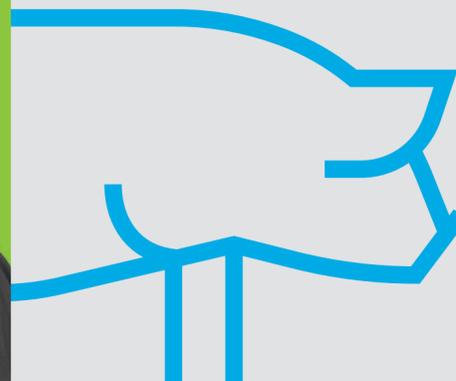
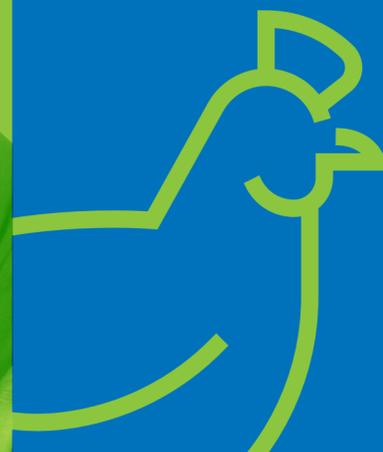
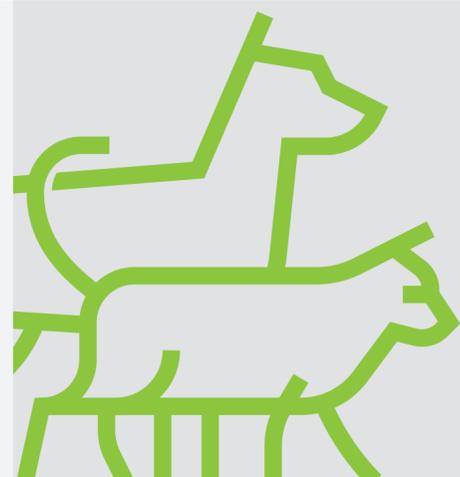


# Annual Report 2023



2023



# Table of Contents



## Presentation

- 05** Welcome
- 06** Message from the Board of Directors
- 08** Letter from the Presidency
- 10** 2023 Key Figures

## About Us

- 14** Ourofino Saúde Animal
- 17** Our Culture Forward
- 19** Acknowledgements

## Business Strategy

- 22** Our structure
- 25** Market for production animals
- 31** Pet market
- 34** Business model
- 36** Ourofino Strategy

## Sustainability at Ourofino

- 40** Sustainable development
- 42** Materiality matrix
- 45** Animal Welfare
- 53** Welfare and empowerment of people
- 70** Supply chain
- 74** Food safety and security.
- 79** Innovation and research
- 85** Climate change
- 96** Corporate governance
- 131** Financial

## Indicators and annexes

- 151** GRI Content
- 166** Annexes
- 173** Assurance Letter
- 174** Credit

# Presentation



# Welcome

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



This is the 11th edition of the Sustainability Report, the third one presented in the Integrated Report format of the Ourofino Group, which in this document can also be referred to as the Company or simply Ourofino.

The material you will see ahead synthesizes the main initiatives and achievements during the period from January 1st to December 31st, 2023, and has been structured considering the key material aspects in terms of relevance and impact of sustainability topics for the Company, according to our materiality matrix. In it, we tell our story and practices, evolving year by year, positively impacting society. We encompass our national and international performance, regarding both financial and non-financial aspects based on our ESG - *Environmental, Social, and Governance practices*.

The Board of Directors and the Presidency are responsible for ensuring the integrity of the Report, prepared based on the Global Reporting Initiative (GRI) standards

and the requirements and structure of the International Integrated Reporting Council (IIRC) Integrated Reporting, and the United Nations Sustainable Development Goals (SDGs).

The financial statements have been prepared in accordance with international accounting standards (IFRS), which are aligned with the requirements of the Securities and Exchange Commission (CVM) and have been audited by an independent company. The accuracy of the data and information reported in this Report has also been externally verified by an independent firm. However, the greenhouse gas emissions (GHG) inventory did not undergo specific assurance. The assurance process involved different areas of the Ourofino Group and was conducted by the Sustainability team, engaged in motivating and integrating different leaderships in providing the necessary evidence and reviews. The indicators, for the most part, reflect the results obtained in all operations within and outside Brazil. However, for cases with specific scope

or integration processes, explanatory notes are provided in the texts and graphics.

The Annual Sustainability Report is fully available to all stakeholders on our *website*, as well as the complete material in PDF format. If you have any questions or would like to interact with our team for suggestions, doubts, and comments about the content you will read below, please contact us through the available customer service channels at [ouofinosaudeanimal.com](http://ouofinosaudeanimal.com) or feel free to email us at [sustainability@ouofino.com](mailto:sustainability@ouofino.com).

Happy reading!

# Message from the Board of Directors

GRI 2-11

Welcome to the reading of the 11th edition of the Ourofino Saúde Animal Sustainability Report. Throughout the material, you will see in more depth how the Company brings the business strategies defined by our Board of Directors together with management into everyday practice.

In line with our purpose of Reimagining Animal Health, we continue our mission to contribute to the sustainability of agribusiness, the productivity of rural properties in Brazil and abroad, the health and well-being of animals, and the longevity of pets.

The year 2023 was a more challenging period, but in our understanding, it was a

specific scenario with the convergence of various factors that resulted in performance below our expectations. As a Board, we closely monitor the Company's management and are confident that the actions taken in 2023 will reflect results consistent with Ourofino's history.

Latin America continues to be one of the most important markets in global protein production. The growing demand for food, whether related to food security or the quality of the food reaching people's tables, is part of our daily reality.

Keeping an eye on market trends and opportunities with potential investment from our side, in 2023, we announced the segmenta-



tion of our production animal business unit, with dedicated teams for serving cattle and horses, as well as poultry and swine, aiming to address the specific needs of each of these markets.

In the companion animal segment, we remain attentive to the behavior of our customers, who are increasingly humanizing their relationships with their pets. We also follow the trend of medical specialties and disease prevention, offering even more personalized services aligned with the needs of each audience. We invest in products and provide information to pet owners and veterinarians with the aim of ensuring the health and contributing to the longevity and quality of life of dogs and cats. The population of these species exceeds 100 million animals in Brazil according to Euromonitor.

### Continuing our commitments to ESG (Environmental, Social, and Governance)

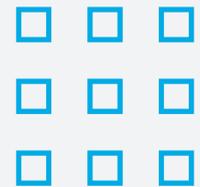
practices for both segments, we maintain our strategy focused on investment in research and innovation, directing efforts towards products used in treatment, as well as

### opportunities in prevention and improving the quality of life for animals.

I would like to highlight our strengthened partnership with Mitsui, now in its second year of collaboration. The Japanese-origin economic conglomerate, a global reference with operations in over 60 countries across various sectors, enhances opportunities for developing strategic commercial and innovation partnerships, envisioning the expansion of value generation for all involved in our ecosystem.

We will continue to Reimagine Animal Health, challenging conventional thinking and leveraging our leadership position in the evolution and sustainable growth of the animal health ecosystem by integrating a holistic perspective on the interaction between humans, animals, and the environment (One Health).

Jardel Massari is Chairman of the Board of Directors of the Ourofino Group



# Letter from the Presidency

In 2023, we faced a year of adverse conditions, leading us to greater adaptation, revisiting our efficiency and productivity agenda, remodeling processes and structures, focusing on what is essential for the Company's growth, new solutions in the portfolio, and expanding our presence in new markets, with geographic reach, gaining ground in Latin America.

We experienced a combination of factors that impacted the business and resulted in outcomes different from expectations. These included the non-mandatory nature of foot-and-mouth disease vaccination across the entire Brazilian territory, temporary interruptions in meat exports due to isolated sanitary cases, and the return of the companion animal segment to pre-pandemic levels, coupled with macroeconomic factors, prompting the entire supply chain to reconsider its investments.

Despite these challenges, we continue to maintain the solidity of our financial health, with robust cash generation, low indebtedness levels, with an elongated profile, and costs aligned with business needs, enabling us to maintain investment levels in research, development, and innovation.

Within the Company, we implemented the segmentation of the production animal business unit, which, starting in 2024, will operate with dedicated teams for the poultry and swine market and separately for cattle and horses. The goal is to exclusively address the specific needs of each segment. In the cattle and horse business unit, we also revised our strategy for Brazil. Previously, we had three executive management positions addressing demands and commercial aspects with regional segmentation. We transitioned to two national



management positions, one focusing on commercial activities and the other on demand generation, providing the necessary weight and unified perspective for the entire country.

In the companion animal segment, we remain attentive to the demands of pet owners and veterinarians and have intensified our demand generation team, bringing Ourofino's *expertise* to more people and businesses.

These changes aim to bring us even closer to our customers in actions that reinforce our purpose of Reimagining Animal Health, through health, productivity, quality of life, and deepening each relationship to generate value for our partners and clients.

Having made adjustments geared towards short-term action, we continue to pursue our medium and long-term objectives, maintaining our growth strategy that will undoubtedly guide the next strategic cycle to be outlined in 2024..

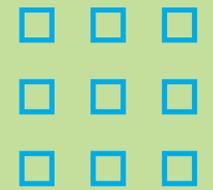
**Under the aspects of ESG, we concluded the year 2023 with the satisfaction of maintaining our efforts in promoting important initiatives related to material themes. This includes deepening our management for the supply chain, making**

**advancements and receiving recognition related to governance, such as our integrity policy, and achieving certification as a plant with 100% renewable energy.**

I would also like to highlight our role and encouragement in promoting women's participation in leadership positions, through training and their involvement in our management positions.

As we enter 2024, we are engaged with the needs of our customers, with a more connected focus on sustainable practices guided by the Sustainable Development Goals (SDGs) and commitments linked to the UN Global Compact. We are confident that we have established the necessary foundations to resume historical growth and profitability, focusing on greater operational and administrative efficiency, as well as the continuous pursuit of innovative solutions. We are committed to overcoming these challenges and seizing the opportunities that arise, maintaining our position as market leaders.

**Kleber Gomes** is the President of the Ourofino Group.



# Key Figures of 2023

1.005 employees  
 17.104 hours of training  
 40% of women in leadership positions

## HUMAN CAPITAL



## NATURAL CAPITAL



R\$ 187,000 in investments  
 100% renewable energy (Cravinhos site)

Approximately 4,500 clients (production animals and companion animals in BR, MX, and CO)  
 Approximately 2.079 suppliers

## SOCIAL AND RELATIONSHIP CAPITAL



## MANUFACTURED CAPITAL



R\$25 million in Capex investment  
 5,100 tons of volume produced  
 99 operational efficiency projects started

8% of revenue invested in R&D  
 3 product launches  
 134 software licenses  
 3rd place in the Top Open Corps ranking

## INTELLECTUAL CAPITAL



## FINANCIAL CAPITAL



R\$ 1,03 billion in revenue  
 R\$ 943,3 million in net revenue  
 R\$ 134,4 million adjusted EBITDA



R\$ 5 Million

2021

2022

2023

Net revenue

905,0

1.041,1

943,3

Gross profit

447,2

528,1

431,7

Adjusted EBITDA

172,5

207,2

134,4

EBITDA margin (%)

19,1

19,9

14,2

Adjusted net profit

112,6

128,4

50,5

Net profit margin (%)

12,4

12,3

5,4

Total assets

1.192,6

1.346,5

1.279,0

Shareholders' equity

641,4

736,0

689,3

Net debt

221,1

247,3

128,1

Net debt/EBITDA

1,3

1,2

0,9

Earnings per share (R\$)

2,1

2,4

(0,9)

Number of shares

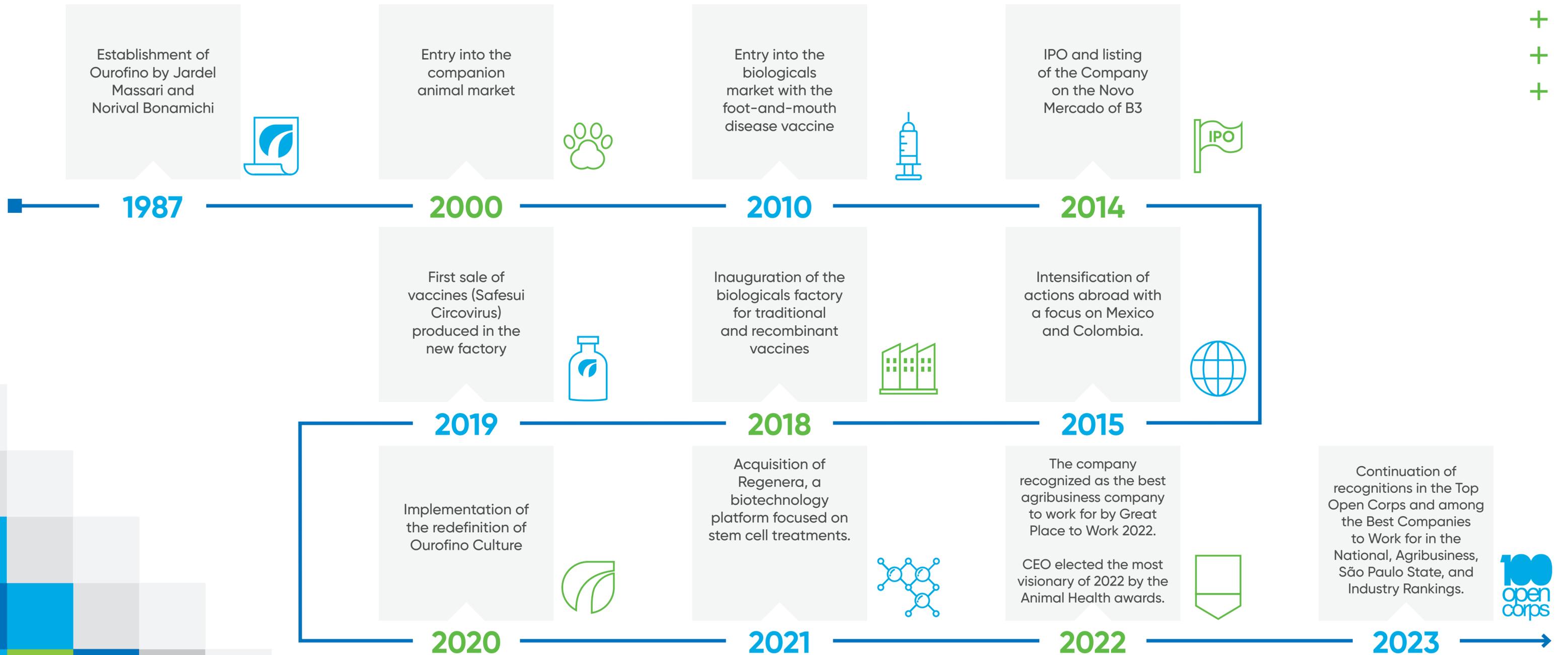
53.949.006

53.949.006

53.949.006



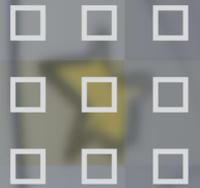
# Our journey



# About

# Us

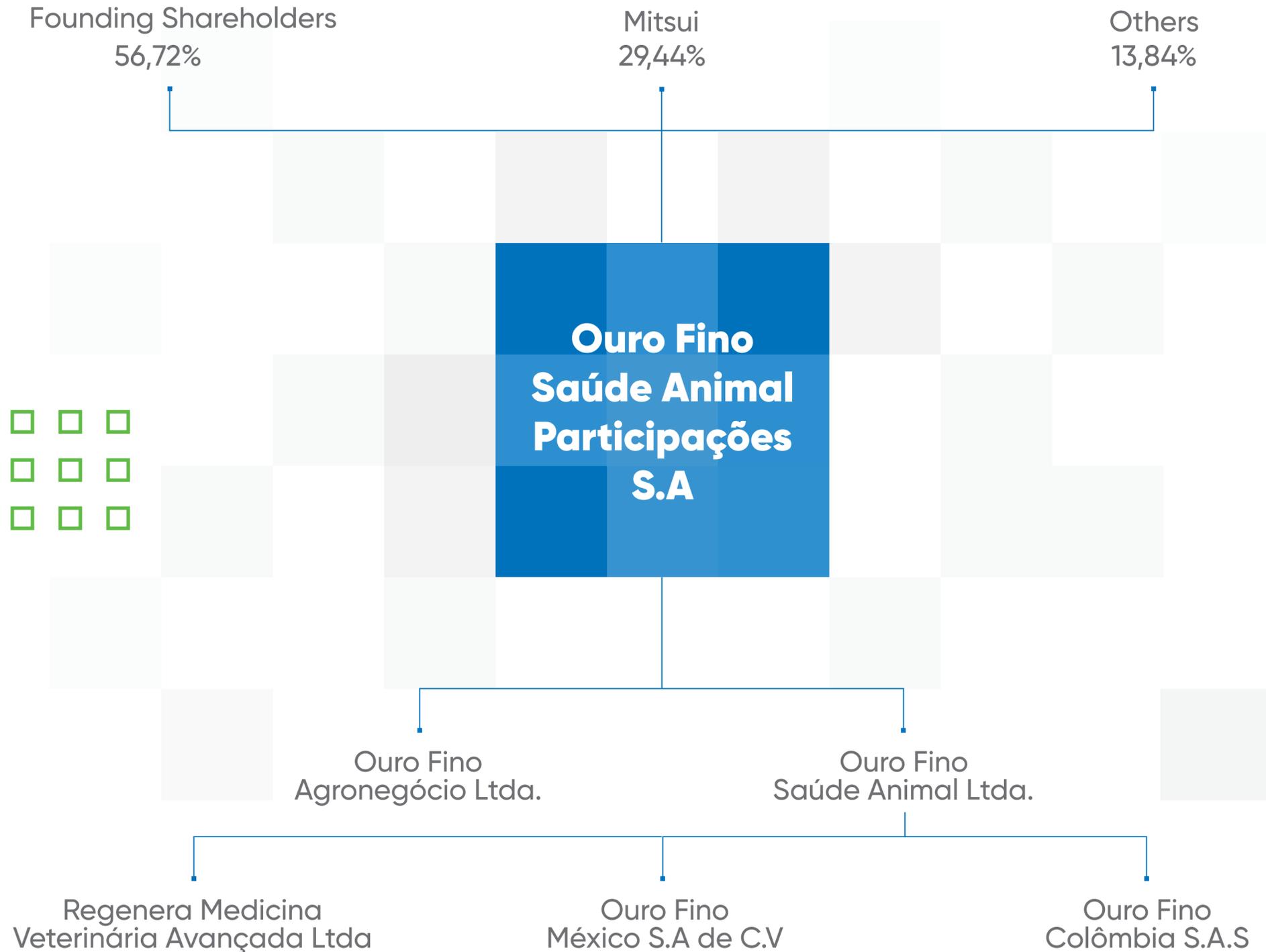




# We are Ourofino Saúde Animal.

GRI 2-1, 2-2, 2-6

With the purpose of Reimagining Animal Health, our 1,005 employees work to boost the productivity of rural properties, providing solutions, services, and information that contribute to the increase in efficient food production for the global population; and to promote longevity and well-being for companion animals, enhancing the increasingly humanized relationship with pets.



Ouro Fino Saúde Animal Participações S.A. ("Company") remains registered on the Novo Mercado of B3 (Brazil, Bolsa, Balcão) as a publicly traded corporation and is the direct controlling holding of Ouro Fino Agronegócio Ltda. and Ouro Fino Saúde Animal Ltda., and indirectly, of Regenera Medicina Veterinária Avançada Ltda., Ouro Fino Colombia S.A.S., and Ouro Fino de México S.A. de C.V. (all, together with the Company, hereinafter referred to as the "Ourofino Group").

In the city of Cravinhos, state of São Paulo, we have the main structure of the Group, the corporate headquarters, and the industrial complex comprising five production units, a Research and Development (R&D) center for pharmaceutical and biological solutions, as well as a complex focused on the quality of life of employees with a gym, sports court, soccer field, restaurant, bakery, lake, and green area.

The production units consist of a building dedicated to manufacturing all pharmaceutical forms: solid products, tablets, liquids, injectables, and semi-solids. There is also a separate building for the production of hormonal solutions, focused on the reproduction line, a building dedicated to vaccine production with biosafety level 4, and another with biosafety level 2, dedicated to the production of traditional and recombinant vaccines. Additionally, there is an exclusive environment for the manufacturing of animal pesticides, products aimed at combating parasites such as ticks. The production environments are monitored 24 hours a day, seven days a week, and processes supervised by the Industrial Automation area ensure standardization and traceability of activities.

In the city of Guatapar (SP), approximately 50 km from the headquarters, we have the Veterinary Research Center (CPV), a complete structure for studying new solutions and conducting projects both independently and in partnerships, with a focus



on developing new products. The comprehensive laboratory and experimentation facilities enable agility in the Research and Development (R&D) stages, as well as ensuring greater control of the process overall.



**To deliver products to customers, in Brazil, the Company has five distribution centers in the cities of Aparecida de Goinia (GO), Vinhedo (SP), Cachoeirinha (RS), Cuiab (MT), and Betim (MG).**

Internationally, and with a focus on expanding the Group's business, we have local offices in Mexico and Colombia. These operations are supported locally by two distribution centers in the cities of Bogot (Colombia) and Cuautitlan (Mexico), ensuring better distribution of products.

# Our culture

GRI 2-23

To fulfill our purpose of Reimagining Animal Health, challenging conventional thinking to lead the evolution and sustainable growth of the animal health ecosystem, we act guided by three values that shape our organizational culture: Play to Win, Care for People, and Connect with the World.

- 
- 
- 

## PLAY TO WIN

We think like owners, we excel as a team, and we only settle for superior and sustainable results.

## CARE FOR PEOPLE

We are passionate about what we do and go above and beyond to care for people.

## CONNECT WITH THE WORLD

We operate in connection with the world in an entrepreneurial and digital manner to build alliances and innovate.

It's about thinking like an owner and being aware that we are better as a team. It's about doing things in the best possible way, devoting oneself with total dedication, with the utmost care, and thinking that one owns every little piece of the work done. It's about putting entrepreneurial attitude into practice, planning, seeking, and achieving bold and sustainable goals. Goals that surprise us and reveal how capable we are and how, together, we are unbeatable. And above all, respecting differences and the environment.

It's about listening to people to make the best decisions. It's about caring for others, going beyond with an increasingly human perspective, and valuing every step, every achievement, every smile. Everyone, every generation. It's about building relationships of trust and transparency with employees, customers, partners, and communities. Transforming our plural, diverse, and inclusive environment, bringing together cultures and different perspectives and experiences, building a space much more conducive to growth. The different skills and experiences of everyone are what drive Ourofino and keep us impactful.

It's about being connected to our contemporary society. It's about living in tune with events, trends, innovations, embracing globalization, and always seeking new technologies and solutions to simplify processes, enhance learning, and innovate even further products and services. Digital evolution is about people who, through technology, transform ideas and actions, building strategic alliances.

Learn more about our culture on our website [nossosvalores.ourofinosaudeanimal.com](https://nossosvalores.ourofinosaudeanimal.com). There, you will find our manifesto, cultural alphabet, and supplementary materials such as e-books that provide more information on how we plan every detail and think about the whole, achieve bold goals, respect differences and the environment, and passionately drive entrepreneurship in what we do, with partnership and trust among our various interface audiences.



Please aim your cellphone camera at the QR code to access the website dedicated to Our Culture.



### Organizational achievement

To be known as the best and most admired animal health company in Latin America.



### Organizational development

Developing a high-performance team passionate about our values.

# Reimagining Animal Health

### Serving customers

Generating sustainable and innovative solutions for the animal protein chain and the well-being of companion animals.

### Social contribution

Leading the evolution by promoting sustainable growth of the animal health ecosystem.

# Recognitions



Throughout 2023, we received various recognitions that demonstrate Ourofino's presence in our market, as well as our commitment to integrity, well-being, and appreciation of people, respect for the community, animal welfare, and innovation, among other aspects. Check out the main recognitions.



## Pro-Ethics Seal

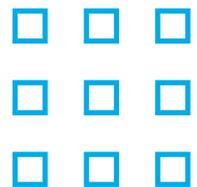
In 2023, our Compliance Program achieved Pro-Ethics Certification, reflecting our ongoing commitment to ethics, integrity, and transparency in all our operations.

This certification is granted by the Office of the Comptroller General of Brazil (CGU) and is an important recognition that validates the effectiveness of the corporate governance and compliance practices we have implemented in our organization. This seal, awarded after a rigorous evaluation conducted by the CGU, highlights our efforts to prevent and combat corruption, promoting an organizational culture based on the highest ethical standards. Throughout the certification process, we underwent a thorough analysis of our policies, internal procedures,

training programs, whistleblower channels, and due diligence practices.

This achievement validates our dedication to maintaining transparent and upright operations, reinforces our position as a socially responsible company, strengthens our reputation in the market, and solidifies our role as an agent of positive change in the business and social community to which we belong.

We understand that these are fundamental elements for long-term success and are committed to continuously maintaining and improving our integrity practices, constantly seeking to elevate ethical standards in all areas of our operations.





### More Integrity Seal

In 2023, for the third consecutive year, we proudly retained the More Integrity Seal, bestowed by the Ministry of Agriculture, Livestock, and Supply (MAPA), in recognition of our commitment to integrity practices within the agribusiness chain. This accolade underscores our dedication to social responsibility, sustainability, ethics, risk management, and the eradication of fraudulent, corrupt, and unethical practices. To earn this seal, companies must submit a comprehensive sustainability report, demonstrating alignment with at least two of the United Nations' 17 Sustainable Development Goals (SDGs) outlined in the 2030 Agenda.

The certification process entails stringent assessments related to social responsibility, sustainability, and anti-corruption measures. For instance, adherence to the Ethos Institute's Business Pact for Integrity and against Corruption is required, along with evidence of effective mechanisms and practices for corruption prevention and combat.

We firmly believe that maintaining this recognition is vital for our Group, signaling our steadfast commitment to *compliance* programs, the SDGs, and further fortifying our risk culture.



### TOP 100 Open Corps 2023

Ourofino Saúde Animal ranks in the TOP 3 companies in the agribusiness segment in the Top Open Corps ranking, which recognizes corporations that have practiced open innovation with *startups* in the country, based on data generated by the market itself.



