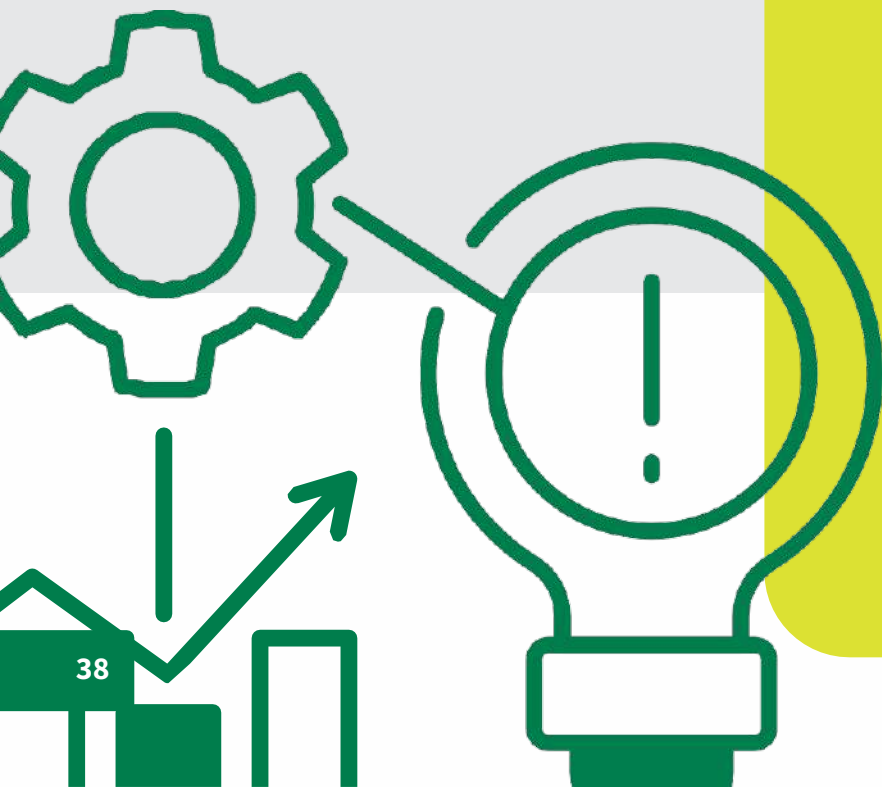
Strategy and Risk Committee: responsible for supporting and monitoring the execution of identification, analysis, and evaluation of corporate and productive risks, assessing opportunities and threats to the Organization, and the effectiveness of plans determined to mitigate or take advantage of identified risks;

Compliance: internal instance responsible for executing the process of identification, analysis, and evaluation of corporate and productive risks, directly linked to top management. It is the responsibility of the Compliance Department to present the result of risk monitoring at Critical Analysis meetings;

Strategy, Innovation, and Development: internal instance responsible for monitoring the status and effectiveness of projects established to mitigate or take advantage of risks identified in strategic planning;

Evaluation and Monitoring: Cooxupé is internally and externally audited to demonstrate the effectiveness of the risk management process. In addition, the result of risk assessment is presented to the Executive Board through critical analysis meetings, in addition to constant monitoring by top management in periodic meetings addressing strategic planning. The results of actions (strategic projects and action plans) to mitigate corporate (strategic) and productive risks feed back into the risk assessment and reevaluation process;

Superintendencies: also play an important role, with their respective managers, supported by the EID department, and are responsible for monitoring the status and effectiveness of projects within their structures, forwarding information to Compliance.



Compliance

GRI 3-3, 2-23, 2-24, 2-25, 2-26, 2-27

To ensure compliance with laws, regulations, internal policies, and applicable ethical standards, we have a strengthened Compliance structure, ensuring alignment of Cooxupé's operations with ethical principles and the minimization of legal and regulatory risks. The aspects guiding this theme are outlined in the Code of Ethical Conduct and Cooxupé's Mission/Vision/Values/Policy/Objectives, with the highest level of the organization, the Executive Board, responsible for approving these policies, as stated in the "Internal Regulations of the Board of Directors and Executive Board". They apply to all activities and business relations and are communicated through the institutional website, contracts, purchase orders, institutional emails, internal circulation newspapers, institutional events, Cooxupé app, among other channels.

Responsible for ensuring compliance with the rules and ethical principles established in the cooperative, the Ethics Committee is an essential body in Cooxupé and ensures the independence of treating conducts that violate these rules and principles. It ensures that infractions and violations are followed by applicable disciplinary actions, regardless of the offender's hierarchical level, and finally, analyzes and recommends actions to combat conflicts related to Cooxupé's ethical and integrity principles.

The Compliance Department is established, with its own budget, responsible for the management, improvement, maintenance, and oversight of the Integrity Program, directly linked to Top Management, ensuring independence, autonomy, impartiality, structure, and authority in actions related to the Program. It is responsible for proposing and fostering a culture of continuous integrity in the organizational environment, with widespread dissemination of documents related to ethics and integrity to Cooxupé's relationship audiences through internal and external communication channels.

As a necessary part of the internal strengthening process of Compliance aspects, board members and employees in general receive training related to the ethical and integrity guidelines adopted by Cooxupé. Additionally, the cooperative conducts awareness campaigns on this topic, such as Ethics and Integrity Week and SIPAT.

We have a structured Ombudsman Channel to receive and address manifestations and reports of non-compliance with the organization's ethical and integrity guidelines. The channel is open to all of Cooxupé's relationship audiences. Additionally, we evaluate and monitor our actions through internal and external audits to demonstrate compliance with established policies and identify possible improvement actions or corrections.



Management, Ethics, and Law drive Cooxupé



All activities carried out by the cooperative are governed by the Social Statute, which directs Cooxupé's decisions and has equality as a central pillar. The statutory rules are faithfully followed by the cooperative.

Code of Ethical Conduct

Every relationship of the cooperative with society, whether in Brazil or worldwide, is guided by values established by the Code of Ethical Conduct, which reflects Cooxupé's organizational identity.

This Code also provides guidance for the performance of professional and personal activities; it has significant impacts on internal and external environments, as well as on decision-making, clarification of doubts, and resolution of potential conflicts.

The Code of Ethical Conduct and the Social Statute provide guidelines for Cooxupé to carry out its activities with integrity, always prioritizing ethics and respect in the relationship with the involved audiences.

Integrity Program

All guidelines established in this Program are based on the Brazilian Anti-Corruption Law.

The Integrity Program brings together a set of internal instruments and procedures, auditing, encouragement of reporting irregularities, among other actions, to prevent, monitor, detect, and address illegal practices. The objective is to ensure integrity, legality, and transparency in all Cooxupé's operations.

All audiences of the cooperative are subject to this program: members, employees, customers, suppliers, service providers, society, and public administration.



To read our Integrity Program, access the QR Code next to it.



To learn more about our Code of Ethical Conduct, access the QR Code next to it.

Transparency, Ethics and Integrity

GRI 3-3, 205-1, 205-2, 205-3, 206-1, 2-16



At Cooxupé, we hold ethics as a commitment and respect as an attitude in our relationships. Our Code of Ethical Conduct translates the values to be observed and cultivated by all levels of the organization in dealing with various segments of society, whether in Brazil or abroad. We strive to build lasting relationships based on respect for the needs and expectations of our diverse audiences. It is our duty to act in accordance with the guidelines of this Code and to disseminate the principles contained herein to maintain an environment of integrity, reliability, and social responsibility in the workplace.

We aim for excellence in serving all our business partners and do not condone fraud, corruption, or any other conduct that violates internal policies and undermines the trust placed by our stakeholders. These assumptions are integrated into our Integrity Program, which encompasses all of Cooxupé's efforts to develop sustainable business and contribute to the achievement of our objectives. Our ethical conduct rules, more objectively, indicate the responsibilities of the Boards, Top Management, and Employees in the performance of their work, thereby safeguarding the credibility and integrity of our organization. The Integrity Program is continuously improved with new methodologies, tools, and parameters, as well as with preventive and monitoring actions.

Dialogue is essential for the proper application of our Code of Ethical Conduct. Thus, in case of doubts about its application, as well as the reporting of situations that in any way infringe upon this Code, we maintain a structured Ombudsman channel to receive reports of observed misconduct, while guaranteeing total confidentiality in conducting the investigation and non-retaliation to whistleblowers.

To ensure transparency and the principles of Ethics and Integrity, our commitment is based on the following documents:

- Cooxupé's Social Statute;
- Integrity Program;
- Anti-Corruption Manual;
- Code of Ethical Conduct;
- Internal Regulations of the Boards;
- OQS - Organization of the Social Framework;
- Strategic Management.

OMBUDSMAN

Anyone wishing to lodge a complaint, make an inquiry, or offer praise has an open channel to express themselves through this service. The Ombudsman is prepared to receive such demands in pursuit of the best resolution for the issue at hand.

Cases or situations constituting misconduct can also be reported by cooperative members and interested parties. It is crucial to emphasize that all contacts and investigations maintain absolute confidentiality, always in compliance with the guidelines of the Integrity Program and the Code of Ethical Conduct.

ACCESS TO THE OMBUDSMAN CHANNEL

Institutional website: <https://www.cooxupe.com.br/ouvidoria/>
Portal access: <https://ouvidoriacooxupe.com.br/ouvidoria/externo/cadastro.do>

ESG Indicators - Governance and Management of Regulatory and Legal Environments

| INDICATOR | GRI | CODE | 2023 RESULT |
|---|--|---------|--|
| Total number of employees informed about the organization's anti-corruption policies and procedures | GRI 205: 2018 Anti-Corruption | 205-2-b | 2.591 |
| Percentage of employees informed about the organization's anti-corruption policies and procedures | GRI 205: 2018 Anti-Corruption | 205-2-b | 100% |
| Total number of governance body members trained in anti-corruption | GRI 205: 2020 Anti-Corruption | 205-2-d | Executive Board = 4 Fiscal Committee = 1 Executive Board = 2 Total = 7 |
| Percentage of governance body members trained in anti-corruption | GRI 205: 2020 Anti-Corruption | 205-2-d | Executive Board = 57% Fiscal Committee = 17% Executive Board = 100% General Percentage = 47% |
| Total number of employees trained in anti-corruption | GRI 205: 2021 Anti-Corruption | 205-2-e | 2.268 |
| Percentage of employees trained in anti-corruption | GRI 205: 2021 Anti-Corruption | 205-2-e | 92% |
| Number of events (trainings, communications, acts) held to develop collective knowledge, skills, and experience of the management, board, and committees on sustainable development | GRI 2: General Contents 2021 2-17 Collective knowledge of the highest governance body | 2-17-a | 21 |



Data Privacy & Security

GRI 3-3, 418-1

At Cooxupé, we have a structured Data Privacy Governance program, complying with the provision set forth in art. 5, LXXIX, of the Federal Constitution: "the right to the protection of personal data, including in digital media, is guaranteed, in accordance with the law." In other words, it is a Fundamental Right. Therefore, Cooxupé, with the advent of the General Data Protection Law (Law No. 13,709/2018), has implemented the necessary requirements to comply with such legislation, including the DPIA (Data Protection Impact Assessment), which assesses the risks of the organization's personal data processing activities. We also conduct a communication plan for our employees to inform them about the impacts of the legislation on the cooperative's daily operations. Additionally, policies related to Data Protection and Privacy have been conceived and implemented, including:

- Privacy Policy for Customers, Suppliers, Employees, and Third Parties;
- Privacy Policy for Members;
- International Data Transfer Policy;
- Cookie Policy;
- Security and Privacy Incident Management;
- Internal Data Circulation;
- Consent Management;
- Data Subject Petition Management.

Some of the aforementioned documents are available in Cooxupé's document management system, thus they are internal information only.

LGPD

The General Data Protection Law is fully integrated into Cooxupé's activities. Law 13,709/2018 came into force in September 2020 and establishes rules on the protection of freedom, privacy, and development. The main purpose is to ensure transparency and correct use of personal data of individuals in any physical or digital means.



The Privacy Policies for members and for customers, suppliers, employees, and third parties, mentioned above, are publicly available on Cooxupé's institutional website. Scan the QR Code above to learn more.



We operate beyond the importance of complying with current legislation regarding the security and privacy of our data as an organization and the data of our more than 19 thousand members, customers, suppliers, and employees, making this a material issue on our ESG agenda and considered in our risk assessment (Data Protection Impact Assessment).

Thus, we have implemented Data Protection Management measures to prevent incidents and mitigate associated impacts, including:

- 01. Personal Data Mapping:**
All personal data processing activities are mapped according to legal requirements, separated by each area of Cooxupé.
- 02. Risk Assessment (Data Protection Impact Assessment):**
The risks of processing activities are also automated and evaluated in accordance with the General Data Protection Law and best market practices (usually focusing on the GDPR – European Law, which serves as a benchmark for data protection legislations worldwide).
- 03. Legitimate Interests Assessment:**
For processing activities based on legitimate interests, we have implemented an automated assessment to ensure that the activity respects the fundamental rights and freedoms of the data subject, as provided by law.
- 04. Privacy By Design:**
In every project or contract where there is the conception or adoption of a new tool or product, an evaluation of the involved data processing activity is conducted, analyzing security requirements, identifying potential risks, and proposing possible actions. This action mitigates the likelihood of privacy and data security issues during the execution phase of personal data processing activities.
- 05. Consent Management:**
When the applicable legal basis for processing personal data is consent, a base is managed for all collected consents (by purpose, data subject, Opt-in and Opt-Out date, etc.).
- 06. Cookie Management:**
Cooxupé's websites that collect cookies allow the data subject to define which type of cookie they wish to be collected during their navigation. We also control the collected cookies by date, time, type, etc.
- 07. Incident Management:**
Cooxupé has implemented mechanisms to promptly and coordinately address security incidents. The aim is to quickly identify the incident's origin and, if necessary, to notify the competent authorities and the data subjects involved in the incident. Additionally, to mitigate risks of personal data leakage, a Data Loss Prevention solution has been implemented for continuous monitoring of the Cooxupé environment.
- 08. Data Discovery:** Cooxupé has mechanisms to identify, in all its databases (structured or not), where personal data is located, what type of personal data, quantity, etc.
- 09. Privacy Rights:**
The data subject can submit a request for their rights to Cooxupé at any time through an electronic customer service channel available on the cooperative's website. This channel is also automated and capable of quickly finding the data subject's available personal data in Cooxupé's database to provide a prompt response to the petition.
- 10. Training and Awareness for all Employees:** Employees receive training and are informed about the measures they should adopt to meet LGPD requirements.
- 11. Privacy and Personal Data Treatment Committee**
It aims to discuss and recommend necessary adaptations for the protection and privacy of personal data and/or sensitive personal data and other actions necessary to comply with the General Data Protection Law. Discuss and recommend actions necessary for treating risks related to the protection and privacy of personal data and/or sensitive personal data. Discuss and recommend actions necessary for treating security incidents involving personal data and/or sensitive personal data and monitor the effectiveness of Cooxupé's Privacy and Personal Data Treatment Program.
- 12. Contracts:**
Cooxupé's contracts include clauses for data protection and privacy.
- 13. Supplier Assessment:**
When personal data is shared with suppliers of products and services (according to our internal policy), they are assessed to confirm their ability to ensure the security and privacy of the data being processed.



Engagement with our partners and the communication of these and new measures taken by Cooxupé are fundamental to achieving the desired results

Therefore, engagement is included in the construction of Cooxupé's strategic planning. Actions with partners involve:

- 01. Identifying Relevant Partners:**
The organization identifies and categorizes relevant partners, which may include employees, customers, shareholders, local communities, NGOs, government, and other business partners.
- 02. Dialogue and Consultation:**
The organization establishes communication and consultation channels with these partners. This may involve meetings, surveys, public consultations, discussion forums, or any other means of interaction.
- 03. Feedback and Contributions from Partners:**
The organization collects feedback and contributions from stakeholders. This can provide valuable insights for policy development, identifying areas for improvement, and validating proposed measures.
- 04. Performance Indicators and Goals:**
The organization defines indicators and goals to assess the effectiveness of the measures. These may include financial, environmental, social, and other performance metrics.
- 05. Data Collection and Monitoring:**
The organization collects relevant data to assess the impact of measures. This can be done through reports, data analysis, and periodic evaluations.
- 06. Transparent Reporting and Communications:**
The organization prepares transparent reports and communications to inform partners about the results achieved. This includes progress towards established goals and the impacts of adopted measures.
- 07. Continuous Feedback Mechanisms:**
The organization maintains open feedback channels for partners.



Cooxupé has a specific channel to address LGPD-related issues, scan the QR Code next to this text.

Indicators - Data Security and Privacy

| INDICATOR | GRI | | |
|--|------------------------------|------------|---|
| Total number of proven complaints regarding customer privacy violations received from external parties and verified by the organization. | GRI 418: 2016 Client Privacy | 418-1-a-i. | 0 |
| Total number of customer data leaks, thefts, or losses identified. | GRI 418: 2018 Client Privacy | 418-1-b | 0 |

Financial results and Operating Data

201-1

The cooperative has its strategies and goals defined and planned for the year. The actions for development and achievement of the goals are monitored in critical analysis meetings, and the results are evaluated weekly by the directors and superintendents. The evaluations and monitoring are cascaded down to the managers, allowing for control of goal fulfillment and their execution.

Receiving, Buying, and Shipping Coffee

*In 2023 they were received **6,513,224 sacks** of coffee of cooperative members and third parties.*

In this exercise, Cooxupé acquired 5,702,348 sacks of coffee, with 5,036,850 sacks bought in the physical market at an average price of R\$915.44, totaling 113,121 transactions, averaging 44.8 sacks each. In the futures market, 665,498 sacks were purchased at an average price of R\$958.71, resulting in a volume of 11,313 CPR contracts, averaging 58.8 sacks each.

Below is a table showing average prices over the last 10 years:

| Years | Average price US\$ | Average price US\$ | Sacks |
|---------|--------------------|--------------------|-----------|
| 2014 | 181.27 | 426.64 | 5,790,518 |
| 2015 | 133.81 | 468.71 | 5,113,396 |
| 2016 | 148.47 | 514.63 | 6,037,517 |
| 2017 | 145.07 | 463.74 | 3,971,214 |
| 2018 | 122.08 | 443.02 | 6,575,798 |
| 2019 | 114.26 | 457.69 | 8,644,344 |
| 2020 | 108.37 | 559.31 | 6,310,962 |
| 2021 | 168.42 | 907.01 | 5,318,286 |
| 2022 | 247.92 | 1,289.35 | 3,626,093 |
| 2023 | 184.18 | 920.49 | 5,702,348 |
| Average | 149.34 | 612.42 | |

*Note: Normal Physical Purchases + New Newsletters + Act to Fix + Released CPR.



**Were shipped
4,529,450 sacks of
coffee in this
period.**

**For direct export, 3,666,338
sacks were sent.**

**For export customers,
291,679 sacks were allocated,
while 571,433 sacks of coffee
were designated for the
domestic market (roasters).**



FASTER COFFEE EMBARKMENTS - REDEX

Cooxupé operates the Special Customs Dispatch Facility for Export (Redex), aiming to enhance efficiency and security in the shipment processes for cooperative members' coffee. This department, under the Brazil Federal Revenue Agency, is located in both the Japy Complex, at the cooperative's headquarters in Guaxupé/MG, and at the Port of Santos/SP.

In 2023, the Redex in Santos exported 2,417,412 sacks of coffee in 7,177 containers. Meanwhile, the Redex in Guaxupé was responsible for exporting 1,248,926 sacks of coffee in 3,496 containers.

Cooxupé Feed Factory

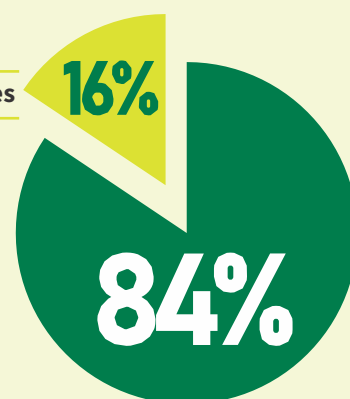
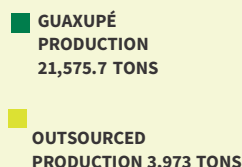
**IN 2023, COOXUPÉ
PRODUCED
25,548.70 TONS
OF FEED**

considering the plant in Guaxupé and the outsourced plants in Rio Paranaíba and Monte Carmelo.

Monthly production - Feed Factory

| Months | Guaxupé Production | Outsourced Production |
|--------------|--------------------|-----------------------|
| January | 1,730.36 | 303.00 |
| February | 1,410.58 | 289.00 |
| March | 1,658.52 | 292.00 |
| April | 1,414.40 | 230.00 |
| May | 1,780.48 | 288.00 |
| June | 1,873.00 | 333.00 |
| July | 2,085.54 | 321.00 |
| August | 2,102.30 | 416.00 |
| September | 1,974.60 | 361.00 |
| October | 2,102.06 | 386.00 |
| November | 1,647.80 | 377.00 |
| December | 1,796.06 | 377.00 |
| Total | 21,575.70 | 3,973.00 |

Distribution of production factories

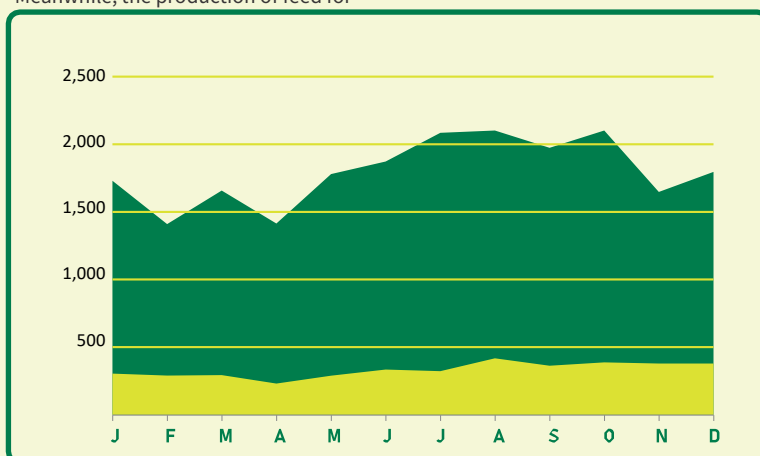


The year proved challenging for the feed production sector. However, it still experienced a modest growth of approximately 2%. Conversely, production of feed for dairy cattle declined by -1.1%, while feed for beef cattle experienced a more significant contraction of around 5.1%. In the last four months of the year, monthly declines in milk prices paid to producers due to powdered milk imports impacted business operations.

Meanwhile, the production of feed for

other animal categories played a crucial role in the annual performance. Fluctuations in commodity prices and key raw materials were significant, affecting the terms of trade. However, the increase was modest, reflecting the challenges faced by livestock farmers throughout the year.

Production showed a slight growth of 0.32% compared to 2022.



ESG Indicator – Financial and Operating Results

| INDICATORS | GRI STANDARD | CODE |
|---|--|-----------|
| Direct economic value generated (R\$ million) | 201-1 Direct economic value generated and distributed 2018 | 201-1-a/b |
| Direct economic value generated (R\$ million) 2023 | | |
| Total gross revenues R\$6,919.92 | | |
| Distributed added value (R\$ million) | | |
| 2023 | | |
| Salaries, benefits and charges R\$218.14 | | |
| Taxes, fees and contributions R\$30.63 | | |
| Remuneration of third-party capital (Financial institutions and creditors) R\$212.41 | | |
| Remuneration of equity R\$235.79 | | |
| Distributed added value R\$696.97 | | |
| Withheld economic value R\$6,222.95 | | |

Other financial data are available in the "Financial Statements"

STATEMENT OF BENEFITS FOR COOPERATIVE MEMBERS

| | | |
|---|-----------------------------------|-----------------------|
| 1 - Allocation of Surplus for Capital Share Integration | No. of Cooperative Members | Amount in R\$ |
| 10% of the surplus for the year 2023 - Integration into the capital account in accordance with | 17,451 | R\$25,362,034 |
| 2 - Allocation of Surplus for Cash Payment | No. of Cooperative Members | Amount in R\$ |
| 10% of the surplus for the year 2023 for distribution in cash in accordance with Article 66 §2 of the bylaws. | 17,451 | R\$25,362,034 |
| 20% of the surplus for the year 2023 at the disposal of the Annual General Meeting (recommendation of the Executive Board). | 17,451 | R\$50,724,070 |
| Total | | |
| 3 - Payment of PRCI - Age Capital Refund Program | No. of Cooperative Members | Amount in R\$ |
| | 1,068 | R\$ 3,115,133 |
| 4 - Payment of Coffee Programs | No. of Cooperative Members | Amount in R\$ |
| Nespresso AAA Rainforest Program | 591 | R\$ 48,835,379 |
| Rainforest Alliance Program | 399 | R\$ 30,386,270 |
| Specialty Coffee Program | 858 | R\$ 13,467,485 |
| Illy/Cooxupé Program | 103 | R\$ 1,918,700 |
| Special Prize | 50 | R\$ 330,000 |
| Women in Coffee Program | 51 | R\$ 151,873 |
| RGC Coffee Awards - Cooperative Members | 63 | R\$ 88,747 |
| 5 - Punctuality Bonus for Purchase Payments at the Store and CPR Delivery | No. of Cooperative Members | Amount in R\$ |
| | 11,598 | R\$17,512,010 |
| Total overall | | R\$217,253,733 |



RESULTS

In conclusion, we present to the Ordinary General Assembly the allocations under the bylaws of Cooxupé and Law No. 5,764/71, to be deducted from the net surplus of the fiscal year, in the amount of R\$ 286,847,458 (two hundred and eighty-six million, eight hundred and forty-seven thousand, four hundred and fifty-eight Brazilian Reais), as follows:

Direct Allocations

a) R\$ 2,403,148 (two million, four hundred and three thousand, one hundred and forty-eight Brazilian Reais) equivalent to the loss from the corn segment, absorbed through the legal reserve;

b) R\$ 13,043,490 (thirteen million, forty-three thousand, four hundred and ninety Brazilian Reais) equivalent to the net profit with non-members, adjusted by the realization of the revaluation reserve, directly allocated to rates;

c) R\$ 22,586,775 (twenty-two million, five hundred and eighty-six thousand, seven hundred and seventy-five Brazilian Reais) allocated to the development reserve.

After these direct allocations, there remain R\$ 253,620,341 (two hundred and fifty-three million, six hundred and twenty thousand, three hundred and forty-one Brazilian Reais) to be allocated following statutory provisions, as follows:

Statutory Allocations

a) R\$ 76,086,101 (seventy-six million, eighty-six thousand, one hundred and one Brazilian Reais), or 30%, to the legal reserve;

b) R\$ 38,043,051 (thirty-eight million, forty-three thousand, fifty-one Brazilian Reais), or 15%, to rates;

c) R\$ 38,043,051 (thirty-eight million, forty-three thousand, fifty-one Brazilian Reais), or 15%, to the development reserve;

d) R\$ 25,362,034 (twenty-five million, three hundred and sixty-two thousand, thirty-four Brazilian Reais), or 10%, to the social capital account;

e) R\$ 25,362,034 (twenty-five million, three hundred and sixty-two thousand, thirty-four Brazilian Reais), or 10%, the proceeds of which will be distributed to the members.

After these statutory allocations, the Ordinary General Assembly has R\$ 50,724,070 (fifty million, seven hundred and twenty-four thousand, seventy Brazilian Reais), or 20%, remaining for its deliberation on its allocation.

The Executive Board recommends to the Ordinary General Assembly to allocate R\$ 50,724,070 (fifty million, seven hundred and twenty-four thousand, seventy Brazilian Reais), or 20%, for distribution in cash to the members.

SOCIAL



cooxupé

HUMAN CAPITAL OUR EMPLOYEES GRI 2-7, 2-8, 401-1

Human resources management at Cooxupé is structured around a carefully planned system aligned with the organization's overall strategy. Our approach aims to achieve excellence in our operations through practices that not only manage but also encourage engagement and the continuous development of our employees. We have three macro processes: Career, Development, and Training.

In career management, we emphasize the importance of effective recruitment and selection, ensuring the entry of talents aligned with our cooperative culture. The onboarding process is designed to integrate new employees, ensuring a smooth transition into the journey at Cooxupé. We establish clear criteria for career movements, promoting transparency and equity. Our Remuneration Policy (RT) is aligned with performance, rewarding significant contributions.

In **development**, we conduct competency and performance evaluations every year, driving an **Individual Development Plan (PDI)** focused on technical and behavioral growth. In addition to managing organizational climate, identified factors to be worked on through surveys, with the implementation of departmental and corporate action plans.

In the realm of **training**, we invest in the continuous identification of team needs and execution of effective development programs, with constant monitoring to ensure results.

In 2023, Cooxupé had a workforce of 2,591 employees in units distributed in the **Southeast Region**, of which **1,962 (75.72%)** are **men** and **629 (24.28%)** are **women**, with **permanent** contracts being predominant.

Our team is the essence of Cooxupé, embodying the values of Trust, Work, and Cooperation. We believe in building strong and reliable relationships, both internally and externally. Our professionals are dedicated, committed to excellence, and committed to achieving the best results for our members and the community.

Attraction, Retention, and Development of Human Capital and Diversity and Inclusion

GRI 3-3, 2-17, 2-19, 2-30, 401-2, 404-1, 404-2, 404-3

Cooxupé, recognizing the strategic importance of talent management and diversity, invests significantly in the areas of Attraction, Retention, and Development of Human Capital. This investment is reflected in our policies and commitments, demonstrating a solid focus on this aspect and utilizing various tools such as website postings, social media, and institutional partnerships to attract talent.

We have Turnover and Development Index indicators, which play a fundamental role in the continuous evaluation of the effectiveness of our practices. Structured programs, such as the Individual Development Plan (PDI), corporate training, and market-aligned remuneration policies, drive the retention and development of our team. Additionally, all our employees are covered by collective bargaining agreements and/or collective labor agreements.

We encourage internal mobility among employees for more challenging positions, demonstrating our commitment to professional growth. The effectiveness of these measures is continuously monitored through career progressions and competency assessments.

Engagement with partners is essential in our decision-making process, incorporating feedback and suggestions from top management and managers to support the measures taken. While the effectiveness of these actions is still in an early stage of maturity, we reinforce our commitment to transparency and continuous improvement.

In recruitment, we adopt a transparent approach, ensuring clear communication to unsuccessful candidates and utilizing diversity indicators and Service Level Agreements (SLA), supported by the contracted recruitment platform. Our remuneration strategy is based on salary surveys and a structured table approach.

All benefits, including programs like "Back to School," training scholarships, competency management, evaluation cycles, Individual Development Plans, development programs, scholarships, internal programs, language scholarships, and other organization-funded initiatives, are extended to 100% of our employees, both permanent and temporary, who meet the program criteria, solidifying our commitment to professional growth.

Our flagship program, "Back to School," offers employees the opportunity to complete their studies, including school materials and exam reimbursements. Training scholarships are granted based on length of service, related to departmental activities, and can reach up to 50% (specialization) and 80% (undergraduate).

Particularly in the context of temporary hiring during the harvest season, we understand the associated risks. Cooxupé takes a proactive approach in collaboration with the Compliance Department, where collective decisions outline measures and responsibilities, demonstrating our dedication and action in the face of these challenges.

Our organizational competencies, derived from Strategic Planning, guide an annual competency management process, with evaluation cycles and PDIs. The Career Plan, composed of trajectories and matrices, allows employees to move between different axes, planning their development according to their expectations. The annual career cycle assesses the employee's position, analyzing promotion based on the department's movement matrix and considering budget, movement requirements, development, and contribution throughout the year.



Opportunity for the professional market

Cooxupé is also aware of its responsibility to transform the environment in which it operates and, therefore, provides opportunities for students to be inserted into the corporate environment in search of professional development.

IN 2023, THE COOPERATIVE RECRUITED 61 APPRENTICES AND 04 INTERNS.

SESMT AND CIPAT: A NEW LOOK AT SAFETY

From November 27th to December 1st, the Cooxupé SESMT and the CIPAs promoted the 2023 SIPAT. The Internal Week for Accident Prevention at Work discussed the theme "A new look at safety," with lectures on topics such as workplace harassment, emotional and behavioral intelligence, and accident prevention in storage. The speakers also focused on relationships in the workplace and the necessary care for relationships to always be healthy.

Roast

The SIPAT also took place at the Roasting Plant, with the participation of employees and with the support of the SESMT team and the EID (Strategy, Innovation, and Development) department. The lectures addressed topics such as accessibility and social inclusion, quality of life and empathy, and conduct in the professional environment. The event also featured an innovation: the first recipe contest with Evolutto or Prima Qualità coffees, in which employees competed for prizes by developing sweet or savory recipes with the cooperative's coffees.





MBA COOPERATIVE MANAGEMENT

The graduation of the second class of the MBA Cooperative Management course took place on July 13, composed of 41 employees from Cooxupé and Agrocredi.

The specialization is the result of a partnership between the cooperatives, the OCEMG-Sescop System, and Fundace. The students presented their course completion projects to the board, addressing relevant topics such as sustainability in agribusiness, benefits to cooperative members, and loyalty, among others. Certificates were awarded by the president of Cooxupé, Carlos Augusto Rodrigues de Melo; vice-president, Osvaldo Bachião Filho; vice-president of Agrocredi, Luiz Alberto Andrade; a faculty member of the course and representative of Fundace, Davi Rogério de Moura Costa; and by Fundace professor, Adriana Maria Procópio de Araújo.

This MBA aims to provide specialized training for employees in business management, expanding knowledge and forming a cooperative that is increasingly strong, active, and capable in the face of the challenges of the cooperative world.

Faculty of Technology of the State of São Paulo - Fatec Mococa

The higher education institution and the Information Technology department of the cooperative are partners in offering projects in the area of scientific initiation, creating short-term courses, and supervised internships at Cooxupé. The partnership promotes an exchange of knowledge between students and professors.

Pontifical Catholic University - PUC Minas

Through this partnership, an internship program is offered, opening the doors of the corporate world to students.

Monte Santo de Minas

Between November 6th and 17th, Senar de Monte Santo de Minas promoted a Coffee Classification and Tasting course. The 40-hour qualification was conducted in partnership with Cooxupé and the Rural Producers Union of the city.

The training was offered to the young population of the Lagoa community, involving children and employees of rural producers in the region. Many of the participants are members of Cooxupé. The goal is to encourage young people to continue their parents' work in the field to prevent rural exodus, as well as to help coffee growers understand more about coffee quality.



Field training benefits cooperative members and professionals

Since 2011, Cooxupé and the Faemg/SENAR System have maintained an agreement to conduct courses and training for professionals directly involved in rural life. The training leads to the improvement of techniques in rural daily life, resulting in increasingly professionalized activity.

From the beginning, the covenant has trained more **43,000 people** in more of **4,000** performed courses .



The renewal of the partnership for 2023 took place at FEMAGRI. In the last year alone, more than 6,500 participants were trained during 684 courses. The beneficiaries of the partnership include employees, members of cooperatives, and producers.

Association of Cooxupé employees:

space reserved for employee leisure and official cooperative events



Located in Guaxupé, Assoxupé is the place where employees participate in various events throughout the year and hosts official events of Cooxupé.



This space also serves as a venue where groups of cooperatives and visitors are received by the executive board of the cooperative during breaks in the schedules of various activities, such as visits, for example.

Assoxupé features sports courts, a kiosk, a gym, and a social hall.

In 2023, the Association hosted several events such as friendly matches, field soccer, and truco championships, feijoada (traditional Brazilian stew), pagode, children's party, master dance, among others



COFFEE CUP: CONILON TEAM IS THE CHAMPION OF THE 1ST EDITION OF THE CHAMPIONSHIP

The 1st Coffee Cup was held from September to November, with the participation of employees and dependents of the headquarters. The teams Café Bourbon, Mundo Novo, Acaiá, and Conilon competed in several high-level games. The championship brought together 130 participants.

CHILDREN'S PARTY

On Children's Day, Assoxupé promoted a lot of fun through the party organized by the Association to celebrate the date. In 2023, the event featured lots of games, popsicles, cotton candy, popcorn, and soft drinks.



ESG Indicators - Attraction, Retention, and Development of Human Capital

| INDICATOR | GRI | CODE | 2023 RESULT |
|--|---|---------|--|
| Total number of employees | GRI 2: General Contents 2021 2-7 Employees | 2-7 a | 2,591 employees <small>See details below (*)</small> |
| Total number and rate of new employee hires | GRI 401: Employment 2016 | 401-1-a | 401 employees 15.48% <small>See details below (**)</small> |
| Total number and employee turnover rate | GRI 401: Employment 2017 | 401-1-b | 2,591 employees 25, 49 |
| Average hours of training performed by employees | GRI 404: Training and Education 2016 | 404-1-a | 28 hours and 22 minutes |

Total number of employees: 2,591
Employee turnover rate: 25.49%

Employee new hire rate: 15.48%

(*) Total number of employees:

| Gender | Quantity | AGE RANGE | Quantity |
|--------------|--------------|----------------------------------|--------------|
| Female | 629 | From 1945 to 1964 - Baby Boomers | 69 |
| Male | 1,962 | From 1965 to 1984 - Generation X | 1,001 |
| Total | 2,591 | From 1985 to 1999 - Generation Y | 1,250 |
| | | From 2000 - Generation Z | 271 |
| | | Total | 2,591 |

(**) Total number and rate of new employee hires

| Gender | Qty | AGE GROUP | Qty |
|--------------|------------|----------------------------------|------------|
| Female | 128 | From 2000 - Generation Z | 145 |
| Male | 273 | From 1965 to 1984 - Generation X | 73 |
| Total | 401 | From 1985 to 1999 - Generation Y | 183 |
| | | Total | 401 |

Only employees hired in 2023 and who remained hired on 12/31/2023 were considered.

Maternity/paternity leave

GRI 3-3, 401-3

The cooperative reaffirms its commitment to valuing and supporting its employees, following current legislation and maintaining a dialogue with the union. In this context, we offer maternity and paternity leave that comply with legal requirements, providing our employees with an environment conducive to fully dedicating themselves to family care during the leave period.

For mothers, we grant a maternity leave of 120 days, recognizing the importance of this period for the health and well-being of both the mother and the newborn, while for fathers, we grant a paternity leave of 5 days, acknowledging the necessary participation in this initial stage.

Pregnant Women Welcoming Program

In total, in 2023, 80 women were served through the initiative. The Welcoming Pregnant Women program aids female employees and their spouses, as well as the partners of male employees, with the aim of offering support and guidance to families welcoming a new member. Thus, pregnant women enrolled in the initiative participate in lectures and events promoted by Unimed; receive the "Informed Mommy Manual" until the 3rd month of pregnancy, containing various information, and until the 8th month of pregnancy, the maternity kit, including diapers, bag, medicines, among others.



ESG Indicators - Maternity/Paternity Leave

| INDICATOR | GRI | CODE | 2023 RESULT |
|--|--------------------------|---------|-------------|
| Total number of employees eligible for maternity/paternity leave | GRI 401: Employment 2018 | 401-3-a | 78 |
| Total number of employees who took maternity/paternity leave | GRI 401: Employment 2019 | 401-3-b | 78 |
| Total number of employees who returned to work after the end of maternity/paternity leave | GRI 401: Employment 2020 | 401-3-c | 78 |
| Total number of employees who returned to work after the end of maternity/paternity leave and remained employed twelve months after their return to work | GRI 401: Employment 2021 | 401-3-d | 58 |
| Rates of return to work and retention of employees who took maternity/paternity leave | GRI 401: Employment 2022 | 401-3-e | 74.4 |

Climate Survey



In 2023, the climate (employee engagement) survey, conducted with 2,005 employees, with an 82% participation rate, revealed an overall climate index of 85.9 points.

We achieved the FEEEx Certification - Organizational Climate by fully meeting the two essential criteria: ensuring employee participation in the survey, equal to or greater than the minimum sample established for our size and achieving an organizational climate index (i-CO) equal to or greater than 75 points. Additionally, we were awarded the Amazing Places to Work Award (LIPT), an initiative of UOL and the Foundation Institute of Administration (FIA) that highlights Brazilian companies with the highest levels of employee satisfaction, based on the FIA Employee Experience (FEEEx) survey. We are proudly positioned among the 150 amazing places to work.

Following the completion of the survey, we developed a comprehensive corporate action plan, while managers developed specific plans for their departments. Currently, areas that showed a leadership index below 7.0 in the climate survey are monitored by the People Department, demonstrating our commitment to improving the work environment and employee satisfaction.





Diversity and Inclusion

GRI 3-3, 405-1, 406-1

In terms of promoting diversity and inclusion, our approach includes training, integration processes, and the design of a specific project to include people with disabilities.

These actions reflect our commitment to a conscious and responsible work environment, strengthening the local economy and contributing to the general well-being of the community. We recognize our role in fostering, building, and consolidating a journey and diverse, equitable, and inclusive environments. Therefore, we envision investing more in diversity and inclusion, for ethical and strategic reasons, and to become more innovative, sustainable, and resilient, while promoting justice and equity throughout the production chain.