### Great Place to Work (GPTW)

In 2023, we completed a decade of certifications with GPTW (Great Place to Work). We continue to stand out in the categories of companies in the agribusiness segment (2nd place); 3rd best companies in the interior of the State of São Paulo; 10th among industries in the country, and 37th among national companies with teams between 1,000 and 9,999 people. In this ranking, for example, we improved by 46 positions compared to 2021.



### Agroleite Trophy

Trophy The initiative promoted by Castrolanda recognizes the best companies in agribusiness. We were awarded the Agroleite Trophy in the Animal Health category for the third time. The award was presented during the Agroleite program in Castro (PR).



### Reclame Aqui Award

Ourofino is the veterinary pharmaceutical company with the best customer service in the 13th edition of the Reclame Aqui award, reinforcing our commitment to our customers, who are at the center of our business.



# Business Strategy



# Our structure



Ourofino operates in the production of solutions for animal health, covering species divided into two groups: production animals (cattle, poultry, swine, and equines) and companion animals (dogs and cats). In 2022, we held the 3rd position\* in the ranking of veterinary industries according to the National Syndicate of Animal Health Products Industry (Sindan), being the largest animal health industry of Brazilian origin.

In this market, we operate alongside national and multinational companies, with the main multinational *players* originating from the human pharmaceutical industry with global operations. Some of these corporations have separated their assets through *spin-offs* with subsequent capitalization of the resulting veterinary companies. Our model includes three business units focused on the segments of companion

animals, production animals, and the international market. To commercialize our 132 products in the Brazilian market and in more than 16 countries, we operate with our own team and through distributors. Our solutions generated a net revenue of 943.3 million in 2023.

During the period, our portfolio consisted of 132 products, with 77 intended for production animals and 55 for companion animals. All solutions are offered through the relationships we have with our customers, including resellers, cooperatives, wholesalers, agribusiness, rural producers, pet owners, and distributors present throughout the national territory and abroad.

**Note \*:** Note\*: The data refers to the last report published by Sindan consolidating years.



The animal health market was impacted by various factors in 2023. We faced a restrained business environment as a result of a combination of factors, including the maintenance of high interest rates, which increases the cost of capital for the entire production chain and discourages investment, a temporary interruption in meat exports to

Russia and China, a long period of drought in the southern region of the country, the cessation of mandatory vaccination against foot-and-mouth disease in several states, the regression of the reproductive cycle, and the movement to adjust stocks in major retailers in the northern region. In the companion animal segment, the high

indebtedness of families and the trend of consumption slowdown due to the maintenance of high interest rates have hindered the circulation of products throughout the chain, which is also experiencing destocking.

Explore some of our solutions by categories:

GRI 2-6



Vaccines



Antiparasitics



Antibiotics



Therapeutic



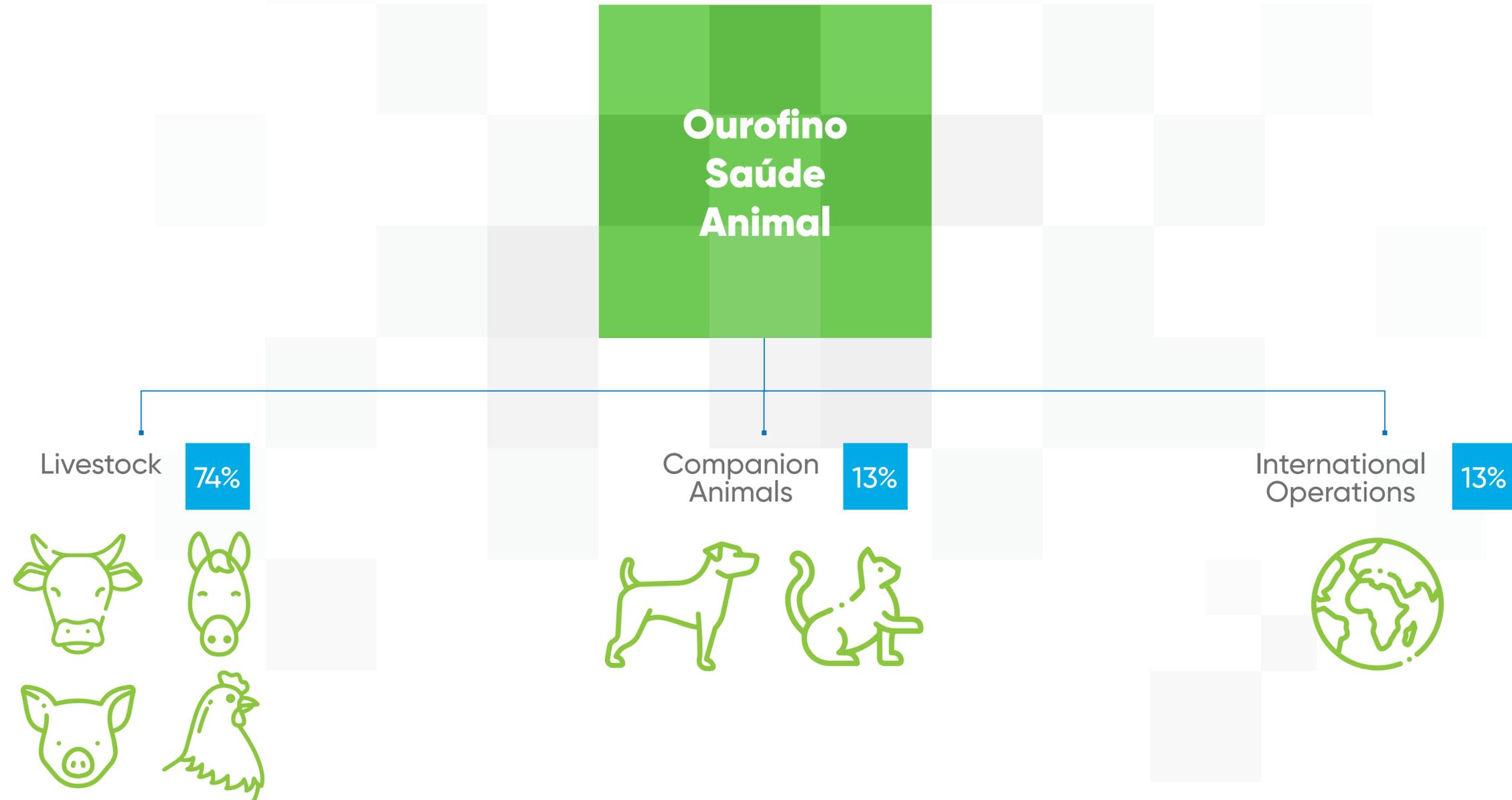
Nutritional



Others



# Business Structure



# Livestock Market

GRI 2-6

In the livestock segment, the goal of rural producers is to obtain maximum profitability per invested area. In this sense, the performance of each animal is extremely relevant, and the technification of properties is essential. Veterinary pharmaceutical industries contribute with products and services aimed at animal health because healthy and pain-free animals perform better. This includes disease prevention through the use of vaccines (a growing biological market) and the use of genetic improvement protocols for herd development. Ourofino operates in all these market aspects. Another trend is to combine products and services. In this regard, Ourofino serves its customers by investing in workforce training through Technical Consultants who, among other functions, provide training to farmers, give lectures to retailers, organize "field days" events, perform assisted product applications, and monitor results.

Our Livestock Business Unit offers medications such as

anti-inflammatories, antibiotics, anticoccidials, antimastitis agents, ectoparasiticides, endectocides, endoparasiticides, hemoparasiticides, inoculants, therapeutics, products for animal reproduction (such as IATF), vaccines, as well as performance-enhancing additives, probiotics, and other veterinary products for cattle, pigs, poultry, sheep, horses, and goats, and provides industrialization services for other companies in the sector.

Brazil reached a record GDP in the accumulated total of the first two quarters of this year, reaching 10.78 trillion reais. Of this value, 24.35% corresponds to the participation of agribusiness, and 6.63% is represented by livestock. According to data from Scot Consultoria, meat consumption in Brazil has increased significantly, despite a 11% decrease in average product prices, resulting in an increase in average consumption between 25 and 35 kilograms per inhabitant.





The expectation is that the average meat consumption per capita will exceed 100 kilograms. A highlight in consumption is poultry meat, with the average consumption increasing to 42 kilograms and production surpassing 15 million tons. Chicken meat is promising because it is not only more economical but also has a shorter production cycle and faces fewer religious restrictions for consumption.

Data from Cepea shows that from January to September, the price of cattle (CEPEA/B3 Indicator) experienced a real devaluation of 22.8%, while the price of calves saw a less intense decrease of 11.8% (ESALQ/BM&FBovespa Indicator, Mato Grosso do Sul, Nelore animals), with monthly averages adjusted for inflation by the IGP-DI. In the second semester (from July to September), specifically, the drop in the price of cattle was 16.8%, and for calves, it was 8.1%.

With more animals ready for slaughter and an excess of supply, along with record meat production in the country, considering cattle, poultry, and pigs, the reduction in production inputs such as corn, and the

expansion of protein supply, consolidated the downward trend in meat prices for consumers, according to specialists. Market analysts suggest that the impact is a 25.21% decrease in revenue for the cumulative period of 2023 compared to 2022. Asia and China (which represent 70% of our exports) have been purchasing beef below price due to the high supply.

With the global growth in demand for animal protein, Latin America is consolidating itself as the main provider of protein in the world. This has demanded increased use of sanitary and reproductive protocols, as well as greater awareness of the production process by rural producers to generate greater efficiency gains.

Data from the Mexican Meat Council shows that the country is the 2nd largest animal health market in Latin America. The 5th largest producer of beef and poultry worldwide. And the 7th largest producer of pork worldwide. The year in the country was marked by sanitary issues that impacted meat exports to the United States, affecting the entire livestock system, especially

feedlots.

According to the FAO, the Food and Agriculture Organization of the United Nations, Colombia is the third-largest animal health market in Latin America and has the fourth-largest bovine herd in Latin America, the 12th largest in the world. In the country, according to Fedegan, the Colombian Federation of Ranchers, agribusiness represents 27% of the country's GDP, with livestock alone accounting for 3.6%, which has been growing annually by 9%.

**In the livestock segment, the goal of rural producers is to maximize profitability per invested area, with the performance of each animal being fundamental to the success of their business.**

Knowing and using various tools to ensure profitability, choosing the right product at the right time, and technification are es-



essential elements for the success of these properties.

In this segment, we serve more than 4,000 clients through commercial consultants and representatives, in addition to 7,000 rural properties served by our technical consultants. There are approximately 200 professionals in the field and 116 *Stock Keeping Units* (SKUs) available for commercialization in Brazil. In Mexico, we serve 6,500 clients indirectly through distributors, as well as 90 clients including distributors and retailers, 700 pharmacies

and agro-services, 1,500 farms, and 150 veterinarians with access to 41 SKUs. In Colombia, we serve around 5,000 clients through distributors who receive a portfolio of 39 SKUs.

Additionally, we operate in 14 more countries through distribution, with 19 distributors serving over 4,500 clients indirectly with 255 SKUs. In

2023, we expanded into two new territories: the Dominican Republic and Chile.

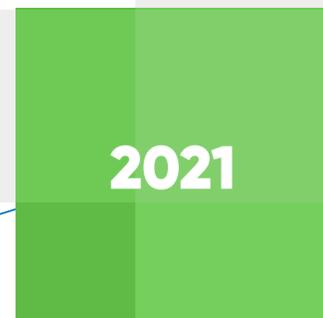


## Future

Our path in the international market



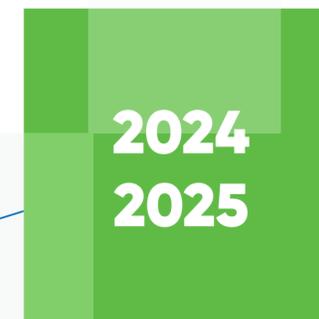
Restructure and establish foundations



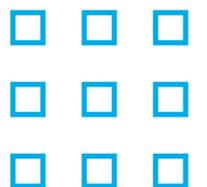
Consolidate foundations and growth



Expand portfolio and diversify segments



Gain markets and increase participation



# Brazil: our main market

The animal health market in 2021, according to *Health for Animals*, generated approximately 206 billion reais worldwide. Of this amount, Latin America represents 10.2%, or approximately 21 billion reais. The main highlights in this composition are Brazil, accounting for almost 50% of this market, Mexico in second place, and Colombia in third.

Brazil consolidates itself as one of the main global producers of meat (beef, poultry, and pork). The market in 2022, according to SINDAN, reached R\$10.3 billion, with a compound annual growth rate of 9.65% from 2013 to 2022. The most representative species in this number are ruminants (51%), followed by companion animals (25%).

Brazil has the world's largest commercial cattle herd with approximately 200 million heads.

**Over 25% of the national GDP comes from agribusiness. The animal health market follows the trend of *One Health*.**

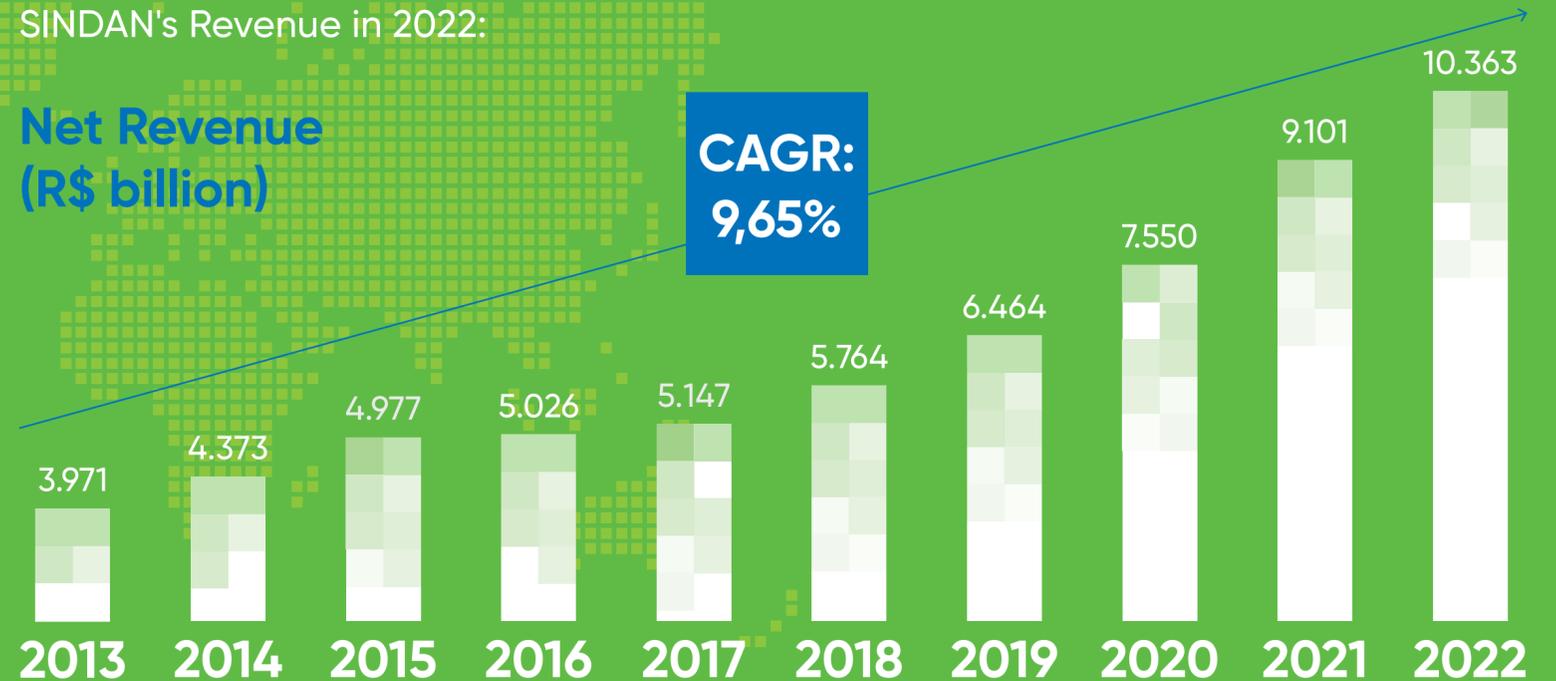
In this sense, investment in preventive treatments with therapeutic products, supplements, and vaccination are growth drivers in response to alternatives to antimicrobials, in concern with antimicrobial resistance and the development of superbugs. This market in Brazil represented 17% of the total in 2015 and in 2022 represents 12%.

GRI 2-6

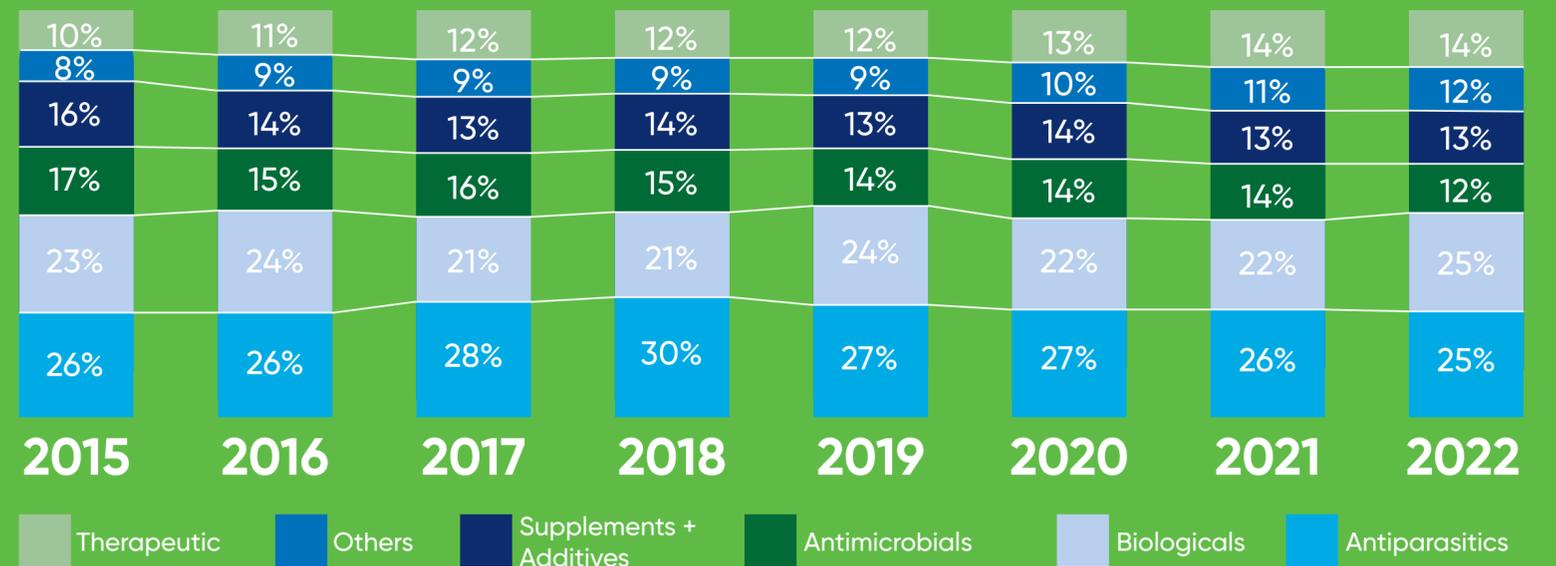
SINDAN's Revenue in 2022:

Net Revenue (R\$ billion)

CAGR: 9,65%



Representation by therapeutic class



- □
- □

In the protein sector, one of the drivers of this market is the increase in demand for meat due to population growth. According to the *Outlook Agricultural 2023-2032* data, the global population will reach 8.6 billion people in the next 10 years, corresponding to an annual growth rate of 0.8%. Much of the population growth will occur in lower-income countries.

It is necessary to see perspectives in new markets, with a focus on Southeast Asian and African countries. It is important to highlight the notable population growth in Sub-Saharan Africa, with an annual grow-

th of about 2.4% according to FAO data.

Ourofino's role is fundamental in this sense because a study by *Health for Animals* showed that livestock diseases reduce global protein production by up to 80 billion kilograms of meat and 179.5 billion kilograms of dairy products per year, reducing producer revenues by \$358.4 billion (based on the World Organization for Animal Health's estimate that 20% of production is lost due to diseases each year).

This demonstrates how controlling livestock diseases and caring for health and

well-being can meet global needs and goals. By reducing cattle disease rates, it is possible to increase production efficiently, benefiting an even larger number of meat consumers.

Drawing a comparison between dairy and beef cattle, we can observe the following benefits for every 1% reduction in diseases:

### Beef Cattle

- □ □

Increase in production sufficient to meet the average consumption needs of 317 million people worldwide

Increase in producer revenue by US\$ 3.2 billion

### Dairy Cattle

Increase in production sufficient to meet the average dairy needs of 80.5 million people

Increase in producer revenue by US\$ 3.8 billion.

Source: *Animal Health and Sustainability: A Global Data Analysis - HealthforAnimals*

**Brazil shows an increase in the average protein consumption, reaching almost 100 kilograms of meat per capita per year according to ABIEC data in 2023, with positive growth projections for the domestic protein scenario.**

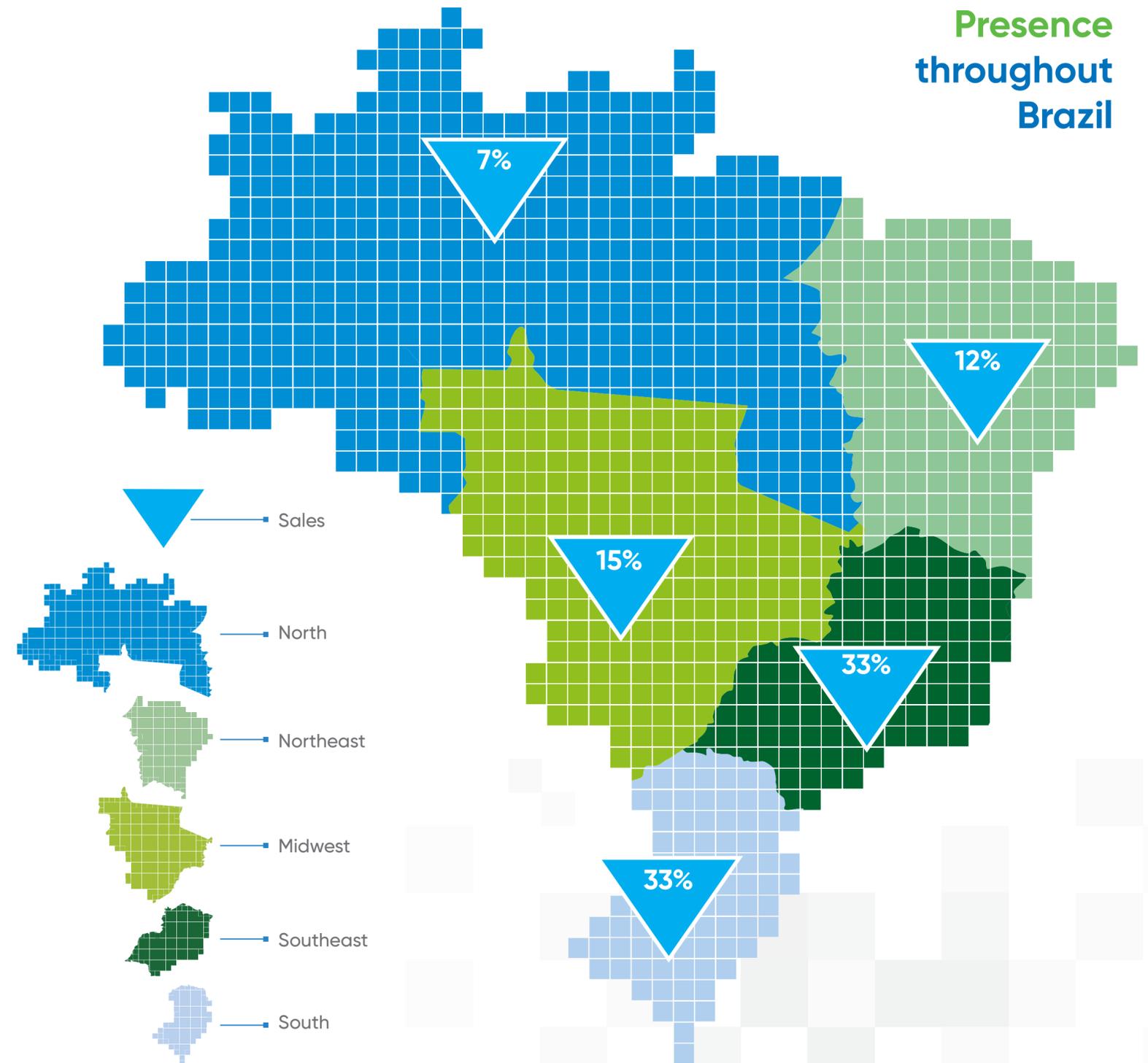
The distributions in order of representation are poultry meat (45.2 kg), beef (39 kg), and pork (18 kg).

According to the Brazilian Association of Animal Protein (ABPA), in 2022, the country was the 2nd largest producer of poultry meat in the world with a total of 14.5 million tons of protein, and the largest exporter with 4.8 million tons. We also consolidated as the 4th largest producer and exporter of pork, with 4.9 and 1.1 million tons respectively.

A driving factor for the dairy cattle market is the increase in domestic consumption.

In 2022, Brazil still could not meet domestic demand, producing an amount below what is consumed. Considering this number for the export balance, the milk trade balance almost always remains in deficit, meaning that we import more than we export the *commodity*. Also in the cattle species, the year 2023 was marked by a turnaround in the production cycle, offering a greater number of animals ready for slaughter and an excess supply of meat.

With a scenario where the Selic rate remained high throughout the year, the strategy of livestock farmers and cooperatives turned to reducing stocks and expenses, ensuring sector profitability. Another significant impact on the national scene in 2023 was the reduction in vaccination against foot-and-mouth disease, following the global trend for the country to be free of mad cow disease without the obligation of vaccination by the end of 2024.



# Pet Market

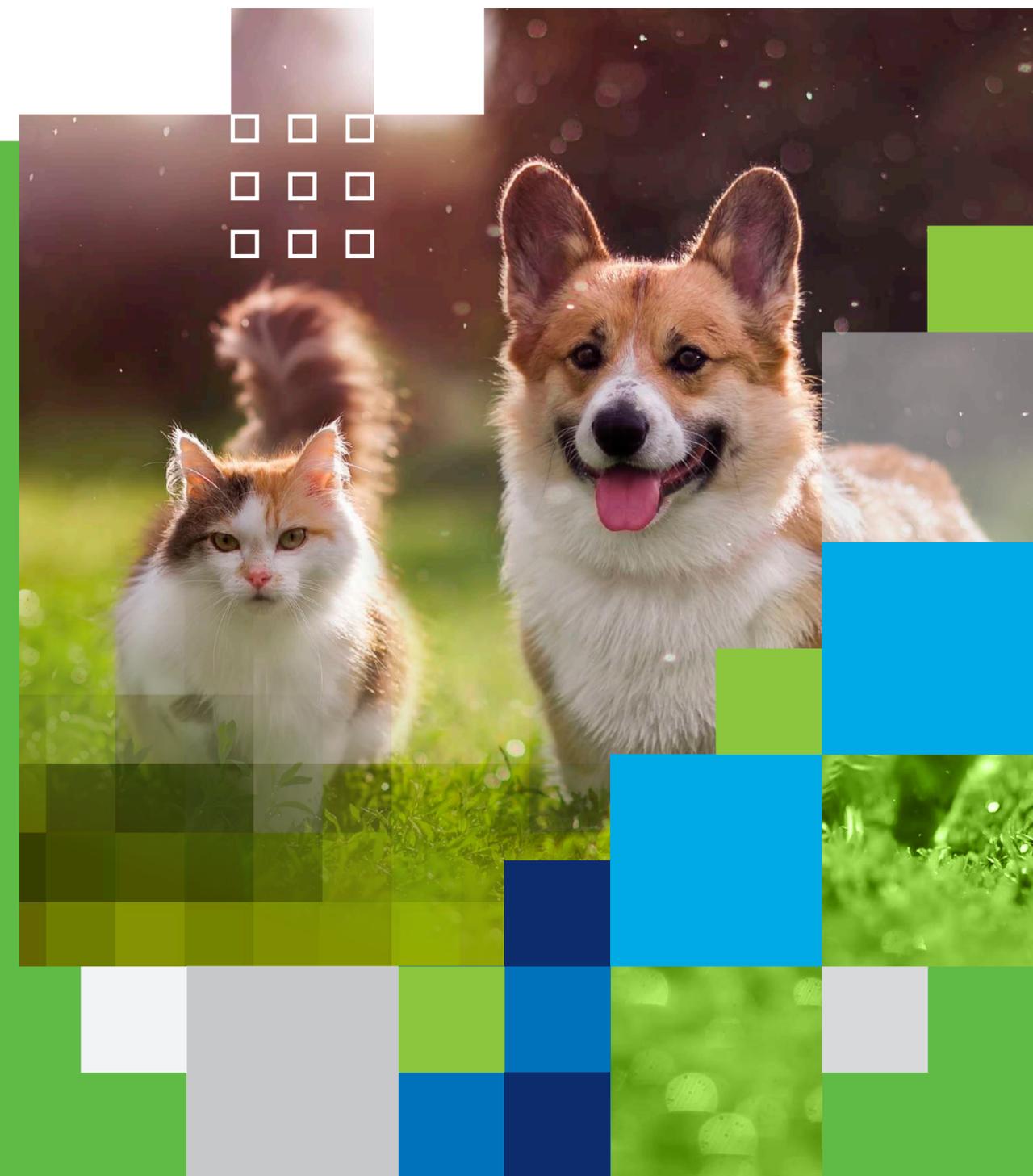
GRI 2-6

In addition to the population increase, the trend of pet humanization continues to be significant, with pets being seen as family members. For this market, in Brazil, Mexico, and Colombia, we offer veterinary solutions for dogs and cats. The current portfolio consists of anesthetics, sedatives, anti-inflammatories, antibiotics, antimicrobials, dermatologicals, ectoparasiticides, endoparasiticides, dermocosmetics, otologicals, supplements, and stem cells.

There is a notable growth surge in the pet population, especially for cats. The pet market shows significant growth above other species. In 2013, the segment represented 15% of the total Brazilian market (R\$600 million), and in 2022, it represented 25% (R\$2.6 billion).

It is estimated that the population of dogs and cats throughout Brazil reaches approximately 67.8 million and 33.6 million, respectively, totaling 167.6 million pets in the country, with an average growth rate of 3.6%.

The Brazilian pet market stands out globally, growing by 12% in 2022, representing 0.36% of the national GDP, surpassing other sectors such as household utilities and industrial automation, according to ABINPET data in 2022. Within this market, the revenue from Pet Vet, which comprises veterinary medicines, represents 14%.



Data from *Health for Animals* indicates an increase in the prevalence and geographic spread of vector-borne diseases. Global phenomena, such as climate change, have contributed to the rise of these diseases. Therefore, it is crucial to treat illnesses caused by parasites, avoiding the risk of transmission to pet owners and preventing harm to human health. In this regard, one of the highlights of Ourofino's pet product portfolio was the launch of Banni 3, a comprehensive solution against worms, lice, and mange, aiding in the control of infestations.

In terms of global revenue in 2022, considering data from Abinpet, the Brazilian pet market ranks as the third largest in the world, with an estimated revenue of 7.5 billion dollars.

Despite its high position in the ranking, we are still far from comparing ourselves to the largest economies. Considering the average expenditure per capita in the pet

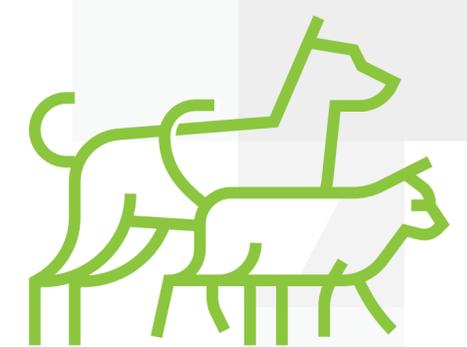
market, Brazil ranks 9th with an expenditure of 34.44 dollars per year, according to data from the World Bank and Euromonitor. Mexico has 80 million pets, including 43 million dogs and 16 million cats. Colombia has approximately 8 million companion animals in the country.

Companies continue to face the challenge of medicalization. According to data from COMAC (Comissão de Animais de Companhia), there is a significant concentration of the dog and cat population in lower per capita household income strata. This scenario is exacerbated by the competition for family budgets in the post-pandemic period, a time of resumed spending that was previously constrained during social isolation.

To serve the Brazilian market, we work with 41 distributors and reach over 30,000 POS (point of sale) locations, with 89 SKUs, in addition to making direct sales to major market *players* such as Petz, Cobasi,

PetLove, Petland, and Petcamp. We have approximately 60 field personnel, in addition to the distributor team.

**In Mexico, we partner with 24 distributors reaching over 2,600 POS locations, offering 42 SKUs. In Colombia, we operate with a distributor with a national reach of more than 3,500 POSs, offering the market 43 SKUs.**



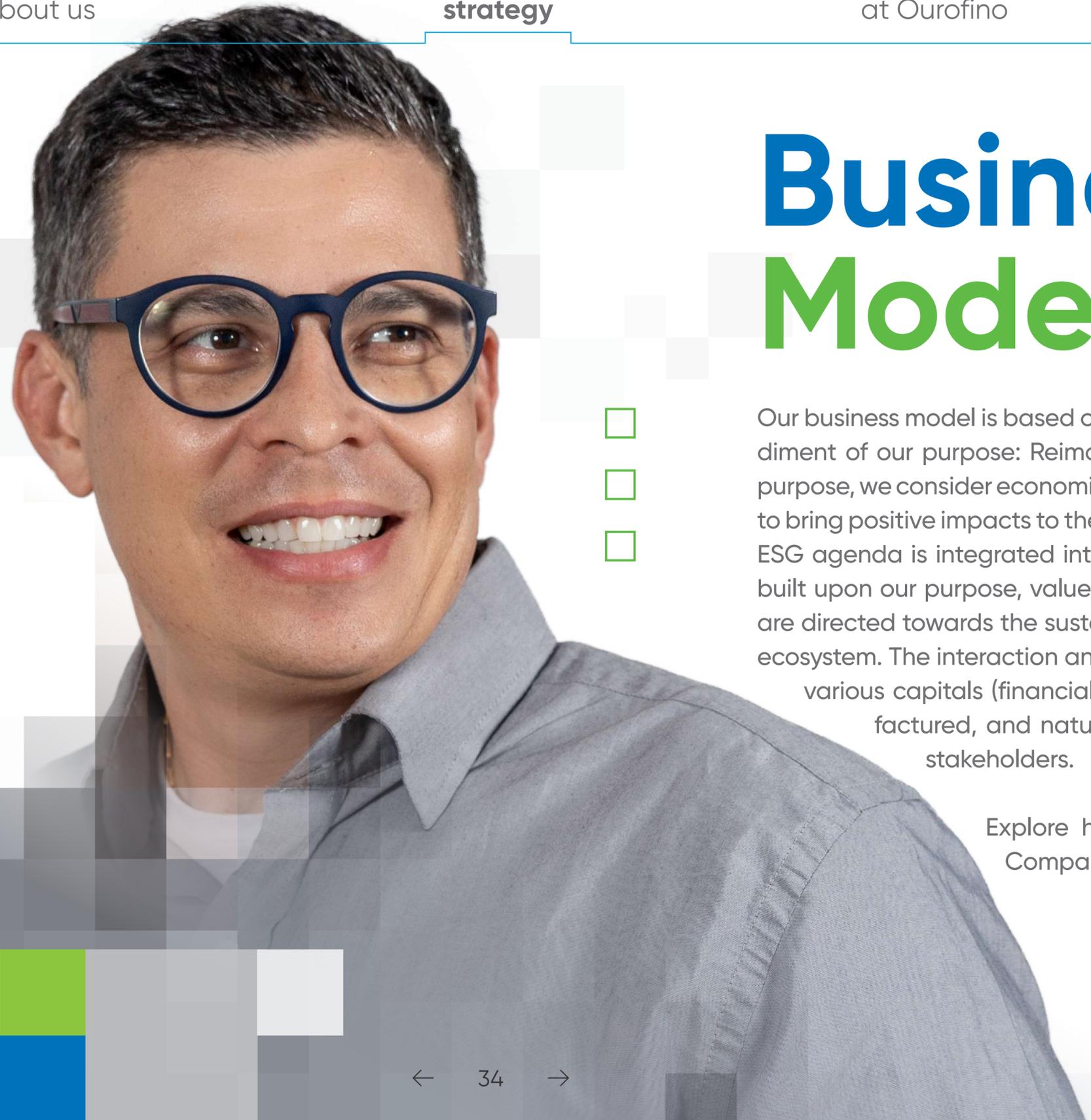
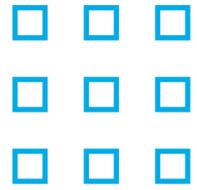
# Historical Market Share of Ourofino

Below is the historical series of market share values for Ourofino Saúde Animal for production animals and companion animals, based on the Sindan market performance in MAT (last 12 moving months). Thus, the period analyzed is from October 2022 to September 2023.

	2019	2020	2021	2022	2023
<b>Livestock</b>	9,9%	9,5%	9,5%	9,4%	9,0%
<b>Companion Animals</b>	6,5%	6,4%	6,3%	6,0%	5,5%

According to CISS (*Ceesa International Sales Survey*) data, Ourofino has the following market share for MAT for the year 2023:

	2019	2020	2021	2022	2023
<b>Brazil</b>	10,21%	10,31%	10,57%	10,65%	9,90%
<b>Mexico</b>	1,11%	0,89%	1,13%	1,21%	1,15%
<b>Colombia</b>	3,46%	3,61%	3,95%	4,29%	4,07%
<b>Peru</b>	0,18%	0,33%	0,30%	0,24%	0,32%
<b>Ecuador</b>	2,41%	3,23%	3,34%	2,48%	2,32%
<b>Costa Rica</b>	1,44%	0,78%	1,34%	1,85%	2,25%
<b>Guatemala</b>	0,92%	0,61%	0,84%	1,50%	1,24%
<b>Bolivia</b>	4,08%	5,57%	5,02%	5,16%	6,92%
<b>Paraguay</b>	4,15%	4,48%	3,65%	6,79%	5,99%
<b>Panama</b>	2,77%	3,28%	1,13%	3,71%	1,01%
<b>Honduras</b>	4,36%	3,99%	3,89%	3,75%	3,04%
<b>Nicaragua</b>	0,00%	1,31%	2,52%	1,28%	3,17%



# Business Model



Our business model is based on creating value through the embodiment of our purpose: Reimagining Animal Health. Through this purpose, we consider economic, social, and environmental aspects to bring positive impacts to the ecosystem. Our commitment to the ESG agenda is integrated into the Company's strategy and was built upon our purpose, values, and strategic planning. Initiatives are directed towards the sustainable growth of the animal health ecosystem. The interaction and how we access and transform the various capitals (financial, human, social, intellectual, manufactured, and natural) generate results for our diverse stakeholders.

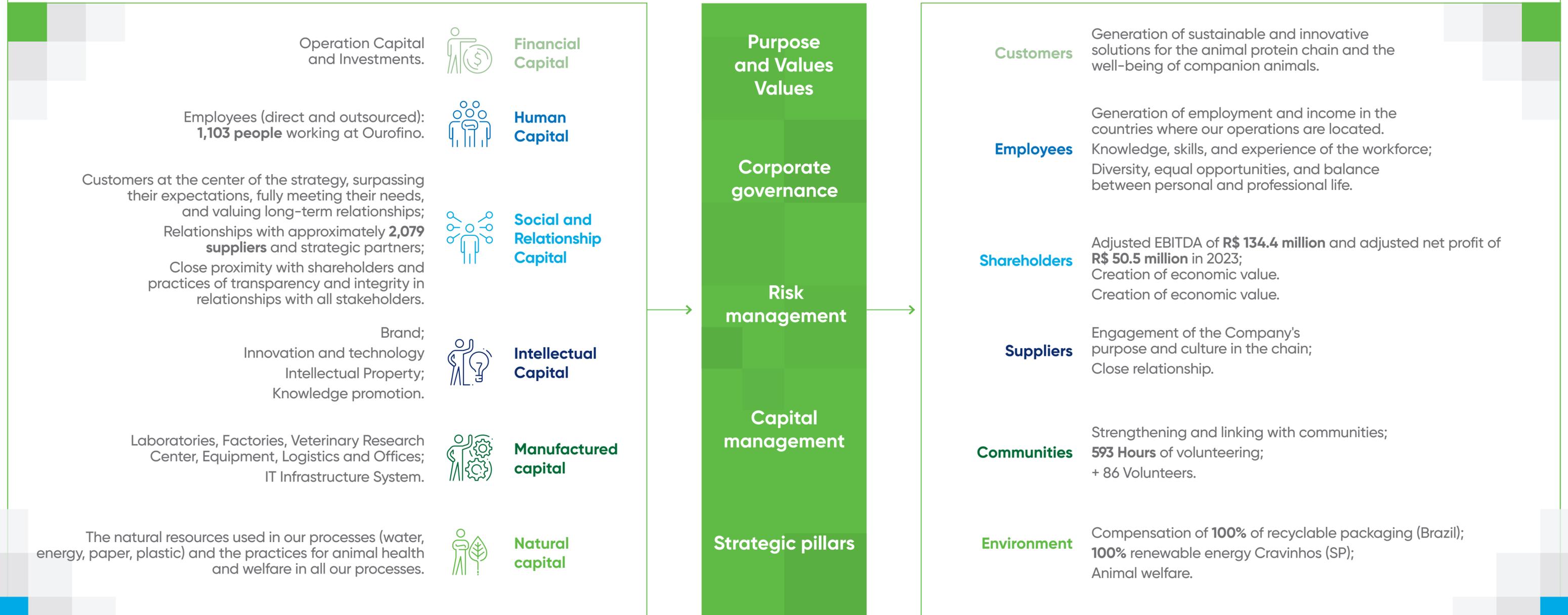
Explore how we generate value within the Company.

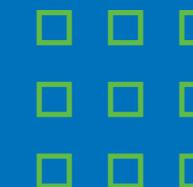
Our value generation process and how we transform capitals and impact stakeholder audiences

### Accessed Capitals

### Value Generation

### Generated Impacts





# Ourofino Strategy

**The Ourofino Group is based on the Strategic Planning whose last development cycle was designed in 2019, consolidating the main initiatives for the five-year period, that is, from 2020 to 2024.**

The foundations of Ourofino 2.0 were established, along with the creation of six pillars of action with their challenges and opportunities, in addition to listing the Company's strengths, as can be seen in the following image.





Click on the icons below to learn about the SDGs.



# The fortresses of Ourofino

Entrepreneurial culture, experienced teams, and consolidated governance



Expertise in R&D and pipeline aligned with market trends

Following the advancement plan, along with Ourofino's strengths: leadership position in markets with strong growth drivers, unique combination of brand, access, and extensive customer base, entrepreneurial culture, experienced teams, and consolidated governance, expertise in Research and Development, and a pipeline aligned with market trends, in addition to the best industrial park in Latin America, we highlight the launch of 3 products for the segments of companion animals and production animals.

Leadership position in markets with strong growth drivers

Best industrial park in Latin America

Unique combination of brand, access and broad customer base

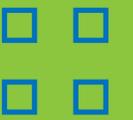
**These solutions are the result of strategic partnerships and in-house developments of the Company.**



# Sustainability at Ourofino



# Sustainable Development



The animal protein chain stands out for its importance in food security and the country's economy. Currently, Brazil ranks as one of the main players in the production and commercialization of beef globally, benefiting from advantages such as climate, pasture formation, and water availability, which are crucial for extensive livestock farming.

In this favorable scenario, it is essential for companies within this chain to meet the needs of rural landowners in a personalized manner, providing innovative solutions and services. Increasing the productivity of livestock farmers is a challenge because it requires adopting more sustainable practices aimed at producing food with social responsibility, environmental awareness, and animal welfare, in a viable and profitable manner. It is in this context that Ourofino contributes, as we believe that healthier livestock animals are essential

for increasing productivity, contributing to safe food supply.

Alongside the need to feed the world, there is a growing demand for healthcare, well-being, and longevity of companion animals, which are now considered family members.

To meet these demands, we have reimagined our segment through the evolution and sustainable growth of the animal health ecosystem. We are aware of our role in advancing animal care, people, and the environment (One Health) and contributing to value creation for society, with strong business growth for the Group.

The Company has a Management, Culture, and Sustainability Directorate, which is responsible for leading the Group's sustainability efforts, reporting directly to the CEO. This directorate oversees the Sustainability

management and under its leadership are the areas of Health and Well-being, Occupational Safety, Environment, and Social Responsibility. The area is responsible for engaging its respective operations and value chains in creating a more sustainable system.

Ourofino's sustainable strategy was developed by identifying the business aspects and practices with the greatest potential impact on value generation. This process involved consultations and other forms of engagement with stakeholders and leadership vision, translating them into material themes and initiatives guiding ESG (Environmental, Social, and Governance) management.

As a signatory to the Global Compact, the Company assumes responsibility for contributing to the achievement of the Sustainable Development Goals (SDGs),

established in 2015 by the United Nations (UN), which address global priorities and aspirations for 2030.

**The relationship between these objectives (SDGs), the Group's strategic planning, and the material themes established during the materiality process demonstrate Ourofino's commitment to value creation.**

# ESG Journey



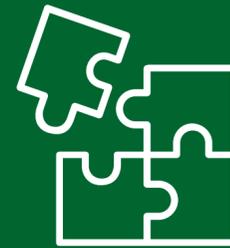
## Internalização dos ODS

Análise de aderência ao negócio e cadeia de valor e Priorização de ODS com impactos potenciais (positivos e negativos)

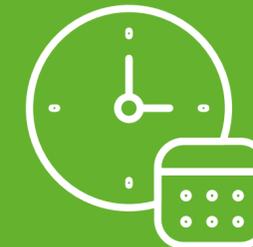


## Consulta a stakeholders e definição de prioridades

**643**  
Parceiros internos e externos



## Integração dos temas mapeados com o planejamento estratégico



## Definição de projetos de curto, médio e longo prazos com as áreas



## Desdobramento de metas e dashboard de acompanhamento



# Materiality Matrix

GRI 2-29, 3-1, 3-2

The Materiality Matrix was revisited in 2021, based on methodologies present in leading market guides such as GRI Standards and Integrated Reporting (IIRC). Ourofino's stakeholders were identified and prioritized following established criteria such as influence, proximity, dependence, and representation.



**A total of 23 key stakeholder groups were mapped, including employees, suppliers, distributors, regulatory bodies, shareholders, financial entities, customers, among**

**others, responsible for signaling and supporting the refinement process of the list of topics.**

Ourofino's relationship with its stakeholders occurs through various forms of engagement throughout the year, such as general meetings with shareholders, Board of Directors and Executive Board meetings, meetings with investors and analysts, customer service channels, management meetings, meetings with regulatory bodies, meetings with associations, participation in sector forums, etc.

This review took into consideration previous materiality processes, leading ESG

and sustainability guides in the market, strategic planning, and finally, sector trend analyses.

The results obtained from the entire survey formed the basis of the online survey sent to the different stakeholders defined in the previous stage. Over 600 contacts were made, including consultations conducted in three different languages. As a result of this process, we identified six relevant (material) themes, which constitute our ESG strategy as they guide our decision-making and the construction of all content reported to our stakeholders. They are: Animal Welfare, Well-being and Appreciation of People, Food Safety and Security, Climate Change, Research and Development, and Supply Chain Management.



# Context



Analysis of documents and sector trends, internal corporate policies, risks, regulations, strategic objectives, and Ourofino's management.

Assessment of the socio-environmental, financial, and governance impacts.



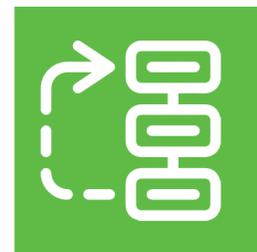
# Mapping

# Significance



Perception of internal and external stakeholders and industry experts.

Consolidation of impacts into themes and construction of the materiality matrix.



# Prioritization

# Validation



Final listing of prioritized themes submitted for validation by the Management Committee.

- Animal Welfare
- Welfare and empowerment of people
- Supply chain
- Food safety and security
- Innovation and research
- Climate change



Material Theme and Description

Ourofino's practices to ensure a balance between employees' personal and professional lives, including well-being and working conditions, good labor relations, career development, talent retention, appropriate compensation and benefits relative to position/market, and flexible working hours. This material theme also encompasses actions and strategies to enhance and strengthen ties with local communities.

Where impact is generated

Within and outside of operations

Audience

Employees  
Communities

Material Theme and Description

Ourofino's supplier management practices, including their concerns and socio-environmental criteria in procurement/homologation processes, as well as their policy for expanding and diversifying partnerships with responsible input providers.

Where impact is generated

Within and outside of operations

Audience

Employees  
Communities

Material Theme and Description

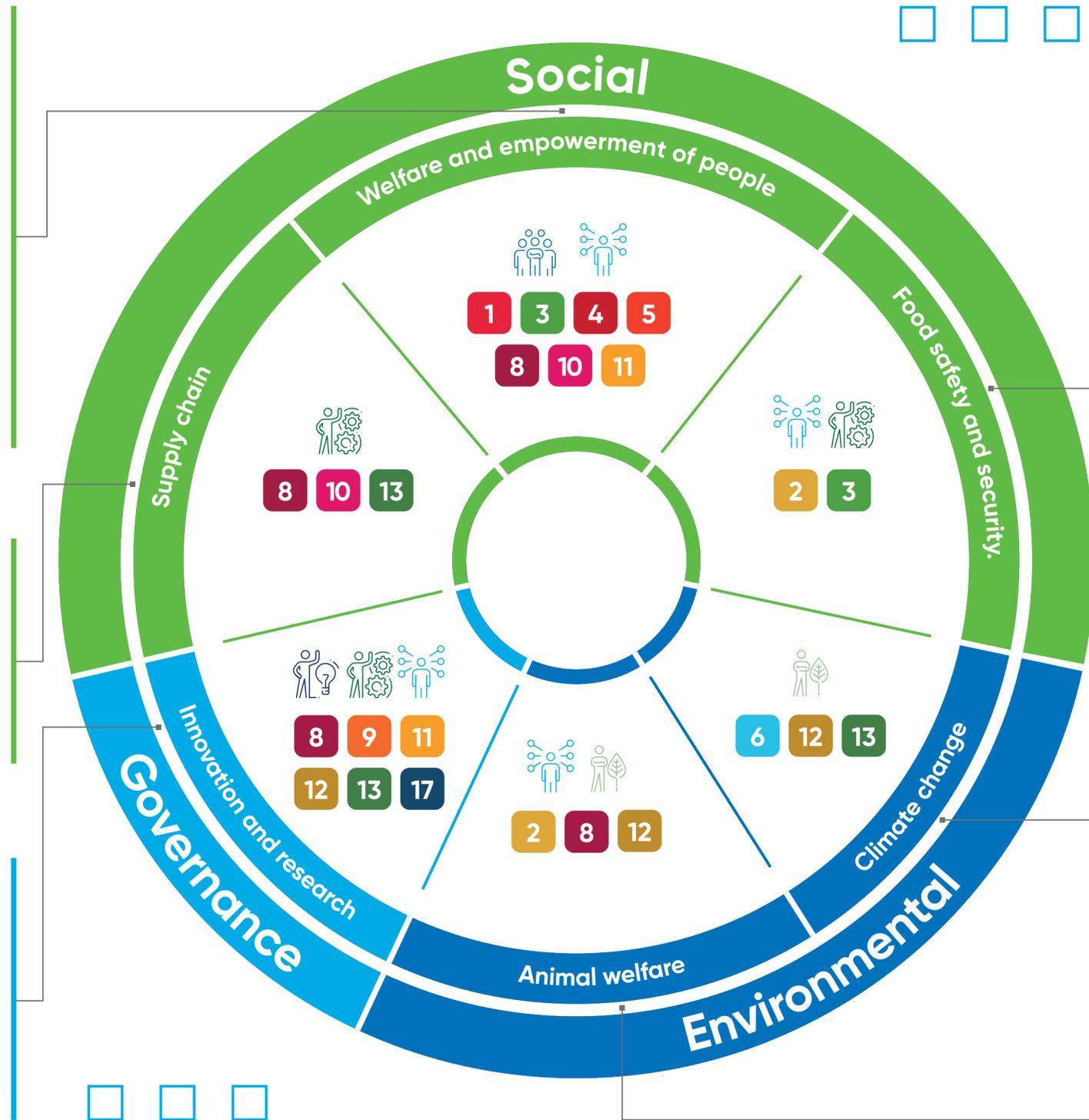
Ourofino's practices and investments related to innovation, research, and technology projects in general, which generate innovative products and services, meeting the needs of the veterinary market and aligned with a continuous process of digital transformation.