In terms of recruitment and selection, we adopt the SLA vacancy indicator to monitor the representation of women in leadership positions and minority groups in more complex roles. Regarding development, we monitor the development index derived from the PDI, the number of employees with active objectives, competency assessment, training hours, and other career matrix indicators. Our goal is the continuous development of employees to positively reflect on organizational performance.

To measure the effectiveness of the measures and their progress towards the goals, we conduct periodic evaluations aligned with our strategic agenda, ensuring that our practices are in line with the organization's strategy for the future.

Our development in diversity management aspects, integration processes, recruitment, and selection, as well as in the context of development management, has led to the inclusion of new practices through process redesign and the structuring of policies and guidelines, such as the Recruitment and Selection Policy, Remuneration Policy, Development Cycle, and Career Cycle. We closely monitor indicators such as the presence of women in leadership positions, female distribution at various professional levels, and the inclusion of people with disabilities (PWDs).

BELOW ARE THE BREAKDOWNS OF OUR EMPLOYEE ROSTER CLASSIFIED BY POSITION, GENDER, AND AGE GROUP.

ESG Indicators - Diversity and Inclusion

| INDICATOR | GRI STANDARD | CODE | 2023 RESULT |
|--|---|---------|-------------|
| Percentage of employees by functional category in each of the following diversity categories: - Gender - Age | GRI 405: Diversity and Equal Opportunities 2016 | 405-1-b | See Below |
| % of employees informed or who participated in events addressing diversity and inclusion themes. | n/a | n/a | 92% |

Gender

| Functional Category | Female | Male | Total | Female | Male |
|---------------------|------------|--------------|--------------|---------------|---------------|
| Administrative | 241 | 288 | 529 | 45,56% | 54,44% |
| Head | 8 | 46 | 54 | 14,81% | 85,19% |
| Sales | 41 | 119 | 160 | 25,63% | 74,38% |
| Board of Directors | - | 2 | 2 | 0,00% | 100,00% |
| Employees | - | 18 | 18 | 0,00% | 100,00% |
| Management | 7 | 40 | 47 | 14,89% | 85,11% |
| Maintenance | 1 | 93 | 94 | 1,06% | 98,94% |
| Operations | 189 | 978 | 1.167 | 16,20% | 83,80% |
| Superintendence | - | 6 | 6 | 0,00% | 100,00% |
| Supervision | 9 | 74 | 83 | 10,84% | 89,16% |
| Technicians | 133 | 298 | 431 | 30,86% | 69,14% |
| Total | 629 | 1,962 | 2,591 | 24,28% | 75,72% |



Age group

| | From 1945 to 1964 | From 1965 to 1984 | From 1985 to 1999 | From 2000 - | |
|---------------------|-------------------|-------------------|-------------------|--------------|--------------|
| Functional Category | Baby Boomers | Generation X | Generation Y | Generation Z | Total |
| Administrativo | 3 | 107 | 300 | 119 | 529 |
| Chefia | 1 | 41 | 12 | - | 54 |
| Comercial | 3 | 69 | 82 | 6 | 160 |
| Diretoria | 1 | 1 | - | - | 2 |
| Encarregados | 3 | 9 | 6 | - | 18 |
| Gerência | 4 | 37 | 6 | - | 47 |
| Manutenção | 4 | 34 | 51 | 5 | 94 |
| Operacional | 46 | 516 | 470 | 135 | 1.167 |
| Superintendência | 1 | 5 | - | - | 6 |
| Supervisão | - | 54 | 29 | - | 83 |
| Técnicos | 3 | 128 | 294 | 6 | 431 |
| Total | 69 | 1,001 | 1,250 | 271 | 2,591 |

| From 1945 to 1964 | From 1965 to 1984 | From 1985 to 1999 | From 2000 - |
|-------------------|-------------------|-------------------|--------------|
| Baby Boomers | Generation X | Generation Y | Generation Z |
| 20.23% | 56.71% | 22.50% | 0.57% |
| 75.93% | 22.22% | 0.00% | 1.85% |
| 43.13% | 51.25% | 3.75% | 1.88% |
| 50.00% | 0.00% | 0.00% | 50.00% |
| 50.00% | 33.33% | 0.00% | 16.67% |
| 78.72% | 12.77% | 0.00% | 8.51% |
| 36.17% | 54.26% | 5.32% | 4.26% |
| 44.22% | 40.27% | 11.57% | 3.94% |
| 83.33% | 0.00% | 0.00% | 16.67% |
| 65.06% | 34.94% | 0.00% | 0.00% |
| 29.70% | 68.21% | 1.39% | 0.70% |

Fair Labor Practices, Health and Safety, and Human Rights

GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

FAIR LABOR PRACTICES DEMONSTRATE A COMMITMENT TO EQUITY, TRANSPARENCY, AND ETHICS IN LABOR INTERACTIONS TO ENSURE A FAIR ENVIRONMENT FOR EMPLOYEES.

Additionally, an organization that cares about and promotes good practices for the health and safety of its internal audience contributes to long-term sustainability by ensuring the well-being and motivation of its workforce, reducing occupational risks, increasing productivity, and commitment of its teams, thus contributing to business continuity.

We recognize that the absence of action in this aspect directly impacts the health and physical integrity of workers, opens up legal proceedings related to labor issues, and has economic repercussions with increased costs or inefficiency of spending. Therefore, we act responsibly to comply with regulatory aspects, minimizing negative impacts and maximizing positive impacts. We have established a specific internal standard entitled Occupational Health and Safety that guides a series of activities aimed at meeting the legal requirements stipulated in Law No. 6,514/1977, specifically regarding compliance with regulatory standards.

The health and safety management system extends to all Cooxupé establishments, covering 100% of employees, i.e., 2,591 people. Both aspects of Occupational Health and Safety and Human Rights are addressed in the commitments and practices established in our Code of Ethical Conduct.

We maintain a team of Occupational Health and Safety professionals in our staff, composed of multidisciplinary professionals dedicated to establishing actions to ensure the resolution of situations. The measures proposed to prevent and mitigate impacts related to the issue are:

1. Guidance for employees on the company's responsibilities and commitments to the topic;
2. Open ombudsman channel for handling cases, preserving the interlocutor's identity;
3. Adoption of safety devices in all activities that require them, such as Personal Protective Equipment (PPE), Collective Protective Equipment (CPE), safety standards, work instructions, and training;
4. Treatment of the issue in regulatory tools, with emphasis on Labor Regulatory Standards (NRs) and through the Occupational Risk Management Program (PGR) and with the materialization of Environmental Work Risk Maps, with internal risk conditions grouped into chemical, physical, biological, ergonomic, and accident risks;
5. Inclusion of measures taken in the Risk Management Program (PGR) for evaluation of its effectiveness;
6. Investigation and identification of causes of occupational accidents and definition of actions for their elimination and/or mitigation;
7. Monitoring the execution of actions to eliminate and/or mitigate the causes of accidents and their effectiveness.

For the implementation of the Risk Management Program, developed for each establishment of the cooperative, a risk assessment of activities is carried out, and techniques are used for the grading of occupational risks, defining the level of criticality for decision-making. Measures are established to prioritize the elimination of the generating situation, and if elimination is not possible, the neutralization of the risk agent is suggested. If there is no success, individual protection measures for employees are used. The risk assessment is carried out by the technical team of the Specialized Service in Safety and Occupational Medicine (SESMT) of Cooxupé, whose purpose is to promote health and protect the integrity of workers in the workplace and is composed of Technicians, Doctors, and Occupational Safety Engineers. All risk management is recorded in our Senior computerized system, which allows for data extraction for monitoring indicators, using as references the specific standards applicable to Cooxupé.

Periodic assessments are conducted to ensure risk control and continuous improvement of work processes, always aiming to adapt work/environment to humans. All workers are instructed upon admission on risk prevention and actions to be taken in emergencies, as well as informed about the right to refuse in situations of serious and imminent risks to their safety and health or that of others.

Worker involvement is carried out through on-site activity evaluation and through the participation of the Internal Accident Prevention and Harassment Committee (CIPA). The committee is formed by employers and workers, with monthly meetings and responsibilities including:

1. Observance and reporting of risk conditions in the workplace;
2. Requesting measures to reduce existing risks until they are eliminated and/or neutralized;
3. Recording workers' risk perceptions through the risk map;
4. Participation in the development and implementation of programs related to occupational safety and health;

5. Monitoring the analysis of work-related accidents and diseases, in accordance with NR-1 and proposing, when applicable, measures to solve the identified problems;
6. Requesting from SESMT information on issues related to workers' safety and health, including Accident Reports issued by the organization, safeguarding medical confidentiality and personal information;
7. Conducting jointly with SESMT, the Internal Week for Accident Prevention at Work (SIPAT), as defined by CIPA;
8. Including themes related to prevention and combating sexual harassment and other forms of violence in the workplace in their activities and practices.

Regarding training, through the risk analysis of the PGR, the need for specific training for each risk situation is identified, and therefore, appropriate training is provided. In 2023, several training sessions were conducted with Cooxupé staff according to the risk identification of the PGR, such as work at heights, confined space, forklift operation, electrical services, emergency response, among others, demonstrating Cooxupé's commitment to training and prevention of risks to its employees.



Good Blood Program

This Cooxupé initiative encourages employee solidarity in blood donation, contributing to the stock of Blood Banks in Ribeirão Preto, Alfenas, Poços de Caldas, and Uberlândia. In Guaxupé, the campaign took place in March, June, and October, with the participation of 106 employees. In Monte Carmelo, the campaign occurred in May, involving 38 donors.

We act in a preventive way,

Through the actions of Passive Occupational Health Surveillance and with the use of information on spontaneous demand from employees seeking medical services. Regarding Active Occupational Health Surveillance, through directed medical examinations, in addition to the exams provided for in NR, we collect data on signs and symptoms of health problems related to occupational risks for proper decision-making. We have a partnership with the Unimed network to expand health services to our employees and their families, as well as distribute informative bulletins covering health and safety in the workplace.

As established procedures, in cases of workplace accidents or accidents during commutes, the involved employees must be immediately referred to the local Emergency Room, and the Human Resources Department of SESMT (DRH-SESMT) must be informed. For cases where there are brigades on-site, preferably, rescue measures should be carried out by them. It is established that work at the site of the occurrence should, as far as possible, be halted until the representative of DRH-SESMT and/or CIPA concludes the investigation. If the occurrence is considered an accident, the Occupational Health and Safety Management (SESMT) issues the Work Accident Report (CAT). It is emphasized that all investigations will be preceded by control measures to eliminate the source of the risks.

ESG Indicators - Fair Labor Practices, Health and Safety and Human Rights

| INDICATOR | GRI | CODE | 2023 RESULT |
|--|--|--------------|-------------|
| Total number of deaths resulting from workplace accidents | GRI 403: Occupational Health and Safety 2018 | 403-9-a-i. | 0 |
| Rate of deaths resulting from workplace accidents | GRI 403: Occupational Health and Safety 2018 | 403-9-a-i. | 0 |
| Total number of accidents with serious consequences | GRI 403: Occupational Health and Safety 2018 | 403-9-a-ii. | 0 |
| Rate of accidents with serious consequences | GRI 403: Occupational Health and Safety 2018 | 403-9-a-ii. | 0 |
| Total number of mandatory communication accidents | GRI 403: Occupational Health and Safety 2018 | 403-9-a-iii. | 60 |
| Rate of mandatory communication accidents | GRI 403: Occupational Health and Safety 2018 | 403-9-a-iii. | 15.25 |
| Number of hours worked for all employees | GRI 403: Occupational Health and Safety 2018 | 403-9-a-v. | 3,934,249 |
| Number of deaths resulting from occupational diseases for all employees | GRI 403: Occupational Health and Safety 2018 | 403-10-a-i. | 0 |
| Rate of deaths resulting from occupational diseases for all employees | GRI 403: Occupational Health and Safety 2018 | 403-10-a-i. | 0 |
| Total number of accidents (with and without absenteeism) | n/a | n/a | 87 |
| Accident frequency rate | n/a | n/a | 15.25 |
| Severity rate | n/a | n/a | 74.47 |
| Days Lost | n/a | n/a | 394 |
| Number of cases of mandatory communication of occupational diseases for all employees | GRI 403: Occupational Health and Safety 2018 | 403-10-a-ii. | 0 |
| Percentage of employees trained in human rights policies or procedures related to relevant human rights aspects for operations | GRI 412: Human rights assessment 2018 | 412-2-b | 92% |
| Number of employees trained in human rights policies or procedures related to relevant human rights aspects for operations | GRI 412: Human rights assessment 2018 | 412-2-b | 2,268 |

Management of Cooperative Members and Other Suppliers

GRI 3-3, 2-29, 308-1, 308-2, 414-1, 414-2

The cooperative model, by its nature, is essentially sustainable: it is built by people, for people, and provides the inclusion of small producers, allowing them to play a central role in the coffee chain. Over the years, Cooxupé has consolidated its position as a leader in receiving, processing, and marketing coffee.

This growth has become possible thanks to the support of over 19,000 cooperative members, our main suppliers, of which 96.7% are family farmers, namely, small and mini producers. In this way, we promote a sustainable model that empowers and strengthens local producers, who contribute daily to the development of the cooperative.

PROFILE OF COOPERATIVE MEMBERS

More than 19,000 cooperative members.

This is the universe of the associative framework of Cooxupé, which accounts for the production of arabica green coffee in the regions of Southern Minas, Cerrado Mineiro, Matas de Minas, and the Média Mogiana region of the state of São Paulo.

Out of this total of cooperative members, 13,752 producers delivered coffee to Cooxupé in 2023, representing 5,294,852 sacks.

Detailed profile of the 13,751 cooperative members who delivered coffee to Cooxupé in 2023:

| | |
|--------------------------------------|--|
| Family Farming: 0 to 500 bags | |
| 11,660 cooperative members 84.8% | |
| 1,649,850 bags 31.2% | |
| Small Producer: 501 to 2,000 bags | |
| 1,635 cooperative members 11.9% | |
| 1,506,701 bags 28.5% | |
| Medium Producer: 2,001 to 5,000 bags | |
| 339 cooperative members 2.5% | |
| 1,015,370 bags 19.2% | |
| Big Producer: 5,001 to 10,000 bags | |
| 83 members - 0.6% | |
| 562,505 bags - 10.6% | |
| Large Producer: above 10,000 bags | |
| 35 cooperative members 0.3% | |
| 560,426 bags 10.6% | |



Predominance of Family Farming

Internationally recognized, Cooxupé's strength comes from family farming and other cooperative members who account for larger productions. Of the coffee growers who delivered coffee in 2023 to the cooperative,

96.7% fit the profile of family farming, meaning they are small and mini producers, who together represent 59.7% of coffee receipts.



Cooxupé Stores and Emporium: the cooperative's brand always close to the member

In these spaces, cooperative members find various products to facilitate their daily lives, whether in normal routines or in agriculture. The Emporium, for example, gathers exclusive items with Cooxupé's own brand so that cooperative families and visitors have the cooperative very close to their lives. In it, customers find the coffees produced by the Roasting Plant, as well as hats, bags, watches, wallets, pans, belts, among other articles.

JAPY COMPLEX

The giant of the industry and storage

Built by the cooperative, the Japy Industrial and Storage Complex revolutionized the coffee production chain with bulk storage. The venture was designed for coffee outflow, making logistics more efficient and ensuring more quality in the processes of receiving, storing, and distributing coffee.

The total storage capacity is 2,991,643 sacks.

We want to extend to all who are part of this collective the opportunity to lead changes and innovations. Therefore, we seek to support the producer and the entire value chain, promoting and providing support in the production stages.

We offer our complete cooperative structure, with technical assistance, training and technical formations, supply of agricultural inputs, storage and processing, market access, credit access, coffee marketing, participation in events, certifications and socio-environmental programs, and contracting of medical assistance. To ensure transparency and credibility to the process, the cooperative and its members are regularly subjected to third-party verifications. This ensures compliance and evolution of producers in different sustainability levels, as well as assessing Cooxupé's commitment to actively support its associates.

PRESENCE IN THE SPECIALTY COFFEE MARKET

Twelve years ago, SMC Specialty Coffees was born with a focus entirely on the market for fine, certified, and specialty coffees. Controlled by Cooxupé, the company serves cooperative families that produce this type of coffee, always developing actions to add value to the coffee activity of producers, putting them in contact with this select market.

As a result, annually SMC negotiates with producers and markets their coffees. In 2023, the company shipped 154,885 bags.

Shipments of specialty coffees by SMC:
Foreign market: 138,834 bags Domestic market: 16,051 sacks



The specialty coffee program, created by Cooxupé and SMC Specialty Coffees – a company controlled by the cooperative in this market niche, selected and awarded the 50 best lots of specialty coffees from the 2023 harvest.

The "Especialíssimo" program is open only to Cooxupé cooperative families. To compete, coffee must be deposited at the cooperative or SMC by September 30th of the respective year. Last year, the total prize was R\$ 330,000.

Novelty

A ranking made by the cooperative and SMC determined the criteria for participation in the program. In 2023, the new requirement among the criteria was the "Protocolo Gerações" (Generation Protocol), Cooxupé's own Sustainability Program, which replaced the sustainability level stipulated in 2022. This meant that, concerning good practices in production and harvesting, cooperative families met the sustainability requirements established by the "Protocolo Gerações."



Best specialty coffees of the 2023 harvest

The best specialty coffee harvested in Cooxupé's area of operation in 2023 was from cooperative member Edenilson Aparecido de Carvalho, from the city of Caldas/MG, scoring 89.75 points. He was awarded R\$ 50,000.

With a score of 89.68, the specialty coffee produced by cooperative member Adriano Muniz, from Cabo Verde, was the runner-up and awarded R\$ 30,000.

Also, with a score of 88.50, the coffee from cooperative member Dulce Vieira Franco de Souza, from Campestre, achieved third place and received the prize of R\$ 20,000.

The award ceremony took place on November 3rd at the Clube Guaxupé.

Assessments

All 50 lots selected by "Especialíssimo" underwent evaluation by a team composed of Q-graders, licensed professionals with extensive knowledge in classifying and tasting coffees. The team was led by Flávio Borém, head judge of the Program, a lecturer at the Federal University of Lavras (UFLA), and a specialist researcher in specialty coffees.

The ranking of the 50 lots is done according to the scores of each coffee, following the SCAA - Specialty Coffee Association of America protocol. The score represents the technical and sensory attributes, including sweetness level, acidity type, flavor lingering time, among others.





The 10 best lots of specialty coffees from Cooxupé's 2023 harvest, selected by the Especialíssimo Program:

Market

Quickly absorbed by the market, the lots selected through Especialíssimo are commercialized in Brazil, with the majority directed towards export to buyers in countries such as Japan, England, the United States, Ireland, Italy, Greece, Australia, and South Korea. The number of lots received shows growth every year. In 2023, there were 113,965 identified sacks of specialty coffees received. The award ceremony conducted by Cooxupé in partnership with SMC, which selects the 50 best lots of the current harvest, has been successful and is seen as a great incentive for cooperative families striving to produce excellent coffees.

For ranking, the number of received lots shows growth

| YEAR | No. OF SACKS | BATCHES | No. OF COOPERATIVE MEMBERS |
|------|----------------|---------|----------------------------|
| 2019 | 33.7 thousand | 649 | 263 |
| 2020 | 49.9 thousand | 771 | 431 |
| 2021 | 62.1 thousand | 1203 | 703 |
| 2022 | 99.3 thousand | 2049 | 1267 |
| 2023 | 113.7 thousand | 2426 | 1167 |

Special Crop 2023

During the Especialíssimo award ceremony, Cooxupé's Roasting Plant launched the Prima Qualità Special Harvest 2023 coffee with limited edition in the Brazilian retail market. Each year, this product is produced from a selection among the finalist lots of the Especialíssimo Program. With 100% arabica coffee type, this line has a score of 87.5 points; fruity aroma; syrupy body; and sensory notes of cherry and caramel. It also includes finalist microlots from cooperative members Carlos Paulino de Sousa, from Lambari (MG); Ronaldo Reis Madeira, from Nova Resende (MG); and Adolfo Henrique Vieira Ferreira, from Monte Belo (MG).



1st) Ednilson Aparecido de Carvalho
City of Caldas, Campestre nucleus.



2nd) Adriano Muniz
City and nucleus of Cabo Verde.



3rd) Dulce Vieira Franco de Souza
City and nucleus of Campestre.



4th) Weber Marcos Dias
City of Poços de Caldas, Botelhos nucleus.



5th) Túlio Henrique Renno Junqueira
City of Heliadora, Lambari nucleus.



6th) Carlos Paulino de Souza
City and nucleus of Lambari.



7th) Alex Sandro Cardoso
City of Bom Jesus da Penha, Nova Resende nucleus.



8th) Thales Eduardo da Silva Carvalho
City of Caldas, Campestre nucleus.



9th) Thiago Henrique Maringoli Muniz
City and nucleus of Cabo Verde.



10th) Marcelo Edinan Teixeira
City of Bandeira do Sul, Campestre nucleus.

Premiação

CHAMPION: R\$50 thousand.

2nd and 3rd PLACES:

R\$30 thousand and R\$20 thousand, respectively.

4th place: R\$13 thousand.

5th place: R\$12 thousand.

6th place: R\$11 thousand.

7th place: R\$10 thousand.

8th place: R\$9 thousand.

9th place: R\$8 thousand.

10th place: R\$7 thousand.

Cooperative members ranked **between 11th and 50th places:** prize pool of R\$4,000 each.

Ladies of Coffee

This program was created to celebrate and valorize the presence of women in coffee farming and specialty coffee production. The professionalization of women in this market occurs through actions that include courses, lectures, bonuses, and meetings.

Lectures and Workshops

On January 31st, SMC held a meeting for the Ladies of Coffee project, featuring lectures and workshops focused on the preparation of specialty coffees and topics related to sustainability.

The meeting was divided into two blocks. In the first block, discussions covered subjects such as sustainable management, physiological care of coffee plants, climatic conditions, pests, and diseases in coffee plantations, how sustainability influences decision-making, sustainable development, and the Gerações Protocol, aiming at current and future market demands. In the second block, a workshop on specialty coffee preparation methods took place, involving all participants.



Meeting

On May 4th, SMC organized a meeting about the Ladies of Coffee project, which is gaining more and more space in the specialty coffee niche. Both for its equity proposal and for the quality and consistency of the coffees sold, the United States, Japan, Italy, South Africa and England are some of SMC's clients who support the initiative and seek to actively participate in the project.

During the meeting, cooperative members who commercialized specialty coffees with SMC in 2022 received a participation certificate and a bonus obtained through negotiations with the clients of the company controlled by Cooxupé. Additionally, they participated in a lecture about trajectories and partnerships in the specialty coffee market, with the owner of the Caxambu & Aracaçu farms, Carmen Lúcia Chaves de Brito.

International Women's Day is celebrated at Cooxupé's headquarters and units.

To honor and valorize the role played by the cooperative's collaborators not only in favor of coffee farming but in all activities to which they dedicate themselves, Cooxupé celebrated International Women's Day with a lecture by Elvira Cruvinel, a doctor in Public Administration and professor at the Getúlio Vargas Foundation (FGV). The meeting took place on March 8th at the headquarters in Guaxupé and was broadcasted live to the other cooperative units.

The event addressed the theme "Cooperative Light: hope for a better world", encompassing the importance of entrepreneurial, sustainable, and cooperative attitudes as a way to strengthen and value women's work.

Additionally, the units of Araguari, Coromandel, and Guaxupé also celebrated the date with their female collaborators. In Rio Paranaíba, the "Women's Connection" event brought a series of lectures involving female employees and cooperative producers.



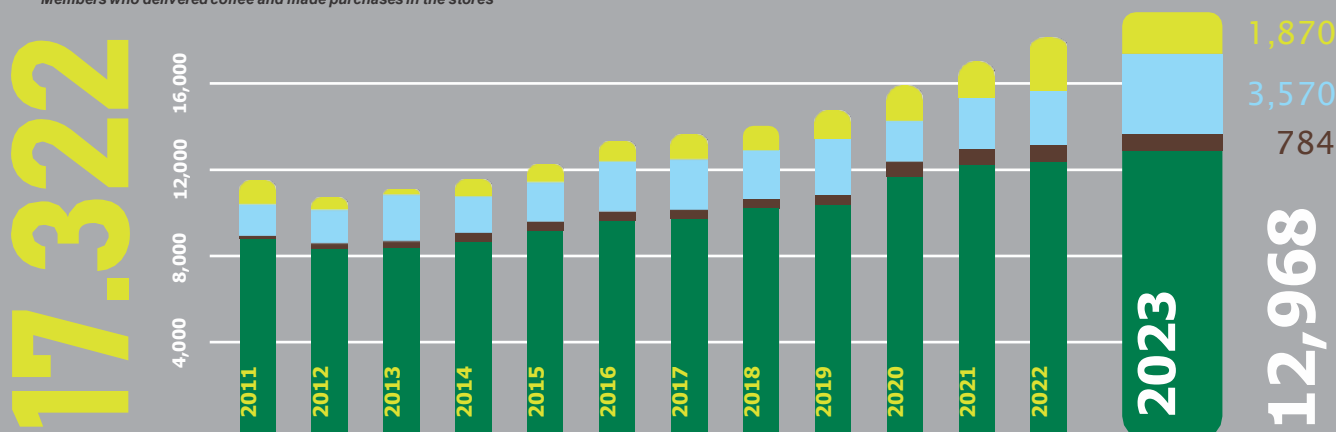
COOPERATIVE MEMBERS AWARDED BY RGC COFFEE

The Canadian company RGC Coffee, a commercial partner of Cooxupé, awarded lots of coffees produced exclusively by women for the third consecutive year. **In 2023, 63 cooperative members were awarded with a total value of R\$ 88,746.00 for the shipment of 1,917 sacks of coffee.**

Headquartered in Montreal, Canada, RGC operates in the premium and specialty coffee market; values sustainable productions and maintains a special line of coffees produced only by women.

- Members who did not engage in store and coffee transactions
- Members who only made purchases in the stores
- Members who only delivered coffee
- Members who delivered coffee and made purchases in the stores

Participation of Cooperative Members in Coffee/Store Operations (over the last 10 years)



Campaigns for Cooperative Members

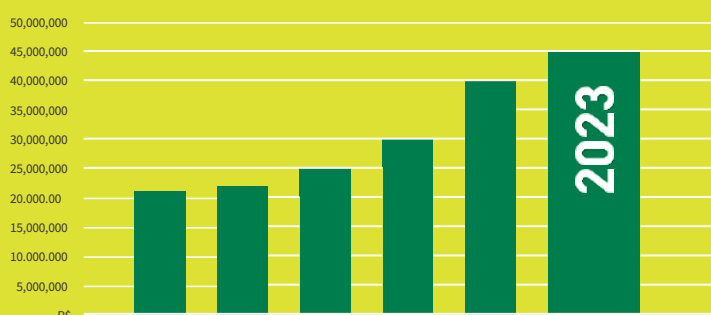
- 58% Soil fertilizers
- 17,4% Pesticides
- 10,3% Machinery implements, tractors, and harvesters
- 4,5% Animal nutrition
- 3,0% Foliar fertilizers
- 6,7% Others

Distribution by Groups in 2023

Foliar Fertilizer (R\$)

Foliar Fertilizer In 2023, Cooxupé recorded significant growth in the sales value of the foliar fertilizer line, despite the decrease in the average price compared to the previous year.

Part of this sales growth was attributed to the increase in Cooxupé's own brand line (KAFÉ), which represented approximately 11% of the total foliar fertilizers sold in 2023, the first year of sales.



Soil Fertilizer

The average price per ton of soil fertilizers decreased by about 32% in 2023 compared to 2022. Despite this, the total sales volume in tons increased by around 9%.

Machinery and Implements

Given that coffee prices were below average in 2023 compared to 2021 and 2022, cooperative members waited for market reactions before making investment purchases. However, stable RL interest rates at 15% increased the search for bank financing and "Vect.ag". Consequently, Cooxupé identified an increase in sales of precision agriculture technologies, drones, harvesters, and autopilots.

New partnerships, such as irrigation, contributed to achieving goals and increased coffee production and quality. Campaigns like Mecanize, Femagri, and Feira do Cerrado played a significant role in anticipating market trends. Thus, 2023 ended with 107% of the goal achieved and a 40% increase in value compared to the previous year.

Inputs

Due to the fact that the average price of inputs decreased proportionally more than the price of coffee, Cooxupé saw good acceptance of sales in the Coffee Barter modality in 2023. Almost 220 thousand sacks of coffee were locked in 2023 to be received in 2024, triple the amount compared to the previous year.

The participation of cooperative members in coffee and store operations in 2023 was approximately 93%, meaning that more than 17,000 producers carried out some type of transaction, either delivering coffee and/or making purchases in the stores. The total number of participating members was 17,322.

Pesticides

The pesticide line had a significant impact in 2023 due to the drop in herbicide prices (market fluctuation), which fell in some cases to less than half of the price practiced in 2022. Consequently, the total revenue was slightly lower than the previous year. However, Cooxupé grew in terms of volume sold and treated hectares, reaching a 40% share in our members' operations (considering all crops).

Coffee with Profit

The traditional CCL (CAFÉ COM LUCRO) was held from September 19th to 25th, across all Cooxupé units. The campaign launch had 3.8 thousand participants. Coffee with Profit offers producers facilitated conditions for acquiring inputs, always aiming for the next harvest and, consequently, improved production, productivity, and coffee quality. Among the benefits, the cooperative offers its members, in CCL, the advantages of cash or credit sales. The concession is made based on each producer's credit limits and an analysis of their loyalty to the cooperative.



Prepared Cooperatives for Harvest



Management Development and Cooperative Education Program

On June 15th, the graduation ceremony for the 4th class of the Management Development and Cooperative Education Program was held. result of the partnership between Cooxupé, the OCEMG System - SESCOOP, and Fundace, the course trains cooperative producers and expands the knowledge of its students, contributing to a cooperative that is increasingly strong, active, and capable in the face of the challenges of cooperativism.

The final course projects were presented by the students to the directors and superintendents, highlighting various topics of interest to Cooxupé.

In August, the same graduating class visited São Paulo to tour B3, the Brazilian Stock Exchange, and then went to Holambra, in the interior of São Paulo, where they visited the Veiling Cooperative, considered the largest commercial center for flowers and ornamental plants in Brazil. During these visits, the cooperatives expanded their knowledge, as well as learned more about the challenges of the cooperative world.

Safety to the cooperative member

Ensuring the safety of coffee and corn while being transported to Cooxupé storage units is of fundamental importance to the cooperatives. Understanding the relevance of logistics during the harvest, the cooperative provides its members with free transport insurance for these two loads while they leave the property and are on their way to Cooxupé.

To have this benefit, the vehicle transporting the loads must be licensed, in good maintenance and conservation condition, with all necessary equipment for the protection of coffee and corn. It is also necessary for the driver to be licensed and for the documents to be up to date. Every Cooxupé member is entitled to this benefit.

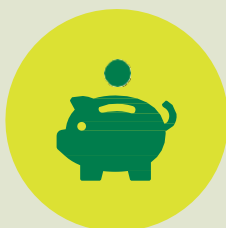


Program holds annual meeting in Guaxupé on October 5th, bringing together former students for a program that extended throughout the day, involving lectures, group dynamics, and debates on cooperativism and agriculture.



Capital Refund Program by Age

Once again, Cooxupé carried out the refund of the capital share for its cooperatives aged above 75, through the Capital Refund Program by Age. In 2023, the refund amounted to R\$ 3,115,133.00 benefiting 1068 cooperatives.



More money in the pockets of cooperative families

The CRPA is a program that refunds capital shares to cooperatives aged between 75 and 84. To receive the share,

cooperatives formalize their applications for participation in the Program at their core and branches. Annually, the applications are evaluated and deliberated by Cooxupé's Board of Directors.

32nd ILLY AWARD: COOXUPÉ COOPERATIVES AMONG THE WINNERS

Established in 1991, the Illy Award is one of the most important competitions that values coffee production in the country.

In the 32nd edition of the Ernesto Illy Award for Sustainable Quality Coffee for Espresso, four cooperatives from Cooxupé were awarded.

Luís Manuel Ramos Fachada M. da Silva (Chapada de Minas) was among the highlights, receiving a diploma and a check for R\$ 10,000, as well as winning a trip abroad to participate in the 8th Ernesto Illy International Coffee Award.

The cooperative Agro Fonte Alta, from Campestre, achieved fifth place nationally and was the champion in the regional competition for the South of Minas.

The cooperative from Rio de Janeiro, Francisco Nioac de Salles, secured first place for the state. As for São Paulo, the cooperative Luiz Antônio Poli, from Caconde, came second in the regional awards.

During the ceremony, the cooperative Joaquim Geraldo Ribeiro do Valle, represented by his daughter Ana Maria Duarte Ribeiro do Valle, was announced as a member of the Diamond Club, which brings together Illy coffee suppliers for over 20 years. For this partnership, he received the citation and a plaque in gratitude.

The ceremony was held in São Paulo. The winners were selected by the award's judging committee, composed of national and international experts from illycafe, who evaluated the 500 samples submitted from the main arabica coffee-producing regions in Brazil.

33rd Ernesto Illy Award has 14 cooperatives among the finalists

The 33rd Ernesto Illy Award for Sustainable Quality Coffee for Espresso announced the list of 40 finalists, and 14 of them are cooperatives from Cooxupé. A total of 760 samples were received from various regions of the country producing arabica coffee, and the finalists were selected after several blind analyses and tests conducted by the Judging Committee of Experimental Agrícola do Brasil Ltda/illycafe, responsible for selecting and acquiring Brazilian coffee to compose the exclusive illy blend. The awards ceremony with the announcement of the three best Brazilian coffees is scheduled for March 2024. The winning trio will win a trip abroad to participate in the 9th International Ernesto Illy Award, where the order of classification among them (first, second, and third place) will be revealed and the best coffee in the world will be elected. In addition, the ceremony will also reveal the regional winners and the best classifiers competing for the Classifier of the Year Award.

The 14 cooperative producers from Cooxupé and finalists of the 33rd Ernesto Illy Award are: Adolfo Henrique Vieira Ferreira; Agro Fonte Alta; Alexandre Araújo de Resende; Cândido de Sordi Machado; Carlos Afonso Moreira Soares; Claudio Nasser de Carvalho; João de Deus Tranquillini; Josiani Moraes da Silva; Jucemar Alves Moreira; Luiz Antonio Tonin; Mabel Lima de Sousa; Marcelo Cocco Urtado; Rodrigo Grassano; and Rosa Maria Martins Vitral.

Cooxupé distributes over R\$ 1.9 million to cooperatives with Illy quality

Cooxupé distributed R\$ 1,918,700.00 to 103 cooperatives, an amount referring to the award for those who produced coffee with the Illy quality standard for pulped cherries in the 2023 harvest.

Through its commercial structure, the cooperative negotiates a prize with the company and passes on the values to coffee growers who meet the required criteria, such as loyalty, consistency in supplying quality coffees, and the application of sustainable practices in the fields.

The award is presented by Cooxupé to recognize the dedication, work, and commitment of cooperatives that achieve this level of quality.

Cooperatives Win the 22nd State Competition "Quality of Coffee from São Paulo"

Cooperatives Luiz Eduardo Moreira Junqueira and João Luiz Cobra Monteiro, from the São José do Rio Pardo/SP nucleus, were winners of the 22nd State Competition "Quality of Coffee from São Paulo", promoted by the Department of Agriculture and Supply of the state of São Paulo.

Junqueira and Monteiro respectively achieved first and second place in the category of coffees produced by the wet process in a competition that brought together over 320 samples. In João Luiz's case, he also achieved second place in the category of coffees produced by the natural process.

The award ceremony took place on November 22nd, at the Agronomic Institute of Campinas (IAC), with the participation of the Governor of São Paulo, Tarcísio de Freitas, and the State Secretary of Agriculture and Supply, Guilherme Piaí.



Dias de Conhecimento (Knowledge Days)

*Event prepares
cooperative families
for successful harvest*

The months of April and May were marked by the realization of the event "Knowledge Days", with a schedule of lectures in all Service Centers of Cooxupé.

The meeting always brings discussions on the main topics and precautions regarding the harvest, preparing cooperative families to achieve success and quality in the current crop.

In total, the cooperative held 19 "Knowledge Days" between April and May, with a total successful attendance of 14,035 cooperatives. The event started on April 4th in Alfenas (MG) and concluded on May 30th in Monte Santo de Minas (MG).

The lectures had as their central theme the "Coffee Harvest Opening 2023", including discussions on the Gerações Protocol, Finances, and Post-Harvest.

**TOTAL OF
ATTENDEES: 14,035
COOPERATIVE
MEMBERS**

SOLIDARITY

During the meetings, Cooxupé promoted a food collection to be delivered to local entities where the event was held.

Dia de Campo (Field Day) ATeG Café + Strong happened in Guaxupé

On April 28th, the Experimental Farm in Guaxupé (MG) hosted the Field Day ATeG Café + Strong. The event is promoted by the Faemg/Senar System, in partnership with the Union of Rural Producers of Guaxupé, Center for Technological Validation (CVT) IFSULDEMINAS, Cooxupé, Starbucks, Emater, and partners. Agriforte, the Junior Company of the Agronomy course at the Federal Institute of Southern Minas Gerais, also participated in the event.

The action was part of the events of the Technical and Managerial Assistance Program (ATeG). The president of Cooxupé, Carlos Augusto Rodrigues de Melo, was present at the event and emphasized the importance of knowledge and education.

Among the topics addressed by technicians from the Faemg/Senar and CVT System at the Field Day were the Main Cultivars for the South of Minas, Drones in Coffee Farming: Technology and Management, Use of Organic Mineral in Coffee Farming, and Cost Management in Coffee Farming.





Portas Abertas (Open Doors) Program

This program welcomes visitors to explore the structure of Cooxupé and understand the cooperative business model practiced by the cooperative: cooperativism. These visits throughout the year are made by groups of students, cooperatives, and coffee producers interested in becoming members. Visitors participate in lectures, learn about important sectors of Cooxupé, and its work processes, and can have closer contact with the cooperative's executive board. In 2023, the program received a total of 960 visitors, cooperatives, and producers from Itamogi, Alpinópolis, Andradas, Boa Esperança, Botelhos, Campos Gerais, Carmo do Rio Claro, Cássia, Espírito Santo do Pinhal, Guaxupé, Ibiraci, Monte Belo, Nova Resende, São Sebastião do Paraíso and São Tomás de Aquino.

1. MANHUAÇU

Cooperatives and coffee producers from Manhuaçu (MG) kicked off the visit's agenda of Cooxupé's Open Doors Program in February. The group, which traveled 700 kilometers to Guaxupé, visited the cooperative's headquarters and the Japy Complex, and had the opportunity to better understand cooperativism and the internal processes of the cooperative. They also visited FEMAGRI, where they were received by the vice-president, Osvaldo Bachião Filho; corporate communication manager, Jorge Florêncio Ribeiro Neto; and other members of the cooperative's team, who emphasized the importance of proximity with the producers.

2. ARAGUARI

In April, the Open Doors Program organized a meeting with cooperatives and producers from Araguari/MG at the unit in Monte Carmelo, in the Cerrado region of Minas Gerais. The group visited the nucleus facilities, including the classification laboratory, and learned about the processes of receiving, storing, and preparing coffee, as well as attended an institutional lecture about the cooperative.

3. UNIT VISIT

In August, instead of receiving cooperatives, the executive board of Cooxupé visited the unit in Conceição da Aparecida/MG. The president, Carlos Augusto Rodrigues de Melo, and the vice-president, Osvaldo Bachião Filho, closely inspected the nucleus facilities and discussed, along with the cooperative's team, the demands for the municipality.

4. TECHNICAL VISIT

Also in August, Cooxupé's headquarters welcomed cooperatives from different cities within the cooperative's operating area for a special visit. The invitation came from the managers of Cooxupé's units, and the program included lectures, technical visits, and a lunch, as well as the presentation of the Management and Cooperative Education Program. The group participated in a lecture with the executive board, superintendents, and managers, and visited sectors such as the Japy Complex and laboratories, besides understanding how governance and cooperativism occur in practice during the daily work.

5. VISITS TO PATROCÍNIO AND CAMPOS GERAIS

Cooxupé's president, Carlos Augusto Rodrigues de Melo, and vice-president, Osvaldo Bachião Filho, visited the unit in Patrocínio on September 28th, closely inspecting the nucleus facilities and the demands of the cooperatives in the region. The executive board also attended in Campos Gerais, to oversee the construction works, where a warehouse and a fertilizer depot will be built, as well as a store to further expand the service provided to cooperative families.

6. MACHADO AND NOVA RESENDE

On September 13th, Cooxupé welcomed a visit from students of the IFSULDEMINAS (Federal Institute of Education, Science, and Technology of Southern Minas Gerais), Campus Machado. The students visited the cooperative's facilities, including the Japy Complex, roasting, soil and leaf analysis laboratory, classification sector, and quality control.

On the 14th, it was the cooperative's turn to open its doors to receive students from the State School "Pe. Luiz Moreno", from Nova Resende/MG. The group of students visited the classification and quality control laboratory, as well as the analysis laboratory, the NEA - Environmental Education Nucleus, and participated in a virtual tour of the Japy Complex.

7. SCHOOLS AND UNIVERSITIES

In November, students from the State School of Milagres, from Monte Santo de Minas; Bolivar Boanerges da Silveira School, from Alterosa; Federal University of Triângulo Mineiro (UFTM) - Uberaba Campus; and Nossa Senhora Aparecida School, from Guaxupé, participated in the Open Doors Program.

During the visits to the headquarters in Guaxupé, the groups visited the cooperative's facilities, including Roasting, Soil and Leaf Analysis Laboratory, the Classification and Quality Control Department, and the Japy Complex.



Gerações Sustainability Protocol: Encouraging Leadership and Inclusion of Small Producers in the Coffee Chain through Sustainable Cooperativism

Sustainable cooperation with the inclusion of small producers in the coffee chain is at the core of our business model. With this vision and a focus on the ongoing pursuit of sustainability in coffee farming, Cooxupé has developed the Gerações Sustainability Protocol in partnership with SCS Global Services, a globally recognized certification organization with over 40 years of experience in sustainability. It is a dynamic tool for continuous improvement that encompasses the environmental, social, and economic pillars and is divided into four assessment levels, aiming to ensure coffee quality for both the present and future Gerações.

The Sustainability Protocol presents requirements and commitments to be fulfilled by both the cooperative and its members, who vary in production size, geographic location, experience, objectives, activities, and resources.

This translates into economic balance for the producer, which drives socio-environmental actions to ensure productivity, market access, traceability, quality remuneration, cheaper credit, input supply, and technology.

For the criteria applicable to Cooxupé, they are organized into the following categories:

Mandatory Training: Capacitating and educating cooperatives on more sustainable practices in 9 basic topics.

Record Keeping: Ensuring responsibility and transparency with relevant documentation.

Technical Assistance: Supporting cooperatives in essential areas to achieve sustainable excellence.

Financial Assistance: Providing access to financial services for credit support and market price information.

Internal Control: Monitoring compliance with requirements by cooperatives, providing feedback and support.

Internal Quality: Focusing on continuous quality improvement, using results to establish enhancement plans.

Governance: Ensuring effective representation of cooperatives in public and legislative bodies, preserving their rights.

The pillars of the Protocol are the three main areas that encompass the basic principles by which focuses and requirements are grouped. Below are the pillars, with their respective focus areas:

ECONOMIC DEVELOPMENT:

Requirements:

Rural Property Administration: Emphasizing traceability practices for transparency in the supply chain.

SOCIAL RESPONSIBILITY:

Requirements:

Child Labor: Protecting children's right to childhood and education.

Working Conditions: Ensuring a safe environment and protecting workers' rights. **Health and Safety:** Providing information and training for safe practices.

Living Conditions: Ensuring safe and decent conditions for resident workers.

ENVIRONMENTAL COMMITMENT:

Requirements:

Biodiversity and Conservation: Educating on practices that promote biodiversity.

Soil and Nutrient Management: Supporting farmers to improve soil quality.

Agrochemicals and Crop Protection: Minimizing agrochemical use and ensuring safe practices.

Waste Management: Focusing on best practices for disposal, reduction, reuse, and recycling.

Energy and Emissions: Developing practices to reduce pollution and conserve energy.



To learn more details about the Gerações Protocol, access the QR Code on the side.

The Gerações Protocol reflects our commitment to sustainability, where each cup of coffee carries not only exceptional flavor but also a narrative of shared responsibility and prosperity. Cooxupé offers a trained team to provide comprehensive support to cooperatives, helping them adjust their practices, meet all protocol requirements, and thereby align with an ethical viewpoint and harmony with the environment and the involved communities, as we believe the longevity of coffee farming depends on our conscientious and responsible actions alongside our members.

Investment in Local Suppliers

GRI 204-1

In addition to our cooperatives, our strong foundation, and the main suppliers that drive our operation, we have partnerships with supplier companies that contribute essential inputs, equipment, and packaging.

The community is a fundamental part of this scenario. Hiring local labor and service providers, such as transporters, not only generates income but also strengthens the community as it directly benefits from the positive aspects of our operations. Additionally, the taxes and duties resulting from our activities are reinvested by public entities for the general benefit. We hold events addressing everything from safe conduct and traffic safety to the well-being of third-party collaborators. This approach reflects our commitment to developing our areas of operation and promoting sustainable development locally.



ALIGNMENTS BEFORE THE COFFEE HARVEST

On May 11, Cooxupé gathered freelance drivers and transportation service providers for an alignment meeting and guidance on the collection of coffee from the 2023 harvest, addressing product care and continuous improvement of service to the cooperatives. There were also instructions regarding Cooxupé's policy (Mission, Vision, and Values); coffee collection processes and procedures; and relationship - code of ethical conduct.

The meeting took place at the headquarters and in all the cooperative's service units.

YELLOW MAY

On May 23, Cooxupé promoted an awareness lecture on traffic to its employees, with Technical Professional Trainer, Rodrigo Donizeti da Cruz. Following the Yellow May campaign, "In traffic, I choose life," Cruz spoke about the traffic accident rate and emphasized the relevance of the subject and respect for laws.

The event, which was also held at Cooxupé's branches, took place in partnership with SNT (National Traffic System), CNT (National Confederation of Transport), and SEST SENAT (Transport Social Service and National Learning Service of Transport).

SEST/SENAT IN GUAXUPÉ

Negotiations for the inauguration of a SEST/SENAT (Transport Social Service and National Learning Service of Transport) unit in the city of Guaxupé began in 2023, with the participation of Cooxupé's Transportation sector, represented by superintendent Deivison Ricciardi and coordinator Leonildo Pereira, during a visit to the SEST/SENAT unit in Poços de Caldas (MG). The implementation promises to offer assistance and indispensable services to professionals in the transportation sector throughout the Guaxupé region.

COOXUPÉ'S AWARDED DRIVER

In December 2023, for the second consecutive year, Cooxupé held the "Cooxupé Awarded Driver" ceremony, where 52 professionals were awarded in recognition of their work during the coffee collection on the cooperatives' properties.

The awards were given in two categories - number of trips and number of sacks - per service unit and covering the entire Cooxupé.





Traceability in Cooxupé's Supply Chain GRI 13.23.2, 13.23.3, 13.23.4

Every coffee produced and traded by Cooxupé is guaranteed with origin and full traceability, meeting the requirements of both domestic and international buyers and consumers. To ensure quality, safety, and transparency throughout our production and distribution chain, we have implemented an ERP system to strengthen our management. This advanced system allows for the specific identification of each farm contributing to the coffee blend, ensuring transparency and quality throughout the production chain.

This process is preceded by a rigorous homologation process for all cooperatives and other suppliers, with a view to environmental and social criteria. The environmental assessment conducted by Cooxupé results from agreements and improvements established with the cooperatives, emphasizing guidance for the adoption of Good Agricultural Practices conducted by the Technical Development team. Additionally, we distribute seedlings produced in our Environmental Education Center (NEA) for the recovery of Permanent Preservation Areas (APP) of cooperatives.

Regarding social criteria, Cooxupé adopts the practice of selecting 100% cooperative members based on rigorous verifications in the admission process, followed by continuous monitoring. We constantly guide cooperative members on appropriate labor practices, ensuring compliance with labor relations and promoting social benefits throughout the chain.

The attention devoted to certifications/verifications and the Gerações Protocol also stands out as an integral part of our processes. Our cooperative is certified by international socio-environmental standards such as Rainforest Alliance and 4C and collaborates in specific programs with renowned clients such as Nespresso and C.A.F.É. PRACTICES.

Action Against Child Labor, Forced Labor, and Practices Analogous to Slavery in the Supply Chain: Commitment and Actions of Cooxupé GRI 407-1, 408-1, 409-1

In line with its ethical values, Cooxupé reinforces its firm commitment against child labor, forced labor, and practices analogous to slavery throughout its supplier chain, with special attention to the agricultural operations of our cooperatives, involving coffee cultivation and harvesting. We work closely with our associate base and aim to provide social benefits throughout the involved chain.

Cooxupé's Code of Ethical Conduct is a fundamental document that explicitly states the non-use or complicity with any form of forced, child, or slave labor, aligning with the guidelines of the Consolidation of Labor Laws (CLT). This code is fully disclosed to cooperatives, who, upon joining the cooperative, formalize their understanding and acceptance.

Our programs and certifications are monitored by Cooxupé's Technical Development and Sustainability team, including regular audits and checks. Cooperatives involved in these programs receive guidance on appropriate practices, and to ensure compliance, we conduct due diligence through monitoring the Dirty List published by the Ministry of Labor and Employment. If any cooperative or other type of supplier is listed on this list and any irregularity related to these issues is found, which is considered unacceptable, the cooperative is excluded from the program/certification, and their participation is blocked.

Regarding the fight against child and adolescent labor, Cooxupé promotes educational campaigns at its events, distributing the booklet "Child Labor Is Not a Toy" published by the Regional Labor Court of the 12th Region and the Program to Combat Child Labor and Encourage Learning of the Labor Court.



To read our Code of Ethical Conduct, access the QR Code on the side.



To find out more about the Child Labor is Not a Toy booklet, access the QR Code below.



ESG Indicators - Management of Cooperative Members and Other Suppliers

| INDICATOR | GRI STANDARD | CODE | 2023 RESULT |
|---|--------------|------|---|
| Number of cooperative members adhering to the Gerações Protocol | n/a | n/a | 489 Cooperative Members 827 Properties |

Product Safety and Customer Satisfaction

GRI 416-1, 416-2, 13.10.4, 13.10.5

Ensuring the safety and satisfaction of our customers is one of our primary goals. Therefore, we dedicate special care to the products we commercialize throughout the entire value chain, with risk assessment for the health of consumers for 100% of the items produced by Cooxupé.

Our main product, raw coffee beans, is acquired by two customer profiles: international market customers, including importers, distributors, and roasters from over 50 countries on 6 continents, and domestic market customers, comprising roasters and exporters. Since 2019, we have had the Food Safety Management System according to a set of regulations of the FSMA - Food Safety Modernization Act of the FDA (Food and Drug Administration), a federal agency of the Department of Health and Human Services that regulates food and drugs in the United States. Compliance with this set of legal regulations is a mandatory requirement for all companies exporting food to the USA. The system implemented by Cooxupé is based on the application of preventive controls on the results obtained in a risk assessment of hazards to human food, combined with the use of GMP - Good Manufacturing Practices and Food Defense (Food Defense, Biosurveillance, and Bioterrorism). After the implementation of the system, Cooxupé has met the demands of US customers according to their verification programs.

In addition to American legislation, in 2023, we celebrated the 25th anniversary of ISO 9001 certification for the processing of raw coffee beans and maintained alignment with Rainforest Alliance and 4C certifications. Regarding the programs implemented for activities related to the processing of raw coffee beans, we are members of C.A.F.É. PRACTICE, NESPRESSO AAA, and C-TPAT - Customs Trade Partnership Against Terrorism, a security program instituted by the US Government's Partnership Against Terrorism. or the warehousing units, we follow Instruction No. 29/2011 of the Ministry of Agriculture and Livestock (MAPA).



ALIGNED WITH US GOVERNMENT SECURITY PROCESSES

Cooxupé maintains a commercial collaboration established with the US government. This is the C-TPAT. The cooperative has a certificate of recognition for all security practices and operations carried out at the Japy Industrial and Warehousing Complex.

FOOD SAFETY PROGRAM - RAW COFFEE BEANS

This program follows a set of regulations of the FSMA - Food Safety Modernization Act of the FDA (Food and Drug Administration), a federal agency of the Department of Health and Human Services that regulates food and drugs in the United States.

Cooxupé has been obtaining this Food Safety System - Raw Coffee Beans since 2019. Thus, the system implemented by the cooperative is based on the application of preventive controls on the results obtained in a risk assessment of hazards to human food, using Good Manufacturing Practices and Food Defense (Food Defense, Biosurveillance, and Bioterrorism).

With this system, the cooperative has been meeting the demands of buyers from the United States, according to their verification programs.

RECERTIFICATION OF ROASTING SGS

Cooxupé has once again achieved the recertification of the Quality Management and Food Safety System of Roasting, reinforcing its concern with quality and credibility with customers. The recertification audit took place in November and ensured that all procedures of the roasting industry are within the standards of FSSC 22000 certification, version 5.1, one of the most important in the field of food safety worldwide.

Recertification was carried out by auditor Alessandra Soares, from the certifier DNV, and is valid for a period of three years. With a positive result, the certification was maintained, and there was also an indication that Roasting is ready for version 5.1, the most current. The initial certification was achieved by the cooperative in March 2018, in version 3.1, for industrialized coffees (roasted and ground).



ISO 9001 CERTIFICATION

In a new external audit conducted between July 3rd and 7th by the certifier DNV, Cooxupé achieved Excellence performance once again and thus maintained the ISO 9001 Certification.

The assessments took place at the cooperative's units in Guaxupé, Monte Carmelo, and Santos, encompassing the processes within the certification scope, such as: reception, storage, classification, purchasing, processing, sale, and shipment of raw coffee.

The International Quality Management System ISO 9001 allows organizations to optimize and expedite the identification and correction of processes that do not generate efficiency within their corporate environments. In other words, it is a tool used by companies seeking to improve the performance of their activities.

COOPERATOR'S COFFEE QUALITY

All definition of the quality standard of the coffee delivered by the member passes through Cooxupé's classification laboratories, installed in Guaxupé (South of Minas Gerais) and Monte Carmelo (Cerrado of Minas Gerais).

Classification is responsible for discovering the characteristics and attributes of each batch of received coffee, indicating the quality standards of the coffee drink for subsequent shipment to the Brazilian and international markets.

Roasted and ground coffee has been sold for 38 years since it was created to meet the demands of cooperative members and customers.

We have the FSSC 22000 Certified Food Safety System, which is one of the most important food safety certifications in the world. In addition, we integrate the Quality Coffee Programs (PQC) and Sustainable Coffees of Brazil (PCS), both from the Brazilian Association of the Coffee Industry (ABIC). According to data from the Retail Index and Nielsen IQ, Cooxupé ranks 6th among coffee manufacturers in the Brazilian retail market in terms of sales volume. The products of the Roasting are sold in retail outlets in the states of Minas Gerais (Southern Minas, Matas de Minas, Vale do Rio Doce, and Greater Belo Horizonte), São Paulo (Greater São Paulo, Eastern and Northeastern regions of the state), Rio de Janeiro (Greater Rio and Interior), and Santa Catarina (Greater Florianópolis and Eastern region). There are direct service channels for small distributors and an e-commerce platform serving consumers nationwide. In 2022, we completed the overhaul of the online store Cafés Cooxupé to make it more modern and agile, expanding its product mix by 157%. The changes focused on products, technology, convenience, and the inclusion of new payment and delivery methods for consumers. The entire change was designed to further improve the customer shopping experience.

PRIMA QUALITÀ SPECIALTY COFFEES IS THE FIRST AND ONLY TO RECEIVE REGULATION SEAL

At the International Coffee Week, held in Belo Horizonte, the brand Prima Qualità Specialty Coffees, produced by the cooperative's roasting facility, was formally announced as the first and only in Brazil to obtain the special coffees seal granted by the ABIC - Brazilian Coffee Industry Association.

The seal, which also involves the participation of the BSCA - Brazilian Specialty Coffee Association, now regulates specialty coffee available in the Brazilian retail market and includes a QR Code that provides coffee traceability, as well as information on the sustainability and quality of this product. With this seal, consumers are guaranteed to consume truly special coffee.

Regarding feed processing, we comply with the standards established by the Ministry of Agriculture and Livestock (MAPA), especially Instruction No. 4/2007, which deals with Good Production Practices. The processes undergo constant inspections by the agency, ensuring compliance with the legislation.

For us, sustainable agriculture is the only way to ensure the future of the next Gerações. Following this premise, all products sold in our agricultural input stores, with a special focus on agricultural pesticides, are registered with specific regulatory agencies for crops.

In the sale of these products, the Technical Development team of Cooxupé issues an Agronomic Prescription aligned with the "product label." This document includes data on the crop, the product to be used, the recommended dosage, and the waiting period. In addition, a Technical Responsibility Note (TRN) is issued and collected from the professional's Class Council, ensuring technical responsibility in recommending the use of the products.

Through our management systems and communication channels, we monitor customer satisfaction indicators, always seeking continuous improvement of our products and processes to offer the best experience to our partners and customers. The commercial areas maintain commercial relationships and interaction with customers, both domestic and international markets, gathering their demands, requirements, and specifications for service, with formalization of demands in agreements and contracts. In the management systems, as applicable, the monitoring of non-conformity rates and customer complaints is carried out, and these are brought for evaluation in the Critical Analysis meetings by the Top Management, including the numbers of non-conformities resulting from food safety and the laws and regulations that regulate our Management System, recalls, and emergency situations.



Social Responsibility

Social Responsibility, Regional Development, and Impact

GRI 3-3, 203-1, 203-2, 413-1, 413-2, 415-1

Social responsibility is inherent to cooperativism, being one of its principles, the Concern for Community, demonstrating how there should be a convergence between the activities of organizations and the pursuit of local development in which they operate. By directing their focus to the impact they have on territories, they reinforce their commitment to the community and the sustainability of their communities, including their members. In cooperatives, the focus on people over capital allows for the balanced development of their communities and the well-being of their populations through the implementation of projects, investments, and solutions that are sustainable in economic, social, and environmental aspects.

Thus, Cooxupé sees the integration of social responsibility into its operational practices as essential. We emphasize the cooperative's dedication to economic success, but also highlight our commitment to sustainable development, supporting the local community and addressing issues such as education, health and safety promotion, equity, and social well-being.

In addition to promoting and actively participating in programs, projects, and certifications related to environmental issues, such as GERAÇÕES, Rainforest Alliance, 4C, and C.A.F.É. PRACTICES, we make continuous investments in the territories where we operate, generating direct and indirect impacts that benefit our members, employees, and the entire local community. These impacts extend to the economic activity in local commerce, provision of derivative services, and tax revenue that returns to the population.

We encourage our members to join these initiatives and seek partnerships in projects. As there is effective interest, these programs are expanded, and new projects are established.

Furthermore, the cooperative has formal processes for complaints from local communities, demonstrating transparency and accountability. For this purpose, we provide an accessible ombudsman channel through this QR Code.



On the political front, Cooxupé professionals are always available to assist the National Congress, Municipal and State Chambers in discussions of interest to our members.

In 2023, Cooxupé allocated R\$ 1,527,268.35 to social actions and donations (financial, products, and/or services).



Event honors Cooxupé

Cooxupé was honored by the Coffee Dinner & Summit for its performance in exports in 2022. In that year, Cooxupé shipped 5.6 million bags of Arabica green coffee to 50 countries, maintaining its leading position in the country in terms of exporting this commodity.

The award was presented to the president of Cooxupé, Carlos Augusto Rodrigues de Melo, by the team of Cecafé - Council of Coffee Exporters of Brazil, the entity that promotes the Coffee Dinner & Summit. Melo shared the honor and achievement with over 19,000 members and 2,500 employees.

Homage in Araguari

With Cooxupé's presence, the first edition of the Opening of the Minas Gerais Coffee Harvest took place in Araguari on June 1st, with the aim of integrating coffee-producing regions and strengthening the coffee industry. On that occasion, Carlos Paulino, a member of the cooperative's Board of Directors, received an award for Merit in Minas Gerais Coffee Farming. The event welcomed coffee producers, cooperative representatives, associations, exporters, roasters, as well as students and political authorities.

Career and Planning

The 2nd class of the MBA in Cooperativism (composed of Cooxupé employees in partnership with Fundace) and the 4th class of the Development Program in Management and Cooperative Education, managers, and coordinators of Cooxupé participated in the lecture "Career and Planning: Crossing the South Atlantic or Taking the Lead in Life". Given by Professor Sigismundo Bialoskorski Neto, a retired professor from the University of São Paulo - USP/Ribeirão Preto, also known as Sig, the lecture addressed the relationship between life planning and career success, drawing parallels with Professor Sig's experience of crossing the high seas aboard a sailboat with two friends, making the journey between Brazil and the African continent. The event took place on January 26th at Cooxupé's headquarters in Guaxupé.



C-Day

Cooperating Day featured an action carried out by Cooxupé in partnership with Sicoob Agrocredi. During the month of July, each unit of the cooperative made donations to entities in their municipality. In Guaxupé, for example, 672 liters of milk and 28 kilograms of coffee were collected. The donations were destined for the Colo de Mãe Pastoral Social and Catholic Community entities. In Carmo do Rio Claro, 40 liters of milk were collected by cooperative employees in the municipality. Everything was delivered to the Lar das Crianças Nossa Senhora do Carmo. In Cabo Verde, employees and members donated 82 liters of milk, which were given to the Santo Antônio Elderly Home in the city.

Police station Rural

On August 4th, the auditorium of Cooxupé hosted civil and military authorities for a formalization ceremony regarding the installation of the Rural Police Station (of the Civil Police) in Guaxupé (MG) and the strengthening of the Rural Patrol (of the Military Police) in favor of the rural population of the region. The Rural Police Station in Guaxupé will also serve the cities of Arceburgo, Bom Jesus da Penha, Cabo Verde, Guaranésia, Juruaia, Monte Belo, Monte Santo de Minas, Muzambinho, Nova Resende, and São Pedro da União.

Circuit of Businesses Agro

In August, Cooxupé hosted the Agro Business Circuit of Banco do Brasil at its headquarters in Guaxupé, an itinerant event that promotes business rounds and brings together commercial partners and members. The program also included lectures on technical knowledge and best practices in the field. One of the topics addressed was "Sustainability and Female Leadership in Brazilian Coffee Farming". The Circuit also distributed resources from the Harvest Plan, supporting national agriculture and livestock farming.

Technician Meeting in Patrocínio

On September 28th, Cooxupé organized a technical meeting in Patrocínio, bringing together renowned researchers and consultants to deliver lectures on technical content and thus enhance the production knowledge of members. The event also hosted the launch of the book "Modern Brazilian Coffee Farming: Technologies Affecting Productivity" by agronomist, consultant, and researcher Felipe Santinato. The lectures were part of the book's content. The cooperative also honored agronomist and specialist in genetic improvements, Dr. Tumor Sera, for his dedication, enthusiasm, perseverance, and professionalism in leading coffee genetic improvement research.



FEMAGRI and Cerrado Fair: Successful Returns to In-Person Events



After two years of being held virtually, FEMAGRI and the Cerrado Fair were conducted in person in 2023. The turnout of attendees and the volume of business exceeded the cooperative's expectations, demonstrating producers' optimism in seeking higher quality and productivity in their fields, as well as gaining greater profitability.

The cooperative's business fairs provided these opportunities to its members by showcasing over 12,000 products from leading brands in the coffee sector.

FEMAGRI, held in Guaxupé in February, welcomed over 35,000 buyer visitors, who generated a budget volume totaling R\$ 244 million. Meanwhile, the Cerrado Fair in Monte Carmelo saw the participation of over 4,300 producers, resulting in more than 1,100 budgets recorded.

In addition to the opportunity to update technologies on their farms and properties, cooperative members also maintained close contact with the executive board of the cooperative, who were present throughout both events.

In 2023, the fairs focused on the theme "Solution and Security for the Cooperatives," emphasizing innovations and solutions to optimize fieldwork, as well as achieving sustainability gains with a global focus on the ESG agenda.

These actions underscore Cooxupé's commitment to promoting a cooperative approach that goes beyond economic results, achieving lasting positive impacts on its community and the sustainable development of the regions in which it operates. Therefore, social responsibility is a fundamental pillar for the cooperative's mission and vision.

ENVIRONMENTAL



cooxupé

ENVIRONMENTAL RESPONSIBILITY

Aligned with our mission to promote the sustainable development of our members and the objective of consolidating our image through responsible management, over our years of existence, we have built a journey of environmental responsibility based on the commitment to ensure a balance between economic development and environmental preservation, with the conscious use of resources.

We have institutionalized policies and best practices of environmental management, and in our norms and procedures, we have incorporated directives that demonstrate our positioning as a conscious and engaged institution for the improvement of actions aimed at reducing adverse environmental effects caused by our activities and enhancing positive impacts. Such commitments are defined not only in our Organizational Identity but also in our Integrity Program and our Code of Ethics.

In this way, Cooxupé incorporates responsible principles and practices in pursuit of sustainability in the conduct of our businesses, operations, and facilities, and even in decisions related to stakeholders, seeking a balance of economic, social, cultural, and environmental aspects, as defined in our Sustainability Policy, launched in 2019.

Highlight:



To read our Sustainability Policy, access the QR Code provided alongside.

With the construction of our materiality matrix, three material themes associated with the environmental topic were established: Soil Management, Nutrients and Water Use, Climate Strategy, and Nature Conservation and Biodiversity. By adopting environmentally responsible practices, such as the adoption of less impactful production processes, efficient resource management, and the incorporation of technologies for monitoring our environmental performance, we address these themes, in conjunction with education and awareness-raising among members about sustainable practices to expand our positive impact in the regions where we operate.

Cooxupé operates with international socio-environmental certifications such as Rainforest Alliance and 4C, and programs developed with our clients, such as Nespresso and C.A.F.É. PRACTICES, as well as having established Gerações - Cooxupé Sustainability Protocol (<https://www.cooxupe.com.br/protocolo-geracoes-2/>), in which some actions contribute to mitigating adverse climate effects, actions that are audited/verified.

In 2022, we began the restructuring of ESG by developing guidelines and projects in the socio-environmental areas.

Soil Management, Nutrients, and Water Use

GRI 3-3

Inadequate soil and nutrient management can cause various negative environmental impacts, such as erosion and soil runoff into watercourses, leading to their siltation, loss of fertile soil layer, and contamination of groundwater due to improper fertilizer use. Economically, the impacts are directly associated with reduced productivity and margin results for cooperative members, resulting in lower profitability for the cooperative. Socially, there is reduced food supply and increased costs for consumers. Regarding the irrational use of water, there is an increased risk of scarcity for our members, as well as contamination, affecting the environment, people, and increasing costs for acquisition and consumption.

Therefore, Cooxupé is committed to the proper integration of agricultural management practices and rational water use to ensure sustainable productivity for us and our members, minimizing negative impacts on the environment and promoting conservation of natural resources.

Practices for Proper Soil and Nutrient Management

GRI 3-3

At our facilities, Cooxupé conducts operations appropriately, and our Sustainability Policy outlines our commitment to this, as we comply with national and state legislation on the subject. The creation of the Technical Development Department in the 1980s was due to the need for action on the topic and improvement in technical assistance to cooperative members. Currently, the department has over 100 professionals dedicated exclusively to supporting producers, constantly updating the technical staff's training.

Engagement and demand for sustainability from our business partners were addressed in our Strategic Planning. Therefore, for our members' activities, we have created and encourage adherence to Gerações - Cooxupé Sustainability Protocol. We promote Technical Assistance by disseminating Good Agricultural Practices, as detailed in the manual structured by our teams and made available on our website.

We encourage participation in programs developed with our business partners, such as Nespresso, which considers us a reliable partner for implementing practices, C.A.F.E. PRACTICES, and the Illy Program. Our associates can also be voluntarily certified in international standards with soil management criteria, of which Cooxupé is assured as a supply chain, such as Rainforest Alliance and 4C.



To read our Good Practices Manual, access the QR Code above.



Nespresso awards Cooxupé as a reliable partner. To learn more, access the QR Code above.



Cooxupé members are among the winners of the 32nd Ernesto Illy Award. Access the QR Code above.

For nutrient management, Cooxupé exclusively markets and advises its members to use specific products for the crop that are registered by the Ministry of Agriculture and Livestock.

These products should also not appear on the list of prohibited items by programs such as C.A.F.E. PRACTICES and NESPRESSO, and in certifications like 4C and RAINFOREST, as well as international legislations.

At our facilities, we have technical experts with agronomy backgrounds duly registered with regulatory bodies, such as the IMA - Mineiro Institute of Agriculture in Minas Gerais and the São Paulo State Agricultural Defense.

Regulatory agencies conduct frequent inspections at our establishments, verifying operational structural conditions, professional records, Agronomic Prescriptions, and the control and condition of products in stock (volume, validity, preservation conditions). We also have an Analysis Laboratory that provides soil and leaf analysis services, offering members access to necessary information and guidance from our Technical Development team for rational use of inputs for proper crop nutrition and increased productivity.

In 2023, we launched our line of Kafé foliar fertilizers, with products for each phase of farming, including post-harvest, flowering, expansion and graining.



In addition to the measures presented, we promote the dissemination of knowledge and appropriate practices to be developed by cooperative members and their employees, which includes compliance with current regulations, through events, partnerships with sector entities and content publications in our pages and in physical format.

João Carlos Pedreira de Freitas Laboratory

Established Quality Standard Recognized in Evaluations



Established in 1982, the João Carlos Pedreira de Freitas Laboratory offers essential services for our members' coffee activities. Initially, it only conducted bromatological analysis for quality control in feed manufacturing to comply with a requirement from the Ministry of Agriculture, Livestock, and Supply – MAPA. However, to focus on quality and improve members' coffee productivity, the cooperative expanded its services to include leaf and soil analyses, contributing to members' more informed decisions in search of the most suitable solutions for crop treatment.

NUMBER OF SAMPLES RECEIVED AND DETERMINATIONS MADE
In 2023, the laboratory received 61,596 samples and made 738,506 determinations.

POTABILITY

Among the novelties, the Laboratory also started offering water analysis services for potability standards, ensuring purity for human and animal consumption.

The sector's structure and high technology guarantee analysis quality, assessing microbiological and physicochemical parameters, essential for corrective actions such as reservoir sanitation and chlorine use.

DISPOSAL OF LIQUID WASTE

To perform the numerous evaluations according to members' demands, chemical components are necessary for analyzing and measuring parameters characterizing the evaluated sample. The liquid waste generated during the processes requires correct disposal, and for this, the Laboratory and Cooxupé have implemented a system during the analyses to store and dispose of the material properly.

SEALS AND CERTIFICATES OF RECOGNITION

The João Carlos Pedreira de Freitas Laboratory maintained the quality of services provided to members in 2023, which has already nationally distinguished it for its precise soil and plant analyses.

According to the Brazilian Society of Soil Science, for 35 consecutive years, it has been recognized as an ideal laboratory by obtaining an A grade, certifying the quality of soil analysis.

In its 41 years of operation, members have at their disposal an award-winning laboratory, offering special conditions to use the services, providing discounts and exclusive deadlines on soil analyses from April to May, and offering discounts and special deadlines on foliar analyses from December to February.

Technical Assistance

Development and Evolution for Cooperative Families

Cooxupé maintains a department composed of agronomists and agricultural technicians focused specifically on providing technical assistance to cooperative members, whether at service centers or on agricultural properties and their crops. These professionals are always close to the producers, providing information and pointing out solutions to the needs of each cooperative family. Visits and assistance occur throughout the year, fostering the sharing of



information and knowledge so that the member can sustainably carry out their activity and business, enhancing productivity and competitiveness in the coffee market. In 2023, Cooxupé's Development Department conducted 996 group sessions, including Field Days, trainings, lectures, Knowledge Days, among others, impacting over 55,000 participants.

Last year, more than 117,000 assistance sessions were conducted through professionals' visits to the field and at cooperative service centers.

Technical Assistance Events - 2023

| SERVICES | | | | | | |
|---------------------------------------|--------------------------|------------|----------------|----------------|----------------|------------------|
| Group services | Quantity of group events | | | Participants | | |
| | 2023 | 2022 | Variation | 2023 | 2022 | Variation |
| Field Day (Dia de campo) | 38 | 34 | 11.76% | 1,291 | 1,495 | -13.65% |
| Training | 684 | 474 | 44.30% | 6,599 | 4,449 | 48.36% |
| Lecture | 252 | 425 | -40.71% | 9,007 | 11,518 | 21.80% |
| School Events | 1 | 0 | 0.00% | 154 | 0 | 0.00% |
| Knowledge Days (Dias do conhecimento) | 19 | 0 | 0.00% | 14,039 | 0 | 0.00% |
| Femagri Fair | 1 | 0 | 0.00% | 21,672 | 0 | 0.00% |
| Specialty Coffee Live (views) | 0 | 1 | - 100.00% | 0 | 2,200 | - 100.00% |
| Coffee and Climate Forum (views) | 1 | 1 | 0.00% | 2,500 | 2,400 | 4.17% |
| SUBTOTAL | 996 | 453 | 119.87% | 55,262 | 22,061 | 150,50% |
| Total Assistance through Field Visits | | | | 2023 | 2022 | Variation |
| SUBTOTAL | | | | 47,350 | 41,244 | 14.80% |
| Total service at the branch | | | | 2023 | 2022 | Variation |
| SUBTOTAL | | | | 14,953 | 16,836 | -11.18% |
| Total Service | | | | 2023 | 2022 | Variation |
| TOTAL | | | | 117,565 | 80,141 | 46.70% |
| PRESCRIPTIONS ISSUED | | | | 2023 | 2022 | Variation |
| TOTAL | | | | 79,319 | 100,672 | -21.21% |

ESG Indicators - Soil and Nutrient Management

| INDICATOR | GRI | CODE | 2023 RESULT |
|--|-----|------|--|
| Training courses on pesticide application | n/a | n/a | 77 courses 838 participants |
| Service in adjustment and maintenance of sprayers | n/a | n/a | 70 cooperatives members 113 sprayers |
| Training and capacity building of technical team related to material topic | n/a | n/a | 8 courses 400 trained |
| Number of soil and leaf analyses by Cooxupé Laboratory | n/a | n/a | Soil Analysis: 47,755 Foliar Analysis: 10,428 |

Water Use and Effluent Generation

GRI 3-3, 303-1, 303-2, 303-3, 303-5



Cooxupé strives to responsibly manage water usage while promoting its rational use. This is a recurring theme in discussions with our business partners, emphasizing the importance of addressing this issue by the cooperative. Together with our Infrastructure Department, we assess potential impacts to be mitigated, and as measures are taken, we guide all our employees for proper water consumption, constant maintenance of our water supply network, storage, and distribution, as well as the implementation of water capture and treatment systems for specific units. Our processes include internal controls on water consumption and periodic potability analysis at all our facilities.

In our production processes, water is not used and incorporated into products, thus its use is limited to general cleaning, gardening, and human consumption. In most units, water comes from public utilities, and where this system is not available, it is sourced from duly licensed artesian wells, which are connected to water treatment systems. None of our units are in water-scarce areas, meaning water acquisition is not restricted. However, its use is handled rationally to avoid waste. In 2023, 30.68 megaliters of water were drawn from artesian wells and 32.24 megaliters from supply by local utilities.

Regarding effluent management, our facilities only generate sanitary effluents, which are directed to the public sewage network where available. We have implemented our treatment systems in locations without structures managed by public services, with defined controls and devices appropriate to the structures. We analyze the sanitary effluents generated in internal sewage treatment systems, and activities for the evolution of technologies and improvements are constantly implemented in our systems and controls, as committed in our Sustainability Policy. Our investments in implementing sewage treatment plants with water reuse for non-potable purposes, aimed at reducing consumption, are made recurrently.

In 2023, Cooxupé invested **R\$ 499,349.43** in the implementation of two sewage treatment plants with water reuse for non-potable purposes, such as garden irrigation and patio cleaning. These plants are expected to start operating in early 2024.

INVESTMENT IN RAINWATER HARVESTING SYSTEM

Attuned to environmental issues related to the rational use of resources and natural assets, Cooxupé installed a rainwater harvesting system at the new SMC Specialty Coffees plant, inaugurated in December 2022. The entire planning and construction of the rainwater harvesting system were based on current regulations that ensure the efficiency of the entire process. The initiative once again reinforces Cooxupé's environmental commitment.

TREATMENT OF LIQUID AND ATMOSPHERIC EFFLUENTS

The solid and liquid waste generated by Cooxupé's units and workshops undergo processes that validate the correct disposal of these materials, avoiding environmental pollution.

For this purpose, compact stations for sewage treatment (ECTEs) are installed at the headquarters, the Japy Industrial Complex, and the units in Monte Carmelo, Campestre, Carmo do Rio Claro, Rio Paranaíba, Alpinópolis, and Cabo Verde. These stations are responsible for returning water in suitable conditions to the environment.

The laboratory has a gas scrubber system for treating atmospheric effluents. Mechanical workshops and machine refueling stations are equipped with oil-water separators (CSAO), ensuring treatment of the oily liquid effluent generated.



In our cooperation with our cooperatives, the Gerações Protocol incorporates criteria for proper effluent disposal practices on properties and for reducing water consumption in coffee processing and irrigation.



We promote technical assistance by disseminating our Good Agricultural Practices manual, containing step-by-step implementation of projects for water consumption control and effluent treatment. We encourage our cooperatives to build efficient irrigation systems and biodigesters, providing them with the necessary implementation support. In the same year, we forged a strategic partnership with Netafim, a leader and pioneer in drip irrigation, allowing cooperatives to irrigate their crops with significant benefits and special conditions for producers. Through this partnership, we aim to facilitate Cooxupé cooperatives' access to state-of-the-art irrigation technologies for their coffee plantations, enabling them to produce more with fewer resources.



Cooxupé and Netafim join forces to drive sustainability in coffee farming.
To learn more, access the QR Code above.

ESG Indicators - Water Use

| INDICATOR | GRI | CODE | 2023 RESULT |
|--|-----------------------------------|---------|------------------|
| Total water intake in all areas | GRI 303: Water and Effluents 2018 | 303-3-a | 30.68 megaliters |
| Total water consumption from all areas (total volume of water captured and consumed in cooperative activities) | GRI 303: Water and Effluents 2018 | 303-5-a | 62.92 megaliters |
| Total investment in the implementation of new technologies to promote rational water use | n/a | n/a | R\$499,349.43 |

Climate Strategy

GRI 3-3

Climate change has been consistently attributed to the most significant impacts on the agricultural sector. With climate variations occurring rapidly and more frequently in recent years, we have consolidated practices to assist our cooperatives during complex times of rising temperatures, heavy rainfall events, frost, hail, and other extreme weather events. It is increasingly necessary to implement adaptations to activities and invest in technologies to make coffee cultivation more resilient to climate change, such as the development of more resilient cultivars, efficient irrigation systems, soil conservation methods, anticipation of events using remote sensing, and installation of more modern weather stations. Equally important is the use of tools that enable financial protection against losses, damages, or unforeseen events caused by weather extremes to maintain stakeholders' stability.

Climate Adaptation and Resilience

GRI 3-3

Based on our sustainability policy, we have a conduct to ensure the continuity of our activities in a context of intensified effects of climate change. Some examples of strategies implemented at Cooxupé, measures to mitigate greenhouse gas emissions, adapt to the impacts of climate change, promote the use of renewable energies, promote energy efficiency, protect and restore ecosystems, and offer insurance to our cooperatives are taken.

In addition to these practices, we also develop partnerships with institutions to validate research on new coffee cultivars developed by EPAMIG and IFSULDEMINAS with greater resilience to climatic conditions, pests, and diseases. Thus, we provide cooperatives with coffee cultivars that provide higher profitability and lower environmental impact, as there is increased productivity and reduced use of inputs. We partner with our green coffee customers and suppliers to develop specific programs, such as supplying Green Ammonia, a product produced with 80% to 100% less carbon emissions compared to conventional fertilizer, using clean energy sources.



Yara partners with Cooxupé to supply green fertilizer.
To learn more, access the QR Code above.

Our Technical Development Department includes a Geoprocessing sector, which conducts mapping and monitoring of coffee-growing areas, providing meteorological and production data to our cooperatives. Furthermore, through the guidance and adjustments proposed by the Department via technical assistance, the impacts of climate change are prevented and mitigated with our main partners. Our action through the Gerações Protocol, with international socio-environmental certifications such as Rainforest Alliance and 4C, such as programs developed in partnership with our clients like Nespresso and CAFÉ PRACTICES, contributes to the mitigation of adverse climate effects, where conservation, reforestation, and restoration actions to increase carbon capture are audited/verified.

To disseminate knowledge about the topic, we recognize our role in promoting spaces for discussion that enable the development and exchange of skills, experiences, and learnings among our internal and external audiences. Therefore, in 2023, we held events that discussed the effects of climate change on coffee farming. These events involved specialists, academics, market professionals, and showcased new technologies that contribute to better control and mitigation of climate variations.



Coffee and Climate Forum (Fórum Café e Clima)

The 5th Coffee and Climate Technical Forum, held on July 27 at the Cooxupé headquarters auditorium, presented concerns about the 2024 coffee harvest. The event featured presentations from three experts who detailed, in technical terms, how meteorological and physiological conditions impacted coffee production.

The program included presentations from: Guilherme Vinícius Teixeira, agronomist from Cooxupé's Geoprocessing Department; Marco Antonio dos Santos, agrometeorologist from Rural Clima; and José Donizeti Alves, Physiology professor at the Federal University of Lavras (UFLA).



To learn more about our Geoprocessing department, access the QR Code above.



GEOPROCESSING: PRECISE INFORMATION FOR COOPERATIVE MEMBERS

This department of Cooxupé provides important information to cooperatives regarding the climate. Weather conditions are of utmost importance for successful coffee crop performance. Access to data on climatic behavior brings significant contributions to producer families, especially in making more assertive decisions to minimize impacts on both production and productivity.