Where impact is generated

Within and outside of operations

Audience

Customers  
Regulatory Bodies  
Suppliers  
Employees  
R&D Institutions  
Innovation partners



Material Theme and Description

Ourofino's practices regarding the responsible use of antimicrobials and other chemical agents present in the animal protein chain, as well as the practices and solutions developed for food safety.

Where impact is generated

Within and outside of operations

Audience

Customers  
Shareholders  
Financial Institutions  
Strategic partners (farms, veterinarians, influencers, among others)  
Suppliers  
Regulatory Bodies  
Communities and opinion leaders

Material Theme and Description

Ourofino's monitoring and mitigation practices related to combating climate change, including the management of key emissions present in our scope of activities and value chain. This material theme also encompasses the company's management and practices related to effluent and waste management.

Where impact is generated

Within and outside of operations

Audience

All relationship audiences

Material Theme and Description

Ourofino's practices and solutions for animal welfare, including handling and transportation throughout the supply chain, as well as conditions for the use of animals in testing.

Where impact is generated

Within and outside of operations

Audience

Customers  
Shareholders  
Financial Institutions  
Strategic partners (farms, veterinarians, influencers, among others)  
Suppliers  
Regulatory Bodies  
Communities and opinion leaders  
Employees

# Animal welfare



GRI 3-3 Material Theme



We began our journey through our material themes by sharing initiatives related to animal welfare. After all, it couldn't be different in a company of our segment to look into this topic that is part of our *stakeholders'* daily lives.

**We know that aspects involving animal welfare go far beyond offering quality solutions. When we think about this topic, essential factors are qualification and access to quality information.**

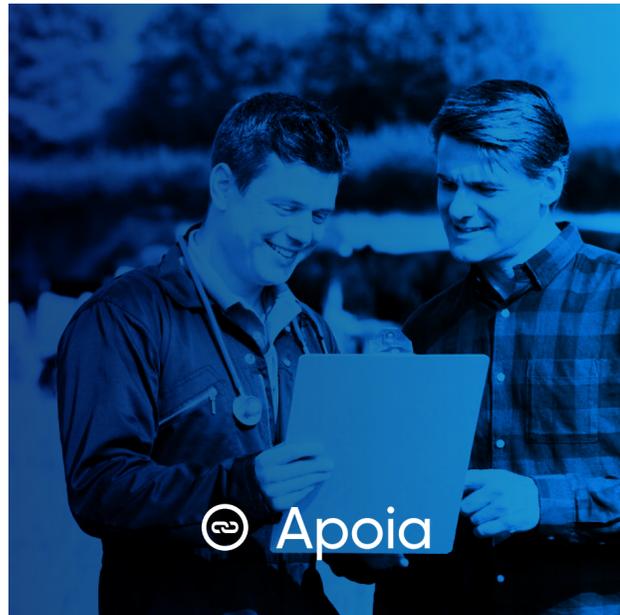
Therefore, we understand our role in sharing guidance with our clients and the community in general. Here are some of our initiatives:

Thinking about services for producers, we created the iUse ecosystem in 2022, which includes solutions like iUse Saber, offering technical training and knowledge from different areas for free to the community.

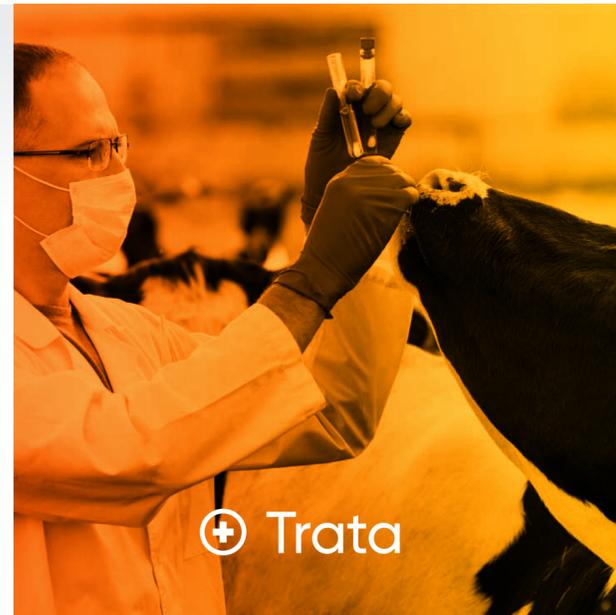
consultants for rural producers and retailers, promoting value generation in two important links of our chain. This work dynamic is carried out in all the countries where we operate. Topics covered include rational management, anti-parasitic control, and ways to improve production efficiency. Regarding ESG aspects, 100% of the team has been trained, and four course modules are available to the community.

Actions like those mentioned above have a direct connection with our Animal Health Program, Examina, aimed at rural producers. With different modules: Produces, Nurtures, Treats, Controls, Immunizes, and Supports, our specialists guide producers on different aspects related to productivity and animal welfare. We want to transform our clients' experience and make them increasingly protagonists, which is why we offer personalized services in various areas that enhance their productivity and contribute to business growth. In 2023, over 200 initiatives were carried out, training more than 1,300 people in around 260 hours. Check it out:





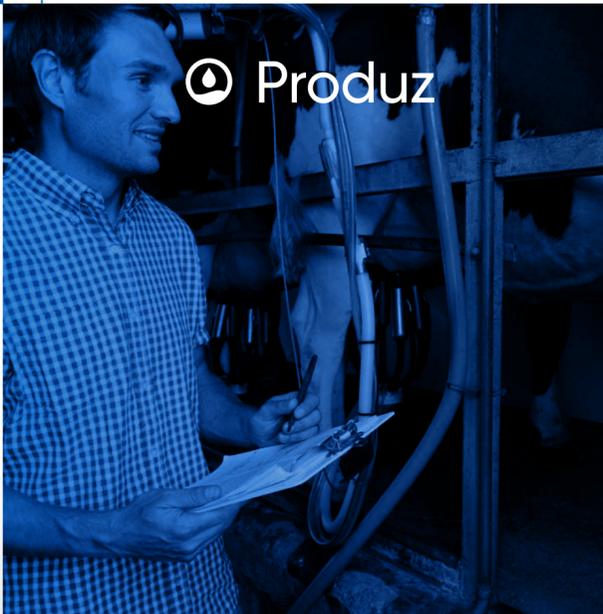
The team is trained and equipped to perform the best disease control, such as mastitis, thereby increasing the quality of milk;



Understanding how much nutrition impacts the production system, our objective with this module is to improve the quality of the provided food and consequently the performance of the animals.



Filled with information, the producer receives technical support and training in best practices for medication application and for Fixed-Time Artificial Insemination (FTAI), rational cattle management, and all aspects of breeding and rearing control, for both beef and dairy systems;



In this module the focus is on sanity. Whether in dairy cattle or feedlots, we bring our solutions to ensure the best possible conditions for all animals;



With practical methods, we track parasitic challenges that may exist on the producer's property, contributing to the reduction of disease occurrence.



In 2023, Ourofino conducted 892 veterinary teleorientations through the digital service iUse Help, launched in November 2022. Through this service, field professionals such as livestock farmers, veterinarians, and retailers can quickly and conveniently access specialized information about products or daily challenges. The main inquiries addressed relate to reproductive protocols, parasite control, and infectious challenges such as mastitis, among others.

To support students, veterinarians, and producers, we also offer a range of content available on our communication channels, such as videos on our YouTube Channel, informative articles on our websites and social media, and *podcasts* that discuss technical topics in a practical and straightforward manner. Ourofino em Cast is the *podcast* focused on the training of industry professionals. Customers can also access company information through the Ourofino Saúde Animal App in Brazil. For those living abroad, episodes of Ganadería Ourofino address topics related to livestock according to the reality of Latin America. On the Ourofino Salud Animal YouTube Channel, we provide guidance for both production and companion animal segments in Spanish.

The focus on animal welfare is extended to all markets where we operate. In Mexico, for example, the focus in 2023 was on training related to good practices regarding product use, best management practices, and aspects involving the quality of meat that reaches people's tables. We prioritize feedlots. The entire work reference of the Examina Program, already established in Brazil, was also applied in Mexico, providing more information to producers and assisting in

the decision-making process assertively.

Providing solutions to all links in our chain, we also offer iUse Pedido Fácil, providing autonomy, agility, and practicality for resellers, contributing to better inventory management and the right solution at the right time, according to the demand of rural properties in each region of the country. We understand that animal welfare is also about offering the right medication, in the right dose, and with the best application.

In 2023, we continued our certifications for the Animal Welfare Seal. Integral Certifications became *FairFood*. Revalidating our products Safesui Circovirus, Safesui Mycoplasma, Isocox, and Maxicam 2%, for national and international markets, in addition to the Examina Program according to the pillars of Safe Food, Real Food, Unique Welfare, and Sustainable Production. Ourofino Saúde Animal is a Friend of Animal Welfare company of the #DrinkMoreMilk movement promoted by Leite Integral magazine in partnership with *FairFood*. Third-party certification is attested by an accredited certifier and certifies that inputs, products, and processes, with technical differential, are aligned with the promotion of good practices and concepts that promote animal welfare throughout the chain. Regarding certifications, in 2023, we continued our journey for accreditation by the American Association for Accreditation of Laboratory Animal Care (AAALAC). The action plan is based on the *Guide for the Care and Use of Laboratory Animals 8th edition* and the *AAALAC's checklist*.

**When it comes to caring for companion animals, we share our expertise through our**





**communication channels, social media, websites, YouTube Channel, and on Spotify with specific information for veterinarians and pet owners, or rather, pet parents.**

To ensure that our products and information about best practices for companion animal care reach our audiences, we also have around 50 field personnel working alongside veterinarians and distributor teams, important partners for our business.

In 2023, we conducted 161 courses aimed at our audiences, generating technical, management, and communication content, among other topics. For the relationship with approximately 6,000 veterinarians, we conducted monthly visits, tailored according to the segmentation profile outlined in 2019, aiming to optimize and focus more and more on personalized actions and services, promoting assertive customer service.

Through the University Program, we offer Ourofino solutions to be used in the clinical routine of veterinary hospital appointments. Still, for veterinary medicine students and residents and professors at universities in Brazil, Mexico, and Colombia, we offer the Clinical Improvement Incentive Program (Piac). With a focus on companion animal care, the program receives reports of cases where brand products have been used in the treatment of dogs and cats. We also work with institutions that support companion animals.

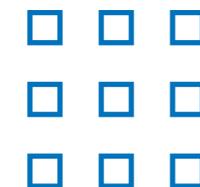
Through the Clinical Improvement Incentive Program, developed in partnership with higher education institutions in Veterinary Medicine across Brazil, Mexico, and Colombia, with over 11 editions, we provide Pet line products to universities with veterinary hospitals. Students from the institutions included in the program register for the award by submitting case reports. The materials submitted are internally analyzed by the Company's technicians, who evaluate the relevance of the information gathered from the clinical use of medications. This initiative aims to encourage learning and scientific production by universities, contributing to the generation

and sharing of knowledge and value through clinical and surgical care for companion animals.

Annually, we award outstanding cases with the use of our products. Winners receive multiparameter monitors, ultrasound for tartar cleaning in pets, *tablets*, and *notebooks*. Participants also visit our headquarters to understand the production process of veterinary medicines and participate in a meeting with the technical team from our Pet and Research, Development, and Innovation departments.

**For the well-being of dogs and cats, we donated approximately R\$ 59,000.00 worth of products throughout 2023 to charitable organizations, campaigns, and animal protectors.**

However, even before all products reach the market for training and dissemination, extensive research and development work is



necessary. At this stage of our work, when it comes to veterinary clinical research, we also follow a rigorous animal welfare protocol at our Veterinary Research Center (VRC) and partner research institutes with constant audits. The VRC is dedicated to conducting experiments on Ourofino animals, divided into the Laboratory Animal Research Center (LARC) and the Production Animal Research Center (PARC). The experiments conducted at the VRC follow Good Clinical Practice (GCP) guidelines recommended by the Ministry of Agriculture, Livestock, and Supply (MAPA) and other veterinary product regulatory agencies, as well as criteria recommended by national and international guidelines, and peer-reviewed literature with validated methodologies.

To ensure animal welfare and the quality of experimental activities, it is essential to qualify employees and animal suppliers through

training in welfare policy and specific procedures that encompass such activities. In 2023, there were 37 training sessions dedicated to this theme. The use of animals in our production process is linked to the development stage of medicines and vaccines, including testing and research phases up to the slaughter and transportation of animals by third parties. We have standards and procedures that require a commitment from all involved employees so that animals are only used in situations where it is not possible to obtain the necessary answers through alternative methods or when their use is indispensable for regulatory compliance.

**One of the topics covered in the training of the VRC team was "Hands-off Handling," which aims to ensure the**

**well-being of animals during interactions with veterinarians and handlers.**

The use of animals in research follows the principles of the 3Rs (Replacement, Reduction, and Refinement) established by Russell and Burch in 1959, Law No. 11.794 (Arouca Law), Normative Resolution No. 25 of the Brazilian Guide for the Production, Maintenance, or Use of Animals in Teaching or Scientific Research Activities of CONCEA, EMA Guides - European Medicines Agency (VICH GL 09, VICH GL43, VICH GL48/MRK), among other relevant legislation and guidelines that guide research conduct in the Company, when animal use is necessary. At the VRC, we have an Ethics Committee for Animal Use (CEUA-OF) regulated by the National Council for Animal Experimentation Control (CONCEA), which is an independent committee that evalua-

tes projects based on current legislation and includes a member representing the Animal Protection Association (APA) in its structure, thus ensuring an evaluation that truly has scientific and regulatory relevance. Every year, the participation of CEUA-OF expands, covering activities carried out by Ourofino as well as by research partners.

We also fully adhere to the requirements set forth in CONCEA's Normative Resolutions regarding the physical structure and care of laboratory animals for research purposes. The Group's Animal Welfare Policy is based on the principle of the five freedoms recommended by the Farm Animal Welfare Council (1979): Freedom from hunger, thirst, and malnutrition; Freedom from discomfort; Freedom from pain, injury, and disease; Freedom to express natural behavior; Freedom from fear and distress.



Ourofino has tools such as SAP and JetBoy, as well as project planning systems that assist in the execution of experiments involving animal use. These systems contribute to the traceability of animals and electronic record-keeping of their health-related information, facilitating the research process. The acquisition of laboratory animals (mice, rats, guinea pigs, rabbits, and hamsters) and production animals (cattle and pigs) follows the internal procedure established by the responsible areas. The purchase of animals for use in experimentation is carried out from qualified suppliers trained in the company's animal welfare policy. The number of animals reflects the number of experiments conducted by the Research and Development Department.

We also follow the guidelines established by the National Council for Animal Experimentation Control (CONCEA), whose main objective is to coordinate the procedures for breeding animals in teaching or scientific research activities. The use of antibiotics in animals is administered only in cases of necessity; preventive use is not part of the routine. The decision to use antibiotics is made by veterinarians.

### Animals by Type of Farming

GRI FP11



Types of Animals	Quantity	Representation (%)	Type of Farming
Bovine (cattle)	525	3,71	Extensive free-range
Equines (horses)	6	0,04	Extensive free-range
Swine (pigs)	237	1,67	Intensive internal confinement
Mice	11.406	80,53	Intensive internal confinement (microisolators)
Guinea pigs	282	1,99	Intensive internal confinement (microisolators)
Rats	1.371	9,68	Intensive internal confinement (microisolators)
Hamsters	336	2,37	Intensive internal confinement (microisolators)
<b>Total</b>	<b>14.163</b>	<b>100</b>	<b>-</b>

**Note 1:** The equines at the Veterinary Research Center are used by farm experimental staff for cattle management activities and are therefore not used in clinical research experiments.



## Animals by type of treatment and medications used

GRI FP11

Type of animals	Antibiotic used	Practices for Antibiotic Use	Practices for Suspending Antibiotics
<b>Bovine</b>	Aminoglycosides (Dihydrostreptomycin) Beta-lactams (Penicillin G) Cephalosporin (Ceftiofur) Fluoroquinolone (Enrofloxacin), Marbofloxacin Sulfonamides (Sulfamethoxazole) Sulfonamides (Silver sulfadiazine)	- Observation of respiratory, gastrointestinal, urinary, and dermal infections. - Conducting clinical and laboratory examinations (microbiological culture and antibiogram) by responsible veterinarians.	Observation of clinical signs indicating adverse events.
<b>Swine (pigs)</b>	Aminoglycosides (Dihydrostreptomycin) Sulfonamides (Silver sulfadiazine) Tetracycline (Oxytetracycline)		
<b>Equines (horses)</b>	Aminoglycosides (Dihydrostreptomycin) Sulfonamides (Silver sulfadiazine)		



Type of animals	Anti-inflammatory Drugs Used	Practices for Anti-inflammatory Drug Use	Practices for Suspending Anti-inflammatory Drugs
<b>Bovine</b>	NSAIDs (Meloxicam, Flunixin meglumine) Corticosteroid (Dexamethasone)	- Observation of conditions affecting the musculoskeletal and respiratory systems; pre and post-operative analgesia, allergic conditions, visceral pain, inflammation associated with wounds. - Conducting clinical and laboratory examinations by responsible veterinarians.	Observation of clinical signs indicating adverse events.
<b>Swine (pigs)</b>	NSAID (Meloxicam)		
<b>Equines (horses)</b>	NSAID (Meloxicam) Corticosteroid (Dexamethasone)		
Type of animals	Hormones and/or Treatments with Growth Promoters	Practices for Hormone Use and/or Treatments with Growth Promoters	Practices for Suspending Hormone Use and/or Treatments with Growth Promoters
<b>Bovine</b>	Reproductive Hormones (prostaglandin, steroids, GnRH)	Utilization in Reproductive Protocols for Fixed-time Artificial Insemination (FTAI)	Observation of clinical signs indicating adverse events.
<b>Swine (pigs)</b>	Not applicable	Not applicable	Not applicable
<b>Equines (horses)</b>	Not applicable	Not applicable	Not applicable

The treatments for bovine, swine, and equine species follow the standard operating procedure of Ourofino, which outlines activities related to the use and administration of veterinary medications. The administration of antimicrobial, anti-inflammatory, and reproductive hormone medications must adhere to the indications and dosage (dose, route, and frequency of administration) specified in the package insert for each product by species. Changes to dosage and indications will only occur upon prescription by a veterinarian. For the administration of injectable medications, the application site must be sanitized, and the needle should be replaced for each medicated animal. The use of these medications must be prescribed and authorized by at least one of the veterinarians at the Veterinary Research Center (CPV). All medication for any animal is recorded on a specific form, and the information is stored in controlled spreadsheets.

**Note 1:** The equines at the Veterinary Research Center are used by farm experimental staff for cattle management activities and are therefore not used in clinical research experiments.

# Well-being and appreciation of people



GRI3-3 Material theme

Our team comprises 1,005 individuals, and we engage with thousands more through our clients, partners, suppliers, and the community, among other stakeholders. Well-being and appreciation of people are connected to one of our values, which is Caring for People.

Our team consists of 59.6% men and 40.4% women. In terms of age, we have a mix of generations with the following representation: 20% are up to 30 years old, 72% are between 30 and 50 years old, and 8% are above 50 years old.



121 LEADERSHIP



Total of employees



Mexico 33

Colombia 32

Commercial 160

Cravinhos 733

Guatapar 15

Campinas 3



## Number of employees by contract type, gender and region

GRI 2-7

Region	Contract	2021			2022			2023		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Brazil	Permanent and full-time	654	405	1.059	674	414	1.088	547	359	906
	Determined and part-time	14	16	30	13	21	34	9	25	34
Mexico and Colombia	Permanent	50	22	72	55	24	79	43	22	65
<b>Total</b>		<b>718</b>	<b>443</b>	<b>1.161</b>	<b>742</b>	<b>459</b>	<b>1.201</b>	<b>599</b>	<b>406</b>	<b>1.005</b>

Note: We also include interns and apprentices under fixed-term contracts and part-time periods.

## Number of workers who are not employees

GRI 2-8

Type of Service	2022	2023
Refectory	17	17
Cleaning	35	39
Logistic Movement	9	4
Property Security	19	18
Maintenance Service	14	16
Speech Therapy	1	1
Social Assistant	1	0
Psychology	1	1
<b>Total</b>	<b>99</b>	<b>98</b>

Note: All of them are fixed contractors and work 100% of their working hours exclusively on Ourofino premises.

Throughout this chapter, you will get to know the initiatives that contributed to our election as one of the best companies to work for in Brazil in the national ranking (37th position); in agribusiness (2nd place); in the state of São Paulo (3rd position), and in the industry (11th position). The positions are even better than the previous year. For example, considering the last three years, in the national ranking, we moved from the 83rd position in 2021 to the 37th position in 2023. The results are based on an analysis by the GPTW consultancy on the company's practices and on the responses given by the employees themselves.

# Remuneration and Benefits

GRI 401-2

**In leadership positions, we have 40% women and 60% men, and one of our highlights in remuneration is the salary equalization work, through an analysis matrix developed with managers.**

In agribusiness, market data shows a male predominance. According to the United Nations (UN), 27% of leadership positions are held by women in Brazil. The Brazilian Institute of Geography and Statistics (IBGE) warns that in agribusiness, the leadership ratio is even lower: one woman for every nine men. We know that looking at women in the labor market includes different aspects, and it is not enough to bring them into the company or even promote them to leadership positions. It is necessary to work on salary equity.

When we look at our salary equity, we proudly share that we are well ahead of

the market. IBGE data shows that salary equity is 72% in Brazil between men and women, while at Ourofino, it stands at 92%. This is justified because we have new women taking on leadership positions and thus being remunerated according to the initial levels of the management position, since we do not differentiate in the salary and position strategy. Salary equity has already been the subject of our *newsletter* on LinkedIn. Bringing the subject to light is important to sow our culture beyond our walls.

And we want to evolve even further. Our leadership has started receiving a salary matrix that not only equalizes salaries within their salary ranges but also the relationship between men and women. Through this matrix, we guide that salary adjustments for women will be higher than those for men, promoting salary equity. In this way, our processes aim to reduce the unconscious bias of gender equity.

Still on remuneration, we have a strong compensation program that benefits everyone in the Company, recognizing our professionals and providing a broad support network, considering the different scenarios in which we operate: administrative, fieldwork, or even considering the different legislations among the countries where we operate, for example.

With short and long-term incentive programs (ICP and ILP) since 2020, the Company has invested approximately R\$ 50 million in short-term incentive payments to the team. We want to maintain and value our talents regardless of their physical characteristics, gender, or even worldview. For this, our guidelines are formalized through strictly technical criteria, without any difference between salary ranges, awards, incentives, and bonuses. In 2023, we revamped our short-term incentive rules for commercial areas, giving more weight to individual goals. The ICP consists of 50% for goals and 50% for values.

In sales, the weight between individual goals becomes 70% of individual goals

and 30% of corporate ones. For the rest of the Company, the weight between individual and corporate goals is the same. It is worth noting that since 2022, individual goals assigned to leadership positions must be linked to one of the Sustainable Development Goals (SDGs).

The goal journey is clearly expressed for the team in iUse Up, a platform that assists the team's day-to-day activities as well as *feedback* and structured meetings between managers and teams. The platform is an important support tool for Performance Management, an annual evaluation method. Conducted through Gupy, the selection of professionals for the team has as its gateway the careers page, also revamped in 2023, or the Company pages on LinkedIn. Our recruitment processes also involve visits to universities, for example, for entry-level programs, as well as partnerships with institutions such as Senai.

**For transparency and employee guidance,**

**encouraging empowerment, we have developed a Career Path to guide the team in developing different paths, coupled with the individual development plan, through the 70:20:10 methodology, which prioritizes actions related to doing, sharing, and knowing.**

Another important action in the development of our people is Performance Management. Through annual cycles, the team's alignment with Ourofino's values and goal achievement are evaluated. The process involves self-assessment and direct management assessment conducted by the employee, values assessment by the professional's manager, and peer assessment for all employees, expanding the

contribution of other professionals to the team's development. Each cycle, based on the final concept within the Performance Management scale, an individual development plan is elaborated for each employee. In 2022, 97.1% of our employees participated in Performance Management. At the time of publishing our Integrated Report, the 2023 evaluation cycle is still ongoing. Interns and apprentices are not eligible for the process. Interns and apprentices are not eligible for the process.

All information is managed by the iUse Up platform, which allows monitoring and management of goal evolution levels, as well as recognition possibilities through *feedback* among all Company employees.

Information related to remuneration and Group conduct regarding procedures are communicated by leadership to employees and are available on the Company's official channels, such as the intranet, for example.

Aligned with the best market practices, Ourofino offers various benefits to employees and their families. Some of them include: medical and dental plans; meal voucher or allowance; psychological support through ZenKlub; gyms with Gympass; iUse In (knowledge platform offering hundreds of free courses on various areas of knowledge); pharmacy card, health campaigns; we assist our employees whose children have cognitive, behavioral limitations, and attention deficit disorders with reimbursement of medical expenses, which can reach up to 90% of the current normative salary; a parenthood support group aimed at pregnant employees and spouses of employees to share their experiences, health guidance, and maternity leave; daycare assistance for team mothers for two years after returning from maternity leave; assistance for the purchase of school supplies for children up to 14 years old, Christmas basket, subsidized transportation by the company, vehicles for the commercial team, managers, and directors; private pension with

the company's co-participation in contributions; life insurance; consigned loan. At headquarters, there is also a gym, restaurant, bakery, iUse Lab (a study space), bank service point, outpatient clinic with health services, as well as extensive green areas.