Monitoring by System

Cooxupé's Geoprocessing maintains SISMET, a meteorological monitoring system that conducts surveys, controls, and provides data captured by 63 weather stations and 422 rain gauges. The system also gathers data shared by cooperatives, allowing farmers to achieve better results in the field.

Crop Estimate

The cooperative's Geoprocessing also plays an important role in production and productivity surveys in over 300 cities within Cooxupé's scope. This combination of agricultural practice with technology results in prior knowledge of the coffee harvest and the mapping of the cooperative's coffee plantation, assisting producers and Cooxupé in their decisions and strategies.

Electric Power

GRI 3-3, 302-1

Cooxupé is committed to continuously developing a responsible and sustainable approach to the use, production, and management of energy, focusing on increasing energy efficiency while expanding the use of renewable energies to reduce greenhouse gas emissions and seeking sources of energy with minimal impact. Internally, we adopt efficiency practices by replacing equipment, and for this, we partner with

partnering with SENAI for research in the production area and activities representing 86% of Cooxupé's overall consumption, to identify opportunities for consumption reduction and waste elimination. We have internal demand and consumption management controls, including surveys and studies in new units, and reactive energy control. As a significant step towards the perpetuation of these actions,

we address the issue with our employees to raise awareness about energy use during peak hours, with information dissemination in the internal newspaper, guidance, and tips. With a focus on diversification, prioritizing clean and renewable sources, we are engaged in the Free Energy Market, and in 2023, we completed the construction of our own photovoltaic plant for solar energy generation to serve most of our units in Minas Gerais.

With this investment, we will have 12% of energy generated by photovoltaic energy, 86% of energy from hydroelectric plants and other renewable sources acquired in the Free Energy Market, and only 2% of energy acquired from energy utilities. The project required the installation of 3,288 photovoltaic panels, allowing for an average generation of 178 thousand kW/month of energy. The installed capacity of the plant is 1,496.04 kWp.

Cooxupé Inaugurates Photovoltaic Plant for Solar Energy Generation

With its new project, the coffee cooperative now produces clean energy to supply most of its units located in Minas Gerais.



For more information,
access the QR Code on
the side.



ESG Indicators - Energy

| INDICATOR | GRI STANDARD | CODE | 2023 RESULT |
|--|----------------------|---------|--|
| Energy Consumption - Own Generation (photovoltaic) | GRI 302: Energy 2016 | 302-1-a | 935,900 kW/hour |
| Energy consumption – Acquired | GRI 302: Energy 2016 | 302-1-a | Free Market (ACL): 2,693,584 kW/hour Captive Market (utilities): 15,848,518 kW/hour |

Credit Lines and Barter

The availability of credit lines and new arrangements with the power grid also makes the investment increasingly attractive.

At Cooxupé, for example, cooperative members have access to new credit lines for this type of investment and the option of exchanging coffee to support the purchase of their plant.

"Cooxupé offers cooperative members financing for photovoltaic plants under the Barter modality. In addition to two commercial conditions: in three installments and four annual installments, as high season and low season, and the cooperative member chooses the modality that best suits their needs," says Douglas Aparecido Ferreira, Market Machines Supervisor at Cooxupé.

Emissions

GRI 3-3, 305-1, 305-2, 305-4, 305-7

To understand the impacts of our operational activities, since 2019, we have begun compiling the greenhouse gas emissions inventory, on a biennial basis due to the two-year cycle (high and low coffee seasons). Armed with this information, we can establish strategies, plans, and goals for reducing our emissions, as well as comprehending and adequately managing the risks arising from climate change, with an assessment of our performance in the short, medium, and long term. Through the development of the inventory, we fulfill our commitments to sustainable development, ensuring transparency and control over our environmental performance, and guaranteeing greater efficiency and reduction of our impacts.

Our latest inventories, with the base years 2019/2020 and 2021/2022, were prepared following the concepts and guidelines established by the Intergovernmental Panel on Climate Change (IPCC), the Greenhouse Gas (GHG) Protocol, and the Brazilian GHG Protocol Program, based on the operational control approach,

considering all business units under our operational control. Direct and indirect emissions resulting from Scope 1 and 2 activities were accounted for.

For Scope 1 emissions, there is a greater concentration of emissions from the Stationary Combustion category, due to the consumption of liquefied petroleum gas (LPG) and diesel in generators. Regarding Scope 2 emissions associated with energy acquisition, a location-based approach was considered. With recent initiatives focused on renewable energy consumption and increased energy efficiency, such as the completion of our photovoltaic plant for solar energy generation, we expect a reduction in our Scope 2 emissions for the next inventory cycles, due to the reduced contribution of energy from utilities. Based on the data obtained, we observed a 35% increase in relative emissions for the 2021/2022 biennium compared to the 2019/2020 biennium. In terms of Scope 1, the increase in relative emissions was 38%, while Scope 2 saw an increase of 29%.

Greenhouse Gas Emissions (GHG)⁽¹⁾

| INDICATOR | UNIT | TOTAL 2019/2020 | TOTAL 2021/2022 |
|--|---|--------------------------|--------------------------|
| Direct emissions of greenhouse gases (Scope 1) ⁽²⁾ | tCO ₂ eq | 2,057 | 2,992 |
| Indirect emissions from energy acquisition (Scope 2) - Location-based approach | tCO ₂ eq | 1,128 | 1,508 |
| Total emissions - Scopes 1 and 2 | tCO ₂ eq | 3,185 | 4,500 |
| Biogenic emissions - Scope 1 | tCO ₂ | 9,035 | 3,742 |
| Average relative emission - Scope 1 | tCO ₂ e/bag of brewed coffee | 0,00028 ⁽³⁾ | 0,00039 ⁽⁴⁾ |
| Average relative emission - Scope 2 | tCO ₂ e/bag of brewed coffee | 0,00016 ⁽³⁾ | 0,00020 ⁽⁴⁾ |
| Average relative emission - Scopes 1 and 2 | tCO ₂ e/bag of brewed coffee | 0,00044 ⁽³⁾ | 0,00059 ⁽⁴⁾ |
| Greenhouse gas emissions intensity per capita | tCO ₂ eq/billion R\$ | 0,0000007 ⁽⁵⁾ | 0,0000005 ⁽⁶⁾ |
| Greenhouse gas emissions intensity <i>per capita</i> | tCO ₂ eq/employee | 1,33 ⁽⁵⁾ | 1,76 ⁽⁶⁾ |

⁽¹⁾ All greenhouse gases were included, namely: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.

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

⁽³⁾ Considering an average of 7,260,687 bags of prepared coffee.

⁽⁴⁾ Considering an average of 7,636,734 bags of prepared coffee.

⁽⁵⁾ Considering an average of R\$ 4,613,922,504.50 in revenue and 2,391 employees.

⁽⁶⁾ Considering an average of R\$ 8,406,278,328.50 in revenue and 2,551 employees.

Regarding atmospheric emissions, for all sources of emissions from the cooperative, there is an operating system according to current legal standards. Substances are emitted through fixed sources during corn drying processes (occurring in 3 months of the year), coffee roasting and grinding (occurring throughout the year), and during procedures in the soil, leaf, and fertilizer analysis laboratory (occurring throughout the year), as well as emissions from mobile sources, from vehicle usage. We conduct control and monitoring of activities, adopting current standards, methodologies, and tools defined by national and international organizations, such as the preparation of periodic reports on atmospheric emissions monitoring, associated with the definition of corrective actions in processes and equipment if deviations are detected.

With our suppliers, we encourage the implementation of practices that facilitate emissions reduction. Cooxupé participates in the Despoluir program, developed by the National Confederation of Transport (CNT), the Social Service of Transport (SEST), and the National Learning Service of Transport (SENAT), with the support of the Federal Government, which allows all registered cooperative vehicle fleets, comprising over 700 diesel-powered trucks, to undergo atmospheric pollutant emission testing.

Significant atmospheric emissions⁽¹⁾

| SUBSTANCE (t) | TOTAL 2023 |
|-------------------------|------------|
| NOx | 0.26 |
| CO | 1.10 |
| Particulate Matter (PM) | 0.18 |

⁽¹⁾ Measurements occur in corn silos, located in Guaxupé, MG.

It was initiated in 2023 and is ongoing, a carbon study in collaboration with UNICAMP/CEPAGRI - Center for Meteorological and Climatic Research Applied to Agriculture regarding carbon emissions in scope 3.

FETCEMG AIR QUALITY AWARD

Cooxupé was awarded as one of the 65 companies that conducted the most assessments of their fleet through the Despoluir Program for Cargo Transport in Minas Gerais. The award ceremony for the 15th edition of Melhor Ar – FETCEMG Air Quality Award took place at the SEST SENAT auditorium in Betim.

The award was divided into two categories: Gold and Silver. In the ranking of companies that conducted the most assessments through the Despoluir program in July, Cooxupé obtained a total of 872 assessments and was categorized as Silver. The award is presented by FETCEMG - Federation of Cargo Transport Companies of the State of Minas Gerais and the Despoluir Program.

NEUTRAL EVENT SEAL

In this edition, FEMAGRI was awarded the "Neutral Event" seal. This is because Cooxupé, concerned about environmental sustainability, neutralized the carbon emissions from the fair by supporting the Terrus Carbon Coffee environmental program, whose methodology was developed by Quanticum for clay typology analysis in relation to carbon parameters, to reduce environmental impacts. Certification was developed by ECCAPLAN Environmental Consulting, based on predictions of fossil fuel consumption generated during people's transportation – from their starting point to the fair - over the three days of the event. According to Eccaplan, during FEMAGRI 2023, a total of 51,879 kg of CO₂ were emitted and 52,000 kg of CO₂ were neutralized, corresponding to 52 carbon credits.



Nature Conservation and Biodiversity GRI 3-3, 304-2

Cooxupé's activities are directly linked to the need for nature conservation and biodiversity, in line with the agricultural practices of our members. For years, we have been encouraging and guiding our members to implement sustainable coffee cultivation practices that allow for the preservation of natural ecosystems, such as the use of appropriate and existing areas for coffee cultivation, the implementation of agroforestry systems, the restoration of degraded areas and permanent preservation areas, and awareness-raising on the subject.

In our operations and ventures, we adhere to the Brazilian Forest Code and guide its compliance by members, as well as other legislation defined in our Sustainability Policy and Code of Ethical Conduct. The construction of Cooxupé units is carried out in accordance with environmental regulations and land use laws, therefore, with the least possible impact and equipped with all necessary environmental control devices and equipment to reduce biodiversity impacts.

Our internal processes include technical assistance through the Technical Development Department with the dissemination of the Good Agricultural Practices Manual for the implementation of sustainable cultivation practices and the proper use of agricultural pesticides. There is a recommendation for cultivars with higher productivity, access to structured information, and the identification of protection areas through the Rural Environmental Registry, under the responsibility of the Geoprocessing sector, the implementation of the Gerações Protocol, and the sale of pesticides only with the issuance of an agronomic prescription, prescribed by a registered professional.

The production areas of Cooxupé's members comply with legislation, especially the Brazilian Forest Code, as well as our Code of Ethical Conduct and Sustainability Policy. Members are encouraged to produce coffee in appropriate areas and not to convert forest areas into farmland. Restoration of these areas and Permanent Preservation Areas (APP), including adherence to the Gerações Protocol, is encouraged. We work with international socio-environmental certifications and programs developed with our clients, monitoring by our teams, and conducting periodic audits to recommend appropriate practices. We promote and participate in programs and projects that support conservation actions.



nature conservation and biodiversity, including activities through our Environmental Education Center (NEA), located in Guaxupé, Minas Gerais, as well as awareness events.

The NEA is a project established in 2013 with the aim of providing access, training, and dissemination of information on environmental preservation. It operates educationally within schools, educating faculty and, subsequently, practically within the community, focusing on environmental education topics such as forest and river preservation, wildlife conservation, and individual responsibilities in environmental care, among local communities, cooperatives, and other interested parties.

In addition to its role as an educational platform, the NEA maintains a nursery with over 100 native species and donates these seedlings to producers in the Guaxupé region. In 2023, 25 events were held, attended by 776 people from various municipalities: Guaxupé, Alpinópolis, Arceburgo, Campestre, Juruaia, Nova Resende, Monte Santo de Minas e Alterosa and were distributed a total of 23,727 seedlings of native species from the Atlantic Forest.

In Guaxupé, we initiated the Minas D'Água Project in 2017, aimed at restoring Permanent Preservation Areas (PPAs) located at the headwaters of the Guaxupé River Basin, which supplies water to the city's 50,000 inhabitants, through the revitalization of springs and riparian forests on rural properties. Alongside partner companies Mother Parkers, Coffee America, and Balcoffee, we provided farmers with seedlings for planting in APPs, assisted in technology transfer, and supplied materials such as fence posts and barbed wire. In its first phase, the project involved 95 rural producers. The restoration work has been carried out in three watersheds located in the neighborhoods of Japy, Nova Floresta, and Consulta, focusing on a total of 484 springs. In addition to contributing to the preservation of the water resources that supply the city of Guaxupé, Cooxupé and its partner companies collaborate to ensure that producers comply with the Forest Code and the Rural Environmental Registry. Today, the program has expanded beyond the Guaxupé River basin, also serving producers in the neighboring municipality of Guaranésia.

ENVIRONMENTAL EDUCATION NUCLEUS IN COLLABORATION WITH THE ENVIRONMENT

In 2023, the Nucleus donated 25,127 native tree seedlings within Cooxupé's area of operation.

Apae Guaxupé Visits NEA

On June 20th, students from the Association of Parents and Friends of the Exceptional (APAE) of Guaxupé visited the NEA. On this occasion, the cooperative's ESG department and the nucleus team presented the work developed by the NEA, emphasizing the importance of environmental preservation. The APAE students also engaged in various educational activities on recycling visited the seedling nursery, took part in an educational trail in a reforested area, and, by reusing a plastic cup, planted a seed to take home.

Students from ICEC Arceburgo Visit NEA

After the July vacation, on August 9th, the Environmental Education Nucleus of Cooxupé received students from the Cory Institute of Education and Culture of Arceburgo (ICEC). The student group learned more about sustainability and environmental preservation, based on examples of actions carried out within the cooperative. The students were received by the ESG department teams of Cooxupé and the Environmental Education Nucleus. As part of the day's program, the visitors toured the seedling nursery and shipped on a trail in a reforested area.

Minas D'água

Restoring the spring and river areas of rural properties located in the municipalities of Guaxupé and Guaranésia through the donation of fencing materials for protection and natural recovery of areas, as well as the donation of native seedlings. That is the objective of the Minas D'água project, which began in 2017. 156 producers have already benefited from the program, and in 2023 alone, 1887 fence posts were distributed, equivalent to 3773 meters of fencing to protect springs and bodies of water.

"Bell Springs" Project

Preserving water resources is an essential step in protecting humanity and, consequently, agriculture.

Similar to Minas D'água, already implemented by the cooperative in Guaxupé/MG, this initiative aims to promote the protection of springs and bodies of water in the region of Mata do Sino, district of Juruaia/MG.

The choice of location was due to the scarcity of water faced by producers and the population in general. This is because it is necessary to meet personal and agricultural needs.

The project encourages producers to establish new conservation zones along watercourses. To do so, the initiative provides seedlings, fencing materials, and training for the protection and restoration of water bodies.

Spring protection and restoration course - 9 participating rural producers served by the project - 9 kilometers of fencing donated - 8.3 km

In 2023, the Water-Producing Coffee Program began, an initiative of the National Coffee Council (CNC) in partnership with Cooxupé, the Brazilian Cooperatives Organization (OCB), the Ministry of Agriculture, Livestock, and Supply (MAPA), the Inter-American Institute for Cooperation on Agriculture (IICA), and other partners. The program is a strategy to enhance sustainability in the coffee production chain, as well as to address the need for environmental revitalization of the watersheds in which coffee-producing regions are located. Additionally, it aims to create a favorable environment for partnerships between entities operating in the coffee sector, to enable the implementation of conservation practices and management and improve vegetation cover, which contributes to effective erosion and sedimentation reduction and increased water infiltration into the soil. Another important aspect is promoting the restoration of riparian forests.

For the first phase of the project, by the end of 2023, the Coffee Water Producer Program had restored a total area of 71 hectares, and the annual premium value was R\$ 27,449.10.

Cooperative members and employees receive training on Brazilian environmental legislation.

With changes and updates to Brazilian environmental legislation, including the recent regulation of the Rural Environmental Registry (CAR) and the Environmental Regularization Program (PRA), which followed the New Forest Code enacted in 2012, Cooxupé provided training to cooperative members and employees for an in-depth understanding of the topic. The course was developed in collaboration with the National Rural Learning Service (SENAR), linked to the FAEMG System (Minas Gerais Agriculture and Livestock Federation). The classes took place on February 16 and 17, bringing together 34 participants at the Cabo Verde core, with sustainable production analysts, technicians, and agronomists from the locality. Subsequently, the training continued at Cooxupé's headquarters in Guaxupé, catering to cooperative members and ESG professionals, between February 27 and 28.

ESG Indicators - Nature Conservation and Biodiversity

| INDICATOR | GRI | CODE | 2023 RESULT |
|---|-----|------|---------------------------------|
| Number of seedlings distributed by the Environmental Education Center | n/a | n/a | 23,727 |
| Number of events held by the NEA, categorized by municipality | n/a | n/a | *25 events 776 people served |

*Municipalities: Guaxupé, Alpinópolis, Arceburgo, Campestre, Juruaia, Nova Resende, Monte Santo de Minas and Alterosa and 23,727 seedlings of species native to the Atlantic Forest were distributed.

5.4 Waste

GRI 306-1, 306-2, 306-3, 306-4, 306-5

In addition to ensuring the cooperative's compliance with environmental laws and regulations, proper waste management minimizes the risks of contamination caused by inadequate disposal of materials generated in our areas of operation. It also enables us to demonstrate our commitment to social and environmental responsibility, facilitates the implementation of strategies prioritizing source reduction, reuse, and recycling, and allows for the pursuit of innovative waste management solutions. As a result, we strengthen our relationship with consumers and partners, generate economic opportunities and operational efficiency, adopt new technologies, and engage our value chain in addressing the issue.

Internally, waste management is overseen by the ESG Department, and the entire process is based on Solid Waste Management Plans (PGRS), as applicable. Additionally, we issue Waste Transport Manifests (MTRs) through the state environmental agency's platform. In 2021, we celebrated the cooperative's adherence to the "eureciclo" seal, which ensures reverse logistics after the consumption of roasted and ground coffee packaging, through compensation. Thus, the seal is present on all Cooxupé brand coffee packaging produced by the cooperative's roasting plant. As a result, the initiative contributes to the structure and salaries of employees of other recycling cooperatives and even complies with the 6th principle of cooperation among cooperatives, established by the International Cooperative Alliance.

Almost 80% of the waste generated at Cooxupé is classified as organic, and all of this material is destined for a partner who reprocesses this raw material, turning it into organomineral fertilizer, i.e., 100% circular. The Infrastructure Department has been efficiently managing materials that can be reused, especially those related to civil works. Industrial activities and their respective waste-generating sources are

concentrated at the Headquarters in Guaxupé and in the industrial area of the municipality of Monte Carmelo. Therefore, these are the units with the highest waste generation.

Regarding hazardous chemical and oily hazardous waste, these materials are generated in the analysis activities conducted in the cooperative's laboratory and in vehicle maintenance at the mechanical workshops, respectively. However, all materials are segregated in a specific, properly identified location with restricted access and fully controlled. Storage is temporary until final disposal, to a duly regulated company. As a positive result of our actions, in the last 2 years, hazardous waste generation represented less than 0.6% of the total generated.

The remaining waste generated consists of domestic waste, destined for public collection services. Recyclable materials are sent to selective collection, carried out by cooperatives, associations, or local scavengers.

Regarding our actions with our cooperative members, we develop the work of addressing demands through the Technical Development Department team, applying the procedures listed in the Agricultural Best Practices Manual that address waste management on properties, considering domestic waste, recyclables, and empty pesticide containers, with the latter having the greatest impact. Cooxupé, as a supplier of Agricultural Inputs, is accredited at Receiving Stations for the cooperative member to return the packaging to these locations, and carries out itinerant collection campaigns in these locations. These packages are collected to be sent to the Campo Limpo System, a world-renowned system for the reverse logistics of empty agricultural pesticide containers.

Partnership with Cultivar Environmental Association transforms waste into organomineral fertilizer, promoting sustainability in the cooperative's business. 73% of the waste generated by Cooxupé consists of organic residues, originating from activities carried out by our Feed Factory, Corn Silos, Roasting Plant, and green coffee preparation units, with the latter representing 59% of the total organic waste generated. In 2023, Cooxupé allocated a total of 1,713 tons to Cultivar Environmental Association for transformation into organomineral fertilizer, thus engaging in a circular economy process.

Packaging gains sustainable seal

Cooxupé has adopted the "eureciclo" seal, which ensures reverse logistics after the consumption of roasted and ground coffee packaging. The seal is present on all coffee packaging produced by the cooperative's Roasting Plant.

This achievement further demonstrates Cooxupé's commitment to ESG practices across all its pillars. "Eureciclo," in addition to the environmental pillar, involving the entire post-consumer/ packaging sales reverse logistics system, contributes, for example, to the structure and salaries of employees from other recycling cooperatives, also meeting the 6th principle of cooperativism: cooperation among cooperatives, established by the International Cooperative Alliance.



ESG Indicators - Waste

| INDICATOR | GRI | CODE | 2023 RESULT |
|---|---------------------|---------|-----------------|
| Total weight of generated waste | GRI 306: Waste 2020 | 306-3-a | 2,316,695.54 kg |
| Total weight of waste not destined for disposal | GRI 306: Waste 2020 | 306-4-a | 0 kg |
| Total weight of non-hazardous waste not destined for disposal | GRI 306: Waste 2020 | 306-4-c | 0 kg |
| Total weight of waste destined for disposal | GRI 306: Waste 2020 | 306-5-a | 2,316,695.54 kg |
| Total weight of non-hazardous waste destined for disposal | GRI 306: Waste 2020 | 306-5-c | 2,297,408.28 kg |



Sustainable Waste Management

The Roasting Plant of the cooperative, attentive to ESG-related issues, has a recyclable waste management system that aligns with Cooxupé's environmental, social, and governance pillars. Focused on the 3 R's of sustainability, the goal is to Reduce, Reuse, and Recycle materials to prevent waste and conserve resources on Earth.

Partnership with Recicla Guaxupé

In November, Cooxupé forged a partnership with Recicla Guaxupé, committing to direct all recyclable materials produced through internal selective collection to the city's recycling cooperative, which is part of the Recicleiros Institute.

The partnership involves the transfer of approximately 15 tons of recyclable materials monthly, mainly plastic, paper, and metal. This volume is nearly triple what Cooxupé has been sending since the end of 2022.

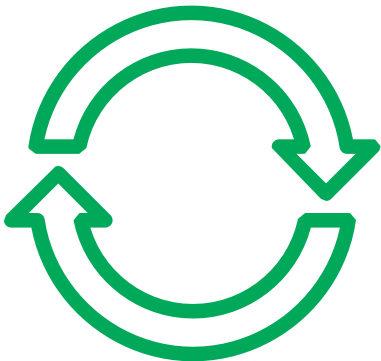
In 2023, 205.58 tons of recyclables were collected, representing 43% of the total materials collected throughout the municipality.

In addition to allocating all recyclable material generated in Guaxupé units to Recicla Guaxupé, the initiative aims to meet the cooperative principle of Intercooperation, as well as being directly linked to the ESG pillars. Particularly in the 'Environmental' aspect by ensuring proper waste disposal; and in the 'Social' aspect by promoting improvement to Recicla Guaxupé cooperatives, with the possibility of their growth and income increase.

Empty Packaging
Protected Environment

With the main goal of eliminating impacts that could harm nature and reinforcing its commitment to sustainability, Cooxupé conducts annual actions and campaigns for the correct collection and disposal of empty pesticide containers. In 2023, the cooperative began receiving these materials through various associations, agreements, and partnerships.

Thus, last year, the weight received from empty containers by associations, from Cooxupé cooperatives, was approximately 23,000 kilograms. The total weight received by partner institutions was over 147,000 kilograms, a result that includes coffee producers in general, whether cooperative members or not.



The union of cooperative members aims to produce the finest coffee while prioritizing environmental protection and fostering economic and social development among the Brazilian people.

We will remain steadfast in our purpose, with strong and continuous work.

PERSPECTIVES



cooxupé

FUTURE PERSPECTIVE: CHALLENGES FOR COFFEE AGRICULTURAL PRODUCTION: SUSTAINABILITY AND COOPERATIVISM

Coffee farming, like all agricultural productions, is inherently dependent on climatic conditions. For crop prospects to be confirmed, the climate needs to favor each cycle of the crop. This monitoring is closely conducted by Cooxupé with its 123 agronomists and technicians who are in the field providing assistance and supporting cooperative members in production demands.

Despite challenges for local production, the International Coffee Organization has indicated a 5% increase in global production in the next cycle, totaling 178 million bags. Additionally, it suggested a perspective of a 2.2% increase in global consumption, equivalent to 177 million bags, potentially leaving an "excess" of 1 million bags of coffee. However, market dynamics shouldn't be dictated solely by supply and demand, but rather by the effects of climate change, a concern expressed by all sectors of the economy worldwide.

The FAO (United Nations Food and Agriculture Organization) predicts that by 2050, when the world population will surpass 9.7 billion people, there will be an additional 60% need in global food production - a significant challenge considering the available resources to meet such demand.

To achieve lasting economic growth, organizations from various sectors have sought to implement sustainable development.

In this journey, performance models like ESG have become a frequent standard for evaluating business viability. In agriculture, specifically, the path to this involves increasing efficiency in the field, expanding the use of technologies, and ensuring environmental preservation. Now more than ever, sustainability in business will require efforts from all organizations, public sector, private sector, and society, and in this direction, Cooperativism plays a fundamental and highly relevant role.

At Cooxupé, we have set increasing the number of cooperative members and lessees, as well as enhancing loyalty, as our main short and medium-term objectives. With this, we aim to ensure greater negotiations and access for cooperative members. In the long term, our goal is to encourage greater technology adoption and productivity and quality analysis of coffee, ensuring good results in sustainable production and property management.

For our internal processes, our proposal is to improve and simplify actions, to reduce bureaucracy, aiming to leverage technology use by utilizing updated and integrated systems.

In the coming years, our market approach will involve mapping potential customers in regions where we are already present and in new countries, meeting the legal requirements imposed by importing countries, and focusing on expanding customer portfolios around the globe and creating new business lines, looking at the entire chain.

Development that meets current needs without compromising the ability of future Gerações to meet their own needs, the balance between environmental protection, sustainable use of natural resources, and generation of sustainable results for stakeholders, meeting production demands and quality of life of people, are the principles established by the United Nations (UN), which align with the principles of Cooperativism. This means that cooperatives like Cooxupé, with its more than 19,000 cooperative members, have great potential to continue growing, developing its market, and protecting its greatest legacy.

GENERAL CONTENT

The organization and its reporting practices

| GRI Standard | Disclosure | Location, Response or Reason for Omission |
|------------------------------|---|---|
| GRI 2: 2021 General contents | 2-1 Organization details | 03,11 |
| | 2-2 Entities included in the organization's sustainability report | 03,11 |
| | 2-3 Reporting period, frequency and point of contact | 03 |
| | 2-4 Restatements of Information | As this is the organization's first sustainability report, there have been no revisions or updates to previously published information. |
| | 2-5 External verification | 03 |

Activities and workers

| GRI Standard | Disclosure | Location, Response or Reason for Omission |
|------------------------------|--|---|
| GRI 2: 2021 General contents | 2-6 Activities, value chain and other business relationships | 13 |
| | 2-7 Employees | 49 |
| | 2-8 Workers who are not employees | 49 |

Governance

| GRI Standard | Disclosure | Location, Response or Reason for Omission |
|------------------------------|--|--|
| GRI 2: 2021 General contents | 2-9 Governance structure and its composition | 34 |
| | 2-10 Nomination and selection to the highest governance body | 34 |
| | 2-11 Chair of the highest governance body | 34 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 34 |
| | 2-13 Delegation of responsibility for managing impacts | 34 |
| | 2-14 Role of the highest governance body in sustainability reporting | 03, 34 |
| | 2-15 Conflicts of interest | 34 |
| | 2-16 Procedures for communicating critical concerns | 40 |
| | 2-17 Collective knowledge of the highest governance body | 50 |
| | 2-18 Evaluation of the performance of the highest governance body | It is the responsibility of the General Assembly to conduct the performance evaluation of the Board of Directors, the highest governance body in the administration of the cooperative. Based on the presentation of the results obtained, the understanding and approval of the results by the associates and the proposed action plans are carried out. The election and/or reelection of the Board members are linked to the satisfaction of the associates with the work performed during their term. Internally, there is no performance evaluation process for the Board of Directors. |
| | | 50 |
| | 2-19 Remuneration Policies | According to the Cooperative's Bylaws, it is the responsibility of the General Assembly, in which the election of the members of the Board of Directors and the Fiscal Council takes place, to deliberate on the remuneration process for the Executive Directors as provided for in the statutory terms, as well as the value of Attendance Fees for the other members of the Board of Directors and the Fiscal Council for attending their respective meetings. It is the responsibility of the Board of Directors to present to the Assembly the propositions related to the remuneration process of the Directors. |
| | | 50 |
| | 2-20 Process for determining compensation | According to the Cooperative's Bylaws, it is the responsibility of the General Assembly, in which the election of the members of the Board of Directors and the Fiscal Council takes place, to deliberate on the remuneration process for the Executive Directors as provided for in the statutory terms, as well as the value of Attendance Fees for the other members of the Board of Directors and the Fiscal Council for attending their respective meetings. It is the responsibility of the Board of Directors to present to the Assembly the propositions related to the remuneration process of the Directors. |
| | | 50 |
| | 2-21 Annual total compensation ratio | This information is currently not monitored. Improvements will be implemented in the management model of indicators related to remuneration. |

GENERAL DISCLOSURES

Estratégia, políticas e práticas

| GRI Standard | Disclosure | Location, Response or Reason for Omission |
|------------------------------|--|---|
| GRI 2: 2021 General contents | 2-22 Statement on Sustainable Development Strategy | 04 |
| | 2-23 Policy commitments | 39 |
| | 2-24 Embedding policy commitments | 39 |
| | 2-25 Processes to remediate negative impacts | 37, 39 |
| | 2-26 Mechanisms for advice and presenting concerns | 39 |
| | 2-27 Compliance with laws and regulations | 39 |
| | 2-28 Membership in associations | 36 |
| | 2-29 Approach to stakeholder engagement | 14, 60 |
| | 2-30 Collective bargaining agreements | 50 |
| | | |

MATERIAL TOPICS

Material topics

| GRI Standard | Disclosure | Location, Response or Reason for Omission |
|-----------------------------|---|---|
| GRI 3: Material Topics 2021 | 3-1 Process of defining material themes | 26 |
| | 3-2 List of material topics | 26 |

Soil Management, Nutrients and Water Use

| | | |
|-----------------------------------|--|------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 80, 83, 84 |
| | 303-1 Interactions with water as a shared resource | 83 |
| GRI 303: Water and Effluents 2018 | 303-2 Managing impacts related to water discharge | 83 |
| | 303-3 Water catchment | 83 |
| | 303-5: Water consumption | 83 |

Development of the Regions in which it operates

| | | |
|---|--|----|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 75 |
| | 203-1 Infrastructure investments and services supported | 75 |
| GRI 203: Indirect Economic Impacts 2016 | 203-2 Significant indirect economic impacts | 75 |
| | 413-1 Operations with engagement, impact assessments and development programs aimed at the local community | 75 |
| GRI 413: Communities Communities 2016 | 413-2 Operations with significant actual and potential negative impacts on local communities | 75 |
| | 415-1 Political Contributions | 75 |

Risk Management and Climate Strategy

| | | |
|-----------------------------|---|------------|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 38, 86, 87 |
| | 302-1 Energy consumption within the organization | 86 |
| GRI 302: Energy 2016 | 305-1: Direct (Scope 1) greenhouse gas (GHG) emissions | 87 |
| | 305-2: Indirect emissions (Scope 2) of greenhouse gases (GHG) from the purchase of energy | 87 |
| GRI 305: Emissions 2016 | 305-4 GHG emissions intensity | 87 |
| | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 87 |

| Supplier and third party management | | |
|---|--|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 60 |
| GRI 308: Environmental Evaluation of Suppliers 2016 | 308-1 New suppliers that were screened using environmental criteria | 60 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 60 |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 72 |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 72 |
| GRI 409: Forced or compulsory labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 72 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 60 |
| | 414-2 Negative social impacts in the supply chain and measures taken | 60 |
| GRI 13: Agricultural, Aquaculture and Fishing Sectors 2022 13.23 Supply chain traceability | 13.23.2 Traceability level in place for each product purchased | 72 |
| | 13.23.3 Purchased volume that is certified by internationally recognized standards that track the path taken by products along the supply chain | 72 |
| | 13.23.4 Improvement projects to certify suppliers by internationally recognized standards that track the path taken by products along the supply chain | 72 |
| Economic and financial management | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 44 |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 44 |
| Fair Labor Practices, Health and Safety, and Human Rights | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 57 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 - Occupational health and safety management system | 57 |
| | 403-2 Hazard identification, risk assessment and incident investigation | 57 |
| | 403-3 Occupational health services | 57 |
| | 403-4 Participation of employees, and consultation and communication with employees about occupational health and safety | 57 |
| | 403-5 Training of workers in occupational health and occupational safety | 57 |
| | 403-6: Promotion of worker health | 57 |
| | 403-7 Prevention and mitigation of health and safety impacts of work directly linked to business relationships | 57 |
| | 403-8 Workers covered by a health and safety management system | 57 |
| | 403-9 Workplace accidents | 57 |
| | 403-10 Occupational diseases | 57 |
| Attraction, Retention and Development of Human Capital and Diversity | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 50, 53, 55 |
| GRI 401: Employment 2016 | 401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees | 50 |
| | 401-3 Parental leave | 53 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 50 |
| | 404-2 Programs for the improvement of skills of employees and career transition assistance | 50 |
| | 404-3 Percentage of employees receiving regular appraisals of performance and career development | 50 |
| GRI 405: Diversity and Equality of Opportunities 2016 | 405-1 Diversity in governance bodies and employees | 55 |
| GRI 406: Non-Discrimination 2016 | 406-1 Cases of discrimination and corrective action taken | 55 |
| Nature Conservation and Biodiversity | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 88 |
| GRI 304: Biodiversity 2016 | 304-2 Significant impacts of activities, products and services on biodiversity | 88 |
| Governance and Management of Regulatory and Legal Environments | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 33, 38 |
| GRI 205: Combate à Corrupção 2016 | 205-1 Operations assessed for risks related to corruption | 40 |
| | 205-2 Communication and capacity building on policies and anti-corruption procedures | 40 |
| | 205-3 Confirmed cases of corruption and measures taken | 40 |
| GRI 206: Competition Disloyal 2016 | 206-1 Lawsuits for unfair competition, practices of trust and monopoly | 40 |
| Data Protection | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 41 |
| GRI 418: Privacy of the Client 2016 | 418-1 Proven complaints regarding violation of privacy and customer data loss | 41 |
| NON-MATERIAL TOPICS | | |
| GRI Standard | Disclosure | Location, Response or Reason for Omission |
| GRI 401: Employment 2016 | 401-1 New hires and employee turnover | 49 |
| GRI 416: Consumer Health and Safety 2016 | 416-1 Assessment of health and safety impacts caused by product and service categories | 73 |
| | 416-2 Cases of non-compliance in relation to impacts on health and safety caused by products and services | 73 |
| GRI 13: Agricultural Sectors, Aquaculture and Fishing 2022 | 13.10.4. Production volume of certified operating units by recognized food safety standards | 73 |
| 13.10 Food safety | 13.10.5. Recalls made for reasons related to food safety and the total volume of products withdrawn from the market | 73 |
| GRI 306: Waste 2020 | 306-1 Generation of waste and significant impacts related to waste | 90 |
| | 306-2 Management of significant waste-related impacts | 90 |
| | 306-3 Waste generated | 90 |
| | 306-4. Waste not destined for final disposal | 90 |
| | 306-5. Waste intended for disposal | 90 |



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Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

***Parent company and consolidated
financial statements at
December 31, 2023
and independent auditor's report***





(A free translation of the original in Portuguese)

Independent auditor's report

To the Management and Members
Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Opinion

We have audited the accompanying parent company financial statements of Cooperativa Regional de Cafeicultores em Guaxupé Ltda. ("Cooperative"), which comprise the balance sheet as at December 31, 2023 and the statements of surplus, comprehensive surplus, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of the Cooperative and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2023 and the consolidated statements of surplus, comprehensive surplus, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Cooperative and of the Cooperative and its subsidiaries as at December 31, 2023, and the parent company financial performance and cash flows, as well as the consolidated financial performance and cash flows, for the year then ended, in accordance with accounting practices adopted in Brazil applicable to cooperatives.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Cooperative and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

Statement of value added

The parent company and consolidated statements of value added for the year ended December 31, 2023, prepared under the responsibility of the Cooperative's management and presented as supplementary information, were submitted to audit procedures performed in conjunction with the audit of the Cooperative's parent company and consolidated financial statements.



Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to cooperatives and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Cooperative and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Cooperative and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Cooperative and its subsidiaries.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of the Cooperative and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cooperative and its subsidiaries, as a whole, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Ribeirão Preto, February 22, 2024

Designd by
Assessor por LUIS FERNANDO DE SOUZA BARAHONA-398316789
CPF: 28027678987
Declaro de Assessoria: 27 March 2020 | 14:12 BRT
O: 10P-Brasil, OJ: Secretaria da Receita Federal do Brasil - RFB
C: 001
Email: luis.fernando@brasil.gov.br
Luis Fernando
CPF: 39831678987

Luis Fernando de Souza Maranhã
Contador CRC 1SP201527/O-5

(A free translation of the original in Portuguese)

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Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Balance sheet at December 31**

All amounts in reais

(A free translation of the original in Portuguese)

| Assets | Note | Parent company | | Consolidated | |
|--|-------------|-----------------------|----------------------|----------------------|----------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 1,145,191,335 | 1,116,096,793 | 1,179,143,507 | 1,168,817,785 |
| Marketable securities | 7 | 12,453,764 | 37,906,845 | 14,773,833 | 44,073,094 |
| Derivative financial instruments | 8 | 94,232,185 | 320,053,688 | 94,473,675 | 321,138,653 |
| Trade and foreign currency notes receivable | 9.1 | 705,678,891 | 576,421,375 | 718,696,902 | 596,149,796 |
| Borrowings and transfers to members | 9.2 | 390,533,853 | 648,419,611 | 390,533,853 | 648,419,611 |
| Inventories | 10 | 2,104,569,004 | 943,212,581 | 2,174,036,253 | 1,013,854,227 |
| Agricultural products for future receipt (CPR) | 11 | 533,750,468 | 702,049,668 | 540,752,446 | 709,689,075 |
| Inventories - agricultural products from members | 12 | 2,160,457,656 | 2,072,905,865 | 2,160,457,656 | 2,072,905,865 |
| Taxes recoverable | 13 | 87,062,365 | 49,392,926 | 88,124,761 | 49,872,884 |
| Other assets | 14 | 9,079,894 | 7,362,900 | 8,725,733 | 7,184,392 |
| Total current assets | | 7,243,009,415 | 6,473,822,252 | 7,369,718,619 | 6,632,105,382 |
| Non-current assets | | | | | |
| Borrowings and transfers to members | 9.2 | 49,111,402 | 50,854,139 | 49,111,402 | 50,854,139 |
| Agricultural products for future receipt (CPR) | 11 | 127,936,999 | 179,313,899 | 127,936,999 | 179,313,899 |
| Taxes recoverable | 13 | 215,443,955 | 270,574,587 | 217,294,998 | 272,622,192 |
| Deferred income tax and social contribution | 15 | 38,287,455 | 37,206,586 | 44,183,174 | 39,718,607 |
| | | 430,779,811 | 537,949,211 | 438,526,573 | 542,508,837 |
| Property, plant and equipment | 16 | 494,154,168 | 478,605,252 | 494,901,182 | 479,487,891 |
| Investments | 17 | 49,992,359 | 42,506,228 | 5,090,766 | 3,315,196 |
| Intangible assets | 18 | 33,358,815 | 29,569,503 | 33,829,195 | 29,576,358 |
| Right-of-use assets | 19 | 6,705,515 | 5,059,165 | 7,165,950 | 5,225,038 |
| Total non-current assets | | 1,014,990,668 | 1,093,689,359 | 979,513,666 | 1,060,113,320 |
| Total assets | | 8,258,000,083 | 7,567,511,611 | 8,349,232,285 | 7,692,218,702 |

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Balance sheet at December 31****All amounts in reais****(continued)**

| | | Parent company | | Consolidated | |
|---|-------------|-----------------------|----------------------|----------------------|----------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Liabilities and equity | Note | | | | |
| Current liabilities | | | | | |
| Suppliers of goods and services | 20 | 508,236,218 | 766,284,356 | 520,189,983 | 784,183,578 |
| Trade payables - agricultural products from members | 12 | 2,160,457,656 | 2,072,905,865 | 2,160,457,656 | 2,072,905,865 |
| Lease liabilities | 19 | 3,331,574 | 2,319,223 | 3,331,574 | 2,319,223 |
| Derivative financial instruments | 8 | 72,729,334 | 15,518,300 | 72,759,430 | 15,662,180 |
| Advances on foreign exchange contracts and export prepayments | 21 | 366,254,369 | 462,672,108 | 431,032,161 | 537,110,145 |
| Borrowings | 22 | 1,862,354,173 | 1,065,471,575 | 1,872,615,872 | 1,096,161,113 |
| Salaries, social charges and taxes payable | 23 | 74,629,758 | 51,926,974 | 78,038,569 | 53,066,501 |
| Other liabilities | 24 | 35,282,874 | 21,390,128 | 35,282,874 | 21,390,128 |
| Total current liabilities | | <u>5,083,275,956</u> | <u>4,458,488,529</u> | <u>5,173,708,119</u> | <u>4,582,798,733</u> |
| Non-current liabilities | | | | | |
| Suppliers of goods and services | 20 | 95,422,446 | 158,945,247 | 95,422,446 | 158,945,247 |
| Lease liabilities | 19 | 3,120,142 | 2,597,729 | 3,120,142 | 2,597,729 |
| Advances on foreign exchange contracts and export prepayments | 21 | 306,615,667 | 365,239,000 | 306,615,667 | 365,239,000 |
| Borrowings | 22 | 603,500,299 | 596,186,775 | 603,500,299 | 596,186,775 |
| Provision for contingencies | 25 | 15,684,746 | 15,282,183 | 15,826,310 | 15,469,150 |
| Other liabilities | 24 | 48,105,628 | 45,169,156 | 48,396,528 | 45,379,076 |
| Total non-current liabilities | | <u>1,072,448,928</u> | <u>1,183,420,090</u> | <u>1,072,881,392</u> | <u>1,183,816,977</u> |
| Total liabilities | | <u>6,155,724,884</u> | <u>5,641,908,619</u> | <u>6,246,589,511</u> | <u>5,766,615,710</u> |
| Equity | 28 | | | | |
| Capital | | 245,381,174 | 225,785,391 | 245,381,174 | 225,785,391 |
| Legal reserve | | 697,695,975 | 624,013,022 | 697,695,975 | 624,013,022 |
| Technical, educational and social assistance reserve | | 323,567,413 | 322,291,322 | 323,567,413 | 322,291,322 |
| Carrying value adjustments | | 14,667,765 | 15,727,068 | 14,667,765 | 15,727,068 |
| Reserve for development | | 770,238,802 | 709,608,976 | 770,238,802 | 709,608,976 |
| Surplus to be allocated at the general meeting | | 50,724,070 | 28,177,213 | 50,724,070 | 28,177,213 |
| Equity attributable to owners of the parent | | <u>2,102,275,199</u> | <u>1,925,602,992</u> | <u>2,102,275,199</u> | <u>1,925,602,992</u> |
| Non-controlling interests | | | | 367,575 | |
| Total equity | | <u>2,102,275,199</u> | <u>1,925,602,992</u> | <u>2,102,642,774</u> | <u>1,925,602,992</u> |
| Total liabilities and equity | | <u>8,258,000,083</u> | <u>7,567,511,611</u> | <u>8,349,232,285</u> | <u>7,692,218,702</u> |

The accompanying notes are an integral part of these financial statements.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.**Statement of surplus****Years ended December 31**

All amounts in reais

(A free translation of the original in Portuguese)

| | Note | Parent company | | | | | | Consolidated | | | |
|---|------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------|--|
| | | 2023 | | | 2022 | | | 2023 | | 2022 | |
| | | Members | Non-members | Total | Total | Members | Non-members | Total | Total | | |
| Income (members) and net revenue (non-members) | | | | | | | | | | | |
| Sales in the foreign market | | 3,073,780,894 | 649,004,392 | 3,722,785,286 | 6,658,092,477 | 3,073,780,894 | 826,823,037 | 3,900,603,931 | 6,866,603,321 | | |
| Sales and services in the domestic market | | 2,098,794,194 | 428,408,074 | 2,527,202,268 | 3,237,156,457 | 2,098,794,194 | 430,258,815 | 2,529,053,009 | 3,238,521,721 | | |
| Cost of products and goods sold, and services rendered | 29 | 5,172,575,088 | 1,077,412,466 | 6,249,987,554 | 9,895,248,934 | 5,172,575,088 | 1,257,081,852 | 6,429,656,940 | 10,105,125,042 | | |
| Net result of changes in prices of agricultural commodities and foreign exchange variations | 31 | (5,096,021,329) | (1,091,280,209) | (6,187,301,538) | (9,073,539,555) | (5,096,021,329) | (1,272,162,690) | (6,368,184,019) | (9,268,006,476) | | |
| | 30 | 264,568,724 | 62,687,747 | 327,256,471 | (319,134,268) | 264,568,724 | 79,289,375 | 343,858,099 | (319,839,807) | | |
| Gross surplus/profit | | 341,122,483 | 48,820,004 | 389,942,487 | 502,575,111 | 341,122,483 | 64,208,537 | 405,331,020 | 517,278,759 | | |
| Operating income/revenue (costs/expenses) | | | | | | | | | | | |
| Selling expenses | 31 | (161,554,960) | (56,012,193) | (217,567,153) | (376,532,108) | (161,554,960) | (59,755,732) | (221,310,692) | (380,774,586) | | |
| Administrative and general expenses | 31 | (67,900,050) | (7,662,718) | (75,562,768) | (69,615,967) | (67,900,050) | (9,380,066) | (77,280,116) | (70,212,439) | | |
| Other income/revenue, net | 32 | 28,370,002 | 4,057,601 | 32,427,603 | 109,172,769 | 28,370,002 | 2,065,386 | 30,435,388 | 108,741,427 | | |
| Equity in the results of the subsidiary | 14.1 | | 5,135,132 | 5,135,132 | 6,432,339 | | | | | | |
| Operating surplus/profit | | 140,037,475 | (5,662,174) | 134,375,301 | 172,032,144 | 140,037,475 | (2,861,875) | 137,175,600 | 175,033,161 | | |
| Finance income/revenue | 33 | 252,526,029 | 84,203,980 | 336,730,009 | 294,015,179 | 252,526,029 | 88,996,344 | 341,522,373 | 298,010,110 | | |
| Finance costs/expenses | 33 | (174,688,333) | (30,192,758) | (204,881,091) | (189,265,720) | (174,688,333) | (35,214,922) | (209,903,255) | (192,911,344) | | |
| Surplus/profit before income tax and social contribution | | | | | | | | | | | |
| Current income tax and social contribution | | 217,875,171 | 48,349,048 | 266,224,219 | 276,781,603 | 217,875,171 | 50,919,547 | 268,794,718 | 280,131,927 | | |
| Deferred income tax and social contribution | | | (31,246,391) | (31,246,391) | (21,747,122) | | (37,233,013) | (37,233,013) | (23,436,643) | | |
| | | | 841,157 | 841,157 | (21,891,945) | | 4,224,855 | 4,224,855 | (23,552,748) | | |
| Surplus/profit for the year | 28.4 | 217,875,171 | 17,943,814 | 235,818,985 | 233,142,536 | 217,875,171 | 17,911,389 | 235,786,560 | 233,142,536 | | |
| Surplus/profit for the year attributable to: | | | | | | | | | | | |
| Equity holders of the parent | | | | | | 217,875,171 | 17,943,814 | 235,818,985 | 233,142,536 | | |
| Non-controlling interests | | | | | | | (32,425) | (32,425) | | | |
| Surplus/profit for the year | | | | | | 217,875,171 | 17,911,389 | 235,786,560 | 233,142,536 | | |

The accompanying notes are an integral part of these financial statements.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.
Statement of comprehensive surplus
Years ended December 31
All amounts in reais

(A free translation of the original in Portuguese)

| | Parent company | | Consolidated | |
|--|----------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Surplus/profit for the year | 235,818,985 | 233,142,536 | 235,786,560 | 233,142,536 |
| Other components of comprehensive surplus | - | - | - | - |
| Total comprehensive surplus for the year | 235,818,985 | 233,142,536 | 235,786,560 | 233,142,536 |
| Total comprehensive surplus attributable to: | | | | |
| Equity holders of the parent | | | 235,818,985 | 233,142,536 |
| Non-controlling interests | | | (32,425) | |
| Total comprehensive surplus for the year | | | 235,786,560 | 233,142,536 |

The accompanying notes are an integral part of these financial statements.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of changes in equity

All amounts in reais

(A free translation of the original in Portuguese)

| | Note | Capital | Legal reserve | Technical, educational and social assistance reserve | Carrying value adjustments | Special capitalization reserve | Reserve for development | Surplus to be allocated at the General Meeting | Total attributed to owners of the parent | Non-controlling interests | Total consolidated |
|--|------|--------------------|--------------------|--|----------------------------|--------------------------------|-------------------------|--|--|---------------------------|----------------------|
| At December 31, 2021 | | <u>221,345,034</u> | <u>581,747,205</u> | <u>289,571,502</u> | <u>17,306,431</u> | <u>13,776,069</u> | <u>606,503,387</u> | <u>60,215,029</u> | <u>1,790,464,657</u> | | <u>1,790,464,657</u> |
| Allocation of surplus – distribution in cash | 28.4 | | | | | | | (60,215,029) | (60,215,029) | | (60,215,029) |
| Admissions and withdrawals of members, net | | (4,665,683) | | | | (13,592,668) | | | (18,258,351) | | (18,258,351) |
| Age-based capital refund program (PRCI) | 28.5 | (4,982,566) | | | | (183,401) | | | (5,165,967) | | (5,165,967) |
| Realization of carrying value adjustments | 28.4 | | | | (1,303,115) | | | 1,303,115 | | | |
| Adjustment to deferred taxes on carrying value adjustments | | | | | (276,248) | | | | (276,248) | | (276,248) |
| Realization/utilization of technical, educational and social reserve | 28.4 | | | (42,890,347) | | | | 42,890,347 | | | |
| Surplus/profit for the year | | | | | | | | 233,142,536 | 233,142,536 | | 233,142,536 |
| Statutory and legal allocations | 28.4 | | | | | | | | | | |
| Legal reserve (reserve fund) | | | 42,265,817 | | | | | (42,265,817) | | | |
| Technical, educational and social assistance reserve | | | | 75,610,167 | | | | (75,610,167) | | | |
| Capital | | 14,088,606 | | | | | | (14,088,606) | | | |
| Reserve for development | | | | | | | 103,105,589 | (103,105,589) | | | |
| Distribution in cash | | | | | | | | (14,088,606) | (14,088,606) | | (14,088,606) |
| At December 31, 2022 | | <u>225,785,391</u> | <u>624,013,022</u> | <u>322,291,322</u> | <u>15,727,068</u> | | <u>709,608,976</u> | <u>28,177,213</u> | <u>1,925,602,992</u> | | <u>1,925,602,992</u> |
| Allocation of surplus – distribution in cash | 28.4 | | | | | | | (28,177,213) | (28,177,213) | | (28,177,213) |
| Admissions and withdrawals of members, net | | (2,651,118) | | | | | | | (2,651,118) | | (2,651,118) |
| Payment of capital | | | | | | | | | | 400,000 | 400,000 |
| Age-based capital refund program (PRCI) | 28.5 | (3,115,133) | | | | | | | (3,115,133) | | (3,115,133) |
| Realization of carrying value adjustments | 28.4 | | | | (1,299,015) | | | 1,299,015 | | | |
| Adjustment to deferred taxes on carrying value adjustments | | | | | 239,712 | | | (80,992) | 158,720 | | 158,720 |
| Realization/utilization of technical, educational and social reserve | 28.4 | | | (49,810,450) | | | | 49,810,450 | | | |
| Surplus/profit for the year | | | | | | | | 235,818,985 | 235,818,985 | (32,425) | 235,786,560 |
| Statutory and legal allocations | 28.4 | | | | | | | | | | |
| Legal reserve (reserve fund) | | | 73,682,953 | | | | | (73,682,953) | | | |
| Technical, educational and social assistance reserve | | | | 51,086,541 | | | | (51,086,541) | | | |
| Capital | | 25,362,034 | | | | | | (25,362,034) | | | |
| Reserve for development | | | | | | | 60,629,826 | (60,629,826) | | | |
| Distribution in cash | | | | | | | | (25,362,034) | (25,362,034) | | (25,362,034) |
| At December 31, 2023 | | <u>245,381,174</u> | <u>697,695,975</u> | <u>323,567,413</u> | <u>14,667,765</u> | | <u>770,238,802</u> | <u>50,724,070</u> | <u>2,102,275,199</u> | <u>367,575</u> | <u>2,102,642,774</u> |

The accompanying notes are an integral part of these financial statements.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of cash flows Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

| Note | Parent company | | Consolidated | |
|--|----------------|-----------------|-----------------|-----------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cash flows from operating activities | | | | |
| Surplus/profit before income tax and social contribution | | | | |
| | 266,224,219 | 276,781,603 | 268,794,718 | 280,131,927 |
| Adjustments | | | | |
| Depreciation and amortization | 31 | 39,816,078 | 36,083,591 | 36,212,214 |
| Gain (loss) on unredeemed marketable securities | | (297,991) | (962,919) | (996,068) |
| Gain (loss) on valuation of commodity inventories, reflecting the adjustment of inventories to net recoverable value | 30 | (143,432,611) | 1,437,262,723 | 1,461,151,919 |
| Changes in the provision for impairment of trade notes, loans and transfers, CPRs, and taxes | 31 | (77,429,085) | 76,841,656 | 76,943,272 |
| Tax credits | 32 (a) | | (35,218,037) | (35,218,037) |
| Gain (loss) on unsettled derivative financial instruments | | (22,156,615) | (305,948,561) | (306,889,646) |
| Capitalization of investment gains | | (164,497) | (41,919) | (44,880) |
| Foreign exchange variation on borrowings, advances on foreign exchange contracts, and export prepayments | 35.1 | (58,926,047) | (233,992,329) | (238,146,062) |
| Foreign exchange variation on foreign currency notes receivable | | 11,121,155 | (354,035) | 1,264,367 |
| Interest on borrowings, advances on foreign exchange contracts, and export and lease prepayments | 35.1 | 201,877,866 | 180,894,662 | 184,200,038 |
| Gain (loss) on disposal of property, plant and equipment | 35.2 | (197,577) | (7,809,345) | (7,809,345) |
| Equity in the results of investees | 17 (i) | (5,135,132) | (6,432,339) | |
| | | 211,299,763 | 1,417,104,751 | 1,450,799,699 |
| Changes in assets and liabilities | | | | |
| Marketable securities | | 25,751,072 | (1,936,647) | (4,815,611) |
| Derivative financial instruments | | 297,955,185 | (637,054,005) | (641,400,429) |
| Inventories | | (702,438,713) | 2,483,683,975 | 2,487,062,785 |
| Trade notes, loans and transfers to members receivable, taxes recoverable and other assets | | 115,559,046 | (197,072,995) | (201,179,284) |
| Trade payables | | (324,686,071) | (431,211,551) | (436,858,614) |
| Other liabilities, salaries, social charges, taxes payable and provision for contingencies | | (1,537,456) | (54,003,238) | (55,799,572) |
| Cash (used in) provided by operating activities | | (378,097,174) | 2,579,510,290 | 2,597,808,974 |
| Interest paid | 35.1 | (175,286,529) | (168,701,844) | (171,361,564) |
| Income tax and social contribution paid | | (47,923) | (2,657,209) | (6,171,107) |
| Net cash (used in) provided by operating activities | | (553,431,626) | 2,408,151,237 | 2,420,276,303 |
| Cash flows from investing activities | | | | |
| Purchases of property, plant and equipment and intangible assets | 16 to 18 | (58,428,774) | (113,152,890) | (58,326,819) |
| Capital contribution from non-controlling interests | | | 400,000 | (113,497,497) |
| Cash generated on disposals of property, plant and equipment | 35.2 | 974,699 | 10,602,824 | 10,602,824 |
| Net cash used in investing activities | | (57,454,075) | (102,550,066) | (102,894,673) |
| Cash flows from financing activities | | | | |
| Capital return, net | | (2,651,118) | (18,258,351) | (2,651,118) |
| Distribution of surplus | 28.4 | (42,265,819) | (90,322,544) | (42,265,819) |
| New borrowings, advances on foreign exchange contracts and export prepayments | 35.1 | 2,235,375,193 | 2,821,175,775 | 2,329,549,200 |
| Repayments of borrowings, advances on foreign exchange contracts, export prepayments, and leases | 35.1 | (1,550,478,013) | (5,155,960,709) | (1,670,006,086) |
| Net cash provided by (used in) financing activities | | 639,980,243 | (2,443,365,829) | 614,626,177 |
| Increase (decrease) in cash and cash equivalents | | 29,094,542 | (137,764,658) | 10,325,722 |
| Cash and cash equivalents at the beginning of the year | 6 | 1,116,096,793 | 1,253,861,451 | 1,168,817,785 |
| Cash and cash equivalents at the end of the year | 6 | 1,145,191,335 | 1,116,096,793 | 1,179,143,507 |

Non-cash transactions are presented in Note 35.

The accompanying notes are an integral part of these financial statements.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Statement of value added Years ended December 31

All amounts in reais

(A free translation of the original in Portuguese)

| | | Parent company | | | | Consolidated | | | |
|---|-------------|-----------------|-------|-----------------|--------|-----------------|-------|-----------------|--------|
| | Note | 2023 | % | 2022 | % | 2023 | % | 2022 | % |
| Revenue | | | | | | | | | |
| Income (members), revenue (non-members) and other income/revenue,net | | 6,321,266,071 | 922% | 10,036,088,200 | 1636% | 6,499,046,828 | 932% | 10,245,588,126 | 1643% |
| Net result of changes in prices of agricultural commodities and foreign exchange variations | 30 | 327,256,471 | 48% | (319,134,268) | -52% | 343,858,099 | 49% | (319,839,807) | -51% |
| Provision for impairment of trade notes, loans and transfers to members, CPRs, and taxes | 31 | 77,429,085 | 11% | (76,841,656) | -13% | 77,015,282 | 11% | (76,943,272) | -12% |
| | | 6,725,951,627 | | 9,640,112,276 | | 6,919,920,209 | | 9,848,805,047 | |
| Inputs purchased | | | | | | | | | |
| Materials consumed | | (6,165,136,789) | -899% | (9,088,596,585) | -1481% | (6,343,998,384) | -910% | (9,281,825,084) | -1489% |
| Expenditures/expenses with services rendered | | (26,173,262) | -4% | (25,563,361) | -4% | (26,845,841) | -4% | (26,291,597) | -4% |
| Operating expenditures/expenses | | (151,025,819) | -22% | (176,692,737) | -29% | (153,680,165) | -22% | (179,039,298) | -29% |
| | | (6,342,335,870) | | (9,290,852,683) | | (6,524,524,390) | | (9,487,155,979) | |
| Gross value added | | | | | | | | | |
| | | 383,615,757 | | 349,259,593 | | 395,395,819 | | 361,649,068 | |
| Depreciation and amortization (cost) | 31 | (38,598,055) | -6% | (34,780,476) | -6% | (38,732,499) | -6% | (34,909,099) | -6% |
| Depreciation of revaluation increment | 31 and 28.4 | (1,218,023) | 0% | (1,303,115) | 0% | (1,218,023) | 0% | (1,303,115) | 0% |
| Net value added generated by the Cooperative | | | | | | | | | |
| | | 343,799,679 | | 313,176,002 | | 355,445,297 | | 325,436,854 | |
| Value added received through transfer | | | | | | | | | |
| Equity in the results of subsidiary | 17.1 (i) | 5,135,132 | 1% | 6,432,339 | 1% | | | | |
| Finance income/revenue | 33 | 336,730,009 | 49% | 294,015,179 | 48% | 341,522,373 | 49% | 298,010,110 | 48% |
| Total value added to distribute | | | | | | | | | |
| | | 685,664,820 | 100% | 613,623,520 | 100% | 696,967,670 | 100% | 623,446,964 | 100% |
| Distribution of value added | | | | | | | | | |
| Employees | | | | | | | | | |
| Direct remuneration | | 159,982,222 | | 146,836,407 | | 163,243,737 | | 149,574,764 | |
| Benefits | | 38,900,589 | | 32,058,793 | | 39,868,088 | | 32,742,154 | |
| Government Severance Indemnity Fund for Employees (FGTS) | | 14,804,587 | | 12,828,464 | | 15,030,317 | | 13,028,452 | |
| Taxes | | 28,705,718 | | 809,447 | | 30,629,704 | | 3,432,788 | |
| Financing agents | | | | | | | | | |
| Interest | | 202,501,972 | | 186,978,252 | | 207,340,461 | | 190,299,578 | |
| Rentals | | 4,950,747 | | 969,621 | | 5,068,803 | | 1,226,692 | |
| Surplus/profit for the year | | 235,818,985 | | 233,142,536 | | 235,786,560 | | 233,142,536 | |
| Value added distributed | | | | | | | | | |
| | | 685,664,820 | | 613,623,520 | | 696,967,670 | | 623,446,964 | |

The accompanying notes are an integral part of these financial statements.

(A free translation of the original in Portuguese)

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2023

All amounts in reais unless otherwise stated

1 General information

Cooperativa Regional de Cafeicultores em Guaxupé Ltda. ("Cooxupé") is an agricultural production cooperative headquartered in Guaxupé, State of Minas Gerais, mainly engaged in the storage, standardization and trade of raw coffee beans, roasted and ground coffee and cereals, the resale of agribusiness inputs, as well as the rendering of technical assistance services and transfer of funds to its members. Its subsidiary, SMC - Comercial e Exportadora de Café S.A., sells and exports raw coffee beans for the special and certified coffee segment. Its subsidiary Cooxupé Corretora de Seguros Ltda. provides insurance brokerage and agency services. Its subsidiary Vectag Plataforma de Serviços de Tecnologia S.A. is engaged in the development and licensing of customized computer programs, consultancy for integrating systems and solutions, in addition to operating as a holding of non-financial institutions and providing intermediation and agency services for businesses in general. Cooxupé, together with its subsidiaries, is referred to as the "Cooperative". In order to achieve its goals, the Cooperative fosters the sustainable development of its members, promoting the benefits of its cooperative structure to add value to its members through effective participation, by upholding the values of trust, dedication, and cooperation. These are implemented through a policy designed to achieve customer satisfaction, by offering products that meet the requirements of their businesses, with a highly skilled and engaged team of employees and continuously improved forms of delivery.

Cooxupé operates in 341 municipalities located in the States of Minas Gerais (Southern, Southeast, "Cerrado" and "Matas de Minas" regions) and São Paulo (Média Mogiana region), rendering services to the members through 20 Operational Centers, 14 Service Centers, 14 Advanced Units, and an export office in Santos. At December 31, 2023, the Cooperative had 19,192 members (18,119 in 2022).

The issue of the parent company and consolidated financial statements was authorized by the Board of Directors on February 22, 2024.

1.2 Consumption Tax Reform

On December 20, 2023, the National Congress enacted Constitutional Amendment 132, which reforms the National Tax System (STN), establishing new rules for taxes levied on consumption.

The Reform is based on the "dual VAT" model, divided into two taxes, one at the Federal level, with the creation of a Contribution on Goods and Services (CBS) to replace the PIS and COFINS, and the other at the level of the States, Federal District and Municipalities, with the creation of the Tax on Goods and Services (IBS), to replace the State Value Added Tax (ICMS) and the Tax on Services (ISS).

The Reform also provides for the creation of a federal Selective Tax (IS), to be levied on the production, extraction, sale, or import of goods and services deemed harmful to health and the environment, under the terms of a Complementary Law (LC).

Specific aspects of operations with cooperative members provided for in Law 5.764/1971 were addressed in the constitutional text, which includes the creation of a Complementary Law to regulate the taxation of cooperative associations. The constitutional text also provides for the right to offset any existing ICMS and PIS/COFINS credit balances against the new taxes (IBS and CBS) or against other federal taxes, or via refunds.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements at December 31, 2023

All amounts in reais unless otherwise stated

During the transition period scheduled to run from 2026 to 2032, both the old and new models will coexist. The impacts of this Reform will only be fully known once the regulatory framework for the relevant issues, including the rates, has been implemented by means of a Complementary Law, which must be submitted to the National Congress within 180 days of its enactment. Accordingly, the Reform had no effect on the financial statements at December 31, 2023.

2 Basis of preparation

The parent company and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), especially those applicable to cooperatives, and Cooperative Law 5.764/71. Disclosures are limited to information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

The significant accounting policies adopted by the Cooperative are presented in the respective Notes; the accounting policies applicable to the financial statements as a whole are presented from Note 37.

The financial statements have been prepared under the historical cost convention, as modified to reflect the valuation of property, plant and equipment recorded in 2007, and the measurement of certain financial and non-financial assets and liabilities (including derivatives) and inventories of agricultural products at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Cooperative's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Management, which is responsible for the preparation and fair presentation of these financial statements, is comprised of the Executive Board, the Superintendencies, and the controlling department.

2.1 Consolidation

2.1.1 Consolidated financial statements

The following accounting policies are applied in the preparation of the consolidated financial statements.

(a) Subsidiaries

A subsidiary is an entity over which Cooxupé has control. In 2023, Cooxupé had three subsidiaries (two subsidiaries in 2022 (Note 17)).

Transactions, balances and unrealized gains on transactions between Cooxupé and its subsidiaries are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of the subsidiary have been changed where necessary to ensure consistency with the policies adopted by Cooxupé.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2023

All amounts in reais unless otherwise stated

(b) Cooperative and non-cooperative companies

Investments in cooperative and non-cooperative companies are recorded at cost of acquisition, in accordance with accounting practices adopted in Brazil. As the Cooperative does not have control over the companies, these investments are not consolidated, being accounted for as subsidiaries or associated companies.

Gains and losses relating to the associated cooperative and non-cooperative companies are recorded in the statement of surplus or deficit within "Finance income/costs".

2.1.2 Parent company financial statements

In the Cooperative's financial statements, a subsidiary is recorded using the equity method of accounting. The same adjustments are made in the parent company and consolidated financial statements to align results and equity.

3. Critical accounting estimates and judgments

Critical accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates

Based on assumptions, the Cooperative makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

3.1.1 Valuation of commodity inventories

The fair value of commodity inventories ("agricultural products") is determined through the valuation of the physical quantity of the Cooperative's agricultural products and purchases for future delivery (CPR), to which a pre-negotiated sales price or realizable market value is assigned, based on the characteristics of the product ("quality"), net of costs to sell. The Cooperative exercises judgment to determine these assumptions (product quality, quality-based pricing, cost of preparation and transportation, port dues etc.), which are primarily based on the market conditions at the balance sheet date.

At December 31, 2023, had the average prices used in the calculation of the fair value presented a difference of 10% in relation to management's estimates, the carrying amount of the agricultural commodity inventories would have been higher/ lower by R\$ 27,232,969 (R\$ 13,541,935 in 2022).

3.1.2 Provision for impairment of trade receivables and CPRs

The provision for impairment of trade receivables is based on a percentage of estimated losses by category of trade receivables and the Rural Product Notes (CPRs) receivable. Notes receivable are classified according to their category/nature, the collection status (overdue or not yet due), and existing collateral.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2023

All amounts in reais unless otherwise stated

At December 31, 2023, had the estimated impairment loss percentage been 10% higher/lower, the provision for impairment of trade receivables would have been increased/decreased by R\$ 13,270,172 in relation to management's estimates (R\$ 44,617,352 in 2022).

In 2023, the provisions for impairment were reduced since the regions where Cooxupé operates were not significantly affected by adverse climate events (Note 4.2), which preserved the cooperative members' production output, and their ability to honor future commitments.

3.1.3 Fair value of financial instruments

The fair value of financial instruments classified at fair value through surplus or deficit and included in Level 2 is determined by using valuation techniques. The Cooperative exercises judgment to select the techniques and determine assumptions which are primarily based on the market conditions at the balance sheet date. The discounted cash flow analysis was used to calculate the fair value of these instruments.

At December 31, 2023, if the discount rate used in the discounted cash flow analysis were 10% higher/lower in relation to management's estimates, the carrying amount of financial assets at fair value through surplus or deficit (Level 2) would have been R\$ 9,591,000 lower or R\$ 11,315,000,000 higher (R\$ 3,248,000 lower or R\$ 3,358,000 higher in 2022).

3.1.4 Deferred income tax and social contribution

Deferred income tax and social contribution assets in the Cooperative include the amount of R\$ 30,308,961 (R\$ 46,430,883 in 2022) of unused carryforward tax losses, considering that taxable profit will be available to allow the use of such tax losses in the future.

3.1.5 Provision for contingencies

The Cooperative is a party to tax, labor, social security and civil lawsuits, and is discussing such matters at different court levels. The provision for probable losses arising from these matters is estimated and periodically adjusted by the Cooperative's management, supported by the advice of its legal counsel, and requiring a high degree of judgment.

3.1.6 Lessee's incremental borrowing rate

As the Cooperative is unable to determine the implicit discount rate to be applied to its lease agreements, the lessee's incremental borrowing rate is used to calculate the present value of the lease liabilities at the inception of the agreement.

The lessee's incremental borrowing rate is the interest rate that the lessee would have to pay when borrowing resources for the acquisition of an asset similar to the one leased, with similar term and guarantee.

Determining this rate requires a high degree of judgment and must consider the lessee's credit risk, the term of the lease, the nature and quality of the collateral offered, and the economic environment in which the transaction takes place.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2023

All amounts in reais unless otherwise stated

3.2. Critical accounting estimates and judgments

3.2 The Cooperative as an extension of the members' activities

Management believes that operations with members (business deals carried out between the Cooperative and the members) are activities that connect the members to the market, thus representing a continuation of the activities carried out by each member. Therefore, based on this interpretation of Technical Pronouncement CPC 16 - Inventories, Cooxupé values its commodity inventories at net realizable value, which represents the best estimate of the price to be obtained from a future sale, based on past conditions.

4 Financial risk management

4.1 Financial risk factors

The Cooperative's activities expose it to a number of financial risks, and its risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance. The Cooperative uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Cooperative's treasury department, under policies approved by the Executive Board. The treasury department identifies, evaluates and hedges financial risks in close cooperation with the Cooperative's operating units. The Board provides formal protocols for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, price risk of agricultural commodities, credit risk, use of derivative and non-derivative financial instruments, and investment of cash surpluses.

4.1.1 Market risk

(a) Foreign exchange risk

The Cooperative's international operations expose it to foreign exchange risk arising from currency exposure, primarily with respect to the U.S. dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Cooperative's risk policy establishes strict limits on asset and liability exposure in foreign currency. On a net basis, the position of Cooxupé may vary from minus to plus US\$ 2 million and the position of the subsidiary SMC may vary from minus to plus US\$ 200 thousand. In order to offset its asset and/or liability positions in foreign currency, the Cooperative and the subsidiary SMC carry out sales/purchases of U.S. dollars on the B3 futures exchange market, and enter into Non-Deliverable Forward (NDF) contracts with prime financial institutions.

(b) Price risk of agricultural commodities

The Cooperative purchases and sells coffee and corn, and consequently, is subject to the risk of fluctuations in the prices of these commodities. The coverage of possible mismatches between the short and long positions in these commodities is achieved through purchases and sales under futures contracts on B3 in Brazil and ICE - NY, as well as Non-Deliverable Forward (NDF) contracts entered into with prime financial institutions.

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All amounts in reais unless otherwise stated

The risk policies of Cooxupé and its subsidiary SMC limit the exposure to agricultural commodities (coffee) from 30 thousand bags sold to 50 thousand bags purchased for Cooxupé, and from five thousand bags sold to seven thousand bags purchased for SMC, except for low quality coffee, which is not subject to hedge, since it is impractical to contract hedging instruments for this product.

4.1.2 Credit risk

The Cooperative's sales policy considers the credit risk level it is willing to accept in the course of its business. The diversification of its receivables portfolio, the procedures for the assessment of members' credit, the selectivity in accepting customers, as well as the monitoring of its sales terms per business segment and individual limits of position are the procedures adopted to minimize potential default on its accounts receivable.

Sales policies are subordinated to the credit assignment rules determined by the Cooperative's management, which aim at avoiding problems from default by the members. The credit limit of each member is established according to the Cooperative's past experience with the member, through a credit system integrated with other computerized systems.

4.1.3 Liquidity risk

This is the risk of the Cooperative not having sufficient liquid funds to honor its financial commitments, due to a mismatch of terms or volume in expected receipts and payments.

To manage cash liquidity in local and foreign currency, strategies for future disbursements and receipts are established and monitored by the treasury department on a daily basis.

The table below analyzes the Cooperative's derivative and non-derivative financial liabilities by maturity. The amounts disclosed in the table are the contractual undiscounted cash flows:

| | Parent company | | | | |
|---|----------------------|--------------------|--------------------|-------------------|----------------------|
| | Up to 1 year | From 1 to 2 years | From 2 to 5 years | Over 5 years | Total |
| At December 31, 2023 | | | | | |
| Trade payables for products and services (Note 20) | 540,441,461 | 106,941,085 | 8,114,534 | | 655,497,080 |
| Trade payables for agricultural products from members (Note 12) | 2,160,457,656 | | | | 2,160,457,656 |
| Lease liabilities (Note 19) | 3,626,842 | 2,013,095 | 1,562,506 | 1,050,000 | 8,252,443 |
| Derivative financial instruments (Note 8) | 73,817,537 | | | | 73,817,537 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 400,027,275 | 251,409,041 | 87,103,534 | | 738,539,850 |
| Borrowings (Note 22) | 2,020,772,617 | 370,104,684 | 313,137,416 | 18,962,633 | 2,722,977,350 |
| Other liabilities (Note 24) | 31,191,971 | 409,082 | 2,958,261 | 6,862,803 | 41,422,117 |
| | 5,230,335,359 | 730,876,987 | 412,876,251 | 26,875,436 | 6,400,964,033 |
| | Consolidated | | | | |
| | Less than 1 year | From 1 to 2 years | From 2 to 5 years | Over 5 years | Total |
| At December 31, 2023 | | | | | |
| Trade payables for products and services (Note 20) | 552,632,409 | 106,941,085 | 8,114,534 | | 667,688,028 |
| Trade payables for agricultural products from members (Note 12) | 2,160,457,656 | | | | 2,160,457,656 |
| Lease liabilities (Note 19) | 3,626,842 | 2,013,095 | 1,562,506 | 1,050,000 | 8,252,443 |
| Derivative financial instruments (Note 8) | 73,847,633 | | | | 73,847,633 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 466,316,328 | 251,409,041 | 87,103,534 | | 804,828,903 |
| Borrowings (Note 22) | 2,031,428,910 | 370,104,684 | 313,137,416 | 18,962,633 | 2,733,633,643 |
| Other liabilities (Note 24) | 31,191,971 | 409,082 | 2,958,261 | 6,862,803 | 41,422,117 |
| | 5,319,501,749 | 730,876,987 | 412,876,251 | 26,875,436 | 6,490,130,423 |

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

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All amounts in reais unless otherwise stated

| | Parent company | | | | Total |
|---|----------------------|--------------------|--------------------|-------------------|----------------------|
| | Up to 1 year | From 1 to 2 years | From 2 to 5 years | Over 5 years | |
| At December 31, 2022 | | | | | |
| Trade payables for products and services (Note 20) | 816,030,143 | 179,939,638 | 16,646,733 | | 1,012,616,514 |
| Trade payables for agricultural products from members (Note 12) | 2,072,905,865 | | | | 2,072,905,865 |
| Lease liabilities (Note 19) | 2,621,859 | 1,665,891 | 1,098,299 | 1,350,000 | 6,736,049 |
| Derivative financial instruments (Note 8) | 17,691,790 | | | | 17,691,790 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 478,444,137 | 305,748,219 | 71,020,086 | | 855,212,442 |
| Borrowings (Note 22) | 1,145,050,031 | 443,416,433 | 175,725,188 | 24,393,181 | 1,788,584,833 |
| Other liabilities (Note 24) | 21,081,995 | 574,317 | 2,945,530 | 7,519,511 | 32,121,353 |
| | <u>4,553,825,820</u> | <u>931,344,498</u> | <u>267,435,836</u> | <u>33,262,692</u> | <u>5,785,868,846</u> |
| | | | | | |
| | Consolidated | | | | Total |
| | Less than 1 year | From 1 to 2 years | From 2 to 5 years | Over 5 years | |
| At December 31, 2022 | | | | | |
| Trade payables for products and services (Note 20) | 834,530,129 | 179,939,638 | 16,646,733 | | 1,031,116,500 |
| Trade payables for agricultural products from members (Note 12) | 2,072,905,865 | | | | 2,072,905,865 |
| Lease liabilities (Note 19) | 2,621,859 | 1,665,891 | 1,098,299 | 1,350,000 | 6,736,049 |
| Derivative financial instruments (Note 8) | 17,840,794 | | | | 17,840,794 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 554,513,078 | 305,748,219 | 71,020,086 | | 931,281,383 |
| Borrowings (Note 22) | 1,177,102,135 | 443,416,433 | 175,725,188 | 24,393,181 | 1,820,636,937 |
| Other liabilities (Note 24) | 21,081,995 | 574,317 | 2,945,530 | 7,519,511 | 32,121,353 |
| | <u>4,680,595,855</u> | <u>931,344,498</u> | <u>267,435,836</u> | <u>33,262,692</u> | <u>5,912,638,881</u> |

4.2 Climate-related risks

Coffee growing is significantly affected by climate changes, as both temperature and rainfall have a major effect on coffee bean yields and quality. The weather is one of the main factors affecting agricultural production and quality, including coffee crops.

In 2023, the production of arabica coffee in the regions where Cooxupé operates (South of Minas Gerais, Cerrado, São Paulo and Matas de Minas), was not significantly affected by adverse climatic events. The climatic conditions in the Cerrado region, in fact, benefited the crop yield exceeding the estimate, contrasting with the loss recorded in 2022.

The increased productivity and the favorable exchange ratio between inputs and the price of a coffee bag led cooperative members to increase their stake in the delivery of coffee and purchase of inputs at Cooxupé.

According to a survey conducted by the Cooperative's technical team, the first crop estimate for 2024 indicates a slight drop in production when compared to the 2023 crop year.

The Cooperative has been carrying out various initiatives to measure and reduce atmospheric emissions, such as:

- Partnerships with institutions to implement carbon inventory projects on rural properties aimed at measuring carbon emissions and carbon sequestration in coffee plantations, in order to identify measures that contribute to reducing emissions and increasing carbon sequestration on rural properties.
- Inventory of carbon emissions in its activities, as well as the identification of possible adjustments and operational changes to reduce emissions, such as energy efficiency studies, installation of photovoltaic plants and incentives to replace fossil fuels with renewable ones.

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- Integration with the "*Despoluir*" program, developed by the National Confederation of Transport (CNT), the Social Service for Transport (SEST) and the National Service for Transport Learning (SENAT), with the support of the Federal Government, which allows the Cooperative's entire fleet of vehicles, made up of more than 700 diesel-powered trucks, to be measured for pollutants released into the atmosphere.

The Cooperative is involved in a number of actions and programs intend to support sustainable practices on farmers' properties, which include the Water Producer Coffee program, an initiative of the National Coffee Council (CNC) as the operational arm of the coffee production cooperative sector of the Organization of Brazilian Cooperatives (OCB), the Ministry of Agriculture, Livestock and Supply (MAPA), the Inter-American Institute for Cooperation on Agriculture (IICA) (a strategy borne out of the constant search for sustainability in the coffee production chain), as well as on the need for environmental restoration of the watersheds in which the coffee-producing regions are located.

4.3 Capital management

The Cooperative's objectives when managing capital are to ensure the availability of sufficient funds for the investments required for it to continue as a going concern, and the necessary liquidity for its commercial activities.

Funds for investments in the Cooperative's property, plant and equipment, intended to assure sustainable growth and technological modernization, are financed by retained surpluses and long-term credit facilities from the Brazilian Bank for Economic and Social Development (BNDES), which are obtained either directly or through onlending.

The funds required to ensure the liquidity of the Cooperative's commercial operations are obtained through borrowings in the financial market, primarily: advances on foreign exchange contracts, export prepayments, export credit notes, rural credit, financial Rural Product Notes (CPRs), Program for Capitalization of Agricultural Cooperatives (PROCAP), Law 4131, and the Coffee Economy Defense Fund (FUNCAFÉ).