Currently, our professionals are represented by four different unions with which working conditions are negotiated and formalized through distinct collective agreements. In Brazil, about 28% of employees are covered by collective agreements and 64% by collective conventions. The remaining professionals have only representative entities, but without any ratified agreements. GRI 2-30

# Development and Training



We offer our team a platform with 431 free courses in various areas of knowledge, called iUse In. In 2023, more than 17,000 training hours were completed by the team on the platform. The trainings were conducted to meet mandatory legal requirements, as well as technical or behavioral training for performance improvement and efficiency. We understand that the lower number of training hours in 2023 compared to previous years is due to the update with new content. Since most employees completed several courses as soon as the platform was launched, the number of trainings now is due to new employees and newly released content on the platform.

## Average training hours by gender

GRI 404-1

	2021	2022	2023
Men	28,41	24,41	14,06
Women	33,92	25,64	12,74
<b>Total</b>	<b>30,44</b>	<b>24,18</b>	<b>17,01</b>

**Note:** The calculations are based on the number of employees allocated in Brazil on December 31st of each year.

We also continue with our Career Path program, which encourages team ownership with Y career paths and *job rotation*. Through the *Mentoring Program*, 13 professionals from various leadership positions were trained to be mentors for employees. The program yielded 10 hours of training.

The development of people within the team also reflects career opportunities. For example, through our internal recruitment, in 2023, 31% of vacancies were filled, and we had a 40% growth compared to 2022. When we analyze the rate of Ourofino Team members promoted to leadership positions, we reached a rate of 7.4%.

We genuinely believe in the power of people to inspire and be agents of transformation by contributing to the development of others. Our leaders are challenged to encourage the team to act with their full potential; for this, leaders themselves must be continuously trained and developed. Caring for the people who care for others

is fundamental for the sustainability of the business.

Starting in 2023 for the third year of the "Lidera Journey," the Leadership Development Program brings individual and collective actions with the aim of sharing knowledge and experiences, focused on self-awareness, reflections on their role as people leaders and enhancers of personal connections, and integration with the business to strengthen their position in this role. The program offers various activities focused on formal learning through the 70/20/10 methodology, where at each stage, we consider various learning formats, such as *podcasts*, live or recorded classes, reading articles, *role plays* that can contribute to better knowledge absorption, and practical application. The Journey addresses both the formation and development of current and future leaders. In 2021, the theme was "Leading Oneself," based on a process of self-awareness, personal and organizational values,

- □ □
- □ □
- □ □



limiting beliefs, transition, and change. There were 16 hours of activities with 95% adherence from our leadership. In 2022, the aspect addressed was "Leading Others," providing participants with reflections on their role as leaders of people and enhancers of personal connections to generate better results, also with 16 hours of duration and 98% adherence from those eligible for training. In 2023, the theme was "Leading the Organization," aiming to develop skills that further enhance our management capability and integration with the business to generate value. To ensure the content of this journey is enduring, we conduct a class annually with new hires and people assuming management positions to accelerate adaptation to our leadership concept. There were 8 classes in total, with 13 meetings and 161 participants, totaling 1,221 hours of training. In 2024, the cycle continues on our iUse In education platform.

In the people development journey, another significant advancement in the Company was the realization of the Succession Plan. Critical positions within the company were mapped out, along with the necessary skills for each of them, and potential successors were also identified. The plan was developed considering all levels of leadership within Ourofino. Criteria evaluated included the role's weight for business sustainability, the time required for position relocation considering the market, decision-making level, and technical requirements for the position, among others.

**Our approach to viewing work relationships and preparing professionals for the future is also shared with our clients. Aware of the**

**opportunities that women have in agribusiness, as mentioned earlier in this topic, we partnered with Seara in 2023 to launch the Women Super Agro Program, aimed at training women who are members of the agribusiness cooperative.**

The idea is to demonstrate how collaboration, sharing experiences, and protagonism, combined with creative and resilient minds, can be differential elements for the future of businesses. Through in-person and *online* training sessions and roundtable discussions, the participants gained access to methodologies and tools used by Seara and Ourofino Saúde Animal for implementation in their own businesses.

Also in 2023, our CEO, Kleber Gomes, conducted mentoring sessions with Edineia Becker, the winner of the selection process for our Mentoring Program aimed at empowering women in agribusiness, which was launched in 2022.



# Health and Safety at Work

Another important concern of the Company is the safety of all individuals who work or pass through the company's premises, whether they are visitors or service providers. Ourofino has a team of professionals dedicated to Occupational Health and Safety who raise awareness about accident prevention through their programs and procedures applied to employees, alongside the Internal Committee for Accident Prevention and Harassment (Cipaa). GRI 403-4

The management of the Safety area includes legal training (in accordance with the Regulatory Standards of the Ministry of Labor) and training on best practices, conducted *online* or in person. We work to raise awareness among employees in Brazil, Mexico, and Colombia.

Fixed and temporary service providers undergo an integration process of rules and best practices, containing information on occupational health and safety, safe behavior, and the company's values. In 2023, 7,703 hours of safety training were provided to employees and service providers. The main awareness event of the year is the SIPAT, Internal Week for Accident Prevention at Work, which addressed topics such as first aid in emergency situations, occupational safety management, and featured traditional parody contests among employees and video contests for the children

of Ourofino employees. The idea is to engage the whole family in discussing the safety culture. GRI 403-5

We understand that the safety culture is part of the organization and that anyone can contribute. Therefore, we have a reporting system for any dangerous situation, unsafe behavior, or anything that could contribute to an accident. It's the "Olho no Risco" (Eye on Risk) Program, launched for all employees during the SIPAT. In 2023, 34 situations were immediately investigated by the Safety teams, Cipaa, and affected areas.

The Occupational Health and Safety team also conducts mapping of where our professionals are exposed to inherent risks in their activities. For this, we have a management system, based on ISO 45001 standard, based on the concepts of prevention and continuous improvement, with policies and procedures applicable to all national and international operations, protecting 100% of direct and outsourced employees. GRI 403-1, 403-8

The Group's health and safety risk management is carried out through the Occupational Risk Management Program (PGR), where physical, chemical, and biological threats of operations are mapped. We also use other sources to assess and mitigate complementary risks, such as Ergonomic Work Analysis (AET), Occupational Hazards and Risks



Survey (LPRO), and the Occupational Health Medical Control Plan (PCMSO). GRI 403-2

For all activities defined as high risk, we have prior environmental risk analysis forms (Work Permit), as well as specific procedures based on current legislation. Additionally, we adopt administrative measures and require the use of Personal Protective Equipment (PPE) in risky areas, which are provided free of charge to employees. We also maintain constant care with Collective Protection Equipment (CPE) to minimize exposure to environmental risks. For example, in 2023, fire extinguishers were replaced by ABC type, expanding the range of containment in possible emergency situations. In 2023, the Emergency Brigade also underwent an 8-hour training session

at a specialized training center. In addition to leveraging the expertise of our occupational safety professionals, the 120 brigade members received this extra training, reinforcing awareness and providing training in firefighting, chemical emergencies, evacuation, and first aid actions.

Ourofino also participates in PAME, the Mutual Aid Plan for Emergencies, in conjunction with other companies in the region and the Fire Department. PAME joins forces to provide rapid and adequate response to any abnormal occurrence, reducing response time and minimizing losses and damages in any type of emergency.

We follow the regulatory norm (NR 24) of the Ministry of Labor, which establishes minimum conditions of hygiene and comfort for our employees regarding the performance of their work: we ensure safe places (mitigating and eliminating existing occupational risks) and in conditions of hygiene and comfort to carry out their activities, meals, and promote overall well-being.

### In addition to caring for our employees, we also extend this care to service providers.

Thus, we ensure that companies hired meet labor and tax legislation and are compliant with current legal premises, not allowing the hiring of slave labor, child labor, professionals without registration in the work permit, nor contracting companies that do not adhere to the same requirements. Our service provider hiring procedure requires safe practices from the outset, validating the labor and financial integrity of contracted companies, as well as lodging and housing conditions, comfort, and hygiene of these professionals.

Our technical teams are responsible for training and capacity-building and for continuously monitoring the main health and safety indices, always with a preventive approach and continuous improvement, addressing root causes of aspects involving safe behavior, occupational diseases,

accidents and near misses, absenteeism, among others. We also conduct periodic risk analyses in our operations, as they form the basis of our annual programs, goals, and indicators. We use tools to monitor and control work environments and mitigate potential threats to people's health. For each occurrence, a formal investigation process is opened, generating a report with an action plan for countermeasures to prevent recurrence. Since 2022, we have been using a software for managing health and safety at work information focused on the automations and data systematizations necessary for strategic management through the Risk Management Plan, as well as allowing the submission of Health and Safety at Work events to the government's e-Social.

In addition to issues related to occupational safety and risk monitoring, the Company offers a healthcare support network to employees and their families. At the Group's headquarters in Cravinhos (SP), we have a clinic for employee assistance, where consultations, exams, and treatment of minor incidents can be performed. The Health and Well-being team consists of multidisciplinary



nary professionals for a holistic approach to our people: nurse, occupational and family physician, speech therapist, psychologist, and physical educator, who work together with a focus on prevention and disease treatment. GRI 403-3

Employees also have the support of the medical network affiliated with the health plan and hospitals in all covered territories. Distance is not a reason for lack of care either. When necessary, internal doctors provide telemedicine services, in addition to those provided by the health plan. Campaigns such as "White January," focusing on mental health measures, "Green April" to raise awareness about occupational accidents, and "Yellow May," for preventing traffic accidents, are complemented by "Yellow September" for mental health awareness, and "Purple October" and "November," a blend of pink and blue colors to raise awareness about breast and prostate cancers, offering mammograms and PSA tests to employees at risk for these diseases.

To combat sedentary behavior, Ourofino has a gym at its headquarters, providing greater functionality to improve the well-being of everyone with a comprehensive physical and mental experience. Open every day, during alternate periods, to accommodate all shifts, and staffed with a fitness professional. We also promote workplace exercises and dedicated events with leisure integration, such as football championships and functional activity challenges that engage teams. GRI 403-6

During "Golden August," our Health and Well-being team was invited by the Ribeirão Preto Health Department to share the benefits of the lactation room upon the return of employees from maternity leave. We also hosted regional companies at our headquarters to showcase the model, which can inspire other regional businesses and further promote well-being for women in the workforce.

A new addition in 2023 was the adoption of a specific lanyard for employees with di-

sabilities. Through a focus group following this team, they suggested the adoption of a lanyard for easy identification. A QR code provides access to key health information that can be used in case of need by anyone. The group also participated in a discussion with Luana Costa, an HR specialist and *business partner* in the company, who has dwarfism, sharing guidelines and experiences with this team about opportunities in the job market.

**In 2023, approximately 1,000 people participated in the flu vaccination offered by the company, including employees and dependents.**

**Additionally, over 1,300 psychological consultations were conducted.**

**The "Gestar" program, which provides care for mothers, fathers, and babies during pregnancy, supported 21 families.**

## Main health and safety rates by gender.

GRI 403-9

	2021	2022	2023		
			Men	Women	Total
Injuries with absenteeism	2	8	4	2	6
Rate of injuries with absenteeism	1	4,25	3,7	2,91	6,6
Injuries without absenteeism	5	8	2	2	4
Rate of injuries without absenteeism	2,6	4,24	1,8	2,9	4,7
Lost days rate	3,1	100,39	99,2	31,98	73,2
Occupational diseases rate	0	0	0	0	0
Absenteeism rate	2,5	3,11	2,38	4,52	6,9
Number of deaths	0	0	0	0	0

**Note 1:** The data above pertains to direct employees, as in 2023, all rates for fixed-term third-party workers were zero.

**Note 2:** Absenteeism rates for service providers were not accounted for.

**Note 3:** The reported data above is for the Ourofino Group.

**Note 4:** Accident frequency rates are calculated considering the number of accidents per man/hour worked multiplied by 1,000,000, following NBR 14280 and NTEP.

**Note 5:** All rates presented are based on 1,088,275 for men and 687,961 for women per hour worked in 2023.

**Note 6:** Injuries with absenteeism include: foot sprain, finger collision with machine, chemical splash in eye, and ladder fall. Injuries without absenteeism include: finger puncture, upper limb entrapment, and face particle projection.

**Note 7:** For all accidents, Workplace Accident Reports (CAT) were filed, followed by accident investigation processes and determination of action plans to mitigate root causes.

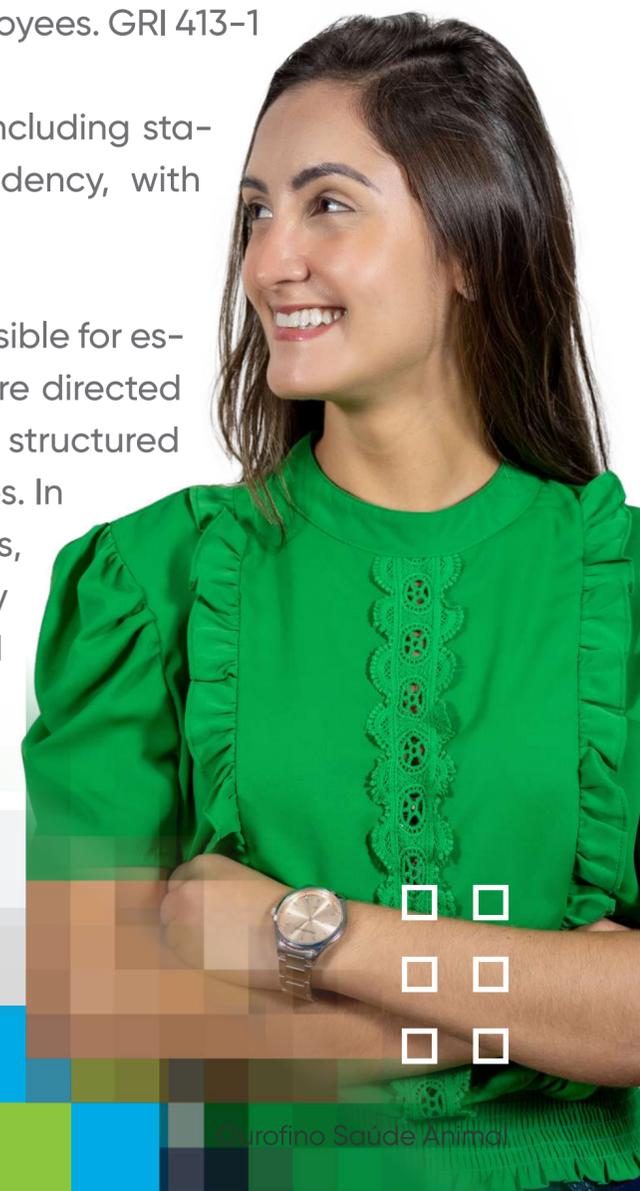
## Valuing each relationship

When we think about the community we are part of, we generate value by contributing to job creation and all the positive impacts that this brings to families and the local economy. As we will address in the chapter on our supply chain, we also do business with 14.3% of local partners, prioritizing our surroundings. Additionally, we promote a series of actions related to people's well-being through our Volunteer Program, which generated 600 hours of charitable work in 2023 with the participation of 65 employees. GRI 413-1

Communities have good representation among Directors (including statutory directors and those of subsidiaries) and the Presidency, with approximately 10.0% of them being locally born. GRI 202-2

The People, Culture, and Sustainability department is responsible for establishing the entire strategy of social investments, which are directed through donations to local impact causes or in the form of structured projects in partnership with communities or even local entities. In 2023, we did not have donations through fiscal incentive laws, only private investments, where we supported Equine Therapy Programs, Projete, and My Hero, two of which are connected to our sector. In 2023, we did not have donations through fiscal incentive laws, only private investments, where we supported Equine Therapy Programs, Projete, and My Hero, two of which are connected to our sector.

**\*Note:** Locally, we consider cities within a radius of 100 km from the industrial operation located in Cravinhos (SP).



Here are some initiatives from 2023: GRI 203-1, 413-1



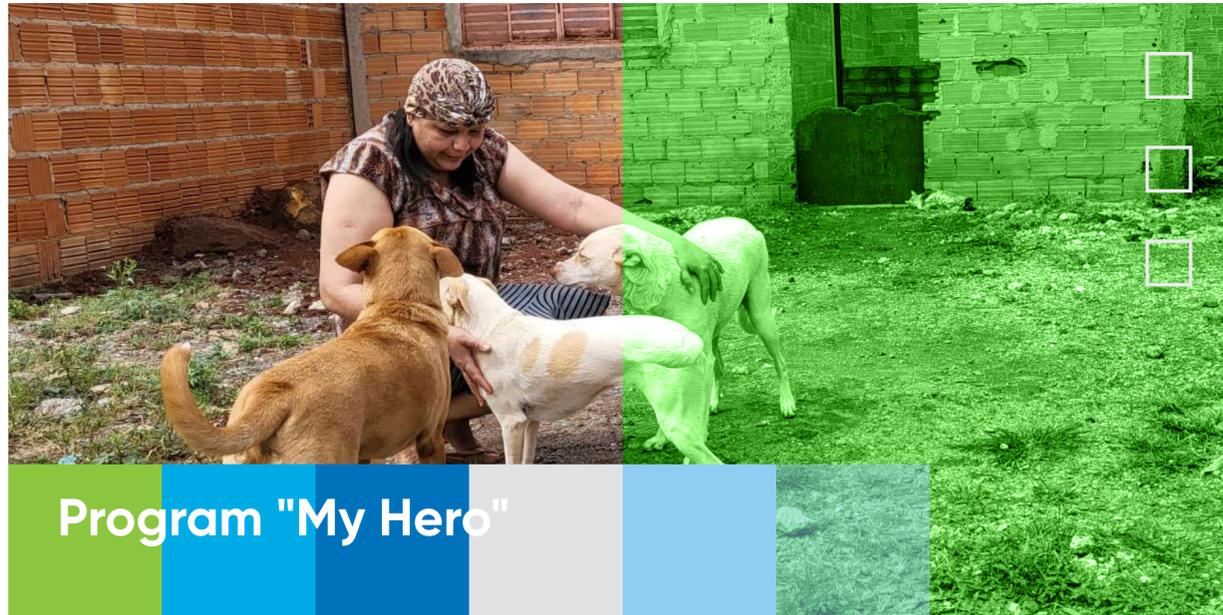
Projete

Free socio-educational program, the result of a partnership between the project and the regional private sector. It teaches concepts of financial education, communication, employability, and entrepreneurship. In 2023, 218 young people participated in the training, with the first class held at the Company headquarters. The young people trained by the Project in 2022 also had a special space in our team, being part of the network of apprentices and participating in teams in areas such as Communication, Branding and Design, Marketing, People and Performance, Registration, among others. Additionally, company employees also act as tutors, teaching according to the methodology developed by Project the Future.



Equestrian Therapy Program

It's a therapeutic method that uses horses within an interdisciplinary approach in the areas of health, education, and horsemanship, aiming for the biopsychosocial development of people with disabilities and/or special needs. We believe in the method, which is why we are partners with the Equotherapy program of the 3rd Military Police Battalion of the State of São Paulo. During this period, we contributed to the treatment of 50 participants.



### Program "My Hero"

It's a social program aimed at changing the reality of animals in vulnerable situations in Ribeirão Preto (SP). The project addresses the chronic causes of problems affecting the city, such as high birth rates, abandonment, animals suffering, and irresponsible ownership. United in the same purpose, Ourofino in partnership with the Animal Life Association (AVA) promotes the spaying and neutering of stray, semi-domesticated, and community animals in peripheral and underserved areas, preventing the spread of diseases, unwanted litters, and the subsequent abandonment, deaths, and suffering of animals. We believe that working with mass sterilization in a predetermined region allows for more consistent results in the medium and long term. With this focus, in 2022, we performed 100 sterilizations (both dogs and cats).



### Donation of veterinary products

As we work in the animal health market and understand our mission regarding animal welfare, we donated R\$ 59,000 worth of products to local institutions, including the Animal Protection Association, Group for the Protection of Needy Animals, Group of Volunteer Support for Abandoned Animals, Res Gatinhos Association, and Cãopaixão Association. All partners received Ourofino products intended for the health, well-being, and longevity of companion animals.





### Blood donation

We conducted 3 blood donation campaigns at our headquarters, collecting approximately 250 blood bags, benefiting around 1,000 people.



### Warm clothing donation

We collected over 3,000 pieces of clothing and blankets, as well as around R\$ 5,000 for donation.



### Milk

Additionally, over 3,500 liters of milk and R\$ 18,000 were donated during the event in partnership with the Social Solidarity Fund of Ribeirão Preto for the purchase of milk.



### Christmas charity drive

We also collected around 50 toys to set up the toy library at the Nave da Saudade institution.



**In addition to actions focused on employees, the community, and our clients, as described in the chapter on our market and business model, we also value transparency and relationships with different stakeholders.**

For investor relations, for example, we maintain an exclusive *website* with company information, teleconference broadcasts, and results releases, among other information. Learn more at [ri.ourofino.com](http://ri.ourofino.com).

Our Communication and *Marketing* departments follow our clients' journey and

devise strategies for the best experiences in interactions with our brand. In addition to segmentation and demands according to different profiles, we offer exclusive services, such as the iUse Saber platform, launched in 2022 with content aimed at production animal and companion animal segments.

We have an exclusive relationship channel for customer service, the Customer Service Center (CSC), responsible for addressing customer inquiries, suggestions, complaints, and potential quality deviations. All records made through the channel are investigated, and action plans are executed for corrective measures. GRI 2-29

All feedback and problem resolution are handled in an integrated manner with the involvement of technical departments.

**For the second consecutive year, Ourofino Animal Health is a standout in the Reclame Aqui award, which recognizes companies that excel in consumer relations.**

In 2023, the Company was recognized as the best company in the veterinary pharmaceutical segment.



# Total number of interactions in 2023

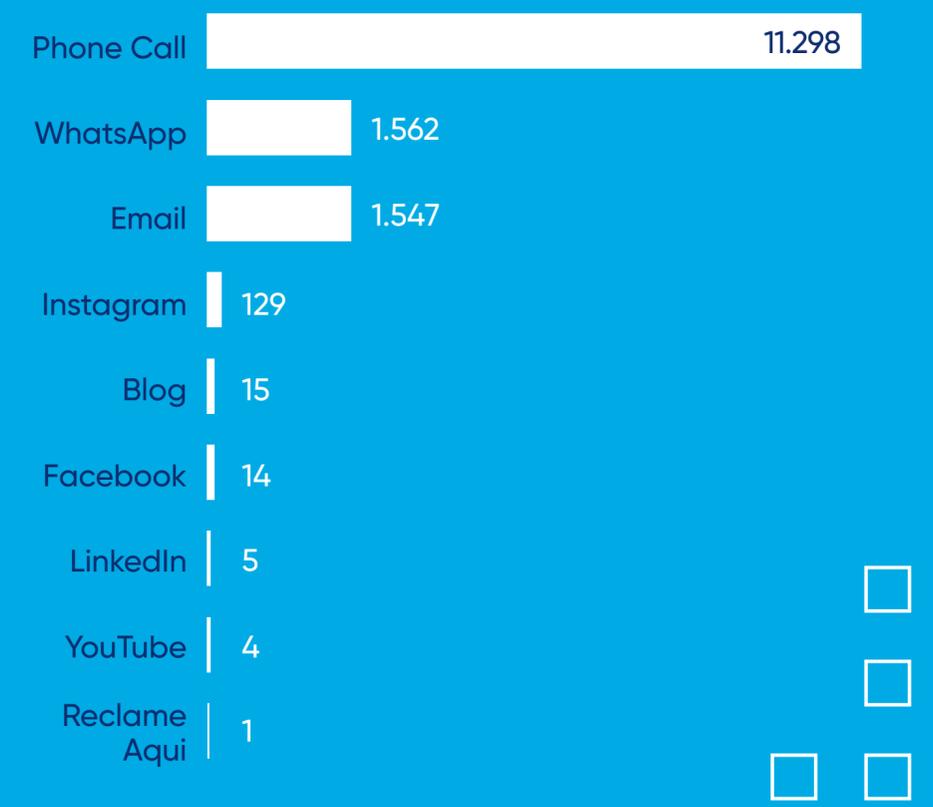


# Institutional

Total Interactions

## 14.575

## Channel



# Companion Animals

Total Interactions

## 4.787

Complaints

## 1.226

25,6%

Opportunities (PF)

## 729

15,2%

Opportunities (PJ)

## 899

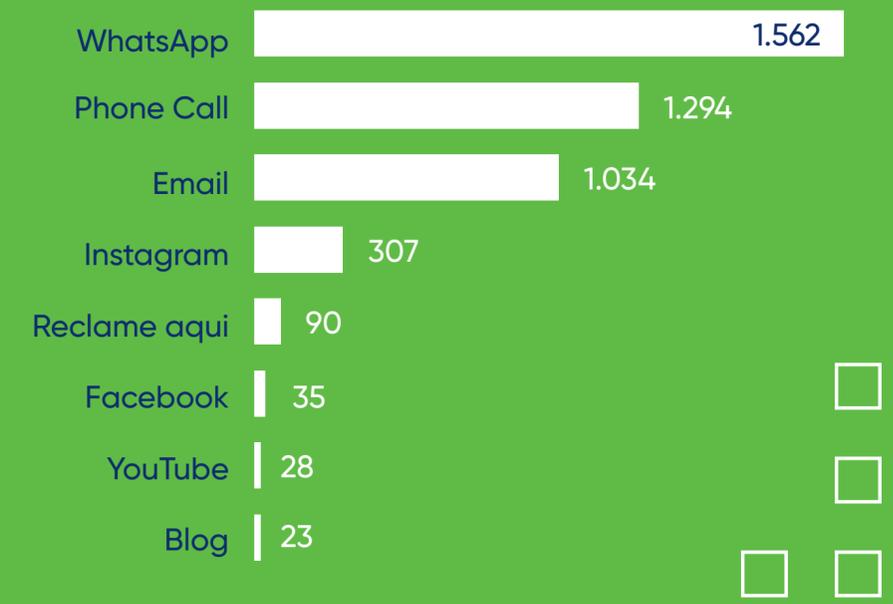
18,78%

Other Interactions

## 1.933

40,4%

## Channel



# Livestock

Total Interactions

3.015

Complaints

173

5,7%

Opportunities (PF)