Maintaining liquidity is of utmost importance, particularly regarding purchases of coffee from members, when they take the decision to sell, and the purchase of agricultural inputs to be supplied to members. The borrowings required to ensure the liquidity of operations are disclosed in Notes 19, 21 and 22 and in the statement below:

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All amounts in reais unless otherwise stated

| | Consolidated | |
|---|----------------------|----------------------|
| | 2023 | 2022 |
| Borrowings (Note 22) | 2,476,116,171 | 1,692,347,888 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 737,647,828 | 902,349,145 |
| Lease liabilities (Note 19) | 6,451,716 | 4,916,952 |
| (-) Cash and cash equivalents (Note 6) | (1,179,143,507) | (1,168,817,785) |
| (-) Interest rate swap (Note 8) | 653,764 | (6,580,203) |
| Total net debt | <u>2,041,725,972</u> | <u>1,424,215,997</u> |
| Total equity | 2,102,642,774 | 1,925,602,992 |
| Total capitalization | <u>4,144,368,746</u> | <u>3,349,818,989</u> |
| Gearing ratio - % | <u>49</u> | <u>43</u> |

(i) Financial covenants

Under the terms of the main credit facilities (Notes 21 and 22), Cooxupé is required to comply with the financial covenants listed below, which have been regularly met:

- Current assets must exceed current liabilities by R\$300 million.
- Equity less property, plant and equipment and intangible assets must be greater than R\$130 million.
- Net debt plus derivative financial instruments, less inventories, agricultural products for future receipt (CPR), foreign exchange receivables and trade receivables from the sale of coffee on the domestic market, over equity must be less than one (1).

During the years ended December 31, 2023 and 2022, the Cooperative complied with these covenants.

5 Assets and liabilities by category

The carrying values of trade receivables and payables, less impairment provision in the case of trade receivables, are assumed to approximate their fair values.

The table below classifies assets and liabilities carried at fair value by valuation method. The levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Financial instruments included in Level 1 comprise mainly coffee, corn, and U.S. dollar transactions in the futures market.

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- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair value of financial instruments is determined by using valuation techniques. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Financial instruments included in Level 2 comprise NDFs, swaps, borrowings and onlendings - Federal Government Debt (PESA), Rural Product Notes (CPRs), and agricultural products of the Cooperative and cooperative members.
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The Cooperative does not have any instruments included in Level 3.

The valuation techniques used to determine Level 1 and Level 2 fair values have not been changed.

The Cooperative's financial assets and liabilities measured at fair value at December 31, 2023 were as follows:

| | Parent company | | | | |
|--|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
| | Cost Amortized | Fair value through surplus or deficit | | | Total |
| | | Level 1 | Level 2 | | |
| | Financial | Financial | Financial | Non- financial | Total |
| Assets | | | | | |
| Cash and cash equivalents (Note 6) | 1,145,191,335 | | | | 1,145,191,335 |
| Marketable securities (Note 7) | 12,453,764 | | | | 12,453,764 |
| Derivative financial instruments (Note 8) | | 92,652 | 94,139,533 | | 94,232,185 |
| Trade and foreign exchange notes receivable (Note 9.1) | 705,678,891 | | | | 705,678,891 |
| Loans and funds transferred to members (Note 9.2) | 439,554,783 | | 90,472 | | 439,645,255 |
| Agricultural products – physical inventory (Note 10) | | | | 1,801,989,995 | 1,801,989,995 |
| Agricultural products - purchase for future receipt – (CPR) (Note 11) | | | | 661,687,467 | 661,687,467 |
| Agricultural products from members (Note 12) | | | | 2,160,457,656 | 2,160,457,656 |
| Judicial deposits (Note 25) | 399,713,215 | | | | 399,713,215 |
| | <u>2,702,591,988</u> | <u>92,652</u> | <u>94,230,005</u> | <u>4,624,135,118</u> | <u>7,421,049,763</u> |
| Liabilities | | | | | |
| Derivative financial instruments (Note 8) | | 9,639 | 72,719,695 | | 72,719,695 |
| Agricultural products from members (Note 12) | | | 2,160,457,656 | | 2,160,457,656 |
| Lease liabilities (Note 19) | 6,451,716 | | | | 6,451,716 |
| Trade payables for products and services (Note 20) | 603,658,664 | | | | 603,658,664 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 672,870,036 | | | | 672,870,036 |
| Borrowings (Note 22) | 2,465,854,472 | | | | 2,465,854,472 |
| Other liabilities (Note 24) | 41,323,867 | | | | 41,323,867 |
| | <u>3,790,158,755</u> | <u>9,639</u> | <u>2,233,177,351</u> | <u>2,233,177,351</u> | <u>6,023,345,745</u> |

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All amounts in reais unless otherwise stated

| | | | | | Consolidated |
|--|----------------------|---------------------------------------|----------------------|----------------------|----------------------|
| | Amortized cost | Fair value through surplus or deficit | | | Total |
| | | Level 1 | Level 2 | | |
| | Financial | Financial | Financial | Non- financial | Total |
| Assets | | | | | |
| Cash and cash equivalents (Note 6) | 1,179,143,507 | | | | 1,179,143,507 |
| Marketable securities (Note 7) | 14,773,833 | | | | 14,773,833 |
| Derivative financial instruments (Note 8) | | 92,652 | 94,381,023 | | 94,473,675 |
| Trade and foreign exchange notes receivable (Note 9.1) | 718,696,902 | | | | 718,696,902 |
| Loans and funds transferred to members (Note 9.2) | 439,554,783 | | 90,472 | | 439,645,255 |
| Agricultural products – physical inventory (Note 10) | | | | 1,869,887,874 | 1,869,887,874 |
| Agricultural products - purchase for future receipt – (CPR) (Note 11) | | | | 668,689,445 | 668,689,445 |
| Agricultural products from members (Note 12) | | | | 2,160,457,656 | 2,160,457,656 |
| Judicial deposits (Note 25) | 401,047,889 | | | | 401,047,889 |
| | <u>2,753,216,914</u> | <u>92,652</u> | <u>94,471,495</u> | <u>4,699,034,975</u> | <u>7,546,816,036</u> |
| Liabilities | | | | | |
| Derivative financial instruments (Note 8) | | 39,735 | 72,719,695 | | 72,759,430 |
| Agricultural products from members (Note 12) | | | 2,160,457,656 | | 2,160,457,656 |
| Lease liabilities (Note 19) | 6,451,716 | | | | 6,451,716 |
| Trade payables for products and services (Note 20) | 615,612,429 | | | | 615,612,429 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 737,647,828 | | | | 737,647,828 |
| Borrowings (Note 22) | 2,476,116,171 | | | | 2,476,116,171 |
| Other liabilities (Note 24) | 41,323,867 | | | | 41,323,867 |
| | <u>3,877,152,011</u> | <u>39,735</u> | <u>2,233,177,351</u> | <u>2,233,177,351</u> | <u>6,110,369,097</u> |

The Cooperative's financial assets and liabilities measured at fair value at December 31, 2022 were as follows:

| | Parent company | | | | | |
|--|----------------|---------------------------------------|---------------|---------------|---------------|---------------|
| | Cost | Fair value through surplus or deficit | | | | |
| | Amortized | Level 1 | Level 2 | | | Total |
| | Financial | Financial | Financial | Non-financial | Total | |
| Assets | | | | | | |
| Cash and cash equivalents (Note 6) | 1,116,096,793 | | | | | 1,116,096,793 |
| Marketable securities (Note 7) | 37,906,845 | | | | | 37,906,845 |
| Derivative financial instruments (Note 8) | | 260,988 | 319,792,700 | | 319,792,700 | 320,053,688 |
| Trade and foreign exchange notes receivable (Note 9.1) | 576,421,375 | | | | | 576,421,375 |
| Loans and funds transferred to members (Note 9.2) | 698,636,385 | | 637,365 | | 637,365 | 699,273,750 |
| Agricultural products – physical inventory (Note 10) | | | | 565,111,556 | 565,111,556 | 565,111,556 |
| Agricultural products – purchase for future receipt – (CPR) (Note 11) | | | | 881,363,567 | 881,363,567 | 881,363,567 |
| Agricultural products from members (Note 12) | | | | 2,072,905,865 | 2,072,905,865 | 2,072,905,865 |
| Judicial deposits (Note 25) | 319,462,516 | | | | | 319,462,516 |
| | 2,748,523,914 | 260,988 | 320,430,065 | 3,519,380,988 | 3,839,811,053 | 6,588,595,955 |
| Liabilities | | | | | | |
| Derivative financial instruments (Note 8) | | 1,545,004 | 13,973,296 | | 13,973,296 | 15,518,300 |
| Agricultural products from members (Note 12) | | | 2,072,905,865 | | 2,072,905,865 | 2,072,905,865 |
| Lease liabilities (Note 19) | 4,916,952 | | | | 4,916,952 | |
| Trade payables for products and services (Note 20) | 925,229,603 | | | | | 925,229,603 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 827,911,108 | | | | | 827,911,108 |
| Borrowings (Note 22) | 1,661,658,350 | | | | | 1,661,658,350 |
| Other liabilities (Note 24) | 32,121,353 | | | | | 32,121,353 |
| | 3,451,837,366 | 1,545,004 | 2,086,879,161 | | 2,086,879,161 | 5,540,261,531 |

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Notes to the financial statements at December 31, 2023

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| | | | | | | Consolidated |
|--|----------------------|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Cost | Fair value through surplus or deficit | | | | |
| | Amortized | Level 1 | Level 2 | | | Total |
| | Financial | Financial | Financial | Non-financial | Total | |
| Assets | | | | | | |
| Cash and cash equivalents (Note 6) | 1,168,817,785 | | | | | 1,168,817,785 |
| Marketable securities (Note 7) | 44,073,094 | | | | | 44,073,094 |
| Derivative financial instruments (Note 8) | | 357,336 | 320,781,317 | | 320,781,317 | 321,138,653 |
| Trade and foreign exchange notes receivable (Note 9.1) | 596,149,796 | | | | | 596,149,796 |
| Loans and funds transferred to members (Note 9.2) | 698,636,385 | | 637,365 | | 637,365 | 699,273,750 |
| Agricultural products – physical inventory (Note 10) | | | | 634,627,220 | 634,627,220 | 634,627,220 |
| Agricultural products - purchase for future receipt – (CPR) (Note 11) | | | | 889,002,974 | 889,002,974 | 889,002,974 |
| Agricultural products from members (Note 12) | | | | 2,072,905,865 | 2,072,905,865 | 2,072,905,865 |
| Judicial deposits (Note 25) | 320,665,415 | | | | | 320,665,415 |
| | <u>2,828,342,475</u> | <u>357,336</u> | <u>321,418,682</u> | <u>3,596,536,059</u> | <u>3,917,954,741</u> | <u>6,746,654,552</u> |
| Liabilities | | | | | | |
| Derivative financial instruments (Note 8) | | 1,547,402 | 14,114,778 | | 14,114,778 | 15,662,180 |
| Agricultural products from members (Note 12) | | | 2,072,905,865 | | 2,072,905,865 | 2,072,905,865 |
| Lease liabilities (Note 19) | 4,916,952 | | | | 4,916,952 | |
| Trade payables for products and services (Note 20) | 943,128,825 | | | | | 943,128,825 |
| Advances on foreign exchange contracts and export prepayments (Note 21) | 902,349,145 | | | | | 902,349,145 |
| Borrowings (Note 22) | 1,692,347,888 | | | | | 1,692,347,888 |
| Other liabilities (Note 24) | 32,121,353 | | | | | 32,121,353 |
| | <u>3,574,864,163</u> | <u>1,547,402</u> | <u>2,087,020,643</u> | | <u>2,087,020,643</u> | <u>5,663,432,208</u> |

6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks, and other short-term highly liquid investments with original maturities of three months or less and immaterial risk of change in value, which are held for the purpose of meeting short-term cash needs.

| | Parent company | | Consolidated | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Cash and banks | 451,352,842 | 619,914,069 | 476,776,443 | 661,549,280 |
| Marketable securities (i) | 693,838,493 | 496,182,724 | 702,367,064 | 507,268,505 |
| | <u>1,145,191,335</u> | <u>1,116,096,793</u> | <u>1,179,143,507</u> | <u>1,168,817,785</u> |

- (i) Marketable securities consist of floating-rate investments in Bank Deposit Certificates (CDBs), which accrue interest from 100% to 102% (100% to 102.7% in 2022) of the Interbank Deposit Certificate (CDI) rate.

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7 Marketable securities

Marketable securities include repurchase agreements with foreign and local brokers, the purpose of which is to collateralize derivative financial instrument transactions. The amounts deposited are not readily redeemable and may undergo changes in value based on the rate of return.

| | Parent company | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Repurchase agreements entered into with foreign brokers (i) | 8,821,828 | 27,350,548 | 11,141,897 | 32,318,268 |
| Repurchase agreements entered into with local brokers (ii) | 3,631,936 | 10,556,297 | 3,631,936 | 11,754,826 |
| | <u>12,453,764</u> | <u>37,906,845</u> | <u>14,773,833</u> | <u>44,073,094</u> |

- (i) These are non-interest earning amounts pledged as collateral for transactions carried out on the ICE - NY and indexed to the US dollar, equivalent to US\$ 2,301,712 at December 31, 2023 (US\$ 6,194,681 in 2022).
- (ii) At December 31, 2023, the amount of R\$ 3,295,977 (R\$ 10,470,801 in 2022) in floating-rate investments in CDBs, earning 101% (100% to 101% in 2021) of the CDI rate, and the amount of R\$ 335,959 (R\$ 1,281,025 in 2022), as non-interest earning, were pledged as collateral for transactions carried out on B3 and for purchase of electric energy.

8 Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into, and are subsequently remeasured at their fair value. Although the Cooperative uses derivatives to hedge fluctuations in exchange rates and commodity prices, it does not apply hedge accounting. Changes in the fair value of derivative instruments are recognized immediately in the statement of surplus within "Net results of changes in agricultural commodity prices and foreign exchange variations".

8.1 Parent company

| | Parent company | | | |
|---|-------------------|-------------------|--------------------|-------------------|
| | 2023 | | 2022 | |
| | Assets | Liabilities | Assets | Liabilities |
| NDF - Non deliverable forward - coffee | | 62,426,194 | 158,141,292 | 12,482,334 |
| NDF - Non deliverable forward - U.s. dollar | 84,499,796 | | 155,071,205 | 1,490,962 |
| Interest rate swap | 9,639,737 | 10,293,501 | 6,580,203 | |
| Futures market operations: | | | | |
| Coffee - B3 | 92,652 | | 260,988 | 1,539,829 |
| Corn - B3 | | 9,639 | | 5,175 |
| | <u>94,232,185</u> | <u>72,729,334</u> | <u>320,053,688</u> | <u>15,518,300</u> |

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8.2 Consolidated

| | Consolidated | | | |
|---|-------------------|-------------------|--------------------|-------------------|
| | 2023 | | 2022 | |
| | Assets | Liabilities | Assets | Liabilities |
| Non deliverable forward - NDF -coffee | | 62,426,194 | 158,141,292 | 12,482,334 |
| Non deliverable forward - NDF - US dollar | 84,741,286 | | 156,059,822 | 1,632,444 |
| Interest rate and currency swaps | 9,639,737 | 10,293,501 | 6,580,203 | |
| Futures market operations: | | | | |
| US dollar - B3 | | 30,096 | 4,650 | 2,398 |
| Coffee - B3 | 92,652 | | 352,686 | 1,539,829 |
| Corn - B3 | | 9,639 | | 5,175 |
| | <u>94,473,675</u> | <u>72,759,430</u> | <u>321,138,653</u> | <u>15,662,180</u> |

8.3 Transactions characteristics

The Cooperative's derivative financial instruments comply with the exposure limits set out in its risk policy (Note 4.1.1).

8.3.1 Non-Deliverable Forwards

NDFs are contracted by the Cooperative for the purpose of hedging its operations against the risk of fluctuations in foreign exchange rates and commodity prices, and are not used for speculative purposes. At December 31, 2023, the notional amounts of outstanding NDFs (short position) totaled approximately R\$ 4,026,000,000 (R\$ 2,808,000,000 in 2022) for foreign exchange and commodity operations. The results of these transactions are recognized directly in the statement of surplus as "Net result of changes in agricultural commodity prices and exchange rate variations".

8.3.2 Interest rate and currency swaps

At December 31, 2023, the notional amounts of the outstanding interest rate and currency swap contracts totaled R\$ 678,000,000 (R\$ 239,000,000 of interest rate swaps in 2022); their purpose is to reduce the exposure to borrowings accruing interest based on the Extended Consumer Price Index (IPCA), and swap borrowings in Reais at fixed rates for floating rates, and borrowings in US Dollar at fixed rates for borrowings in Reais at floating rates. Gains or losses on these operations are recognized directly in the statement of surplus as "Finance income/costs".

8.3.3 Futures market transactions

At December 31, 2023, the notional amounts of the transactions contracted to hedge agricultural commodity prices on the futures market corresponded to R\$ 1,066,000 (R\$ 1,433,000,000 in 2022), of which R\$ 520,000,000 (R\$ 813,000,000 in 2022) in a long position, R\$ 546,000,000 (R\$ 620,000,000 in 2022) in a short position, and R\$ 1,000,000 (R\$ 3,000,000 in 2022) in a short position to hedge against fluctuations in foreign exchange rates. The results of these transactions are recognized directly in the statement of surplus as "Net result of changes in agricultural commodity prices and exchange rate variations".

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9 Trade and foreign currency notes receivable, and loans and transfers to members

These correspond to amounts receivable from customers and members for the sale of goods, the rendering of services, or the transfer of funds obtained for specific purposes from financial institutions in the ordinary course of the Cooperative's activities. If collection is expected in one year or less, these receivables are classified as current assets. Receivables classified as non-current comprise invoices with maturity and payment expected later than one year (including overdue invoices under judicial collection).

Accounts receivable from customers and members are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less a provision for impairment of trade receivables. Usually, in practice, they are recognized at the amount billed, adjusted to present value, plus interest and, where necessary, less a provision for impairment.

9.1 Trade and foreign currency notes receivable

| | Parent company | | Consolidated | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Foreign currency notes receivable (i) | 581,049,219 | 431,703,187 | 595,084,800 | 451,451,224 |
| Trade notes receivable | 169,200,106 | 190,273,740 | 168,441,983 | 190,317,186 |
| Provision for impairment (iv) | (44,570,434) | (45,555,552) | (44,829,881) | (45,618,614) |
| | <u>705,678,891</u> | <u>576,421,375</u> | <u>718,696,902</u> | <u>596,149,796</u> |

- (i) These receivables are denominated in U.S. dollars, and totaled US\$ 122,933,625 at December 31, 2023 (US\$ 86,532,983 in 2022).
- (ii) Trade and foreign currency notes receivable classified in non-current assets are fully provided for (Note 9.3).
- (iii) Trade and foreign currency notes receivable, net of impairment provision, mature as follows:

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| | Parent company | | Consolidated | |
|---------------------|----------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Not yet due: | | | | |
| Current | | | | |
| 2023 | | 570,116,234 | | 588,661,941 |
| 2024 | 691,790,756 | | 704,318,682 | |
| Total not yet due | 691,790,756 | 570,116,234 | 704,318,682 | 588,661,941 |
| Overdue: | | | | |
| Current | | | | |
| From 1 to 15 days | 12,573,602 | 5,379,484 | 12,573,601 | 6,562,198 |
| From 16 to 30 days | 1,014,661 | 398,140 | 1,504,747 | 398,140 |
| From 31 to 60 days | 121,680 | 333,895 | 121,680 | 333,895 |
| From 61 to 90 days | 128,872 | 105,888 | 128,872 | 105,888 |
| From 91 to 180 days | 403 | 50,489 | 403 | 50,489 |
| Over 180 days | 48,917 | 37,245 | 48,917 | 37,245 |
| Total overdue | 13,888,135 | 6,305,141 | 14,378,220 | 7,487,855 |
| Current | 705,678,891 | 576,421,375 | 718,696,902 | 596,149,796 |

(iv) Changes in the provision for impairment of trade and foreign currency notes receivable were as follows:

| | Parent company | | Consolidated | |
|--|----------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| At January 1 | 45,555,552 | 29,067,809 | 45,618,614 | 29,067,809 |
| Provisions for the year | 21,903,101 | 17,932,296 | 22,162,549 | 17,995,356 |
| Write-offs during the year | (20,861,546) | (14,376,312) | (20,924,609) | (14,376,311) |
| Transfer to Loans and transfers to members | (10,541,263) | (15,576) | (10,541,263) | (15,575) |
| Transfer from Loans and transfers to members | 8,514,590 | 12,947,335 | 8,514,590 | 12,947,335 |
| At December 31 | 44,570,434 | 45,555,552 | 44,829,881 | 45,618,614 |

The maximum exposure to credit risk at the reporting date is the carrying amount of the balances of trade and foreign currency notes receivable.

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9.2 Loans and transfers to members

| Type | Financial charges | Parent company | |
|--|---|------------------------------|------------------------------|
| | | 2023 | 2022 |
| Financing of inputs | | | |
| Rural credit | Interest of 11.5% p.a. (2022 - 7.5% to 11.5% p.a.) | 167,988,524 | 538,897,342 |
| Own resources | Interest from 8% to 16.5% p.a. (7% to 16.5% p.a. in 2022) | 304,481,229 | 202,316,060 |
| Special financing | Interest from 10.44% to 13.25% p.a. | 26,935,965 | 38,946,183 |
| | Variation of the coffee bag price | 9,319,099 | 10,582,226 |
| | IGP-M variation | 90,472 | 637,365 |
| | Interest of 3% p.a. | 282,312 | 399,547 |
| Advance on account of sale | Interest from 13.25% to 16.78% p.a. | 9,450,592 | 12,878,356 |
| Provision for impairment of Loans and transfers (iv) | | (78,902,938) | (105,383,329) |
| Current | | 439,645,255 (390,533,853) | 699,273,750 (648,419,611) |
| Non-current (ii) | | 49,111,402 | 50,854,139 |

- (i) Loans and transfers to members are guaranteed by sureties, mortgages, commercial liens, and/or promissory notes issued by the members.
- (ii) The breakdown of trade and foreign currency notes receivable classified as non-current assets, by maturity year, is presented in Note 9.3.

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at December 31, 2023

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- (iii) Loans and transfers to members, net of impairment provision, mature as follows:

| | Parent company | |
|---------------------|----------------|-------------|
| | 2023 | 2022 |
| Not yet due: | | |
| Current | | |
| 2023 | | 645,370,236 |
| 2024 | 387,808,777 | |
| | 387,808,777 | 645,370,236 |
| Non-current | | |
| 2023 | | |
| 2024 | | 14,625,183 |
| 2025 | 18,762,661 | 27,957,386 |
| 2026 | 23,807,361 | 7,824,294 |
| 2027 | 5,463,744 | 447,276 |
| 2028 | 1,077,636 | |
| | 49,111,402 | 50,854,139 |
| Total not yet due | 436,920,179 | 696,224,375 |
| Overdue | | |
| Current | | |
| From 1 to 15 days | | 2,475,389 |
| From 16 to 60 days | 2,518 | 19,540 |
| From 61 to 90 days | 778 | 344,940 |
| From 91 to 180 days | 160,779 | 209,267 |
| Over 181 days | 2,561,001 | 239 |
| Total overdue | 2,725,076 | 3,049,375 |
| Current | 390,533,853 | 648,419,611 |
| Non-current | 49,111,402 | 50,854,139 |
| | 439,645,255 | 699,273,750 |

- (iv) Changes in the provision for impairment of loans and transfers to members were as follows:

| | Parent company | |
|--|----------------|--------------|
| | 2023 | 2022 |
| At January 1 | 105,383,329 | 71,404,151 |
| Provisions for the year | 59,057,058 | 90,391,528 |
| Write-offs during the year | (90,571,016) | (47,192,527) |
| Transfer of Rural Product Notes – CPRs | 3,006,894 | 3,711,936 |
| Transfer from trade notes receivable | 10,541,263 | 15,576 |
| Transfer to trade notes receivable | (8,514,590) | (12,947,335) |
| At December 31 | 78,902,938 | 105,383,329 |

The maximum exposure to credit risk at the reporting date is the carrying amount of the loans and transfers to members.

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9.3 Analysis of the portfolios of trade and foreign currency notes receivable and loans and transfers to members, classified as non-current assets, by maturity year

| | Parent company | |
|---------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| 2024 | | 19,796,774 |
| 2025 | 24,400,682 | 31,281,450 |
| 2026 | 27,254,716 | 8,265,280 |
| 2027 | 7,204,076 | 470,647 |
| 2028 | 2,356,450 | |
| 2029 | 1,086,076 | |
| 2030 | 962,786 | |
| 2031 | 1,024,076 | |
| Under judicial collection | 20,067,373 | 28,521,607 |
| Provision for impairment | (35,244,833) | (37,481,619) |
| | <u>49,111,402</u> | <u>50,854,139</u> |

At December 31, the provision for impairment was as follows:

| | Parent company | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| Under judicial collection | 20,067,373 | 28,521,607 |
| Renegotiated by the Management of Cooxupé | 12,583,402 | 6,268,652 |
| Other notes receivable | 2,594,058 | 2,691,360 |
| | <u>35,244,833</u> | <u>37,481,619</u> |

10 Inventories

| | Parent company | | Consolidated | |
|---|----------------------|--------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Agricultural products – physical inventory (i) and (ii) | 1,801,989,995 | 565,111,556 | 1,869,887,874 | 634,627,220 |
| Goods for resale – stores (ii) | 266,044,232 | 323,609,788 | 266,044,232 | 323,609,788 |
| Warehouse materials and others | 36,534,777 | 54,491,237 | 38,104,147 | 55,617,219 |
| | <u>2,104,569,004</u> | <u>943,212,581</u> | <u>2,174,036,253</u> | <u>1,013,854,227</u> |

- (i) Physical inventories held by the Cooperative are valued at the amount negotiated or realized, considering the selling price of these products at the reporting date, less the costs required for their realization, and net of estimated losses, where applicable. The adjustments arising from this valuation are recorded in "Net results of changes in agricultural commodity prices and foreign exchange variations" in the statement of surplus for the year (Note 30).
- (ii) Goods for resale at stores comprise mainly fertilizers and crop protection products, and are stated at the lower of cost and net realizable value. Cost is determined using the weighted moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses.

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- (iii) Physical inventories of agricultural products in 60-kilogram bags, comprise the following:

| | Parent company | | Consolidated | |
|-----------------------------|----------------|---------|--------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| Coffee - physical inventory | 2,076,598 | 610,333 | 2,139,555 | 666,745 |
| Corn - physical inventory | 56,722 | 86,471 | 56,722 | 86,471 |
| Total bags | 2,133,320 | 696,804 | 2,196,277 | 753,216 |

11 Inventories and agricultural products for future delivery (CPR)

| | Parent company | | Consolidated | |
|--|----------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Agricultural products for future receipt – CPR (i) to (iii) | 716,205,589 | 1,026,911,612 | 723,552,767 | 1,034,984,111 |
| Provision for impairment of agricultural products for future receipt – (CPR) (iv) | (54,518,122) | (145,548,045) | (54,863,322) | (145,981,137) |
| | 661,687,467 | 881,363,567 | 668,689,445 | 889,002,974 |
| Current | (533,750,468) | (702,049,668) | (540,752,446) | (709,689,075) |
| Non-current | 127,936,999 | 179,313,899 | 127,936,999 | 179,313,899 |

- (i) Physical inventories of agricultural products for future delivery are valued at the amount negotiated or realized, considering the selling price of these products at the reporting date, less the costs required for their realization, and net of estimated losses, where applicable. The adjustments arising from this valuation are recorded in "Net results of changes in agricultural commodity prices and foreign exchange variations" in the statement of surplus for the year (Note 30).
- (ii) These inventories are substantially guaranteed by sureties, mortgages and/or pledges of crops pursuant to the Cooperative's credit policy.
- (iii) Inventories of agricultural products for future delivery, in 60-kilogram bags, comprise the following:

| | Parent company | | Consolidated | |
|--|----------------|-----------|--------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Coffee – purchase for future receipt – CPR | 751,202 | 1,201,330 | 756,262 | 1,207,350 |
| Corn – purchase for future receipt – CPR | | 1,284 | | 1,284 |
| Total bags | 751,202 | 1,202,614 | 756,262 | 1,208,634 |

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- (iv) Changes in the provision for impairment of CPRs were as follows:

| | Parent company | | Consolidated | |
|--|-------------------|--------------------|-------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| At January 1 | 145,548,045 | 121,152,594 | 145,981,137 | 121,791,565 |
| Provisions for the year | 10,530,748 | 78,708,849 | 10,875,947 | 79,071,785 |
| Write-offs during the year | (98,553,777) | (50,601,462) | (98,986,868) | (51,170,277) |
| Transfer to Loans and transfers to members | (3,006,894) | (3,711,936) | (3,006,894) | (3,711,936) |
| At December 31 | <u>54,518,122</u> | <u>145,548,045</u> | <u>54,863,322</u> | <u>145,981,137</u> |

At December 31, 2023, the Cooperative had commitments signed with customers for future delivery of 2,518,491 bags of coffee and 49,731 bags of corn, at prices that have already been fixed (1,688,954 bags of coffee and 43,007 bags of corn in 2022), for which the amounts negotiated were considered in the valuation of inventories of agricultural products (commodities), (Notes 10 and 11). These instruments are used by the Cooperative to hedge against the risk of volatility in the agricultural commodities market (Note 4.1.1 (b)).

12 Inventories - Members' commodities stored by the Cooperative and related trade payables

Inventories received from members for storage purposes and not yet purchased by Cooxupé are recognized with a corresponding entry to trade payables in current liabilities. These inventories and the related payables, are measured based on the best estimate of the selling price at the reporting date, as determined by ITG 2004.

Members' inventories are reclassified to Cooperative-owned inventories at the time the member sells these agricultural commodities to the Cooperative

At December 31, the composition of the members' agricultural commodities stored by the Cooperative and related trade payables was as follows:

| | Parent company | |
|--------|----------------------|----------------------|
| | 2023 | 2022 |
| Coffee | 2,159,373,284 | 2,070,333,046 |
| Corn | 1,084,372 | 2,572,819 |
| | <u>2,160,457,656</u> | <u>2,072,905,865</u> |

At December 31, the members' agricultural commodities stored by the Cooperative, in 60-kilogram bags, were as follows:

| | Parent company | |
|--------|------------------|------------------|
| | 2023 | 2022 |
| Coffee | 2,186,780 | 1,998,669 |
| Corn | 18,618 | 34,304 |
| | <u>2,205,398</u> | <u>2,032,973</u> |

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13 Taxes recoverable

| | Parent company | | Consolidated | |
|---|----------------|--------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| IPI (i) | 189,759,192 | 194,479,741 | 189,759,192 | 194,479,741 |
| PIS and COFINS (ii) | 91,183,136 | 90,728,276 | 97,895,702 | 96,593,153 |
| ICMS (iii) | 64,874,628 | 52,171,915 | 65,955,636 | 52,985,972 |
| IOF (iv) | 29,468,324 | 33,574,088 | 29,468,324 | 33,574,088 |
| IRRF, IRPJ, and CSLL withheld at source | 39,996,024 | 19,974,730 | 40,421,202 | 20,257,680 |
| Others | | | 463,045 | 462,970 |
| Impairment of taxes recoverable (v) | (112,774,984) | (70,961,237) | (118,543,342) | (75,858,528) |
| | 302,506,320 | 319,967,513 | 305,419,759 | 322,495,076 |
| Current | (87,062,365) | (49,392,926) | (88,124,761) | (49,872,884) |
| Non-current | 215,443,955 | 270,574,587 | 217,294,998 | 272,622,192 |

- (i) In 2019, a decision was rendered in favor of Cooxupé in a lawsuit claiming its right to the deemed IPI credits provided for in Law 9363/96, as amended, on coffee exports from January 1997 to April 2004. These credits were recognized at the net amount of R\$ 253,567,463, at the time the decision was made final and unappealable. From December 2019 to June 2021, the Cooperative offset R\$ 90,426,107 of these credits of these credits against other Federal taxes due, supported by the aforementioned final ruling.

In August 2021, Cooxupé was notified of an order issued by the Brazilian Federal Revenue Service (RFB) disallowing the offsetting of the credits. In this regard, Cooxupé filed an appeal against the administrative decision of the RFB, which its legal advisors believe is barred by *res judicata*. On August 31, 2022, the appeal was unanimously granted by the DRJ06 - Federal Revenue Office - 6th Region, which determined that the case should be returned to the RFB's Inspection Office in Varginha, for calculation of the tax credit and issuance of a new Decision.

On September 8, 2022, the RFB issued a new Decision, partially recognizing the credit amount claimed, and approving the offsetting in the amount mentioned above. The offsetting process was resumed in March 2023, when the RFB system was released. Cooxupé filed an administrative appeal claiming the remaining balance of tax credits, arguing that the Decision contains errors of calculation and interpretation in the application of the regulatory instruction issued by the RFB itself.

On November 17, 2023, the above-mentioned administrative appeal was upheld by the DRJ06 - Federal Revenue Office - 6th Region, by unanimous vote, approving the full amount of the tax credit, which was then updated by Cooxupé using the Selic rate. By December 2023, Cooxupé had offset a total of R\$114,231,952, of which R\$23,805,845 was offset during 2023.

As to the statute of limitations for offsetting, initially scheduled to end in August 2024 (five years from the date of the final and unappealable decision), Cooxupé filed a lawsuit seeking to postpone the deadline for the same period during which the offsets were stopped by the RFB. The publications of Provisional Measure 1,202 on December 29, 2023 and MF Normative Ordinance 14 on January 5, 2024 opened up the administrative possibility for taxpayers to carry on offsetting beyond the five-year period, an understanding confirmed by the Brazilian Federal Revenue Service (RFB) on its website in a Q&A page posted on January 24, 2024. Therefore, the new expectation is that the credits will be fully used for administrative offsetting, with an estimated amount of between R\$20 million and R\$37 million being offset for 2024. Even if the provisional measure is not converted into law and the RFB changes its understanding, Cooxupé will still be able to claim in court the enforcement of the decision, and receive any balance that has not been offset by means of a court-ordered debt security.

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- (ii) PIS and COFINS recoverable relate substantially to credits on manufacturing costs linked to revenue from exports and sales in the domestic market, calculated pursuant to Article 3 of Laws 10,637/02 and 10,833/03, and credits on export revenue, calculated pursuant to Law 12,599/12. The breakdown and expected realization of tax credits at December 31, 2023 are shown below:
- R\$ 61 million - credits on manufacturing costs linked to export revenues, relating to the period from 2008 to 2023, which require a tax refund claim. Of this amount, R\$ 39.2 million is awaiting review of the refund application by the Brazilian Federal Revenue Office, and R\$ 21.8 million is currently under analysis by administrative bodies, without an expected deadline for resolution.
 - R\$ 24 million - credits on manufacturing costs linked to revenues from sales in the domestic market, which are being offset against PIS/COFINS.
 - R\$ 11.8 million - deemed credit on export revenues (Art. 5 of Law 12,599/12), relating mostly to the fourth quarter of 2022, which will be offset against other federal taxes payable in 2024.
- (iii) Value-added Tax on Sales and Services (ICMS) relates substantially to deemed credit transferred by cooperative rural producer, with property in the State of Minas Gerais, under the terms of item 28, Attachment IV of the ICMS Regulation/2023 (RICMS), credits arising from acquisitions of goods for resale, raw materials, packaging materials and property, plant and equipment, accumulated mostly as a result of subsequent shipments that were not subject to ICMS. A portion of this credit, amounting to R\$23.7 million, will be transferred to an industrial plant located in the State of Minas Gerais for the purchase of utility vehicles. The remainder has been provisioned for impairment, as there is currently no expectation that it will be used.
- (iv) In 2022, Cooxupé obtained a favorable ruling in a lawsuit that disputed the non-levy of the Tax on Financial Transactions (IOF) on loan transactions, foreign exchange, insurance, and securities, which even provides for the possibility of offsetting the amounts paid in the period from January 1997 to December 2021 against federal taxes. In August 2022, the credit was approved by the RFB, and recorded against "Other income/revenue, net" (Note 32 (i) (a)) in the statement of surplus.

The statute of limitations for offsetting will expire in March 2027 (five years from the date of the final and unappealable decision). If any balance remains to be offset, Cooxupé will be able to claim in court for the enforcement of the decision and receive it through a court-ordered debt payment.

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- (v) Changes in the provision for impairment of taxes recoverable were as follows:

| | Parent company | | Consolidated | |
|----------------------------|--------------------|-------------------|--------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| At January 1 | 70,961,237 | 57,329,530 | 75,858,528 | 61,606,426 |
| Provisions for the year | 42,761,293 | 23,570,025 | 43,704,076 | 24,260,477 |
| Write-offs during the year | (947,546) | (9,938,318) | (1,019,262) | (10,008,375) |
| At December 31 | <u>112,774,984</u> | <u>70,961,237</u> | <u>118,543,342</u> | <u>75,858,528</u> |

The balance of the provision for impairment comprises mainly the amount of R\$81.4 million in PIS and COFINS credits on manufacturing costs linked to export and domestic market revenue, which are relieved as they are used; and the amount of R\$35.6 million, resulting from part of the ICMS credit balance, accumulated substantially from exports carried out under tax exemption, which is not expected to be used due to the difficulties and restrictions imposed by the legislation.

14 Other assets

Other assets comprise the following non-financial assets:

| | Parent company | | Consolidated | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Prepaid expenses | 6,779,464 | 5,483,444 | 6,786,896 | 5,483,444 |
| Advances to employees | 1,938,361 | 1,695,700 | 1,938,445 | 1,699,142 |
| Others | 362,069 | 183,756 | 392 | 1,806 |
| | <u>9,079,894</u> | <u>7,362,900</u> | <u>8,725,733</u> | <u>7,184,392</u> |

15 Deferred income tax and social contribution

Income tax and social contribution expenses for the year comprise current and deferred taxes and are recognized in the statement of surplus, and are calculated based on tax laws enacted up to the balance sheet date. Management periodically reviews the positions taken by the Cooperative in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation, and establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Since Cooxupé is a not-for-profit entity, the operations carried out with its members are exempt from corporate income tax and social contribution on net income.

The results obtained by Cooxupé from operations with non-members, as well as the results obtained by the subsidiaries, are taxed at the current income tax and social contribution rates.

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

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized, based on management's projections of future results, which may, therefore, suffer changes. The operations carried out with non-members accounted for approximately 17.24% of total operations in 2023 (16.95% in 2022). At December 31, 2023 and 2022, deferred tax assets were expected to be realized as follows:

| | Parent company | | Consolidated | |
|------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| 2023 | | 21,915,673 | | 23,699,106 |
| 2024 | 16,971,611 | 15,132,583 | 20,717,492 | 16,277,149 |
| 2025 | 12,218,281 | 11,713,587 | 12,218,281 | 11,713,587 |
| After 2025 | 14,962,048 | 8,483,023 | 17,192,528 | 10,398,333 |
| | <u>44,151,940</u> | <u>57,244,866</u> | <u>50,128,301</u> | <u>62,088,175</u> |

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority.

The currently enacted tax rates of 25% for income tax and 9% for social contribution are used to calculate deferred taxes.

The balances of deferred tax assets and liabilities were as follows:

| | Parent company | | | Consolidated | | |
|---|--------------------------|------------------------------|-------------------|--------------------------|------------------------------|-------------------|
| | Net balance at January 1 | Recognized in profit or loss | December 31, 2023 | Net balance at January 1 | Recognized in profit or loss | December 31, 2023 |
| Assets | | | | | | |
| Deferred tax assets on: | | | | | | |
| Derivative transactions | | | | | 3,206,982 | 3,206,982 |
| Income tax and social contribution losses | 43,853,214 | (13,677,678) | 30,175,536 | 46,430,883 | (16,121,922) | 30,308,961 |
| Impairment of taxes | 5,498,622 | 1,266,567 | 6,765,189 | 7,342,562 | 1,554,201 | 8,896,763 |
| Provision for contingencies | 2,324,129 | 484,037 | 2,808,166 | 2,394,573 | 505,881 | 2,900,454 |
| Impairment of trade notes, loans and transfers to members and CPR | 2,326,455 | (414,713) | 1,911,742 | 2,529,475 | (412,153) | 2,117,322 |
| Retirement benefit obligations | 1,503,781 | (623,507) | 880,274 | 1,575,154 | (595,973) | 979,181 |
| Other temporary differences | 1,175,161 | (117,955) | 1,057,206 | 1,252,024 | (87,213) | 1,164,811 |
| Provision for legal fees | 563,504 | | 553,827 | 563,504 | | 553,827 |
| | <u>57,244,866</u> | <u>(13,092,926)</u> | <u>44,151,940</u> | <u>62,088,175</u> | <u>(11,959,874)</u> | <u>50,128,301</u> |
| Liabilities | | | | | | |
| Deferred tax liabilities on: | | | | | | |
| Derivative transactions | 12,943,362 | (12,696,013) | 247,349 | 15,070,391 | (14,823,042) | 247,349 |
| Adjustment of trade payables to present value | 4,571,566 | (1,372,720) | 3,198,846 | 4,775,825 | (1,496,337) | 3,279,488 |
| Carrying value adjustments | 2,401,706 | (239,712) | 2,161,994 | 2,401,706 | (239,712) | 2,161,994 |
| Other temporary differences | 121,646 | 134,650 | 256,296 | 121,646 | 134,650 | 256,296 |
| | <u>20,038,280</u> | <u>(14,173,795)</u> | <u>5,864,485</u> | <u>22,369,568</u> | <u>(16,424,441)</u> | <u>5,945,127</u> |
| Deferred taxes, net | <u>37,206,586</u> | <u>1,080,869</u> | <u>38,287,455</u> | <u>39,718,607</u> | <u>4,464,567</u> | <u>44,183,174</u> |

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| | Parent company | | | Consolidated | | |
|--|-----------------------------|------------------------------------|----------------------|-----------------------------|------------------------------------|----------------------|
| | Net balance at January 1 | Recognized in profit or loss | December 31, 2022 | Net balance at January 1 | Recognized in profit or loss | December 31, 2022 |
| Assets | | | | | | |
| Deferred tax assets on: | | | | | | |
| Derivative transactions | 48,314,964 | (48,314,964) | | 50,720,579 | (50,720,579) | |
| Income tax and social contribution losses | 9,768,682 | 34,084,532 | 43,853,214 | 9,768,682 | 36,662,201 | 46,430,883 |
| Impairment of taxes | 4,683,331 | 815,291 | 5,498,622 | 6,307,364 | 1,035,198 | 7,342,562 |
| Provision for contingencies | 2,116,001 | 208,128 | 2,324,129 | 2,220,424 | 174,149 | 2,394,573 |
| Impairment of trade notes, loans and transfers to members and CPR | 2,037,613 | 288,842 | 2,326,455 | 2,254,863 | 274,612 | 2,529,475 |
| Retirement benefit obligations | 983,536 | 520,245 | 1,503,781 | 1,054,523 | 520,631 | 1,575,154 |
| Other temporary differences | 659,939 | 515,222 | 1,175,161 | 731,333 | 520,691 | 1,252,024 |
| Provision for legal fees | 563,504 | | 563,504 | 563,504 | | 563,504 |
| | <u>69,127,570</u> | <u>(11,882,704)</u> | <u>57,244,866</u> | <u>73,621,272</u> | <u>(11,533,097)</u> | <u>62,088,175</u> |
| Liabilities | | | | | | |
| Deferred tax liabilities on: | | | | | | |
| Derivative transactions | | 12,943,362 | 12,943,362 | | 15,070,391 | 15,070,391 |
| Adjustment of trade payables to present value | 7,581,763 | (3,010,197) | 4,571,566 | 7,902,641 | (3,126,816) | 4,775,825 |
| Carrying value adjustments | 2,125,458 | 276,248 | 2,401,706 | 2,125,458 | 276,248 | 2,401,706 |
| Other temporary differences | 45,569 | 76,077 | 121,646 | 45,569 | 76,077 | 121,646 |
| | <u>9,752,790</u> | <u>10,285,490</u> | <u>20,038,280</u> | <u>10,073,668</u> | <u>12,295,900</u> | <u>22,369,568</u> |
| Deferred taxes, net | <u>59,374,780</u> | <u>(22,168,194)</u> | <u>37,206,586</u> | <u>63,547,604</u> | <u>(23,828,997)</u> | <u>39,718,607</u> |

15.1 Reconciliation of income tax and social contribution

Income tax and social contribution levied on operations with non-members are reconciled from the statutory tax rates as follows:

| | Parent company | | Consolidated | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Profit before income tax and social contribution | 48,349,048 | 104,328,136 | 50,919,547 | 107,678,460 |
| Income tax and social contribution at the rate of 34 % | (16,438,676) | (35,471,566) | (17,326,666) | (36,610,676) |
| Income from financial investment transferred to members' surplus, in accordance with ITG 2004 | (15,247,679) | (10,129,170) | (15,247,679) | (10,129,170) |
| Other permanent differences | (1,133,014) | (622,102) | (1,147,028) | (664,321) |
| Equity in the results of subsidiary | 1,745,945 | 2,186,995 | | |
| Tax incentives | 644,190 | 390,776 | 644,190 | 390,776 |
| Day Trade | | | 3,024 | |
| Tax rate adjustment | 24,000 | 6,000 | 66,000 | 24,000 |
| Income tax and social contribution expense | (30,405,234) | (43,639,067) | (33,008,159) | (46,989,391) |
| Current income tax and social contribution | (31,246,391) | (21,747,122) | (37,233,013) | (23,436,643) |
| Deferred income tax and social contribution | 841,157 | (21,891,945) | 4,224,855 | (23,552,748) |
| | (30,405,234) | (43,639,067) | (33,008,158) | (46,989,391) |

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16 Property, plant and equipment

Land and buildings comprise mainly warehouses, stores, factories, and offices. As permitted by the accounting practices adopted in Brazil, the Cooperative has carried forward the revalued balances which became a part of the deemed cost of the related assets, with a corresponding entry to "Carrying value adjustments", in equity. The recognition of this revaluation surplus, calculated based on reports issued by independent experts in 2007, was approved by the members at an Annual General Meeting held on March 28, 2008. At December 31, 2023, property, plant and equipment included the amount of R\$ 16,829,760 (R\$ 18,128,775 in 2022) corresponding to the balance of these revaluations, the depreciation and disposals of which totaled R\$ 1,299,015 in the year (R\$ 1,303,115 in 2022).

Property, plant and equipment items recorded at cost since the last revaluation include expenditures directly attributable to the acquisition of the items, as well as the acquisition-related borrowing costs, where applicable.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will be realized and the cost of the item can be measured reliably. The carrying amount of replaced parts or items is derecognized. All other repair and maintenance costs are recorded in the statement of surplus or deficit as incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to reduce their cost to the residual values over their estimated useful lives, in accordance with the average rates disclosed in Note 15. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The carrying amount of these assets is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income/expenses, net", in the statement of surplus.

Assets pledged as collateral

At December 31, 2023, property, plant and equipment items totaling R\$ 9,399,415 (R\$ 8,637,605 in 2022) were pledged as collateral for borrowings (Note 22).

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16.1 Parent company

| | Land | Buildings and leasehold improvements | Machinery equipment and facilities | Furniture and fixtures | Vehicles | IT equipment | Others | Construction in in progress | Property, plant and equipment Total |
|-------------------------------|-------------------|--|--|---------------------------|------------------|------------------|-------------------|--------------------------------|---|
| At December 31, 2021 | 35,923,705 | 203,143,489 | 119,480,905 | 4,814,711 | 1,760,734 | 6,799,944 | 9,981,244 | 27,175,530 | 409,080,262 |
| Additions | 2,962,896 | 12,431,822 | 59,183,304 | 1,736,852 | 374,283 | 5,261,546 | 5,891,582 | 12,057,812 | 99,900,097 |
| Sales and disposals | | | (383,092) | (46,429) | | (342,009) | (5,340,991) | | (6,112,521) |
| Transfers | | 21,302,734 | 229,473 | 1,199,065 | 109,763 | 126,724 | (84,873) | (22,882,886) | |
| Depreciation for the year | | (10,160,603) | (14,695,738) | (843,466) | (477,964) | (2,227,531) | (820,390) | | (29,225,692) |
| Depreciation write-offs | | | 353,520 | 41,615 | | 339,687 | 4,228,284 | | 4,963,106 |
| At December 31, 2022 | 38,886,601 | 226,717,442 | 164,168,372 | 6,902,348 | 1,766,816 | 9,958,361 | 13,854,856 | 16,350,456 | 478,605,252 |
| Total cost | 38,886,601 | 316,555,006 | 263,293,575 | 13,880,359 | 5,268,694 | 27,278,985 | 15,016,231 | 16,350,456 | 696,529,907 |
| Accumulated depreciation | | (89,837,564) | (99,125,203) | (6,978,011) | (3,501,878) | (17,320,624) | (1,161,375) | | (217,924,655) |
| Residual value | 38,886,601 | 226,717,442 | 164,168,372 | 6,902,348 | 1,766,816 | 9,958,361 | 13,854,856 | 16,350,456 | 478,605,252 |
| Acquisitions | 15,679 | 7,300,352 | 13,958,957 | 767,753 | 220,000 | 1,527,649 | 4,538,155 | 18,952,511 | 47,281,056 |
| Sales and disposals | | | (506,367) | (281,762) | (245,504) | (1,054,167) | (16,352) | (24,992) | (2,129,144) |
| Transfers | | 15,092,424 | (564,933) | (124,833) | | (132,027) | | (14,270,631) | |
| Depreciation for the year | | (8,930,494) | (16,884,363) | (1,000,200) | (511,127) | (2,890,540) | (1,436,759) | | (31,653,483) |
| Depreciation write-offs | | | 483,024 | 273,343 | 241,004 | 1,050,936 | 2,180 | | 2,050,487 |
| At December 31, 2023 | 38,902,280 | 240,179,724 | 160,654,690 | 6,536,649 | 1,471,189 | 8,460,212 | 16,942,080 | 21,007,344 | 494,154,168 |
| Total cost | 38,902,280 | 338,947,782 | 276,181,232 | 14,241,517 | 5,243,190 | 27,620,440 | 19,538,034 | 21,007,344 | 741,681,819 |
| Accumulated depreciation | | (98,768,058) | (115,526,542) | (7,704,868) | (3,772,001) | (19,160,228) | (2,595,954) | | (247,527,651) |
| Residual value | 38,902,280 | 240,179,724 | 160,654,690 | 6,536,649 | 1,471,189 | 8,460,212 | 16,942,080 | 21,007,344 | 494,154,168 |
| Annual depreciation rates - % | | 3% | 7% | 10% | 20% | 20% | 10% | | |

Construction in progress relates substantially to the expansion of coffee storage facilities, which is expected to be completed by the end of April 2024.

In 2023, Cooxupé's capitalized borrowing charges totaled R\$ 386,924 (R\$ 1,159,909 in 2022).

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16.2 Consolidated

| | Land | Buildings and leasehold improvements | Machinery, equipment, and facilities | Furniture and fixtures | Vehicles | IT equipment | Others | Construction in progress | Total PP&E |
|-------------------------------|-------------------|--|--|---------------------------|------------------|-------------------|-------------------|-----------------------------|--------------------|
| At December 31, 2021 | 35,923,706 | 203,231,573 | 119,683,152 | 4,835,119 | 1,860,821 | 6,839,361 | 10,168,010 | 27,175,530 | 409,717,272 |
| Additions | 2,962,897 | 12,431,822 | 59,225,380 | 2,003,441 | 374,283 | 5,291,254 | 5,891,581 | 12,057,812 | 100,238,470 |
| Sales and disposals | | | (383,092) | (46,429) | | (342,009) | (5,340,991) | | (6,112,521) |
| Transfers | | 21,302,734 | 229,473 | 1,199,065 | 109,763 | 126,724 | (84,873) | (22,882,886) | |
| Depreciation for the year | | (10,167,603) | (14,716,734) | (853,534) | (505,541) | (2,235,641) | (839,383) | | (29,318,436) |
| Depreciation write-offs | | | 353,520 | 41,615 | | 339,687 | 4,228,284 | | 4,963,106 |
| At December 31, 2022 | 38,886,603 | 226,798,526 | 164,391,699 | 7,179,277 | 1,839,326 | 10,019,376 | 14,022,628 | 16,350,456 | 479,487,891 |
| Total cost | 38,886,603 | 316,730,006 | 263,631,414 | 14,233,741 | 5,406,580 | 27,406,790 | 15,206,162 | 16,350,456 | 697,851,752 |
| Accumulated depreciation | | (89,931,480) | (99,239,715) | (7,054,464) | (3,567,254) | (17,387,414) | (1,183,534) | | (218,363,861) |
| Residual value | <u>38,886,603</u> | <u>226,798,526</u> | <u>164,391,699</u> | <u>7,179,277</u> | <u>1,839,326</u> | <u>10,019,376</u> | <u>14,022,628</u> | <u>16,350,456</u> | <u>479,487,891</u> |
| Acquisitions | 15,680 | 7,300,352 | 13,960,782 | 772,753 | 220,000 | 1,527,649 | 4,538,154 | 18,952,511 | 47,287,881 |
| Sales and disposals | | | (508,192) | (316,956) | (245,504) | (1,068,084) | (16,352) | (24,992) | (2,180,080) |
| Transfers | | 15,092,424 | (564,933) | (124,833) | | (132,027) | | (14,270,631) | |
| Depreciation for the year | | (8,937,494) | (16,914,908) | (1,028,621) | (538,704) | (2,904,752) | (1,455,752) | | (31,780,231) |
| Depreciation write-offs | | | 483,024 | 294,660 | 241,004 | 1,064,853 | 2,180 | | 2,085,721 |
| At December 31, 2023 | 38,902,283 | 240,253,808 | 160,847,472 | 6,776,280 | 1,516,122 | 8,507,015 | 17,090,858 | 21,007,344 | 494,901,182 |
| Total cost | 38,902,283 | 339,122,782 | 276,519,071 | 14,564,705 | 5,381,076 | 27,734,328 | 19,727,964 | 21,007,344 | 742,959,553 |
| Accumulated depreciation | | (98,868,974) | (115,671,599) | (7,788,425) | (3,864,954) | (19,227,313) | (2,637,106) | | (248,058,371) |
| Residual value | <u>38,902,283</u> | <u>240,253,808</u> | <u>160,847,472</u> | <u>6,776,280</u> | <u>1,516,122</u> | <u>8,507,015</u> | <u>17,090,858</u> | <u>21,007,344</u> | <u>494,901,182</u> |
| Annual depreciation rates - % | | <u>3%</u> | <u>7%</u> | <u>10%</u> | <u>20%</u> | <u>20%</u> | <u>10%</u> | | |

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17 Investments

Investments in the subsidiaries SMC - Comercial e Exportadora de Café S.A., Cooxupé Corretora de Seguros Ltda., and Vectag Plataforma de Serviços de Tecnologia S.A. are accounted for in the parent company financial statements under the equity method.

Investments in cooperative and non-cooperative companies are stated at cost of acquisition, since the accounting practices adopted in Brazil do not permit their recognition using the equity method. The carrying amount of these investments is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.1.1(b)).

SMC - Comercial e Exportadora de Café S.A., headquartered in Guaxupé, State of Minas Gerais, was incorporated on March 12, 2009. Its activities comprise the sale and export of raw coffee beans in the special and certified coffee segment.

Cooxupé Corretora de Seguros Ltda., headquartered in Guaxupé, State of Minas Gerais, was established on December 26, 2022. Its activities comprise insurance brokerage and agency services.

Vectag Plataforma de Serviços de Tecnologia S.A., headquartered in the city of Ribeirão Preto, State of São Paulo, was incorporated as a limited liability company on July 3, 2023 and transformed into a corporation on October 30, 2023. Its activities comprise the development and licensing of customized computer programs, consultancy for integrating systems and solutions, in addition to operating as a holding of non-financial institutions, and providing intermediation and agency services for businesses in general

At December 31, 2023, the sureties and/or collateral granted by the Cooperative in favor of SMC - Comercial e Exportadora de Café S.A. totaled R\$ 44,458,199 (R\$ 63,103,093 in 2022). No costs are incurred by Cooxupé and SMC in connection with the sureties and collateral granted. No sureties and/or collateral were granted by Cooxupé to the other subsidiaries.

17.1 Nature of the investments

| | Parent company | | Consolidated | |
|--|----------------|------------|--------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| Investments in subsidiaries: | | | | |
| SMC - Comercial e Exportadora de Café S.A. (i) | 44,491,416 | 39,374,838 | | |
| Vectag Plataforma de Serviços de Tecnologia S.A. (i) | 447,572 | | | |
| Cooxupé Corretora de Seguros Ltda (i) | 150,984 | | | |
| Total | 45,089,972 | 39,374,838 | | |
| Investments in non-controlled entities: | | | | |
| Cooperative companies | 3,295,887 | 3,131,390 | 3,484,266 | 3,315,196 |
| Non-cooperative companies | 1,606,500 | | 1,606,500 | |
| Total | 4,902,387 | 3,131,390 | 5,090,766 | 3,315,196 |
| | 49,992,359 | 42,506,228 | 5,090,766 | 3,315,196 |

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(i) Investments

| Information on subsidiaries | Number of shares held | | Shareholding | | Profit (loss) for the year | | Equity | |
|--|-----------------------|------------|--------------|------|----------------------------|-----------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| SMC - Comercial e Exportadora de Café S.A. | 10,000,000 | 10,000,000 | 100% | 100% | 5,116,578 | 6,432,339 | 44,491,416 | 39,374,838 |
| Vectag Plataforma de Serviços de Tecnologia S.A. | 480,000 | | 50% | | (64,855) | | 815,147 | |
| Cooxupé Corretora de Seguros Ltda. | 100,000 | | 100% | 100% | 50,984 | | 150,984 | |

Parent company

2023 2022

Changes in the investment

| | | |
|------------------------------------|------------|------------|
| At the beginning of the year | 39,374,838 | 32,942,499 |
| Equity in the results of investees | 5,135,134 | 6,432,339 |
| Investments in subsidiaries | 580,000 | |
| At the end of the year | 45,089,972 | 39,374,838 |

The financial statements of the subsidiaries are summarized as follows:

| | SMC - Comercial e Exportadora de Café S.A. | | Vectag Plataforma de Serviços de Tecnologia S.A. | Cooxupé Corretora de Seguros Ltda. |
|-------------------------------------|--|--------------------|--|---|
| | 2023 | 2022 | 2023 | 2023 |
| Current assets | 130,684,778 | 158,480,238 | 367,603 | 219,980 |
| Non-current assets | 14,995,472 | 9,812,421 | 447,735 | 20,474 |
| Total assets | 145,680,250 | 168,292,659 | 815,338 | 240,454 |
| Current liabilities | 96,881,840 | 125,710,019 | 191 | 89,470 |
| Non-current liabilities | 4,306,994 | 3,207,802 | | |
| Total liabilities | 101,188,834 | 128,917,821 | 191 | 89,470 |
| Equity | 44,491,416 | 39,374,838 | 815,147 | 150,984 |
| Total liabilities and equity | 145,680,250 | 168,292,659 | 815,338 | 240,454 |
| Net revenue | 192,257,056 | 226,005,317 | | 160,721 |
| Costs and expenses | (184,034,199) | (216,571,961) | (73,340) | (107,951) |
| Finance income (costs) | (517,453) | 349,307 | 8,485 | 12,312 |
| Taxes on profit | (2,588,826) | (3,350,324) | | (14,098) |
| Profit (loss) for the year | 5,116,578 | 6,432,339 | (64,855) | 50,984 |

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18 Intangible assets

Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Cooperative are recognized as intangible assets. Other development expenditures that do not meet these capitalization criteria are recognized as an expense as incurred.

These costs are amortized over their estimated useful lives of up to eight years.

18.1 Parent company

| | Software licenses | Software development | Total |
|-----------------------------|----------------------|-------------------------|-------------------|
| At December 31, 2021 | 8,736,638 | 12,181,870 | 20,918,508 |
| Additions | 3,810,268 | 9,442,525 | 13,252,793 |
| Reductions | (14,733) | (38,019) | (52,752) |
| Amortization for the year | (4,549,046) | | (4,549,046) |
| Transfers | 15,183,499 | (15,183,499) | |
| At December 31, 2022 | 23,166,626 | 6,402,877 | 29,569,503 |
| Total cost | 89,194,653 | 6,402,877 | 95,597,530 |
| Accumulated amortization | (66,028,027) | | (66,028,027) |
| Residual value | 23,166,626 | 6,402,877 | 29,569,503 |
| Additions | 881,990 | 8,079,228 | 8,961,218 |
| Reductions | (9,359) | (81,767) | (91,126) |
| Amortization for the year | (5,076,235) | | (5,076,235) |
| Transfers | 6,083,564 | (6,083,564) | |
| At December 31, 2023 | 25,042,041 | 8,316,774 | 33,358,815 |
| Total cost | 96,150,848 | 8,316,774 | 104,467,622 |
| Accumulated amortization | (71,108,807) | | (71,108,807) |
| Residual value | 25,042,041 | 8,316,774 | 33,358,815 |

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at December 31, 2023

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18.2 Consolidated

| | Software licenses | Software development | Total |
|-----------------------------|----------------------|-------------------------|-------------------|
| At December 31, 2021 | 8,737,934 | 12,181,870 | 20,919,804 |
| Additions | 3,816,502 | 9,442,525 | 13,259,027 |
| Reductions | (14,733) | (38,019) | (52,752) |
| Amortization for the year | (4,549,721) | | (4,549,721) |
| Transfers | 15,183,499 | (15,183,499) | |
| At December 31, 2022 | 23,173,481 | 6,402,877 | 29,576,358 |
| Total cost | 89,212,707 | 8,052,397 | 97,265,104 |
| Accumulated amortization | (66,039,226) | (1,649,520) | (67,688,746) |
| Residual value | 23,173,481 | 6,402,877 | 29,576,358 |
| Additions | 905,495 | 8,526,943 | 9,432,438 |
| Reductions | (9,359) | (81,767) | (91,126) |
| Amortization for the year | (5,083,930) | | (5,083,930) |
| Transfers | 6,083,564 | (6,083,564) | |
| At December 31, 2023 | 25,064,706 | 8,764,489 | 33,829,195 |
| Total cost | 96,192,407 | 10,414,009 | 106,606,416 |
| Accumulated amortization | (71,127,701) | (1,649,520) | (72,777,221) |
| Residual value | 25,064,706 | 8,764,489 | 33,829,195 |

19 Right-of-use assets and lease liabilities

These relate to leases of commercial properties for resale of agricultural inputs, vehicles for own use, and the central telephone exchange system for corporate communications. Lease agreements have an average term of up to nine years, and the lease liability is periodically settled over this term.

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19.1 Parent company

| | Buildings | Vehicles | IT equipment | Total |
|----------------------------------|------------------|------------------|----------------|------------------|
| Right-of-use-assets | | | | |
| At December 31, 2021 | 660,990 | 1,773,763 | 597,427 | 3,032,180 |
| Acquisitions/remeasurements (i) | 4,276,253 | | 59,585 | 4,335,838 |
| Disposals | (378,945) | (30,553) | | (409,498) |
| Depreciation for the year | (1,179,946) | (828,481) | (300,426) | (2,308,853) |
| Depreciation write-offs | 378,945 | 30,553 | | 409,498 |
| At December 31, 2022 | 3,757,297 | 945,282 | 356,586 | 5,059,165 |
| Total cost | 5,826,513 | 1,743,210 | 1,417,085 | 8,986,808 |
| Accumulated depreciation | (2,069,216) | (797,928) | (1,060,499) | (3,927,643) |
| Residual value | 3,757,297 | 945,282 | 356,586 | 5,059,165 |
| Acquisitions/remeasurements (ii) | 1,306,241 | 2,754,070 | 672,399 | 4,732,710 |
| Disposals | (1,075,792) | (1,123,788) | (1,336,801) | (3,536,381) |
| Depreciation for the year | (1,522,206) | (1,279,828) | (284,326) | (3,086,360) |
| Depreciation write-offs | 1,075,792 | 1,123,788 | 1,336,801 | 3,536,381 |
| At December 31, 2023 | 3,541,332 | 2,419,524 | 744,659 | 6,705,515 |
| Total cost | 6,056,962 | 3,373,492 | 752,683 | 10,183,137 |
| Accumulated depreciation | (2,515,630) | (953,968) | (8,024) | (3,477,622) |
| Residual value | 3,541,332 | 2,419,524 | 744,659 | 6,705,515 |
| Annual depreciation rate | 25% | 38% | 38% | 30% |
| Lease liabilities | | | | |
| At December 31, 2022 | | | | |
| Current | 1,284,289 | 780,629 | 254,305 | 2,319,223 |
| Non-current | 2,597,729 | | | 2,597,729 |
| | 3,882,018 | 780,629 | 254,305 | 4,916,952 |
| Lease liabilities | | | | |
| At December 31, 2023 | | | | |
| Current | 1,399,363 | 1,593,141 | 339,070 | 3,331,574 |
| Non-current | 2,151,323 | 648,918 | 319,901 | 3,120,142 |
| | 3,550,686 | 2,242,059 | 658,971 | 6,451,716 |

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- (i) The acquisitions/remeasurements in 2022 related substantially to lease agreements signed for operational units opened in the municipalities of Manhuaçu and Campos Altos.
- (ii) In 2023, the acquisitions/remeasurements refer substantially to the renewal of lease agreements for own use vehicles, and contracts signed for operational units inaugurated in the municipalities of Ibiraci, Piumhi and Machado.

19.2 Consolidated

| | Buildings | Vehicles | IT equipment | Total |
|-----------------------------|------------------|------------------|-------------------------|------------------|
| Right-of-use-assets | | | | |
| At December 31, 2021 | 663,586 | 1,773,763 | 597,427 | 3,034,776 |
| Acquisitions/remeasurements | 4,474,734 | | 59,585 | 4,534,319 |
| Disposals | (507,596) | (30,553) | | (538,149) |
| Depreciation for the year | (1,215,150) | (828,481) | (300,426) | (2,344,057) |
| Depreciation write-offs | 507,596 | 30,553 | | 538,149 |
| At December 31, 2022 | 3,923,170 | 945,282 | 356,586 | 5,225,038 |
| Total cost | 5,018,094 | 1,743,210 | 1,417,085 | 8,178,389 |
| Accumulated depreciation | (1,094,924) | (797,928) | (1,060,499) | (2,953,351) |
| Residual value | 3,923,170 | 945,282 | 356,586 | 5,225,038 |
| Acquisitions/remeasurements | 1,600,804 | 2,754,070 | 672,399 | 5,027,273 |
| Disposals | (1,075,792) | (1,123,788) | (1,336,801) | (3,536,381) |
| Depreciation for the year | (1,522,207) | (1,279,828) | (284,326) | (3,086,361) |
| Depreciation write-offs | 1,075,792 | 1,123,788 | 1,336,801 | 3,536,381 |
| At December 31, 2023 | 4,001,767 | 2,419,524 | 744,659 | 7,165,950 |
| Total cost | 5,543,106 | 3,373,492 | 752,683 | 9,669,281 |
| Accumulated depreciation | (1,541,339) | (953,968) | (8,024) | (2,503,331) |
| Residual value | 4,001,767 | 2,419,524 | 744,659 | 7,165,950 |
| Annual depreciation rate | 27% | 38% | 38% | 32% |
| Lease liabilities | | | | |
| At December 31, 2022 | | | | |
| Current | 1,284,289 | 780,629 | 254,305 | 2,319,223 |
| Non-current | 2,597,729 | | | 2,597,729 |
| | 3,882,018 | 780,629 | 254,305 | 4,916,952 |
| Lease liabilities | | | | |
| At December 31, 2023 | | | | |
| Current | 1,399,363 | 1,593,141 | 339,070 | 3,331,574 |
| Non-current | 2,151,323 | 648,918 | 319,901 | 3,120,142 |
| | 3,550,686 | 2,242,059 | 658,971 | 6,451,716 |

Changes in lease liabilities are presented in Note 35.1.

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Current and non-current portions recorded in liabilities mature as follows:

| | Parent company | |
|-------------|-----------------------|-------------|
| | 2023 | 2022 |
| Current | | |
| 2023 | | 2,319,223 |
| 2024 | 3,331,574 | |
| | 3,331,574 | 2,319,223 |
| Non-current | | |
| 2024 | | 1,413,964 |
| 2025 | 1,740,276 | 315,345 |
| 2026 | 600,598 | 197,835 |
| 2027 | 258,120 | 164,822 |
| 2028 | 153,941 | 138,556 |
| 2029 | 122,102 | 122,102 |
| 2030 | 107,526 | 107,526 |
| 2031 | 94,620 | 94,620 |
| 2032 | 42,959 | 42,959 |
| | 3,120,142 | 2,597,729 |
| | 6,451,716 | 4,916,952 |

20 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, and are adjusted to present value at an average rate of 10.75% per year, according to the maturity dates (13.51% per year in 2022). The adjustment to present value is based on the Interbank Deposit Certificate (CDI) rate available in the market.

| | Parent company | | Consolidated | |
|-------------------------------|-----------------------|---------------|---------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Agricultural products (i) | 513,767,861 | 836,802,980 | 525,259,354 | 854,308,338 |
| Services | 43,317,821 | 42,661,436 | 43,868,188 | 43,055,300 |
| Goods for resale | 38,213,299 | 31,491,255 | 38,213,299 | 31,491,255 |
| Others | 4,274,555 | 3,514,058 | 4,274,555 | 3,514,058 |
| Property, plant and equipment | 2,838,684 | 8,657,233 | 2,838,684 | 8,657,233 |
| Roasting activities | 1,246,444 | 2,102,641 | 1,158,349 | 2,102,641 |
| | 603,658,664 | 925,229,603 | 615,612,429 | 943,128,825 |
| Current | (508,236,218) | (766,284,356) | (520,189,983) | (784,183,578) |
| Non-current | 95,422,446 | 158,945,247 | 95,422,446 | 158,945,247 |

- (i) Payables to suppliers of agricultural products refer mainly to coffee purchased from members, under the Purchase for Future Delivery (CPR) method, and fall due as follows:

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| | Parent company | | Consolidated | |
|--------------|----------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Not yet due: | | | | |
| Current | | | | |
| 2023 | | 637,484,859 | | 648,965,548 |
| 2024 | 228,433,428 | | 236,392,648 | |
| | 228,433,428 | 637,484,859 | 236,392,648 | 648,965,548 |
| Non-current | | | | |
| 2024 | | 96,099,546 | | 96,099,546 |
| 2025 | 49,578,642 | 27,820,344 | 49,578,642 | 27,820,344 |
| 2026 | 8,446,352 | 3,149,584 | 8,446,352 | 3,149,584 |
| 2027 | 3,910,528 | | 3,910,528 | |
| 2028 | 3,109,842 | | 3,109,842 | |
| 2029 | 1,674,996 | | 1,674,996 | |
| 2030 | 1,602,158 | | 1,602,158 | |
| 2031 | 1,839,349 | | 1,839,349 | |
| | 70,161,867 | 127,069,474 | 70,161,867 | 127,069,474 |
| | 298,595,295 | 764,554,333 | 306,554,515 | 776,035,022 |

21 Advances on foreign exchange contracts and export prepayments

Advances on foreign exchange contracts and export prepayments are recognized initially at fair value, net of the transaction costs incurred, and are subsequently carried at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of surplus over the period of the borrowings.

These amounts, which are not backed by collateral, are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

| Type | Financial charges | Parent company | | Consolidated | |
|--|---|----------------|---------------|---------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| Advances on foreign exchange contracts | US dollar variation plus interest from 6.26% to 7.22% p.a. (2022 - 2.62% to 6.35% p.a.) | 87,188,860 | 155,053,160 | 151,966,652 | 229,491,197 |
| Export prepayments | US dollar variation plus interest from 2.55% to 4.08% p.a. | 342,262,091 | 526,161,390 | 342,262,091 | 526,161,390 |
| | US dollar variation plus interest from 5.62% to 6.07% p.a. (i) | 243,419,085 | | 243,419,085 | |
| | US dollar variation plus interest of 2.20% p.a. + LIBOR (ii) | | 146,696,558 | | 146,696,558 |
| | | 672,870,036 | 827,911,108 | 737,647,828 | 902,349,145 |
| Current | | (366,254,369) | (462,672,108) | (431,032,161) | (537,110,145) |
| Non-current (iii) | | 306,615,667 | 365,239,000 | 306,615,667 | 365,239,000 |

In addition, for long-term transactions, Cooxupé must comply with certain financial covenants (Note 4.3(i), all of which have been met on a timely basis.

- (i) Cooxupé entered into derivative financial instruments to fix the CDI rates at 111.30% and 111.45%.
- (ii) Cooxupé contracted derivative financial instruments to lock the LIBOR rate for the export prepayment agreements up to May 31, 2023. No impacts were identified from the LIBOR phase out on June 30, 2023, and the derivatives were settled on November 30, 2023.

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- (iii) Export prepayments classified in non-current liabilities fall due as follows:

| | Parent company | | Consolidated | |
|-------------|----------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| 2024 | | 295,669,667 | | 295,669,667 |
| 2025 | 225,927,334 | 69,569,333 | 225,927,334 | 69,569,333 |
| 2026 | 80,688,333 | | 80,688,333 | |
| Non-current | 306,615,667 | 365,239,000 | 306,615,667 | 365,239,000 |

21.1 Analysis of the fair value of advances on foreign exchange contracts and export prepayments by type

| Type | Parent company | | Consolidated | |
|--|----------------|-------------|--------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| Advances on foreign exchange contracts | 87,005,578 | 155,679,454 | 151,809,977 | 229,758,865 |
| Export prepayments | 578,832,755 | 651,381,257 | 578,832,755 | 651,381,257 |
| | 665,838,333 | 807,060,711 | 730,642,732 | 881,140,122 |

22 Borrowings

Borrowings are recognized using the same accounting practices applicable to advances on foreign exchange contracts and export prepayments (Note 21).

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Cooperative, and such costs can be measured reliably.

A qualifying asset is an asset that requires a substantial period of time to become ready for its intended use or sale. The other borrowing costs are recognized as "Finance costs/expenses" in the period in which they are incurred.

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| Type/Purpose | Financial charges | Parent company | |
|--|---|----------------------------------|----------------------------------|
| | | 2023 | 2022 |
| FUNCAFÉ (i) | Interest from 6% to 10% p.a. (3.25% to 10.5% p.a. in 2022) | 797,773,933 | 479,891,605 |
| | Interest from 107.1% to 115% of CDI rate p.a. | 406,023,441 | |
| | Interest from 2.35% to 4.1% p.a. + foreign exchange variation | 323,899,280 | 432,524,499 |
| Working capital | Interest from 6% to 6.47% p.a. + foreign exchange variation (v) | 145,523,453 | |
| | Interest from 10% to 11% p.a. (5.20% to 9% p.a. in 2022) | 96,328,900 | 126,108,767 |
| | Interest of 1.10% p.a. + 100% of CDI | | 83,470,779 |
| Crops and inputs (ii) | Interest from 10% to 11.16% p.a. (7.5% to 11.5% p.a. in 2022) | 464,793,352 | 273,171,761 |
| Financial CPR (iv) | Interest of 5.89% p.a. + 100% of IPCA | 97,326,760 | 92,608,879 |
| | Interest of 1.90% p.a. + 100% of CDI | 34,907,662 | 69,957,681 |
| PRODECOOP, PCA and FINAME PSI (iii) | Interest from 3.5% to 9.5% p.a. (3% to 9.5% p.a. in 2022) | 99,277,691 | 103,924,379 |
| Current | | 2,465,854,472 (1,862,354,173) | 1,661,658,350 (1,065,471,575) |
| Non-current (vi) | | 603,500,299 | 596,186,775 |
| Type/Purpose | Financial charges | Consolidated | |
| | | 2023 | 2022 |
| FUNCAFÉ (i) | Interest from 6% to 10% p.a. (3.25% to 10.5% p.a. in 2022) | 808,035,632 | 510,581,143 |
| | Interest from 107.1% to 115% of CDI rate p.a. | 406,023,441 | |
| | Interest from 2.35% to 4.1% p.a. + foreign exchange variation | 323,899,280 | 432,524,499 |
| Working capital | Interest from 6% to 6.47% p.a. + foreign exchange variation (v) | 145,523,453 | |
| | Interest from 10% to 11% p.a. (5.20% to 9% p.a. in 2022) | 96,328,900 | 126,108,767 |
| | Interest of 1.10% p.a. + 100% of CDI | | 83,470,779 |
| Crops and inputs (ii) | Interest from 10% to 11.16% p.a. (7.5% to 11.5% p.a. in 2022) | 464,793,352 | 273,171,761 |
| Financial CPR (iv) | Interest of 5.89% p.a. + 100% of IPCA | 97,326,760 | 92,608,879 |
| | Interest of 1.90% p.a. + 100% of CDI | 34,907,662 | 69,957,681 |
| PRODECOOP, PCA and FINAME PSI (iii) | Interest from 3.5% to 9.5% p.a. (3% to 9.5% p.a. in 2022) | 99,277,691 | 103,924,379 |
| Current | | 2,476,116,171 (1,872,615,872) | 1,692,347,888 (1,096,161,113) |
| Non-current (vi) | | 603,500,299 | 596,186,775 |

Borrowings under the *Funcafé Comercialização* and *FAC* (financing for acquisition of coffee) credit facilities are secured by commercial lien, and certain borrowings for investments are secured by property, plant, and equipment items. In addition to these guarantees, the Cooperative must comply with certain covenants provided for in the agreements (Note 4.3(i)), which are being met on a timely basis.

- (i) Relate to funds originated from the Coffee Economy Defense Fund (FUNCAFÉ), under the conditions established in the Rural Credit Manual (MCR), Chapter 9, to finance the storage and trade of coffee (*Funcafé Comercialização* and *FAC*), working capital, coffee roasting and cost of inputs.

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- (ii) These relate to Rural Credit funds obtained to pay suppliers of agricultural inputs that are transferred to members under the "payment after harvest" modality, or as non-earmarked funds.
- (iii) Funds obtained through the National Bank for Economic and Social Development (BNDES) under the following modalities:
 - PRODECOOP- Cooperative Development Program for the Enhancement of Agricultural Production Value Added pursuant to Resolution 2,987 of July 3, 2002, which aims to foster the competitiveness of Brazilian cooperatives in the agribusiness sector through the modernization of production and trading systems;
 - PCA - Program for Construction and Expansion of Warehouses, which is aimed at supporting the investments required to increase the storage capacity through the construction and expansion of warehouses;
 - FINAME PSI - Investment Sustainability Program (PSI) from the Government Agency for Machinery and Equipment Financing (FINAME), aimed at supporting the acquisition of equipment.
- (iv) Financial Rural Product Notes (CPRs) were issued, with expected maturity in August 2024 and August 2026, to back up Agribusiness Receivables Certificates (CRAs) issued in the capital market by the securitization firm Virgo Companhia de Securitização, in compliance with CVM Instruction 476. Cooxupé entered into a swap contract to convert the cost of this transaction from 5.89% per year + 100% of the Extended Consumer Price Index (IPCA) to 1.90% per year + 100% of the Interbank Deposit (DI) rate .
- (v) Cooxupé entered into derivative financial instruments to fix the CDI rates at 107.7% and 111.90%.
- (vi) Borrowings classified in non-current liabilities fall due as follows:

| | Parent company | |
|---|----------------|-------------|
| | 2023 | 2022 |
| 2024 | | 421,174,338 |
| 2025 | 309,297,389 | 93,404,545 |
| 2026 | 191,934,030 | 43,873,691 |
| 2027 | 74,721,977 | 15,682,144 |
| 2028 | 10,156,006 | 8,782,294 |
| 2029 | 9,074,393 | 7,700,682 |
| 2030 | 4,519,483 | 3,145,771 |
| 2031 | 3,147,866 | 1,774,155 |
| 2032 | 649,155 | 649,155 |
| | 603,500,299 | 596,186,775 |
| Working capital | 468,939,892 | 385,642,598 |
| Financial CPR | 54,634,164 | 124,225,046 |
| FUNCAFÉ/ PRODECOOP/ PCA/ FINAME PSI/ CROP AND INPUTS | 79,926,243 | 86,319,131 |
| Non-current | 603,500,299 | 596,186,775 |

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22.1 Analysis of the fair value by financing type

| Type/Purpose | Parent company | | Consolidated | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| FUNCAFE | 791,629,613 | 474,737,209 | 801,842,913 | 505,251,633 |
| Working capital | 971,196,199 | 620,675,138 | 971,196,199 | 620,675,138 |
| Crops and inputs | 459,776,939 | 271,044,480 | 459,776,939 | 271,044,480 |
| Financial CPR | 122,638,667 | 157,645,661 | 122,638,667 | 157,645,661 |
| PRODECOOP, PCA, and FINAME PSI | 90,247,738 | 94,063,514 | 90,247,738 | 94,063,514 |
| | <u>2,435,489,156</u> | <u>1,618,166,002</u> | <u>2,445,702,456</u> | <u>1,648,680,426</u> |

23 Salaries, social charges and taxes payable

| | Parent company | | Consolidated | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Provision for vacation pay and related charges, and share of surplus | 41,621,163 | 33,834,251 | 42,527,509 | 34,557,874 |
| Salaries and social charges payable | 12,666,858 | 12,203,729 | 12,924,254 | 12,436,122 |
| Income tax and social contribution | 15,529,177 | 3,203,592 | 17,684,227 | 3,333,576 |
| National Institute of Social Security (INSS) contribution on sales of agricultural products | 3,734,492 | 2,118,307 | 3,813,434 | 2,157,154 |
| Others | 1,078,068 | 567,095 | 1,089,145 | 581,775 |
| | <u>74,629,758</u> | <u>51,926,974</u> | <u>78,038,569</u> | <u>53,066,501</u> |

24 Other liabilities

| | Parent company | | Consolidated | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Retirement benefit obligations (Note 26.2) | 39,348,505 | 34,437,931 | 39,639,405 | 34,647,851 |
| Surplus to be distributed (Note 28.4) | 25,362,034 | 14,088,606 | 25,362,034 | 14,088,606 |
| Age-based capital refund program (PRCI) | 10,762,815 | 12,054,420 | 10,762,815 | 12,054,420 |
| Capital and Special Capitalization Fund (FEC) refundable | 5,199,018 | 5,978,327 | 5,199,018 | 5,978,327 |
| Advances from customers | 2,716,130 | | 2,716,130 | |
| | <u>83,388,502</u> | <u>66,559,284</u> | <u>83,679,402</u> | <u>66,769,204</u> |
| Current | (35,282,874) | (21,390,128) | (35,282,874) | (21,390,128) |
| Non-current | <u>48,105,628</u> | <u>45,169,156</u> | <u>48,396,528</u> | <u>45,379,076</u> |
| Financial liabilities | 41,323,867 | 32,121,353 | 41,323,867 | 32,121,353 |
| Non-financial liabilities | 42,064,635 | 34,437,931 | 42,355,535 | 34,647,851 |
| | <u>83,388,502</u> | <u>66,559,284</u> | <u>83,679,402</u> | <u>66,769,204</u> |

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25 Provision for contingencies

The Cooperative is a party to civil, labor, social security and tax lawsuits, which are disputed at the administrative and judicial levels. The provision for probable losses arising from these matters is estimated and periodically adjusted by management, supported by the advice of its legal advisors.