922

30,6%

Opportunities (PJ)

808

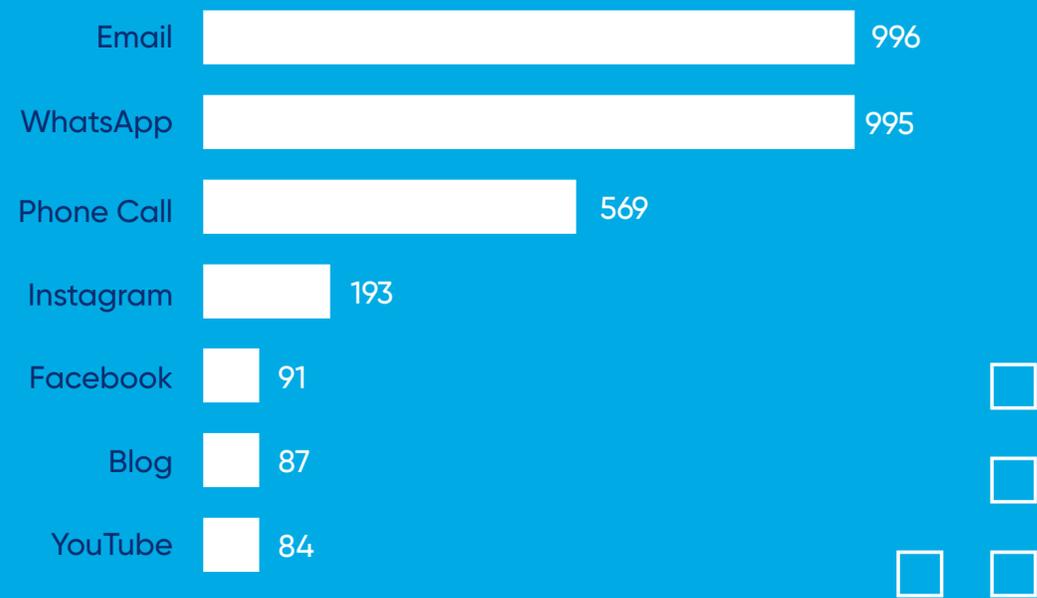
26,80%

Other Interactions

1.112

36,9%

## Channel



# International Operations

Total Interactions

913

Complaints

102

11,2%

Opportunities (PF)

396

43,4%

Opportunities (PJ)

124

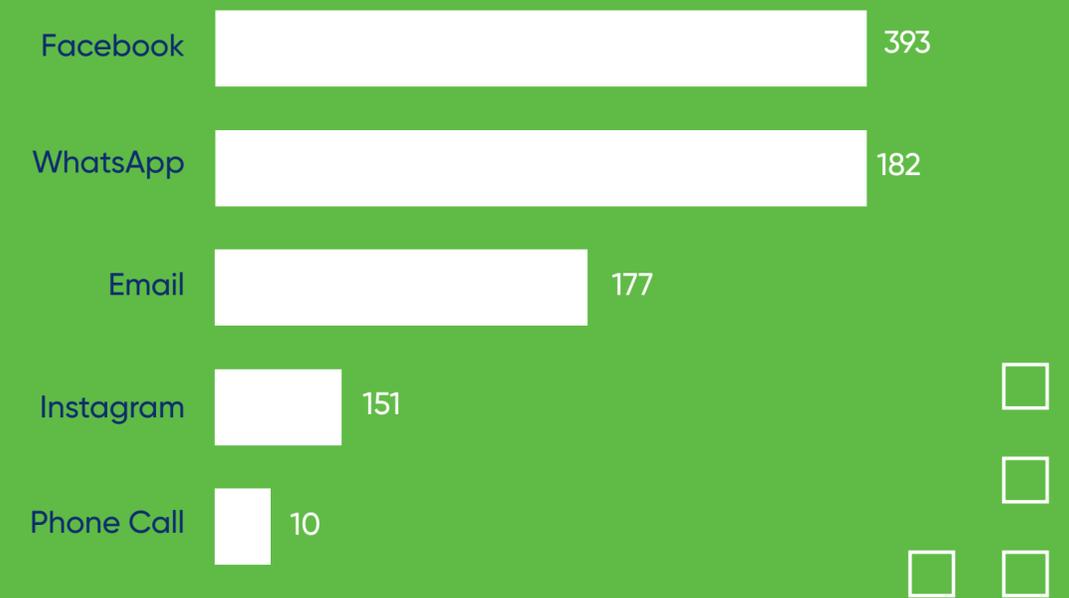
13,58%

Other Interactions

291

31,9%

## Channel



In 2023, we continued the work started in the previous year on packaging containing audio leaflets and Braille, aiming for the best experience for our customers. Additionally, regarding inclusion, the character Maya assists in understanding the content of our websites by providing translation into sign language (LIBRAS).



### Audio leaflet and Braille on packaging



We included Braille in our packaging

We included audio leaflets in our packaging



Another important stakeholder group is our suppliers. We will discuss this relationship in the following chapter.



# Supply Chain

## Map of input dependency

GRI3-3 Material theme 

Our supply chain comprises approximately 2,079 active suppliers, divided into two main groups: direct materials, related to the production process and where our highest cost lies, including inputs and packaging, for example, and indirect materials, a group of materials and services related to our facilities, for example. Our supplier chain encompasses both national partners (90.8%) and international ones (9.2%), and is quite comprehensive and diverse.





We contribute to the development of the community and the local economy through the procurement of inputs and services from companies located near our most relevant operations. In 2023, approximately 77.6% of Ourofino's supplies were acquired from national suppliers, totaling approximately R\$ 384 million. Of this total, about 14.3% of materials were acquired from suppliers in cities close to our operational units (headquarters in Cravinhos-SP, offices in Mexico and Colombia). This amount corresponds to R\$ 54 million, or 11.1% of the total value purchased of R\$ 495.3 million. GRI 204-1

All transactions with suppliers are conducted in accordance with our purchasing policy.

Our international partners are located in various countries in Asia, which presents a significant challenge as we deal with people from different cultures, international regulations, exchange rate variations, and logistics. To address this challenge and strengthen our relationship with key input suppliers located in China and India, we

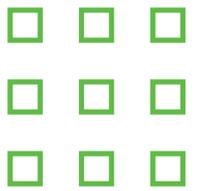
have the support of an office located in Shanghai, China. The team contributes to building relationships with local companies, understanding demands and expectations more accurately, as well as observing quality aspects and ensuring the regularity of supply, including business continuity. Our partnership with the Japanese company Mitsui, which has been part of our corporate structure since 2022, also proves to be a good opportunity for opening up and qualifying suppliers in Asia.

**Ourofino has a Supplier Qualification Program managed by the Quality department, an important step to reduce risks for the finished products produced by the Company.**

In this program, we adopt periodic evaluations and quality audits that help us reduce exposure to potential risks while fostering the adoption of more responsible practices throughout the chain. This process is con-

ducted for all direct suppliers and aims to establish a purchasing relationship through agreements, conditions, and requirements established to ensure the supply of services or materials, aiming for the optimization of the Company's time and resources.

In pursuit of operational efficiency, we focus our evaluations according to the risks of inputs. With attention to systemic thinking about quality and aiming for the best use of resources, with less waste and technological support, we have defined a new supplier evaluation matrix, considering aspects such as the criticality of the input, history, and analysis of reports external to the Company to qualify our suppliers. This way, we reduce the number of tests in our laboratory, expanding our procedural efficiency and reducing the generation of waste inherent to the processes, as we now accept as quality parameters the receipt history, test results, and periodic evaluations of the supplier, certifications, and certificates from other institutions and official bodies. When necessary, we conduct specific analyses and on-site audits of suppliers. The idea behind the entire process



is to customize the analyses, making the qualification more accurate in the use of resources without compromising the quality of our products.

Mindful of supply chain disruption risks and restrictions on access to our key partners, our areas involved with production chains acted to mitigate potential impacts by qualifying alternative suppliers and reviewing contracts to anticipate notifications in case of any situation impacting input supply.

A *squad*, alongside the Sustainability and GRC (Governance, Risks, and Compliance) teams, also assessed suppliers throughout 2023 according to a new risk matrix. In this work, not only inherent risks in the production process are related but also potential risks linked to our material themes.

**In addition to the Qualification Program, we have the practice of disseminating our Supplier Code of Conduct, an**

**exclusive version with language tailored to this important audience for our business.**

We use the Code in conjunction with the Terms and Conditions of Supply to establish and communicate to commercial partners in all formalized contracts the ethical principles and minimum requirements to be met for supplying to the Company, ensuring greater alignment with our cultural pillars, integrity, and material themes.

The profile of our suppliers varies, from large companies with high ESG maturity to smaller suppliers, where we have the opportunity to support development.

The Company does not have a formalized socio-environmental process for selecting new suppliers; we only assess if they have any embargoes or sanctions related to ESG. If any such situation is identified, there is no recommendation for registration. We also evaluate our active supplier base quar-

terly; if any non-compliance is identified, their registration is deactivated, and the supply is blocked. We understand that this is an area where we have room for improvement. Therefore, during this period, the ESG *squad* concluded the new risk matrix, where the results will guide a more in-depth socio-environmental assessment of national suppliers. GRI 308-1, 414-1, 414-2

To attest the performance of suppliers, since 2021, the Supplier Performance Management Program has been established with the aim of strengthening the relationship between Ourofino and its business partners by recognizing the most committed suppliers who meet quality requirements in delivering the best products and services. We also seek to identify areas for improvement in those with performance below expectations and who fail to meet agreed-upon requirements in negotiations. The best suppliers enter the Ourofino Suppliers Program. In 2023, the aspect addressed was EESG (Economic, Environmental, Social, and Governance). Like in 2022, this year, 14 suppliers were recognized in different categories, considering aspects such as delivery



punctuality, quality of quotation responses, technical scope, quality, and service.

Two sustainability categories stood out in the Gold Supplier program. Analyzing the Environmental aspect, the company Box Print was recognized for the initiative to neutralize Carbon Dioxide emissions from the atmosphere in an area of over 100 hectares, destined for the maintenance of preservation areas and tree planting for carbon sequestration. Since 2009, over 108,000.00 tons of CO2 have been neutralized, making

Box Print's activities "carbon positive" and generating a certificate proving the offset of emissions from scopes 1 and 2 in the manufacturing process of Ourofino's packaging, strengthening the partnership and adding to the mutual purpose of sustainable development.

In the Social category, the recognition of the 2023 Gold Supplier went to Química Anastácio, the maintainer of the Instituto Anastácio, which serves young people in situations of social and economic vulne-

rability, aiming to recover the educational foundation of students and prepare them for the job market.



# Food safety and security

GRI 3-3 Material Theme 

This material theme encompasses two aspects: food safety, where our mission is to contribute to increased productivity among farmers to feed the growing global population, and food security, meaning the quality of the food itself.

We believe that the future of livestock farming should be based on six pillars: Health, Nutrition, Genetics, Animal Welfare, Sustainability, and Management. It is these interconnected pillars that will lead us to the future, which is so pressured by the increasing consumption of animal protein in Brazil and worldwide.

Health and Animal Welfare are essential to our business. Without considering these aspects, it is very difficult to achieve adequate production rates. We know that healthy animals present better zootechni-

cal indices, considered a basic principle of production. For this reason, we invest increasingly in solutions that maximize productivity with minimal environmental impact, prioritizing prevention over treatment and contributing to the adoption of new technologies, the evolution of production systems, management efficiency, and improving customer experience, as well as enhancing producers' knowledge. All our quality processes ensure the safety of the Company's products, contributing to Food Safety.

One of the techniques known to improve productivity on farms is Fixed-Time Artificial Insemination (FTAI).

To discuss techniques related to animal reproduction, Ourofino maintains a group called Sincronize, which brings together the leading veterinarians specialized in the subject in the country for information exchange and best practices. With events and lectures in different regions of the country, we disseminate quality



information to improve efficiency in the field. In 2023, Sincronize had 14 stages and involved more than 1,000 people in about 65 hours of exclusive programming on the subject in Brazil.

Sincronize editions are also held in Colombia and Bolivia, bringing together around 250 people.

Like Sincronize, other events are among the Company's major initiatives aimed at generating value for our relationship audiences. In partnership with Rúmina, we host RumiScore, an event that awards the best producers who use the Ideagri software, the largest independent *benchmarking* of dairy farming in the world. The selection of the best producers is based on 13 different indexes related to the performance of reproduction, health, breeding, production, and sustainability areas.

Another major event promoted by Ourofino, *online*, was the *webinar* "Bull vs. FTAI: Who wins the path to Reproduction of Millions," with lectures by Professor Thiago Carvalho from Unesp (São Paulo State University) of Botucatu and researcher at Cepea

(Center for Advanced Studies in Applied Economics) and Professor Pietro Baruselli from the Faculty of Veterinary Medicine and Animal Science of the University of São Paulo (FMVZ/USP). Renowned experts on the subject, connected throughout Latin America to talk about the efficiency of reproductive protocols. The video on YouTube has over 4,000 views.

**Focused on Latin America, we also held the second edition of our Animal Welfare webinar this year, focusing on cattle farming for the rational use of antibiotics and the fight against coccidiosis, a disease characterized by diarrhea, especially in calves.**

To celebrate World Milk Day, celebrated on June 1st, we brought together the largest milk producers in Brazil, as well as the lar-

gest cattle feedlots in the country, for two days of events, with dedicated programs for each of the audiences, to promote the meeting and the exchange of *expertise* with these market leaders in which we operate. In addition to discussing technical issues related to dairy and beef cattle production, we also promoted discussions on people management, remuneration, bringing Ourofino practices to the main farms in the country.

In this regard, continuing the work started in 2022 with Agrindus, a major milk producer in the country, where we brought our experience in quality and people management to the farm leaders, this year, it was time to disseminate project methodologies and Lean philosophy techniques.

When it comes to effectiveness in livestock production, another strong ally is silage production, after all, animal feed is essential when evaluating the performance of a property. Silage helps provide quality feed with important nutrients for the animals' development and eliminates the sole dependence on pasture. With this in mind, in 2023, Ourofino Saúde Animal expanded its portfolio of silage inoculants, for example, by adding SiloSolve FC to the portfolio, a product that is a global reference in quality silage production, manufactured by Chr Hansen. To assist producers in verifying the efficiency of the produced silage, we conducted about 50 analyses in partnership with Esalq (Superior School of Agriculture).

**We are committed to offering cattle breeders a**

**wide portfolio of solutions produced with excellence and under the most demanding standards of quality and safety.**

Our culture of excellence is widespread throughout the Group's operations and is part of our employees' routine. As a general guideline, Ourofino's operations follow the determinations of the Ministry of Agriculture, Livestock, and Supply (Mapa) in the context of product quality and safety, as well as adopting international reference standards as a complement, such as the American, British, and European Pharmacopoeias, Codex Alimentarius, among others.

In this regard, to guide the correct use of products offered to animals, the product

labeling process is essential. Our solutions comply with the labeling regulations of the Ministry of Agriculture and Livestock (Mapa), the regulatory body, and other applicable regulations concerning product quality, safety, and customer information. For marketing in other countries, we follow the relevant regulatory agencies.

All texts related to labeling are approved by individuals from various areas of the Company; Regulatory Affairs, Clinical Studies, Pharmacovigilance, *Technical, Marketing and Branding*, and Design, and the teams undergo periodic training.

Our procedures require information such as outsourcing of product components, content, especially regarding substances that may have an environmental or social impact, safe use and handling, and product disposal.

**For solutions sold in other countries, we take special care with the labeling process, as legal specifications and requirements are different.**

International subsidiaries play a fundamental role in this process, as any failure during the product regularization process can jeopardize its distribution.

Check the labeling information:

GRI 417-1



- Product Name
- Brand Name
- Caption "FOR VETERINARY USE" prominently displayed on the main face
- Description of active ingredients and their quantities, and for biological products, their composition
- Etiological agents (when applicable) and animal species susceptible to use
- Instructions for use
- Warnings, precautions, side effects, contraindications, drug interactions, and antidotes (applicable only to antiparasitic agents)
- Storage conditions
- Withdrawal period (when applicable)
- Statement of sale under veterinary prescription (when applicable)
- Regulatory agency, registration number, and date of registration
- Batch or lot number
- Manufacturing and expiration date
- Name, address, and CNPJ (Brazilian Company Registry) of the holder of the registration, manufacturer, importer, distributor, or third party
- Name and professional registration number of the responsible technical professional
- Caption "IMPORTED PRODUCT" prominently displayed when it is an imported product

Our Quality department is responsible for establishing manufacturing processes alongside related areas and ensuring compliance and organizing the management of standards to be followed by the entire Group, ensuring that products comply with predefined specifications from the procurement stages of inputs to the complete distribution of products to the market. The criteria and requirements mentioned cover the entire Ourofino portfolio and serve as important tools in risk management and control, whether regulatory or sanitary.

Alongside Quality and the previously mentioned Customer Service team, the Pharmacovigilance team evaluates customer feedback on possible adverse effects or any issues related to the use of Group products for analysis and necessary actions.



Our Quality department is responsible for establishing manufacturing processes alongside related areas and ensuring compliance and organizing the management of standards to be followed by the entire Group, ensuring that products comply with predefined specifications from the procurement stages of inputs to the complete distribution of products to the market. The criteria and requirements mentioned cover the entire Ourofino portfolio and serve as important tools in risk management and control, whether regulatory or sanitary.

**In addition to Quality and the Customer Service team mentioned earlier, the Pharmacovigilance team evaluates customer scores regarding possible adverse effects or any issues related to the use of the Group's products for analysis and necessary actions.**

In 2023, health and safety impact analyses were conducted in the life cycle of 4 pharmaceutical product projects and 2 biologic product projects. For projects developed in partnership, the analysis is conducted by the partner itself. This care begins in the formulation development stage, where all legal health and safety parameters are met to ensure the lowest possible risk to product users. Then, we assess the risks of handling inputs and potential impact situations on the employees responsible for formulation in our industrial plant, and subsequently, all necessary safety measures are taken, whether through engineering measures, use of personal protective equipment, or collective

measures. GRI 403-7, 416-1

Additionally, chemical product safety data sheets (SDS), managed by the Occupational Health and Safety department, are used to understand the environmental risks in handling each input, as well as emergency measures for accidents involving chemical products. For hazardous products, we monitor the transport of emergency data sheets (EDS). All products are marketed with their respective package inserts. We also have communication channels responsible for capturing any situations or reports of potential impacts on the health and safety of users and consumers, which should be investigated and corrected if necessary.

Within our processes, we have a series of protocols focused on meeting safety parameters during manufacturing and product use, including residue depletion studies for all products applied to food-producing species (cattle, pigs, and poultry). We are concerned about product application in the field, as irrational use of antibiotics can favor the spread of antimicrobial resistance - substances that kill or inhibit the growth of microorganisms such as bacteria, fungi, and others - and this is one of the greatest challenges for global public health, with significant impact on human and animal life.

# Innovation and research



Research and innovation are core themes of the company. Historically, we have invested approximately 8% of our net revenue in research and development. We work on our own developments, with strategic

partnerships for joint developments, and we also invest in partnerships through the acquisition of solutions already available in the market.

Our network comprises over 30 consultants and partners in Brazil and abroad. Among these partners is Emerge Brasil, a consultancy that connects startups and researchers to companies. The partnership began in 2022 with the analysis of 54 projects, and in 2023, 135 projects were analyzed. The focus is on innovations related to ESG, following pillars that include governance, technology, competitive intelligence, fostering innovation programs, and relationships with startups.

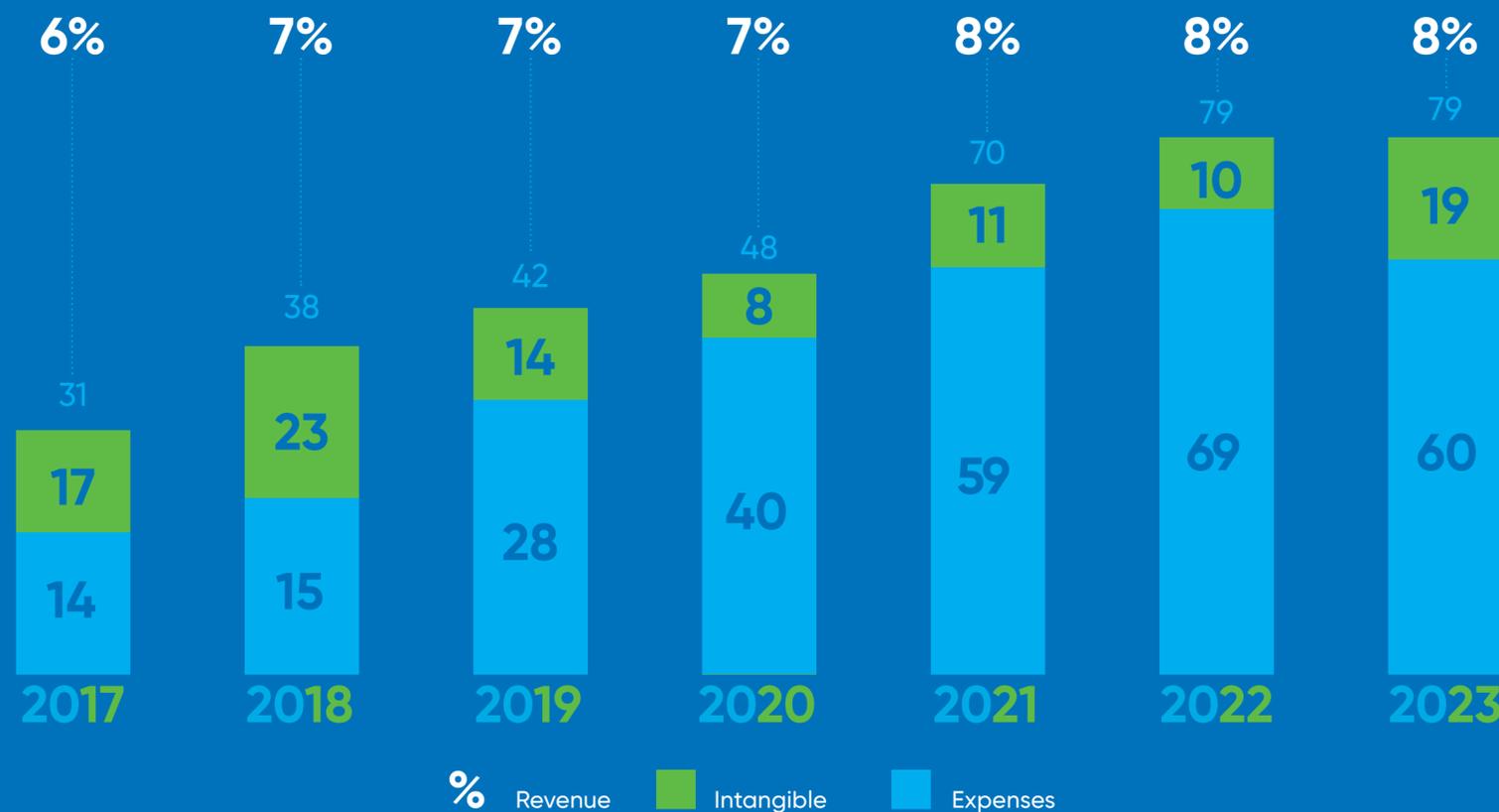
Another partner in 2023 was Biominas through the Biostartup Lab, a startup acceleration program. Ourofino hosted the 2023 Meeting of Colleagues from the Innovation Ecosystem of the Ribeirão Preto region, an event that brought together more than 100 people at our headquarters.

In our team, approximately 60% of the people in the Research and Development (R&D) area have at least one specialization, and 40% hold master's or doctoral degrees. We operate in research and development and follow the macro-trend of One Health, which encompasses the intersection of people, animals, and healthy environments.

Specifically for the production animal segment, we consider increasing productivity on rural properties through technification, prioritizing prevention over treatments, animal welfare, and the rational use of antibiotics. When it comes to the companion animal segment, we focus on the humanization of pets, veterinary specializations as already seen in human medicine, and again, the focus on disease prevention.

We continue to focus on the market for biologicals, medications, and supplements, as well as non-antibiotic additives.

## Research and Development (R&D) Investments Over Time



# R&D Governance



Ideation



Conception



Detailed Research



Initial Development



Industrial Scaling



Registration

- 
- 
- 

In the livestock segment, we have launched SiloSolve FC, a new inoculant that is revolutionizing global silage production. Developed by Chr. Hansen, the product has become the preferred choice for dairy and beef producers due to its exceptional fermentation speed and stability under different conditions and cultures.

SiloSolve FC is an inoculant resulting from the combination of two exclusive strains of bacteria, which optimize fermentation and

extend the aerobic stability of silage, helping preserve its nutritional value even in challenging conditions. It features *Oxycap* technology, exclusive to Chr. Hansen.

Silage production plays a vital role in feeding dairy and beef cattle. It addresses two fundamental needs that producers face: the scarcity of feed throughout the year due to weather conditions and the pursuit of more efficient utilization of available nutrients.

However, choosing the appropriate inoculant is crucial to the outcome of the

fermented material. Faster acidification and lower losses result in higher quality, with positive impacts on the health and performance of the herd, translating into significant economic benefits for producers.

With SiloSolve FC and proper ensiling management, it is possible to open the silo after just 7 days and already find stable material, fresher and with a longer feeding trough time.

- 
- 
- 
- 
- 
-

**For the pet market, we have expanded our line of supplements with Longil Dogs and launched Banni 3.**

Longil Dogs is the palatable paste version of the well-known Longil Snacks. The formulation contains Selenium, Zinc, Copper, Astaxanthin, EPA and DHA from marine sources, Vitamins C and E, among other active ingredients that act as support for physiological defense against the production and circulation of free radicals; maintenance of a healthy intestinal microbiome aiding in a good immune response; insulin utilization and cellular energy metabolism, muscle tone maintenance, and weight loss; neurotransmitter production; and proper brain function, assisting cognitive function and reducing stress and anxiety.

Banni3, on the other hand, is the most complete solution for protecting cats from internal and external parasites. The product brings three active ingredients and multiple protections against roundworms, flatworms, lice, mange, and fleas, offering two treatments (internal and external) in a solution based on praziquantel, moxidectin, and fipronil. The product is marketed in 0.3ml pipettes for cats weighing up to 2.5 kg and in 0.9 ml for those weighing between 2.6 and 7.5 kg.

**Supplements and antiparasitics represent a holistic approach to caring**

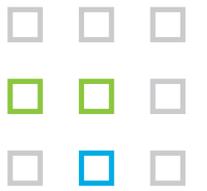


**for companion animals, promoting their well-being comprehensively.**

Dietary supplements provide an additional source of essential nutrients, aiding in maintaining health, preventing diseases, and prolonging the lifespan of dogs and cats. By investing in these products, Ourofino Animal Health demonstrates its commitment to promoting a healthy and balanced life for animals, directly improving their quality of life.

By focusing efforts on antiparasitics, Ourofino contributes to environmental sustainability by preventing parasitic diseases in companion animals. These products not only ensure animal health but also reduce the spread of parasites that could affect local ecosystems.

The concentration of investments in supplements and antiparasitics also reflects the company's ongoing pursuit of innovation and research at Ourofino. The company recognizes the importance of developing effective and safe solutions to meet the growing needs of the companion animal care market, following the global trend where in Brazil, according to the Annual Report of Comac 2022, the most sold medications are antiparasitics.



Focusing on these product categories, the company not only meets market demands but also plays an active role in building a healthier and more balanced future for companion animals and the environment as a whole.

In the international market, we have expanded our market share by taking solutions that are already successful in Brazil to other territories.

With the entry of Mitsui as a shareholder of the Ourofino Group, we also believe in the potential for expanding our network of contacts, with access to new technologies and companies in the Asian market.

In 2023, we implemented the Innovation Committee formed by the founding partners Jardel Massari and Norival Bonamichi, along with CEO Kleber Gomes, director Tetsuhiko Hiramatsu, from Mitsui, and Sue Ann Costa Clemens, a professional with extensive knowledge in the vaccine market, being a director of the Oxford Vaccine Group-Brazil and a professor in Global Health at the University of Oxford,

who acts as an independent member on the Committee. Two meetings were held throughout the year, with invited experts, to discuss topics such as animal reproduction and antiparasitics.

It is important to note that innovation is not limited to areas related to Research and Development of New Products or New Business. From idea to market, numerous people are involved in multidisciplinary work at Ourofino. Encouraging protagonism is essential for the progress of this type of work.

Any employee in the company has the opportunity to suggest improvements for the Company. Our purpose is to Reimagine Animal Health, and we know that this requires a multiplicity of perspectives. Through the + Ideas app, anyone in the company can submit an initiative focused on continuous improvement in the company. It's simple and in the palm of your hand. All initiatives are evaluated and feedback is provided to the proposer.

In the palm of their hand, employees can give suggestions for improvements related to any aspect of the Company. In 2023,

there were about 417 proposals registered, including ideas and projects.

The proposals are evaluated by a Committee that includes the Operational Excellence team and the manager of the area to which the idea is related. 100% of suggestions are evaluated and receive feedback, through the app itself, with written or video information. There are no standard responses. Each idea is evaluated and receives personalized feedback.

Approved suggestions move on to the implementation process. Depending on the complexity, they may be included in the Lean Six Sigma University scope, which is in its third year and includes the training of Lean Facilitators, for the initial level of work with the philosophy, and the training of *Green* and *Black Belts*, according to the globally recognized certification. In 2023, we trained approximately 38 *Green Belts* and 20 facilitators. The *Black* and *Green Belt* certifications entail 72 hours of training, while Lean facilitators undergo 16 hours of training. This initiative commenced in our 2019 Strategic Planning, integrating the pillar of

"Operational Efficiency." The Lean Six Sigma Philosophy has been part of Ourofino Animal Health's daily operations since 2017, when it was introduced to the industrial area.

In 2023, the Lean Six Sigma University Forum was broadcasted to the entire Ourofino Team and recognized six employees, with three in the PDCA methodology projects category and three in Dmaic.

**Overall, projects that generated efficiency in the process and financial savings in 2023 yielded about R\$ 2.7 million, 6% more than in 2022, when they generated savings of R\$ 2.5 million for Ourofino.**

# Innovation in our packaging

Ourofino is a pioneer in bringing Braille and audio bullets with technical information to the market to improve customer usability and contribute to diversity-related aspects.

In 2023, we continued to focus on innovations in our packaging, using recycled paper in launches and in new batches of product lines.

We also maintain constant evaluation for possibilities of adjustments in packaging and reduction of materials.





## Digital

Our digital processes were based on these three pillars: Operational Excellence, Customer Relationship, and Digital Products. Two major digital projects impacted the Company's day-to-day operations in 2023.

We migrated from SAP to the most modern and secure SAP S/4 HANA in the SAP cloud. Over 180 people were involved in the project, including employees and partners. There were over 20 partner companies, seven months of projects, and over 1,000 testing scenarios. The result came accurately. On the first day after the system turnover, it was already possible to carry out billing processes without impacting the business. The project was presented at the *SAP Enterprise Cloud Services Customer Council*, an event where cases and experiences are shared and suggestions are made to SAP, and at *Sapphire São Paulo*, SAP's annual event for all customers.

The *Salesforce Lightning* project shed light on the management of commercial relationships. Internally called *Farol 360*, the new working methodology initiated by the

production animal team brought digital aspects to the daily routine of the commercial team more effectively.

We continue with the digitalization processes in various areas of the Company, such as in Quality with the enhancement of the *Qualitech* initiative, for document digitalization and the use of *Power BI* to accelerate process analysis, which impacts, for example, faster responses to our customers. Constant training of the team is essential support for continuous improvement in analysis.

In 2023, we reviewed our technology risk matrix. For 2024, we will continue with the implementation of artificial intelligence in our actions. This technology, for example, is part of our daily routine in R&D, helping in the analysis of inputs before they go to the bench, in the development of new formulations, and in the analysis of component compatibility in a formula, speeding up the process of developing new products.



# Climate change



GRI3-3 Material theme

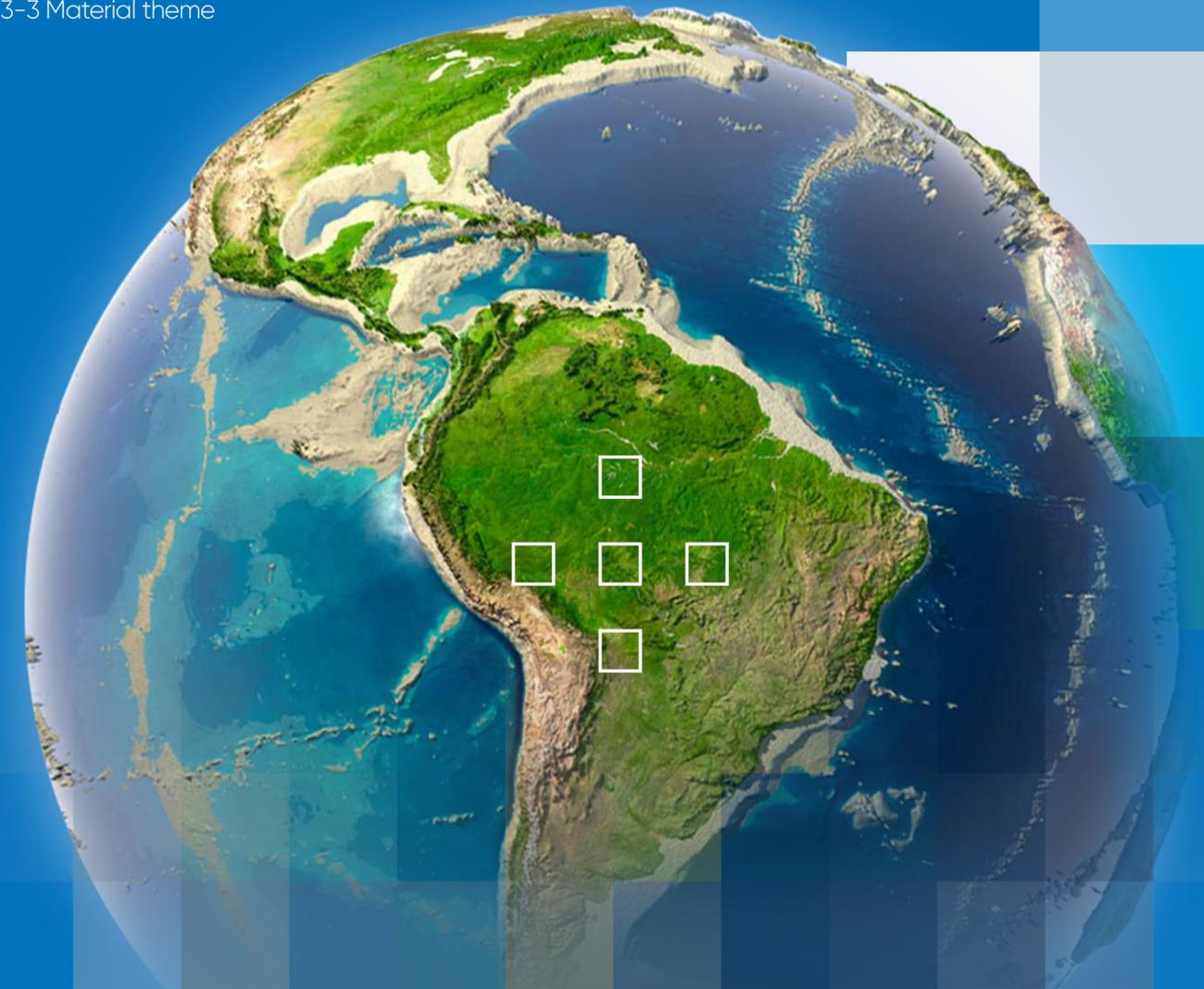
Addressing the needs of people, animals, and the environment is important for Ourofino, and we strive every day to conduct business in a safe and environmentally responsible manner.

These aspects are reflected in our Integrated Environment, Health, and Safety Policy and in our ESG Policy.

Climate change is a material issue for Ourofino due to its significant impacts on agriculture, as animal protein production, in general, can be affected by changes in weather conditions. The intensification of natural disasters and the emergence or increase of pests and anomalies associated with climate variations are aspects with potential impacts on the sector. The animal health market is intrinsically linked to the performance of the livestock market and, thus, with the potential reduction in sector productivity caused by climate change, we

may encounter problems in the production and distribution of our products, including a reduction in the availability of raw materials. Additionally, the scenario may trigger the emergence of new regulations that increase producers' costs for compliance, resulting in regional and seasonal decreases or fluctuations in our operational results.

For companion animals, whether it be excessive heat or sudden cold, climate change greatly influences the health and well-being of our pets, with one of the most common consequences being respiratory diseases, which mainly affect dry and cold climates, facilitating the spread of viruses and bacteria.



In 2023, we did not incur any financial or material losses in our operations due to adverse weather events such as droughts, floods, and snowstorms. GRI 201-2

Faced with these challenges, we have been striving to mitigate the impact of our operations on the environment by engaging all areas in this common goal of integrating environmental issues into all our projects and practices.

Annually, we conduct a Greenhouse Gas (GHG) inventory in accordance with the Brazilian GHG Protocol Program, which is responsible for adapting the GHG Protocol method to the Brazilian context and developing GHG emission calculation tools. We used the emission factor from the year 2022 to calculate the emissions for 2023, as our report is published along with the annual disclosure of the GHG Protocol.

In 2023, our activities were responsible for emitting 5,155.98 tCO<sub>2</sub>e of Scope 1 (direct) emissions, representing a 35% decrease compared to the previous fiscal cycle. This decrease was mainly driven by the reduced activation of our energy generators that were not in demand. We also had the shutdown of the foot-an-

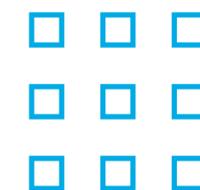
d-mouth disease vaccine factory, impacting energy and natural gas consumption at the Cravinhos (SP) operations. GRI 305-5

Within Scope 2, for another year, Ourofino ensures 100% of energy supply from renewable sources for the Cravinhos (SP) industrial plant through the purchase of renewable energy certificates (I-REC).

Regarding Scope 3 emissions, we did not make significant progress and managed to include one more source in our analysis radar. We acknowledge the importance and impact of Scope 3 emissions but did not prioritize this area due to the inclusion of new operations at the inventory limit and ongoing I-REC negotiations.

Based on the inventory-generated data annually, we design strategies for mitigating and adapting GHG emissions throughout the operation. Some of the working fronts include:

- **Renewable Energy Certification:** seeking cleaner energy and mitigating Scope 2 greenhouse gas emissions.
- **Cleaner fuels:** substituting fuels with lower emission footprints for some equipment and vehicles.
- **Animals:** reducing dairy cattle at the Guatapar (SP) farm.
- **Boiler:** seeking more sustainable technology for boiler operation.
- **Packaging:** 76% of our purchases of cartridges and packaging displays were offset.



		2021	2022	2023
<b>Total GHG emissions (tCO<sup>2</sup> equivalent)</b> <small>GRI 305-1, 305-2</small>	Direct emissions of scope 1	6.147,28	7.966,64	<b>5.155,98</b>
	Biogenic emissions of scope 1	287,59	864,87	<b>261,89</b>
	Indirect emissions of scope 2	1.456,84	23,33	<b>27,79</b>
		2021	2022	2023
<b>GHG emission intensity</b> <small>GRI 305-4</small>	Total GHG emissions (tCO <sup>2</sup> equivalent)	7.604,12	7.989,97	<b>5.183,77</b>
	Total annual production volume (t)	6.692,10	5.761,00	<b>5.100,00</b>
	GHG intensity (tCO <sup>2</sup> equivalent/t produced)	1,14	1,38	<b>1,02</b>
		2022	2023	
<b>Other GHG emissions (tCO<sup>2</sup> equivalent)</b> <small>GRI 305-3</small>	Transportation (employee commuting) Scope 3	461,22	<b>965,5</b>	

Below, we list our main actions focused on reducing environmental impact, both through efficiency gains and smarter use of natural resources.



# Water and Effluents

GRI 303-1, 303-2

**Water is a crucial natural resource for the continuity and growth of Ourofino's business.**

Potential water scarcity could compromise financial and operational results, even risking the viability of production processes. Water usage is present in all production stages, being essential for solution development as well as ensuring sanitary standards for each process.

With this in mind, the Company always seeks to reduce consumption in its operations, improving efficiency through initiatives and new technologies for reuse and waste reduction.

To enhance water efficiency, the Company monitors consumption and reuses water from two systems: reverse osmosis and thermocompressor. Both systems produce purified water that becomes a raw material for production.

As we manufacture veterinary medicines and prioritize product quality and safety, we have restrictions on using recycled water in our operations. Therefore, initiatives in this direction focus on processes that do not require potable water as input, such as reusing water from the reject generated by the reverse osmosis process and the thermocompressor system. This recycled water is used for irrigation and replenishing the water reservoir for fire control (the company's headquarters lake), resulting in greater efficiency and overall consumption savings.

Water resource management is conducted integrally between the environmental and utilities teams. All water management follows the quality standards required by Brazilian legislation, with processes monitored by management indicators focused on consumption, quality, and efficiency. Additionally, we promote responsible practices for using this natural resource in all Group operations.

In 2023, water consumption at the industrial complex in Cravinhos (SP) came from the artesian well, with an authorized pumping volume of 42 m<sup>3</sup>/h. Both the withdrawal volume and other important characteristics



of resource use are continuously observed and analyzed by management indicators.

In the offices in Mexico, Colombia, and the operations in Campinas (SP), specifically the NeoStem production laboratory, water from the public supply network is used in a non-significant amount.

While meeting the needs of animal health, we understand that there may be water-related risks in the areas where we operate. Therefore, we monitor the region where our operations are located using the WRI Aqueduct tool (*World Resources Institute*), which

alerts us to potential risks of resource unavailability, including changes or significant threats to the Guarani Aquifer, our source of water supply.

### Total volume of water captured by source (m<sup>3</sup>)

GRI 303-3

Operation	Source	2021	2022	2023
Cravinhos (SP)	Groundwater (artesian well)	0	0	103.222,00
	Municipal water supply network	102.655,00	118.235,00	19.630,00
	Third-party water (water truck)		2.470,00	0
	<b>Total</b>	<b>102.655,00</b>	<b>120.705,00</b>	<b>122.852,00</b>
Campinas (SP)	Municipal water supply network		62,17	71,49
	<b>Total</b>	<b>102.655,00</b>	<b>120.767,17</b>	<b>122.923,49</b>

**Note 1:** Value referring to Cravinhos (SP) and Campinas (SP) operations.

**Note 2:** We do not report the operations in Guatapar (SP), Mexico, and Colombia.

### Water consumption (m<sup>3</sup>)

GRI 303-5

Source	2021	2022	2023
Water captured	102.655,00	120.705,00	122.852,00
Effluent	21.224,00	30.510,00	24.855,19
<b>Total</b>	<b>81.431,00</b>	<b>90.195,00</b>	<b>97.996,81</b>

**Note:** This value refers only to the Cravinhos (SP) operation, as in the other operations, all captured water is consumed.





The operations of Grupo Ourofino have activities that generate effluents potentially impacting the environment (contamination of soil and water bodies) and human health. The company's headquarters in Cravinhos (SP) has two Effluent Treatment Plants (ETEs), where all wastewater and part of the sanitary sewage are directed. The effluents generated in various production stages at our factories are treated before being discharged into the environment. This is possible because 100% of our plant has these structures, where the input undergoes physical-chemical treatments followed by biological treatments, so that, at the end of the process, it me-

ets the discharge standards required by applicable federal or state regulations.

To operate satisfactorily, the system relies on standardized operations and daily monitoring, which analyze the effluent quality and equipment operation. Monthly and quarterly, we collect effluent samples, which are sent for analysis to an accredited external laboratory. The data is recorded, accompanied by parameters established in State Decree No. 8468/76. The treated industrial effluent and raw sanitary sewage are discharged into the public sewer system and directed to the municipality's Sewage Treatment Plant,

with a total of 24,855.19 m<sup>3</sup> being discharged in 2023. There is no direct discharge of effluent/sewage into water bodies.

In 2023, we continued with the third phase of restructuring our ETE, which included the automation of various processes, contributing to the management, efficiency, and effectiveness of the operation itself, with an investment of R\$187,046.02.

**Disposal of effluent (m<sup>3</sup>)** GRI 303-4

	2021	2022	2023
<b>Municipal sewage collection network Cravinhos (SP)</b>	21.224,00	30.510,00	<b>24.855,19</b>

# Energy

We strive for maximum efficiency in our processes and consider the expansion of renewable sources fundamental to our business strategy. Combining a cleaner, lower-cost energy matrix while promoting more sustainable practices throughout the chain, we believe, is the best approach.

Ourofino continuously strives to make its facilities energy-efficient. It has an action plan to help facilities reduce demand and the type of energy, thereby contributing to the reduction of greenhouse gas emissions (GHG). The plan includes large-scale projects, measurement, and monitoring to assess and identify opportunities for continuous improvement. Energy savings are pursued through equipment reliability, efficient operation of utility systems, and efficient construction in the systems.



Energy consumption within the operation is managed in real-time and directly monitored by the Utilities department, which maintains dedicated teams ready to respond to any repair or failure needs. Currently, our Cravinhos (SP) operation has an average annual consumption of 1,728 MW/h and is powered by energy from the Free Market.

Driven by the mitigation of the environmental impact of our emitting sources, in 2023, our Cravinhos (SP) operation continued to purchase 100% renewable energy, proven through I-REC (International REC Standard- Renewable Energy Credits), a system used for tracking the environmental attributes of energy, allowing companies to verify if their generated and/or consumed energy is of renewable origin.



## Energy consumption within the organization (GJ) GRI 302-1

		2021	2022	2023
Cravinhos (SP)	<b>Non-renewable Fuel</b>			
	Liquefied Petroleum Gas (LPG)	0	311,75	344,76
	Natural Gas (NG)	39.188,40	46.637,97	38.805,4
	Diesel Oil	1.274,40	1.011,99	367,77
	Gasoline	-	118,42	118,81
	Electricity*	84.251,00	-	-
	<b>Renewable Fuel</b>			
	Electricity	-	79.898,20	74.656,36
	<b>Total</b>	124.713,80	127.978,33	114.293,10
	Guatapar (SP)	<b>Non-renewable Fuel</b>		
Liquefied Petroleum Gas (LPG)		-	18,46	5,02
Diesel Oil		-	112,34	46,77
Electricity		-	527,90	1.682,00
<b>Total</b>		658,70	1.733,79	
Campinas (SP)	<b>Non-renewable Fuel</b>			
	Diesel Oil	-	2,25	7,8
	Electricity	-	132,77	643,64
<b>Total</b>		135,02	651,44	
Mexico	<b>Non-renewable Fuel</b>			
Electricity	-	12,31	17,5	
Colombia	<b>Non-renewable Fuel</b>			
Electricity	-	9,27	10,86	
<b>TOTAL</b>		124.713,80	128.793,63	116.706,69

## Energy Intensity GRI 302-3

	2022	2023
Total energy consumption (GJ)	128.785,99	116.706,69
Volume produced (t)	5.761	5.100
Energy Intensity (GJ/t produced)	22,4	22,8

Note: Includes all operations

## Energy Intensity Operations Cravinhos GRI 302-3

	2022	2023
Total energy consumption (GJ)	127.978,33	114.293,10
Volume produced (t)	5.761	5.100
Energy Intensity (GJ/t produced)	22,2	22,4

Note 1: (\*) Electricity from the Cravinhos (SP) operation became 100% renewable energy from 2022.

Note 2: The decrease in the total value was mainly due to the reduction in the activation of our energy generators that were not in demand. We also had the shutdown of the foot-and-mouth disease vaccine factory, impacting energy and natural gas consumption in the Cravinhos (SP) operations.

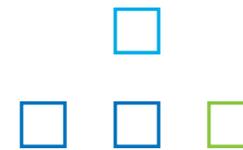
# Waste and Packaging

GRI 306-1, 306-2

Waste management within the Company complies with a series of technical standards and legislations in each of the regions of operation. To minimize our environmental footprint and align with the United Nations Sustainable Development Goals, we strive to identify deviations in our production processes, as we believe that more than just giving correct disposal to waste, we need to reduce its generation.

Significant waste generation within the Group is concentrated in our industrial complex (SP). The generated waste is segregated, conditioned, and disposed of according to its characteristics and normative parameters. We have our own storage centers for solid and liquid waste, while transportation and treatment are carried out by specialized third-party companies that are approved and verified before establishing contracts.

We divide our operational waste into two categories:



- **Hazardous Waste** These belong to Class 1 and are materials that pose risks to public health and the environment, requiring special treatment and disposal due to their characteristics such as flammability, corrosiveness, radioactivity, among others.

- **Non-hazardous Waste:** These include all other operational waste that does not pose risks.



In 2023, management closely monitored the byproducts that could serve as raw materials in processes of other chains or even within our own. This management allowed us to continue the Circular Economy Program - (AD Circular Program), where the *liner* waste from our labeling process was destined for reuse. In some packaging lines of the Company, this waste is generated during the process. The *liner* is the label support produced from paper (Glassine). This material is not recycled due to technical difficulties, as it contains silicone residue and adhesive. The volume destined for reuse was 4,758 kg.

During the period, we acquired a machine capable of shredding tree branches and general sweeping leaves. Previously, these waste materials were disposed of as urban waste, but starting in 2023, we operated the equipment and directed the waste for gardening purposes, serving as fertilizer for the company's green area. In addition to saving money, this initiative also addresses environmental concerns.

The third-party service providers for transportation and disposal of waste undergo both documentary and technical approval, along with constant monitoring of the relevant documentation for this activity, thereby reducing inherent risks in the process and ensuring the correct disposal of waste in line with legislation and the Company's guidelines and commitments.

One of the actions taken by the operational excellence team regarding waste was the optimization of packaging materials in the current portfolio and the reduction of raw material and packaging losses in the production process, resulting in a decrease in waste disposal.

As part of the sustainability plan, Ourofino is committed to establishing a reverse logistics plan in the country, focusing on mitigating the impact generated by 100% of our recyclable packaging generated by the Company. As a result in 2023, we offset 574.11 tons of paper and 40.45 tons of plastic. This offsetting practice is certified by regulatory agencies and is in compliance with the National Solid Waste Policy.

### We have made progress

### in projects to improve our products through ecodesign and packaging reformulation.

All initiatives were led by the sustainable packaging working group, created in 2021, through the following strategies:

- Use of paper produced from recycled sources (circular materials);
- Reduction of material consumption (by removing packaging items or using materials with lower grammage or dimensions);
- Use of materials from renewable sources (such as green resins, which are of plant origin and not derived from petroleum);
- Transforming plastic packaging into biodegradable materials.