The nature of the contingencies is summarized as follows:

- Tax contingencies: these are mainly comprised of the Funrural (Rural Workers' Assistance Fund) lawsuit and its respective judicial deposits.
- Labor and social security contingencies: relate mainly to employee claims, social security contributions on dismissal with prior notice, the Accident Prevention Factor (FAP), and the rate applicable based on the Level of Incidence of Disability Arising from Environmental Labor Risks (GILRAT).
- Civil contingencies: relate mainly to indemnity claims.

Provisions for contingencies are recognized when the Cooperative has a present legal or constructive obligation as a result of past events; it is probable that an outflow of funds will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, according to the specific risks of the obligation. The increase in the obligation is recorded in the statement of surplus, within "Operating costs/expenses".

25.1 Composition and changes in the provision for contingencies

25.1.1 Composition of contingencies

At the reporting dates, the Cooperative had the following contingencies and related judicial deposits:

| | Parent company | | Consolidated | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Tax | 383,387,633 | 305,884,007 | 384,681,826 | 307,086,906 |
| Labor and social security | 30,281,846 | 26,661,055 | 30,463,891 | 26,848,022 |
| Civil | 1,728,482 | 2,199,637 | 1,728,482 | 2,199,637 |
| (-) Judicial deposits | (399,713,215) | (319,462,516) | (401,047,889) | (320,665,415) |
| | <u>15,684,746</u> | <u>15,282,183</u> | <u>15,826,310</u> | <u>15,469,150</u> |

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25.1.2 Changes in contingencies

| | Parent company | | | | |
|------------------------------|--------------------|---------------------------|------------------|-----------------------|-------------------|
| | Tax | Labor and Social security | Civil | (-) Judicial deposits | Total |
| At 1 January 2022 | 284,428,837 | 23,509,366 | 1,785,717 | (295,043,533) | 14,680,387 |
| Additions (i) | 38,150,556 | 2,651,386 | 381,340 | (39,822,185) | 543,602 |
| Reductions (Note 32 (i) (b)) | (43,714,525) | (1,850,209) | (152) | 43,776,610 | (1,788,276) |
| Interest/indexation accruals | 27,019,139 | 2,350,512 | 32,732 | (28,373,408) | 1,846,470 |
| At December 31, 2022 | 305,884,007 | 26,661,055 | 2,199,637 | (319,462,516) | 15,282,183 |
| Additions (i) | 44,933,176 | 3,350,438 | 25,972 | (46,476,603) | 1,832,983 |
| Reductions | | (2,544,458) | (550,163) | 584,525 | (2,510,096) |
| Interest/indexation accruals | 32,570,450 | 2,814,811 | 53,036 | (34,358,621) | 1,079,676 |
| At December 31, 2023 | 383,387,633 | 30,281,846 | 1,728,482 | (399,713,215) | 15,684,746 |

| | Consolidated | | | | |
|------------------------------|--------------------|---------------------------|------------------|-----------------------|-------------------|
| | Tax | Labor and Social security | Civil | (-) Judicial deposits | Total |
| At 1 January 2022 | 285,548,886 | 23,699,279 | 1,785,717 | (296,163,582) | 14,870,300 |
| Additions (i) | 38,150,556 | 2,651,386 | 381,340 | (39,822,185) | 543,602 |
| Reductions (Note 32 (i) (b)) | (43,714,525) | (1,860,420) | (152) | 43,776,610 | (1,798,487) |
| Interest/indexation accruals | 27,101,989 | 2,357,777 | 32,732 | (28,456,258) | 1,853,735 |
| At December 31, 2022 | 307,086,906 | 26,848,022 | 2,199,637 | (320,665,415) | 15,469,150 |
| Additions (i) | 44,933,175 | 3,350,438 | 25,972 | (46,517,084) | 1,792,501 |
| Reductions | | (2,563,905) | (550,163) | 584,525 | (2,529,543) |
| Interest/indexation accruals | 32,661,745 | 2,829,336 | 53,036 | (34,449,915) | 1,094,202 |
| At December 31, 2023 | 384,681,826 | 30,463,891 | 1,728,482 | (401,047,889) | 15,826,310 |

- (i) Tax - relates substantially to the FUNRURAL lawsuit. In April 2015, Cooxupé obtained a favorable decision on a lawsuit which allowed it to deposit in court the FUNRURAL amounts relating to coffee exports. In the event this lawsuit is finally ruled in favor of Cooxupé, the escrow deposit will be returned to the members, with interest. The FUNRURAL amounts relating to sales in the domestic market are being duly paid.

Labor and social security - relate mainly to employee claims, and the Accident Prevention Factor (FAP).

25.2 Contingent liabilities not provided for in the balance sheet

At December 31, 2023, the Cooperative had tax, civil and labor contingencies involving risks of loss classified by management as possible, based on its legal advisors' advice, amounting to R\$ 9,371,804 (R\$ 17,291,081 in 2022), for which no provision has been recorded, as determined by the accounting practices adopted in Brazil, in accordance with CPC 25 - "Provisions, Contingent Liabilities and Assets".

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26 Pension obligations (Consolidated)

26.1 Free Benefit Generating Plan (PGBL)

The Cooperative offers a PGBL, a defined contribution plan, comprising of its own contributions and those of participating employees calculated in equal proportions for each party. The contribution can either be contractually established or voluntary. The Cooperative has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognized as "Employee benefit costs/expenses" as they become due.

During 2023, the contributions paid by the Cooperative under this plan amounted to R\$ 1,837,224 (R\$ 1,801,462 in 2022).

26.2 Post-employment benefits

In addition, Cooxupé grants a "retirement premium" benefit equivalent to half of the employee's monthly salary for each year worked for Cooxupé. This premium is paid at the termination date of the employment contract, provided that the employee (i) is not included in the private pension plan, (ii) has completed a minimum service period of 15 years with Cooxupé, and (iii) is terminating the employment contract because of retirement. The employees included in the private pension plan also receive from Cooxupé the difference between the amounts deposited in their pension plan accounts and the retirement premium benefit, should the latter represent a higher benefit to the employee.

At December 31, 2023, the actuarial liability (present value of the actuarial obligation), calculated based on a report issued by a specialized firm, totaled R\$ 32,094,374 (R\$ 28,388,425 in 2022).

26.3 Other post-employment obligations

The Cooperative provides post-retirement healthcare benefits to its employees for two years. Entitlement to these benefits is usually contingent on the employee remaining in service up to retirement age and the completion of a minimum service period of 15 years.

During 2023, the contributions paid by the Cooperative with regard to this benefit amounted to R\$ 653,690 (R\$ 411,624 in 2022).

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27 Related parties

27.1 Parent company

| | 2023 | | 2022 | |
|---|--|--|-------------|-------------|
| | SMC Comercial e Exportadora de Café S.A. | Cooxupé Corretora de Seguros Ltda. | Management | Total |
| Main balances | | | | |
| Current assets | | | | |
| Trade notes receivable | 25,481 | | 156,593 | 182,074 |
| Borrowings and transfers to members | | | 7,061,704 | 7,061,704 |
| Rural Product Notes – CPRs | 936,551 | | 18,896,107 | 19,832,658 |
| Inventories - agricultural products from members | | | 62,244,737 | 62,244,737 |
| Other assets | | 83,493 | | 83,493 |
| Non-current assets | | | | |
| Borrowings and transfers to members | | | 571,149 | 571,149 |
| Rural Product Notes – CPRs | | | 1,721,680 | 1,721,680 |
| Current liabilities | | | | |
| Trade payables for products | 176,095 | | 16,274,183 | 16,450,278 |
| Trade payables - agricultural products from members | | | 62,244,737 | 62,244,737 |
| Non-current liabilities | | | | |
| Trade payables for products | | | 1,523,544 | 1,523,544 |
| Main transactions | | | | |
| Purchases of agricultural products (commodities) | 1,124,990 | | 133,050,440 | 134,175,430 |
| Purchase of Rural Product Note (CPR) | | | 34,821,455 | 34,821,455 |
| Loans and transfers to members | | | 24,984,179 | 24,984,179 |
| Sales of agricultural products (commodities) | 10,328,730 | | 10,328,730 | 14,500,216 |
| Management compensation | | | 8,027,916 | 8,027,916 |
| Sales of agricultural inputs | | | 6,867,515 | 6,867,515 |
| Interest on loans and transfers to members | | | 3,120,699 | 3,120,699 |
| Sale of services | 2,843,622 | 102,582 | 75,548 | 3,021,752 |
| Distribution of surplus in cash | | | 2,024,830 | 2,024,830 |
| Sale of Rural Product Note (CPR) | 1,788,800 | | | 1,788,800 |
| Advance payment for sale | | | 1,589,000 | 1,589,000 |
| Sale of professional consultancy and services | 919,590 | | | 919,590 |
| Payment of surplus | | | 674,943 | 674,943 |

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27.2 Consolidated - Management

| | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Main balances | | |
| Current assets | | |
| Trade notes receivable | 156,593 | 842,904 |
| Borrowings and transfers to members | 7,061,704 | 23,088,132 |
| Rural Product Notes – CPRs | 18,896,107 | 55,113,511 |
| Inventories - agricultural products from members | 62,244,737 | 29,175,424 |
| Non-current assets | | |
| Borrowings and transfers to members | 571,149 | 756,717 |
| Rural Product Notes – CPRs | 1,721,680 | 2,008,188 |
| Current liabilities | | |
| Trade payables for products | 16,852,377 | 50,452,554 |
| Trade payables - agricultural products from members | 62,244,737 | 29,175,424 |
| Non-current liabilities | | |
| Trade payables for products | 1,523,544 | 1,018,249 |
| Main transactions | | |
| Purchases of agricultural products (commodities) | 137,816,663 | 92,916,215 |
| Purchase of Rural Product Note (CPR) | 36,683,929 | 54,016,962 |
| Loans and transfers to members | 24,984,179 | 31,740,353 |
| Management compensation | 8,027,916 | 8,473,069 |
| Sales of agricultural inputs | 6,867,515 | 10,617,068 |
| Finance income | 3,120,699 | 2,526,471 |
| Distribution of surplus in cash | 2,024,830 | 2,085,316 |
| Advance payment for sale | 1,652,030 | 2,710,497 |
| Payment of surplus | 674,943 | 695,105 |
| Sale of services | 75,548 | 56,851 |

27.3 Other information

- (i) Cooxupé is a partnership of individuals under which all the members are allowed to carry out commercial transactions with the entity.
- (ii) The Cooperative carries out commercial and financial transactions with related parties under usual market conditions.
- (iii) Management includes officers, members of the statutory audit committee, members of the Board of Directors, superintendents, as well as their first-degree family members.
- (iv) The subsidiaries SMC Comercial e Exportadora de Café S.A. and Cooxupé Corretora de Seguros Ltda. are managed by the Executive officers and the Board of Directors of Cooxupé.
- (v) The subsidiary Vectag Plataforma de Serviços de Tecnologia S.A. is managed by its own Executive officers and Board of Directors, which is made up of four members, two of them are one Director and one Managing Director from Cooxupé.

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28 Equity

28.1 Capital

The capital quotas (Cooxupé) are classified in equity. Capital is represented by quotas with a par value of R\$ 1.00 each.

28.2 Statutory and legal allocations

Pursuant to the Cooperative's bylaws and Law 5,764/71, the surplus for the year, as adjusted by the realization of the revaluation reserve and the Technical, Educational and Social Assistance Reserve (RATES) (Note 28.4), is allocated as follows:

- the results of operations (net profit) with non-members are allocated to the RATES,
- 30% to the legal reserve, to be used to offset losses and support the development of activities,
- 15% to the RATES, to be used for educational activities and the rendering of assistance to members, their families and Cooxupé employees,
- 15% to the reserve for development, to be used for investments in infrastructure, new technologies and working capital,
- 10% to capital increase, recorded directly in each member's capital account, proportionally to each member's contribution to the Cooperative's total billings,
- 10% of the surplus is distributed to the members, in cash, proportionately to the specific transactions that each member carried out with the Cooperative,
- losses for the year are offset against the legal reserve, and, if this is not sufficient, are apportioned among the members,
- other reserves may be created at the General Meeting, including revolving funds to be used for specific purposes, with pre-established rules for their formation, investment and settlement.

At the Extraordinary General Meeting held on November 28, 2008, the members approved the creation of a development fund reserve. At the Extraordinary General Meetings held on September 3, 2010, and November 25, 2022, the members decided that the development fund reserve would be constituted through the recovery of overdue receivables recognized as definitive losses in prior years, and through the recovery or reimbursement of taxes and/or reversal of the provisions for tax contingencies, paid or recorded in prior years, unless otherwise stipulated by law or resolution of the Board of Directors.

28.3 Carrying value adjustments

This account refers to the balance of the revaluation reserve which was transferred to "Carrying value adjustments" when the Cooperative decided to maintain the revaluation amounts (Note 16). The reserve is realized based on the depreciation or disposal of the revalued assets, and transferred to surplus/profit before allocations.

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28.4 Composition of statutory and legal allocations

The statutory and legal allocations at December 31 were as follows:

| | 2023 | 2022 |
|---|--------------|--------------|
| Surplus/profit for the year | 230,683,853 | 226,710,197 |
| Profit for the year - investment in subsidiaries | 5,135,132 | 6,432,339 |
| | 235,818,985 | 233,142,536 |
| Realization of the Technical, Educational and Social Assistance Reserve (RATES) | 49,810,450 | 42,890,347 |
| Realization of revaluation reserve | 1,218,023 | 1,303,115 |
| Surplus/profit for the year before allocations | 286,847,458 | 277,335,998 |
| Direct allocations | | |
| Absorption of loss on the corn segment through the Legal reserve | 2,403,148 | |
| Profit (non-members), adjusted by the realization of the revaluation reserve, allocated directly to RATES | (13,043,490) | (54,477,259) |
| Reserve for development (recovery of tax credits) (Note 32 (i)) | (19,427,411) | (79,735,721) |
| Reserve for development (recovery of trade receivables) | (3,159,364) | (2,236,960) |
| Surplus, calculation basis of statutory allocations: | 253,620,341 | 140,886,058 |
| Legal reserve - 30% | (76,086,101) | (42,265,817) |
| RATES - 15% | (38,043,051) | (21,132,908) |
| Development reserve - 15% | (38,043,051) | (21,132,908) |
| Capital - 10% | (25,362,034) | (14,088,606) |
| Distribution in cash - 10% | (25,362,034) | (14,088,606) |
| Surplus to be allocated at the General Meeting | 50,724,070 | 28,177,213 |

As determined by ITG 2004, the allocations of the results of the Cooperative's financial investments and equity interests (in cooperative and non-cooperative entities) are decided at the General Meeting, when not provided for in the bylaws. The Cooperative understands that Article 65 of its bylaws addresses the allocations of the results recognized for the year, and includes the result of the aforementioned operations in the calculation basis of statutory and legal allocations (Note 28.2).

Statutory and legal allocations, including interest on paid-up capital, where applicable, are recognized in Cooxupé's financial statements at the end of the year, based on its bylaws. The surplus to be allocated at the General Meeting is only provided on the date it is approved by the members, at the General Meeting.

The Annual General Meeting held on March 31, 2023 approved the allocation of the surplus for 2022, totaling R\$ 28,177,213, as a cash distribution to members.

The Annual General Meeting held on March 25, 2022 approved the allocation of the surplus for 2021, totaling R\$ 60,215,029, as a cash distribution to members.

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28.5 Age-based capital refund program (PRCI)

This program aims to provide a capital refund for members aged over 75 years, provided that the minimum capital amount required by Cooxupé is maintained.

Since the inception of this program , a total of R\$ 39,015,000 has been refunded to members.

The capital refund will only be granted upon request by the respective member.

29 Income (members) and revenue (non-members), net

Income/revenue comprises the fair value received or receivable for the sale of products and services in the ordinary course of the Cooperative's activities. Income/revenue is shown net of value-added tax, returns, rebates, interest and discounts and after eliminating sales between the Cooperative and its subsidiaries, in the case of the consolidated financial statements.

The Cooperative recognizes income/revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to it, and when specific criteria have been met for each of the Cooperative's activities, as described below:

29.1 Sale of coffee and corn

The Cooperative is responsible for the receipt, storage, standardization and sale of coffee and corn. Sales of goods are recognized when the Cooperative has delivered the products to the customer, the customer has full discretion over the channel and price to resell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until: (i) (i) the products have been shipped to the specified location; (ii) the risks of obsolescence and loss have been transferred to the customer (iii) the customer has accepted the products in accordance with the sales contract; and (iv) the acceptance provisions have lapsed, or the Cooperative has objective evidence that all criteria for acceptance have been satisfied.

These sales have an average receipt term of 29 days and are discounted to present value using an average discount rate of 10.66% p.a. (11.67% p.a. in 2022) where financial charges are already included.

29.2 Resale of agribusiness inputs

Cooxupé operates through its head office, distribution centers and advanced units for sale of agribusiness inputs and various products. Sales are recognized when the Cooperative delivers a product to the member/customer. Sales of agribusiness inputs usually have a payment term of more than 90 days and characteristics of crop financing. These sales, where applicable, are discounted to present value, using an average discount rate of 11.71% p.a. (8.52% p.a. in 2022), which include financial charges, are presented net of discounts.

29.3 Sale of services

The Cooperative sells services mainly related to the storage of coffee and corn. These services are provided based on the time of storage, and the revenue is recognized at the contractual rates.

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29.4 Reconciliation between gross and net sales revenue:

| | Parent company | | Consolidated | |
|-------------------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Gross sales - foreign market | 3,731,756,758 | 6,690,352,511 | 3,909,594,072 | 6,899,080,879 |
| Gross sales - domestic market | 2,554,279,727 | 3,298,667,422 | 2,557,223,792 | 3,301,614,443 |
| Gross sales of services | 56,526,181 | 45,581,953 | 55,789,868 | 44,247,393 |
| Taxes on sales and services | (41,128,061) | (31,666,496) | (41,231,648) | (31,721,655) |
| Discounts - foreign market | (189,450) | (1,932,510) | (208,119) | (1,932,510) |
| Discounts - domestic market | (12,236,151) | (34,061,199) | (12,489,575) | (34,247,841) |
| Returns - foreign market | (8,782,022) | (30,327,524) | (8,782,022) | (30,545,048) |
| Returns - domestic market | (30,239,428) | (41,365,223) | (30,239,428) | (41,370,619) |
| | <u>6,249,987,554</u> | <u>9,895,248,934</u> | <u>6,429,656,940</u> | <u>10,105,125,042</u> |

30 Net result of changes in agricultural commodity prices and foreign exchange variations

The classification of "Net results of changes in agricultural commodity prices and foreign exchange variations" as operating profit or loss is based on the nature of the assets and liabilities exposed to the foreign exchange rate risk and variations in commodity prices, which are mainly contracted or acquired for the purpose of hedging sales and purchases of agricultural commodities, especially coffee.

Breakdown of balances:

| | Parent company | | Consolidated | |
|---|--------------------|----------------------|--------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Gain (loss) on valuation of commodity inventories, reflecting the adjustment of inventories to the net recoverable amount | 143,432,611 | (1,437,262,723) | 153,387,193 | (1,461,151,919) |
| NDF transactions | 112,955,177 | 859,743,313 | 118,808,005 | 870,170,493 |
| Transactions on commodities and futures exchanges (B3 and ICE) | 48,108,043 | 79,420,742 | 47,884,152 | 91,060,490 |
| Exchange variation | <u>22,760,640</u> | <u>178,964,400</u> | <u>23,778,749</u> | <u>180,081,129</u> |
| | <u>327,256,471</u> | <u>(319,134,268)</u> | <u>343,858,099</u> | <u>(319,839,807)</u> |

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31 Expenses by nature

| | Parent company | | Consolidated | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Com modities | 4,560,119,105 | 7,150,120,458 | 4,737,293,512 | 7,341,607,374 |
| Inputs and other products for resale | 1,501,506,986 | 1,806,778,459 | 1,501,506,986 | 1,806,778,459 |
| Personnel | 256,228,664 | 231,833,107 | 261,482,361 | 236,149,190 |
| Depreciation and amortization | 39,816,078 | 36,083,591 | 39,950,522 | 36,212,214 |
| Freight and loading | 39,033,693 | 48,141,826 | 39,570,798 | 48,606,948 |
| Com missions | 36,459,700 | 53,297,075 | 37,202,059 | 54,171,136 |
| Marketing actions | 22,549,625 | 24,284,619 | 22,618,718 | 24,320,557 |
| Other expenses | 17,758,112 | 15,637,732 | 18,104,110 | 15,822,830 |
| Maintenance | 15,089,331 | 14,083,073 | 15,308,416 | 14,304,286 |
| Water, electricity and telephone bills | 14,474,040 | 14,785,892 | 14,916,990 | 15,309,475 |
| Travel and lodging | 14,354,493 | 13,269,733 | 14,831,433 | 13,610,245 |
| Information technology | 12,261,244 | 9,057,466 | 12,275,272 | 9,070,176 |
| Professional consultancy and services | 7,040,334 | 6,839,875 | 7,250,696 | 7,000,253 |
| Advertising and publicity | 6,411,259 | 7,300,134 | 6,451,874 | 7,370,673 |
| Rentals | 4,950,747 | 969,621 | 5,068,803 | 1,226,692 |
| Banking expenses | 3,439,683 | 5,591,775 | 3,540,995 | 5,670,829 |
| Training programs to Members | 2,496,963 | 843,235 | 2,496,963 | 843,235 |
| Taxes and fees | 2,221,620 | 2,007,917 | 2,245,742 | 2,032,884 |
| Insurance | 1,648,867 | 1,920,386 | 1,673,859 | 1,942,773 |
| Provision for impairment of: | | | | |
| Taxes recoverable | 35,611,879 | | 35,915,238 | 244,207 |
| Trade notes, loans and transfers to members | (17,231,965) | 31,502,408 | (17,033,629) | 31,565,696 |
| Purchase for future receipt (CPR) | (95,808,999) | 45,339,248 | (95,896,891) | 45,133,369 |
| | <u>6,480,431,459</u> | <u>9,519,687,630</u> | <u>6,666,774,827</u> | <u>9,718,993,501</u> |
| Cost of products and goods sold, and services rendered | 6,187,301,538 | 9,073,539,555 | 6,368,184,019 | 9,268,006,476 |
| Selling expenses | 217,567,153 | 376,532,108 | 221,310,692 | 380,774,586 |
| Administrative and general expenses | <u>75,562,768</u> | <u>69,615,967</u> | <u>77,280,116</u> | <u>70,212,439</u> |
| | <u>6,480,431,459</u> | <u>9,519,687,630</u> | <u>6,666,774,827</u> | <u>9,718,993,501</u> |

32 Other income/revenue, net

| | Parent company | | Consolidated | |
|-----------------------------------|-------------------|--------------------|-------------------|--------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Bonuses | 13,851,132 | 16,060,768 | 13,881,518 | 16,060,768 |
| Rental of booths | 5,678,355 | | 5,678,355 | |
| Recovery of losses on receivables | 4,524,241 | 3,694,188 | 4,524,241 | 3,694,188 |
| Tax credits (i) | 4,716,235 | 79,835,769 | 4,831,371 | 79,947,862 |
| Gain (loss) on disposal of assets | 792,966 | 8,087,939 | 799,581 | 8,087,939 |
| Others | <u>2,864,674</u> | <u>1,494,105</u> | <u>720,322</u> | <u>950,670</u> |
| | <u>32,427,603</u> | <u>109,172,769</u> | <u>30,435,388</u> | <u>108,741,427</u> |

(i) In 2022, tax credits refer mainly to:

- (a) recognition of the Tax on Financial Transactions (IOF) credit, in the net amount of R\$ 35,218,037, arising from a lawsuit that became final, in which Cooxupé challenged the levy of IOF levied on loans, foreign exchange, insurance, and securities transactions carried out with members. The decision recognized tax overpayments in the period from January 1997 to June 2022, as well as the right to offset the tax credits against any other federal taxes; and

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- (b) reversal of the provision for contingencies, in the net amount of R\$ 43,260,791, resulting from the favorable outcome of a lawsuit claiming annulment of a Tax Debit that arose from Tax Assessment Notices issued by the Finance Department of the State of São Paulo, which alleged that Cooxupé had unduly benefited from ICMS credits on shipments of live poultry between its parent company and its subsidiary located in the State of São Paulo, in the period from October 2007 to April 2010, and destined for slaughterhouses in the State of São Paulo. In February 2022, Cooxupé was granted a favorable final and unappealable decision.

These credits were recognized in the accounts in accordance with the applicable accounting practices. The amounts classified as operations carried out with members are being allocated as follows: fully allocated to the development reserve, in compliance with the requirements for the constitution thereof, as determined in an Extraordinary General Meeting (Note 28.2).

33 Finance income/revenue and finance costs/expenses, net

Interest income is recognized on an accrual basis, using the effective interest rate method. Receivables with the characteristics of financing are discounted to present value at initial recognition, and as time elapses, interest is incorporated into receivables against "Finance income". This interest income is calculated at the same effective interest rate used to determine the recoverable amount, that is, the original rate of the accounts receivable.

Finance income/costs are recognized on the accrual basis.

| | Parent company | | Consolidated | |
|---|----------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Interest on loans and transfers to members | 122,263,860 | 98,248,978 | 122,263,860 | 98,248,978 |
| Income from marketable securities | 109,104,364 | 76,355,994 | 111,382,006 | 77,742,629 |
| Adjustment to present value | 75,271,585 | 103,378,516 | 77,700,194 | 105,941,574 |
| Adjustment to deemed IPI credit (Note 13) | 16,129,462 | | 16,129,462 | |
| Discounts obtained | 10,450,966 | 6,325,889 | 10,450,966 | 6,325,889 |
| Adjustment to income tax and social contribution credit | 2,335,059 | 358,042 | 2,365,667 | 358,042 |
| Income from National Treasury Certificates (CTNs) | 781,908 | 9,125,683 | 781,908 | 9,125,683 |
| Others | 392,805 | 222,077 | 448,310 | 267,315 |
| Total finance income/revenues | 336,730,009 | 294,015,179 | 341,522,373 | 298,010,110 |
| Interest on borrowings | (155,471,891) | (136,318,877) | (157,097,433) | (137,359,963) |
| Interest on advances on foreign exchange contracts and export prepayments | (46,103,744) | (44,364,486) | (49,316,283) | (46,590,404) |
| Tax on Financial Transactions (IOF) | (1,507,399) | (1,408,500) | (1,677,822) | (1,717,916) |
| Interest on contingencies | (871,720) | (878,968) | (884,972) | (893,850) |
| Interest on National Treasury Certificates (CTN) | (516,315) | (5,963,774) | (516,315) | (5,963,774) |
| Interest on lease | (302,231) | (211,299) | (302,231) | (249,671) |
| Others | (107,791) | (119,816) | (108,199) | (135,766) |
| Total finance costs/expenses | (204,881,091) | (189,265,720) | (209,903,255) | (192,911,344) |
| Finance income (costs) | 131,848,918 | 104,749,459 | 131,619,118 | 105,098,766 |

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34 Statement of surplus/profit for the year, by activity

| | 2023 | | | | | | | | 2022 | | |
|--------|---|--|---------------------------------------|--|---|---|--|--|----------------------------|--|--|
| | Net surplus for the year (members) | Profit for the year (non members) | Surplus/profit for the the year | Realization of revaluation reserve | Realization of technical, educational, and social assistance reserve | Surplus/profit for the the year before allocations (Note 28.4) | Absorption of loss on the corn segment through the legal reserve | Profit from non-members adjusted by realization of revaluation reserve directly allocated to RATES | Reserve for development | Surplus, basis for calculating the allocations | Surplus, basis for calculating the allocations |
| Coffee | 148,462,878 | 12,441,326 | 160,904,204 | 918,311 | 14,773,263 | 176,595,778 | | (7,480,296) | (20,801,533) | 148,313,949 | 68,567,064 |
| Inputs | 71,831,898 | 5,535,149 | 77,367,047 | 299,712 | 35,020,724 | 112,687,483 | | (5,595,849) | (1,785,242) | 105,306,392 | 71,380,427 |
| Corn | (2,419,605) | (32,661) | (2,452,266) | | 16,463 | (2,435,803) | 2,403,148 | 32,655 | - | - | 938,567 |
| | 217,875,171 | 17,943,814 | 235,818,985 | 1,218,023 | 49,810,450 | 286,847,458 | 2,403,148 | (13,043,490) | (22,586,775) | 253,620,341 | 140,886,058 |

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35 Other disclosures on cash flows

35.1 Reconciliation of net debt

35.1.1 Parent company

| | Lease liabilities | Advances on foreign exchange contracts and export prepayments | Borrowings | Total debt | Cash and cash equivalents | Interest rate and currency swaps | Net debt |
|---------------------------------|-------------------|---|----------------------|----------------------|------------------------------|--|----------------------|
| Net debt at January 1, 2022 | 2,961,910 | 2,991,841,928 | 2,045,747,931 | 5,040,551,769 | (1,253,861,451) | (1,403,736) | 3,785,286,582 |
| Changes affecting cash flow | | | | | | | |
| Proceeds from new borrowings | | 1,038,271,225 | 1,782,904,550 | 2,821,175,775 | | | 2,821,175,775 |
| Amortization | (2,592,095) | (2,967,538,233) | (2,182,792,147) | (5,152,922,475) | | (3,038,234) | (5,155,960,709) |
| Interest paid | | (57,362,538) | (111,339,306) | (168,701,844) | | | (168,701,844) |
| Other | | | | | 137,764,658 | 1,006,781 | 138,771,439 |
| Changes not affecting cash flow | | | | | | | |
| Inclusions/rem easurements | 4,335,838 | | | 4,335,838 | | | 4,335,838 |
| Interest | 211,299 | 50,479,467 | 133,348,910 | 184,039,676 | | (3,145,014) | 180,894,662 |
| Exchange variation | | (227,780,741) | (6,211,588) | (233,992,329) | | | (233,992,329) |
| Net debt at December 31, 2022 | <u>4,916,952</u> | <u>827,911,108</u> | <u>1,661,658,350</u> | <u>2,494,486,410</u> | <u>(1,116,096,793)</u> | <u>(6,580,203)</u> | <u>1,371,809,414</u> |
| Changes affecting cash flow | | | | | | | |
| Proceeds from new borrowings | | 335,296,000 | 1,900,079,193 | 2,235,375,193 | | | 2,235,375,193 |
| Amortization | (3,500,177) | (450,977,873) | (1,080,975,267) | (1,535,453,317) | | (15,024,696) | (1,550,478,013) |
| Interest paid | | (34,118,590) | (141,167,939) | (175,286,529) | | | (175,286,529) |
| Other | | | | | (29,094,542) | 628,601 | (28,465,941) |
| Changes not affecting cash flow | | | | | | | |
| Inclusions/rem easurements | 4,732,710 | | | 4,732,710 | | | 4,732,710 |
| Interest | 302,231 | 27,108,314 | 152,837,259 | 180,247,804 | | 21,630,062 | 201,877,866 |
| Exchange variation | | (32,348,923) | (26,577,124) | (58,926,047) | | | (58,926,047) |
| Net debt at December 31, 2023 | <u>6,451,716</u> | <u>672,870,036</u> | <u>2,465,854,472</u> | <u>3,145,176,224</u> | <u>(1,145,191,335)</u> | <u>653,764</u> | <u>2,000,638,653</u> |

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35.1.2 Consolidated

| | Lease liabilities | Advances on foreign exchange contracts and export prepayments | Borrowings | Total debt | Cash and cash equivalents | Interest rate and currency swaps | Net debt |
|---------------------------------|--------------------------|--|----------------------|----------------------|--------------------------------------|---|----------------------|
| Net debt at January 1, 2022 | 2,964,934 | 3,070,011,468 | 2,069,125,585 | 5,142,101,987 | (1,288,261,280) | (1,057,487) | 3,852,783,220 |
| Changes affecting cash flow | | | | | | | |
| Proceeds from new borrowings | | 1,113,375,537 | 1,812,904,550 | 2,926,280,087 | | | 2,926,280,087 |
| Amortization | (2,831,972) | (3,043,585,202) | (2,205,792,145) | (5,252,209,319) | | (2,314,998) | (5,254,524,317) |
| Interest paid | | (58,755,063) | (112,606,501) | (171,361,564) | | | (171,361,564) |
| Other | | | | | 119,443,495 | 1,006,781 | 120,450,276 |
| Changes not affecting cash flow | | | | | | | |
| Inclusions/rem easurements | 4,534,319 | | | 4,534,319 | | | 4,534,319 |
| Interest | 249,671 | 52,705,385 | 134,927,987 | 187,883,043 | | (3,683,005) | 184,200,038 |
| Exchange variation | | (231,402,980) | (6,211,588) | (237,614,568) | | (531,494) | (238,146,062) |
| Net debt at December 31, 2022 | <u>4,916,952</u> | <u>902,349,145</u> | <u>1,692,347,888</u> | <u>2,599,613,985</u> | <u>(1,168,817,785)</u> | <u>(6,580,203)</u> | <u>1,424,215,997</u> |
| Changes affecting cash flow | | | | | | | |
| Proceeds from new borrowings | | 419,470,007 | 1,910,079,193 | 2,329,549,200 | | | 2,329,549,200 |
| Amortization | (3,794,740) | (540,211,386) | (1,110,975,267) | (1,654,981,393) | | (15,024,693) | (1,670,006,086) |
| Interest paid | | (37,240,668) | (143,221,320) | (180,461,988) | | | (180,461,988) |
| Other | | | | | (10,325,722) | 628,598 | (9,697,124) |
| Changes not affecting cash flow | | | | | | | |
| Inclusions/rem easurements | 5,027,273 | | | 5,027,273 | | | 5,027,273 |
| Interest | 302,231 | 30,320,853 | 154,462,801 | 185,085,885 | | 21,630,062 | 206,715,947 |
| Exchange variation | | (37,040,123) | (26,577,124) | (63,617,247) | | | (63,617,247) |
| Net debt at December 31, 2023 | <u>6,451,716</u> | <u>737,647,828</u> | <u>2,476,116,171</u> | <u>3,220,215,715</u> | <u>(1,179,143,507)</u> | <u>653,764</u> | <u>2,041,725,972</u> |

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35.2 Sale of property, plant and equipment

| | Parent company | | Consolidated | |
|--|----------------|------------|--------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net book value (Note 16.1) | 78,657 | 1,149,415 | 94,359 | 1,149,415 |
| Profit on disposal of property, plant and equipment | 197,577 | 7,809,345 | 198,868 | 7,809,345 |
| Proceeds from disposal of property, plant and equipment | 276,234 | 8,958,760 | 293,227 | 8,958,760 |
| Cash provided by disposals of property, plant and equipment in prior years | 602,794 | 1,591,314 | 602,794 | 1,591,314 |
| Cash provided by disposals of property, plant and equipment in the year | 371,905 | 9,011,510 | 388,898 | 9,011,510 |
| | 974,699 | 10,602,824 | 991,692 | 10,602,824 |

36 Insurance

The Cooperative's assets are insured against risks at amounts considered sufficient by management to cover losses, considering the nature of its activities (unaudited information).

The Cooperative contracts insurance for its inventories taking into consideration the physical structure of the locations at risk, the history of claims, the individual risk of each unit, and protective measures. Based on an analysis conducted by the Insurance Committee and experts in risk analysis, the Cooperative opted to contract all its insurance under the Multi-risk type, with coverage for its own assets and inventories of members held by the Cooperative.

The maximum indemnity limit is R\$ 300,000,000. The individual risk of each Cooperative unit does not exceed this limit and corresponds to the total amount insured.

37 Material accounting policies

The accounting policies used for preparing the Cooperative's financial statements are described below. These policies have been consistently applied to all the years presented.

37.1 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the parent company and subsidiaries are measured using the currency of the primary economic environment in which the entities operate (the "functional currency"). The parent company and consolidated financial statements are presented in Brazilian Real/Reais (R\$), which is the Cooperative's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate in effect at the reporting date.

Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates are recognized in the statement of surplus.

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37.2 Financial assets

37.2.1 Classification and measurement

The Cooperative's financial assets are classified in the following categories:

- "Financial assets at fair value": with the related gains and losses recognized in the statement of surplus or deficit within "Finance income/revenue" when related to "Loans and transfers to members", and within "Net results of changes in agricultural commodity prices and foreign exchange variations", when related to derivative transactions, in the period in which they occur.
- "Financial assets at amortized cost": which are held by the Cooperative for the collection of contractual cash flows when these cash flows represent solely payment of principal and interest. Interest income from these financial assets is recognized under "Finance income" using the effective interest rate method. Any gains or losses due to the write-off of assets are recognized directly in the statement of surplus and presented under "Finance income/costs". Impairment losses are also presented under "Selling expenses" in the statement of surplus.

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

The Cooperative initially recognizes financial assets at fair value plus, in the case of financial assets not stated at fair value through surplus or deficit, transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at fair value through surplus or deficit are expensed in the statement of surplus or deficit.

Classification depends on the purpose for which the financial assets have been acquired, and the business model adopted by the Cooperative is to hold the financial assets to collect contractual cash flows.

37.2.2 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legal right should not be contingent on future events and should apply in the normal course of business and in the case of defaults, insolvency or bankruptcy of the Company or of the counterparty.

37.2.3 Provision for impairment of financial assets

The Cooperative assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Cooperative applies the simplified approach allowed by CPC 48, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Cooperativa Regional de Cafeicultores em Guaxupé Ltda.

Notes to the financial statements

at December 31, 2023

All amounts in reais unless otherwise stated

37.3 New standards and interpretations

After reviewing the content of the new standards and interpretations amended effective from January 1, 2023, the Cooperative concluded that their adoption would have no material impact on its financial statements

37.4 Amendments to new standards that are not yet effective

In 2023, the Brazilian Accounting Pronouncements Committee (CPC) issued a revision of some accounting standards. The entities must apply these amendments for annual periods beginning on or after January 1, 2024, i.e., they are not effective for the 2023 fiscal year. The early adoption of standards is not permitted by the CPC in Brazil.

- Amendment to the wording of letter "d" of item 69 and items 60, 71, 73, 74 and 76, inclusion of items 72A, 72B, 75A, 76ZA, 76A, 76B, 139U and 139W, and inclusion of subsections before items 70, 71 and 72A in CPC 26 - Presentation of Financial Statements, clarifying that to classify liabilities as non-current in their financial statements, entities must have the right to avoid settlement of the liabilities for at least twelve months from the balance sheet date. The amendment also clarifies that covenants which an entity must comply with only after the reporting date do not affect the classification of a liability as current or non-current at the reporting date. Only those covenants that an entity is required to comply with on or before the reporting date affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.
- Inclusion of items 102A, C1D, C20E with their subsections and amendment of item C2 in CPC 06 - Leases, to guide entities about the lease liability in a sale and leaseback transaction. When measuring the lease liability subsequent to a sale and leaseback transaction, the seller-lessee determines the "lease payments" and the "revised lease payments" in such a way that it does not result in the seller-lessee recognizing any gain or loss for the rights of use it retains. This amendment is expected to affect particularly sale and leaseback transactions that include variable lease payments not dependent on an index or rate.
- Inclusion of items 44F to 44H with their subsections and items 62 and 63 in CPC 03 - Statement of Cash Flows, to introduce new disclosure requirements on supplier finance agreements, with the aim of enabling investors to assess the effects of these arrangements on the entity's liabilities and cash flows, and exposure to liquidity risk. Supplier finance arrangements are described in this amendment as arrangements in which one or more finance providers offer to pay amounts an entity owes its supplier, and the entity agrees to pay the finance providers under the arrangement's terms and conditions at the same date as, or a date later than, suppliers are paid. The arrangements usually provide the entity with extended payment terms, or the entity's suppliers with early receipt terms, in comparison with the original due date of the related invoice. These supplier finance arrangements are often referred to as "forfait", "confirming" or "drawee risk" arrangements.

There are no other CPCs or ICPC interpretations that are not yet effective which would be expected to have a material impact on the parent company and consolidated financial statements.

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