## Waste Destined by Composition (kg)

GRI 306-3, 306-4, 306-5

Non-hazardous	Quantity			Not destined for final disposal*			Not destined for final disposal**		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Plastic	122.623,50	150.220,00	70.060,50	122.623,50	150.220,00	70.060,50	-	-	-
Metals	120.767,00	118.870,00	65.419,50	120.767,00	118.870,00	65.419,50	-	-	-
Paper/cardboard	167.847,50	139.070,00	147.576,00	167.847,50	139.070,00	147.576,00	-	-	-
Wood	158.814,00	142.630,00	85.238,00	9.342,00	8.390,00	85.238,00	-	-	-
Urban waste	26.130,00	16.840,00	-	-	-	-	26.130,00	16.840,00	-
Construction waste	471.130,00	246.890,00	73.320,00	-	-	-	471.130,00	246.890,00	73.320,00
Organic waste	-	62.000,00	22.070,00	-	-	-	-	62.000,00	22.070,00
<b>Total</b>	<b>917.840,00</b>	<b>742.282,00</b>	<b>463.684,00</b>	<b>420.580,00</b>	<b>416.550,00</b>	<b>368.294,00</b>	<b>497.260,00</b>	<b>325.730,00</b>	<b>95.390,00</b>
Hazardous	2021	2022	2023	2021	2022	2023	2021	2022	2023
Incineration (***)	260.664,00	300.761,50	264.545,00	-	-	-	260.664,00	300.761,50	264.545,00
Co-processing	74.550,00	-	-	74.550,00	-	-	-	-	-
Contaminated drums (recovery)	16.545,00	4.250,00	41.076,00	16.545,00	4.250,00	41.076,00	-	-	-
Autoclave	-	3.040,00	6.227	-	-	-	-	3.040,00	6.227,00
<b>Total</b>	<b>349.939,00</b>	<b>308.051,50</b>	<b>311.848,00</b>	<b>91.095,00</b>	<b>4.250,00</b>	<b>41.076,00</b>	<b>260.664,00</b>	<b>303.801,50</b>	<b>270.772,00</b>

**Note 1:** The reported non-hazardous data refers to the industrial complex in Cravinhos (SP).

**Note 2:** (\*) Recycling in general with or without energy recovery (recycled).

**Note 3:** (\*\*) Disposal in landfill or incineration (non-recycled).

**Nota 4:** (\*\*\*) Hazardous waste sent for incineration consists of contaminated materials generated in production processes and laboratory analyses and refers to operations in Cravinhos (SP) and Guatapar (SP).

**Note 5:** All glass waste is not weighed as it has low representativity.

**Note 6:** Organic waste refers to the months from August to December 2023 due to issues with weighing in the first semester.

**Note 7:** In 2021 and 2022, in the non-hazardous waste indicator (wood), the value was entered in units and not in kg. The calculation has been redone and included in this edition.



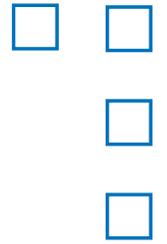
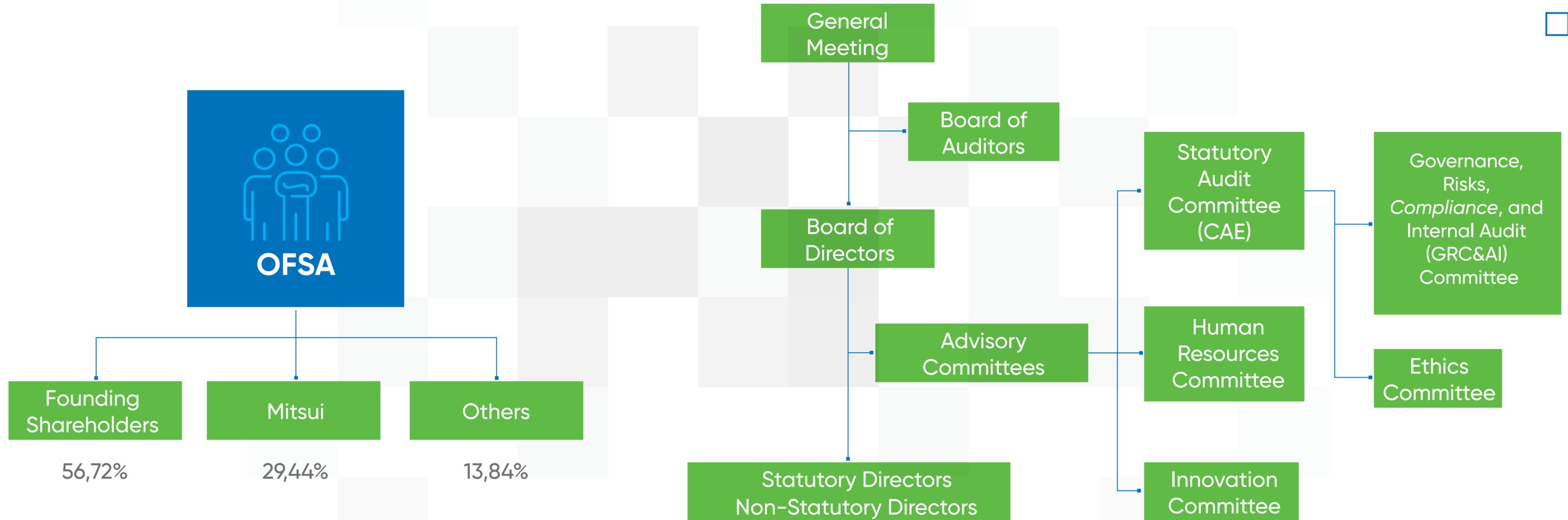
# Corporate Governance

Our foundation is built upon a strong culture and continuous improvement process of the Company's management mechanisms, adopting the best practices of corporate governance, creating value, establishing trusted relationships with stakeholders, and generating sustainable results throughout the value chain.

We adopt the best practices of corporate governance required by the Novo Mercado of B3 and the recommendations of the Brazilian Institute of Corporate Governance (IBGC).

In 2023, we maintained our governance structure composed of the General Meeting of Shareholders, the Board of Directors, and the Statutory Directors, in addition to the Fiscal Council and the Ethics Committee. We also have the Statutory Audit Committee (CAE), an independent advisory body directly subordinate to the Board of Directors, and two non-statutory committees that support decision-making in higher instances: the Human Resources Committee and the Innovation Committee. GRI 2-9

### Shareholding Structure



## General Meeting

The primary decision-making body of the Company is the General Meeting of Shareholders, which has the authority to deliberate on the increase or reduction of the company's share capital and other reforms of the Bylaws; election or removal, at any time, of members of the board of directors and fiscal council; annually review the management's accounts and deliberate on the financial statements and transformation, merger, acquisition, spin-off, dissolution, and liquidation of the company, among other measures. Shareholders are responsible for directing the corporation regarding matters of major relevance. In 2023, three assemblies were held.

## Board of Directors

The board consists of six members, four of whom (66%) are independent. Its attributions are listed in Ourofino's bylaws, internal regulations of the board, and applicable legislation. Responsible for establishing the overall direction of the business, ensuring its continuity, it decides on strategic issues, approves policies, and delegates to the various directorates the autonomy to address socio-environmental impacts. GRI 2-12, 2-13

Jardel Massari, co-founder, serves as the Chairman of the Board of Directors, in accordance with the New Market Regulation, without also holding the position of CEO of the Company. The board

members took office in April 2022, with the exception of Yasushi Sugimoto, who was elected in January 2023, and Yoshifumi Hatanaka, who was elected to the Board in March 2023, replacing Tetsuhiko Hiramatsu, following the Agreement of Shareholders resulting from the market operation of selling Opportunity's shares to Mitsui, which took place in 2022. GRI 2-11

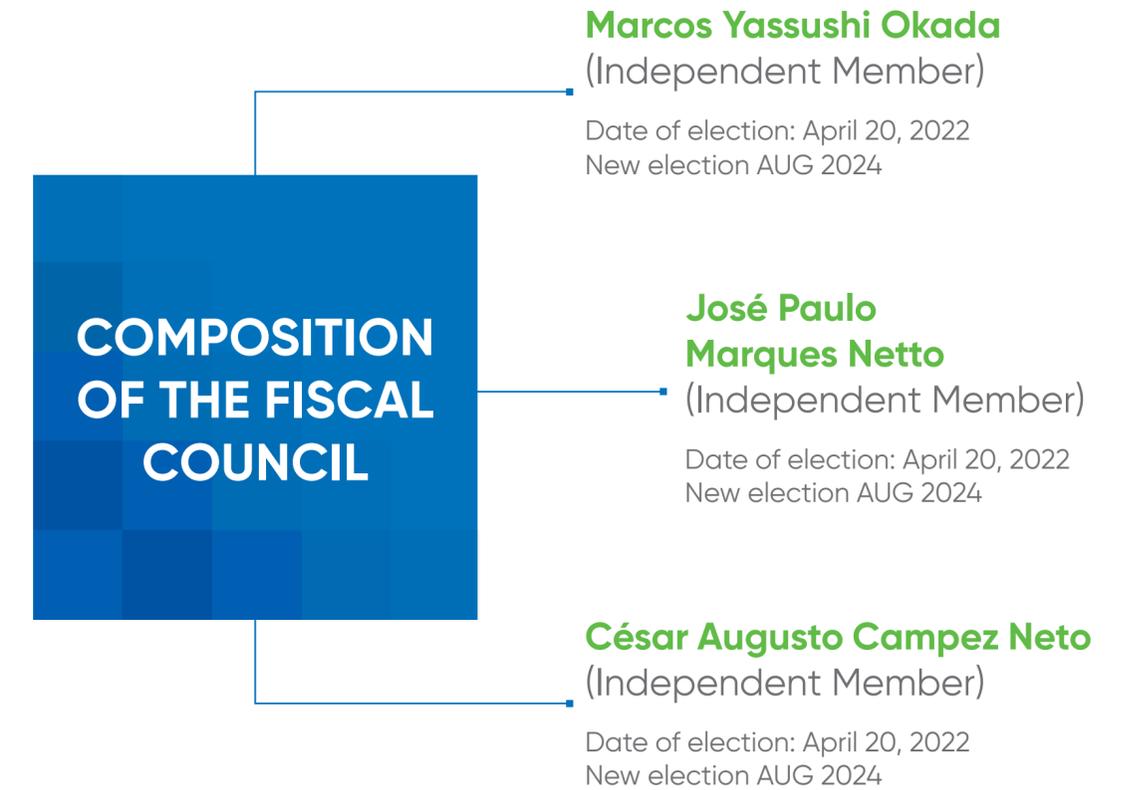
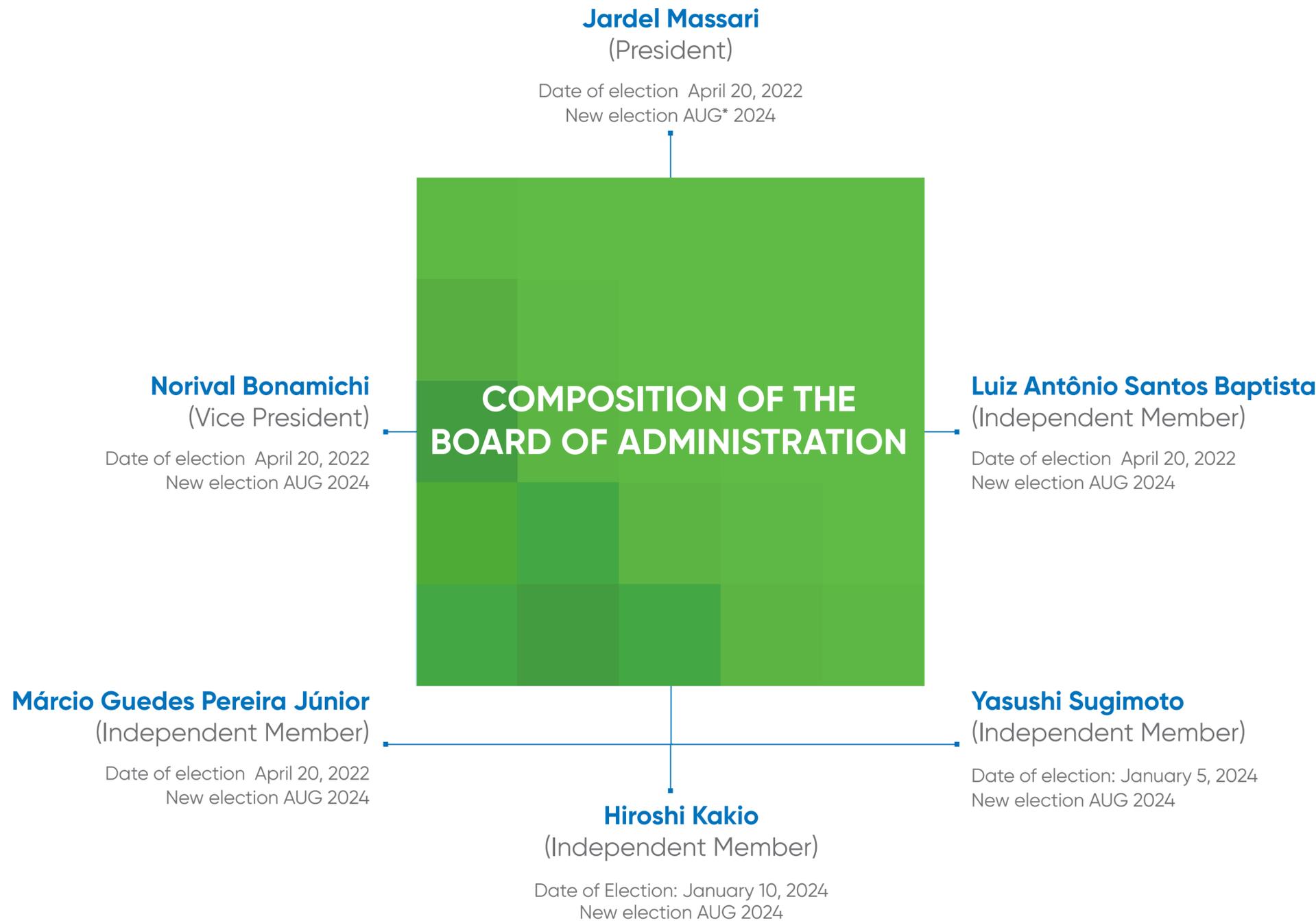
### Ourofino has a policy for appointing members of the Board of Directors, advisory committees of the Board of Directors, and the Statutory Board of Directors.

This policy sets out the guidelines and criteria adopted by Ourofino in the selection and appointment process of the members of the organs governed by the policy, as well as the appointment process of each organ. The criteria encompass diversity, independence, and relevant competencies for the Group's impacts. The policy is available on the website [ri.ourofino.com](https://ri.ourofino.com). GRI 2-10

The evaluation of the Board of Directors, its advisory committees, and the Statutory Board of Directors is conducted through a collective view, self-assess-

ment, peer assessment, and assessment of the CEO by the Board of Directors through the completion of a form with closed and open questions. One of the topics is strategy and business, with questions about economic, environmental, and personnel practices. The process is conducted by the Human Resources and Sustainability Directorate with the support of the governance secretary, on an annual basis. The results are calculated by the same directorate and brought for discussion with the organs. Based on the results, action plans are developed to be implemented in the following year. Based on the results, action plans are developed to be implemented in the following year. GRI 2-18

Critical concerns are first scrutinized by the Directorate and, if necessary, presented at regular meetings of the Board of Directors. In 2023, three concerns were raised, related to product development, business strategies for the commercialization of stem cells, and executive performance. GRI 2-16



Our Fiscal Council was installed in April 2022 and consists of three independent councilors. Its role is focused on overseeing and evaluating decisions made by the administrators of the Ourofino Group. In the last year, the Fiscal Council monitored compliance with legal and statutory duties, as well as resolutions and financial statements issued. In 2023, the following members led the council:

\*AGM (Annual General Meeting)

\*\*EGM (Extraordinary General Meeting)

# Advisory Committees of the Board of Directors

## Statutory Audit Committee (CAE)

- Luiz Antônio Santos Baptista**  
(Coordinator, Board of Directors member)
- Lucilene da Silva Prado**  
(Independent member)
- Eduardo Scarpellini**  
(Independent member)

## Human Resources Committee

- Kleber Gomes**  
(CEO)
- Jardel Massari**  
(Chairman of the Board of Directors)
- Márcio Guedes Pereira Júnior**  
(Independent member of the Board of Directors)

## Innovation Committee

- Kleber Gomes**  
(CEO)
- Norival Bonamichi**  
(Vice Chairman of the Board of Directors)
- Tetsuhiko Hiramatsu**  
(full member)
- Sue Ann Costa Clemens**  
(Independent member)

## Ethics Committee

- Katia Lobo**  
(Director of People, Culture, and Sustainability)
- Rodrigo Lazzarini**  
(GRC&AI Manager)
- Karina Ferrarini José Bedani**  
(Legal Manager)

## Statutory Audit Committee (CAE)

An advisory body, directly linked to the Board of Directors, composed of 3 external counselors, one of whom is also a full member of the Board of Directors. Among other duties defined in its bylaws, the CAE is responsible for reviewing and supervising the activities of internal and external auditors; monitoring the quality and integrity of internal control mechanisms and financial and accounting information; assessing and monitoring the Company's risk exposure; supervising and monitoring the mechanisms of OuroFino's integrity and *compliance* program.

## Board of Auditors

A body responsible for overseeing the actions of administrators and ensuring compliance with their legal and statutory duties, reporting to the administrative bodies any errors, frauds, or crimes they discover, and analyzing the balance sheet

and other financial statements prepared periodically by the Company.

## Ethics Committee

Composed of GRC&AI, HR, and Legal areas, the Committee is an entity established by the Ourofino Group's Code of Ethics with the purpose of resolving issues and doubts involving the practice and compliance with the ethical values and conduct standards of the Ourofino Group.

Additionally, it acts as an advisory body to the Statutory Audit Committee regarding internal integrity mechanisms and procedures, periodically monitoring *compliance* indicators and any cases of non-compliance, as well as directing internal audits in the process of investigating complaints received through our Whistleblower Channel.

## Executive Board

The Statutory Board (composed of Kleber Gomes and Marcelo Silva) and the non-statutory board (composed of the remaining members) are responsible for executing the entire strategic planning of the Ourofino Group and ensuring business development. The boards operate according to the Company's articles of association, social contracts of subsidiaries, resolutions of the General Meetings and the Board of Directors, and ethical standards defined in our Code of Conduct.

— **Milton Rizo**

Director of Industrial Operations

— **Rui Nóbrega**

Director of International Business

— **Leonardo Brandão**

Director of the Companion Animal Business Unit

— **Kátia Lobo**

Director of People, Culture, and Sustainability

— **Kleber Gomes**

CEO

— **Janaina Pinotti**

Executive Quality Manager

— **Ferdinando Almeida**

Director of Research and Development

— **Marcelo Silva**

CFO and Investor Relations Officer

— **Tetsuhiko Hiramatsu**

Director of Corporate Planning



# Ethics and Compliance

GRI 3-3

We remain committed to creating a work environment where ethics and integrity are the foundation of how we operate, earning the trust and credibility of our *stakeholders*.

The Governance, Risks, Compliance, and Internal Audit (GRC&AI) department operates with complete independence and reports directly to the Statutory Audit Committee (CAE). It is responsible for leading the agenda on ethics and *compliance* and ensuring compliance with controls and processes throughout the Company, including financial, environmental, and human resources aspects.

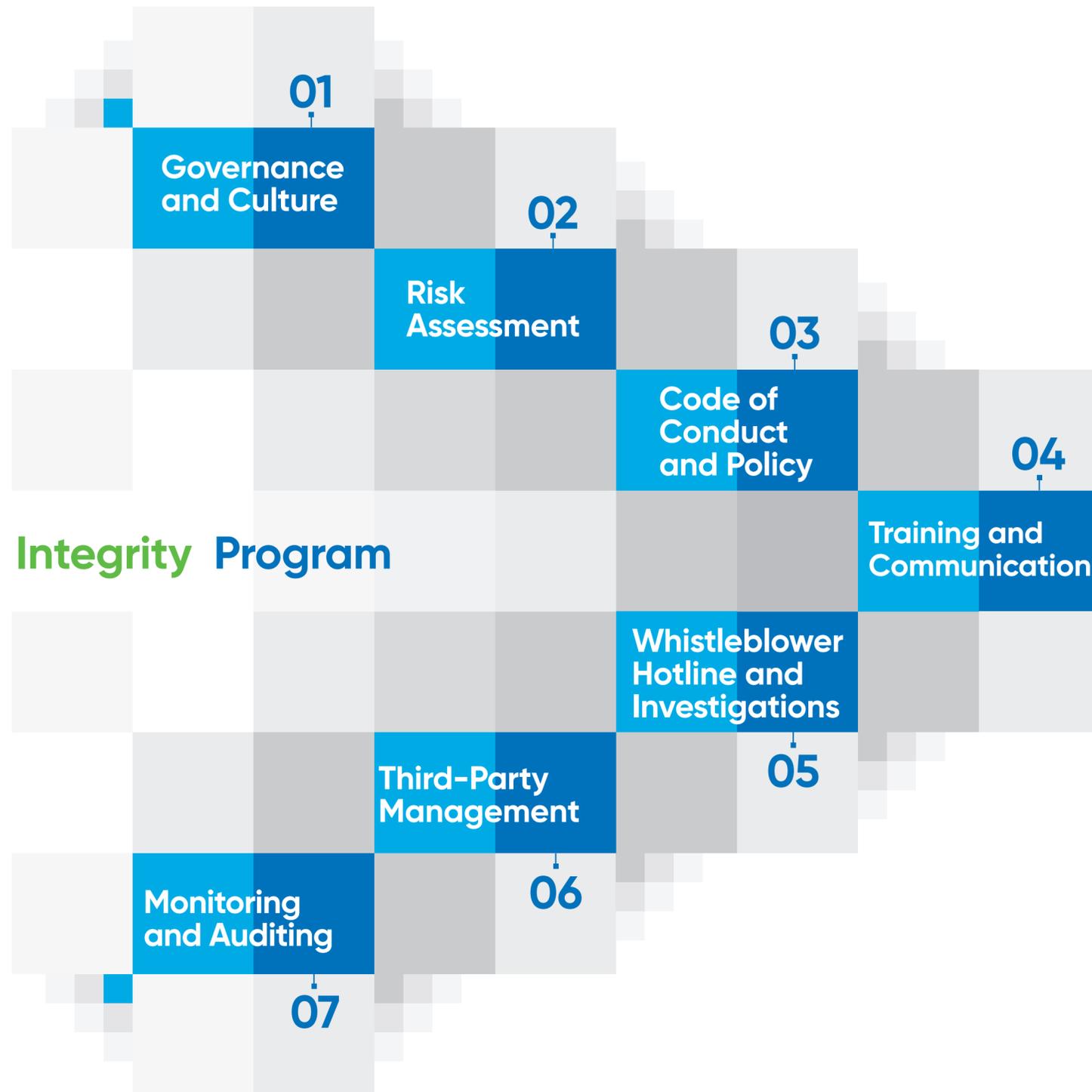
Additionally, we have a sustainability department responsible for managing and identifying the impacts of these aspects, periodically reporting to management bodies. GRI 2-13, 2-17

To support and guide awareness and engagement actions on integrity, we have an Ethics Committee comprised of leaders from Human Resources, GRC&AI, and Legal departments. This committee works to clarify issues and doubts related to the practice and compliance with ethical values and conduct standards, as well as monitoring the progress of proposed actions in meetings and tracking engagement activities.

We have a robust *Compliance* Program certified by external bodies such as the Ministry of Agriculture, Livestock, and Supply (Mapa) and the Office of the Comptroller General (CGU), aimed at promoting and ensuring organizational compliance with laws, regulations, and ethical standards, as well as fostering a transparent and ethical corporate culture.

Our *Compliance* Program is structured around 7 pillars, as shown in the figure below.





+ + +

This program is based on the creation of transparent policies and procedures, such as the Conflict of Interest Policy, Antitrust Policy, and Anti-Corruption and Anti-Bribery Policy, continuous identification and assessment of legal and ethical risks, implementation of effective internal controls, and promotion of collective responsibility for corporate integrity.

**Additionally, it incorporates mechanisms for communication and training aimed at disseminating and strengthening an organizational culture centered on ethics, transparency, and accountability.**

Our Conflict of Interest Policy aims to establish guidelines and procedures for the prevention, identification, declaration, and resolution of situations that may represent actual, potential, or apparent conflicts of interest, promoting reasonable measures to ensure transparency and independence in relationships established, as well as enabling effective management of potential conflicts and their possible consequences. In line with this policy, a formal Conflict of Interest Declaration process has been implemented, which is completed by all our employees, managers, and directors. This process is updated annually or whenever there is a new factor to be declared. The types of conflicts of interest and the declaration and evaluation process are outlined in the Policy. GRI 2-15



- 
- 
- 

Our anti-corruption and anti-bribery policy reflects our unwavering commitment to integrity, transparency, and responsibility in business, constituting a fundamental pillar of our sustainable approach. We have established rigorous guidelines to prevent and combat corruption and bribery practices in all spheres of our operation. Our principles include strict prohibition of bribery, improper payments, facilitation of kickbacks, and any other form of corruption. Additionally, we promote an organizational culture that values ethics, encourages responsible reporting of suspicious activities, and fosters collaboration with competent authorities. We continuously invest in training programs for awareness and empowerment of our team, reinforcing the importance of compliance with applicable anti-corruption and anti-bribery laws.

Furthermore, we are signatories to the Business Pact for Integrity and against Corruption of the Ethos Institute, an initiative aimed at engaging business leaders, governments, and civil society in adopting practices that promote transparency and

combat corruption.

Our concern for ethical and legal compliance applies to the entire business chain, with a strong stance against all forms of corruption, bribery, money laundering, and other conduct contrary to the law and principles of good corporate governance. The Company encourages its suppliers of goods and services to adopt integrity-based behaviors consistent with the same principles, as set forth in our Supplier Code of Conduct.

**As part of our Third-Party Management Program, we have a digital platform for due diligence and background checks, used for assessing national suppliers, which utilizes algorithms to search for data and information in public databases for a**

**comprehensive evaluation of potential integrity and/or compliance risks associated with third-party associations.**

The results are subjected to a risk matrix, where, depending on the findings, cases are forwarded for internal analysis, according to the competent authorities' jurisdiction. We also have a module of this platform that allows us to identify potential negative media associated with national and international third parties.

The Company has several mechanisms, both prior to potential complaints and for redress of formalized complaints, which seek to prevent or mitigate the risks and damages resulting from an act that has a negative impact. The processes adopted to remedy negative impacts include the creation of policies, routine monitoring of processes and complaints made to the customer service department, improvement of internal controls, awareness-raising, reporting of sensitive cases to governance





bodies (board of directors, Board of Directors, committees), creation of task forces for specific actions, establishment of crisis committees, etc. GRI 2-25

Annually, we review the internal audit plan by evaluating each operational process with a focus on the pillars of Strategic, Financial, Fraud and Corruption, Compliance, Operational, Accounting, Reputation, Continuity and Permanence, and Data Privacy, as well as their connection with the material ESG (Environmental, Social, and Governance) topics defined by the Company. The result of this analysis directs the work of internal audit, focusing on processes with the highest exposure to risk in relation to the highlighted pillars. Additionally, any corruption allegations received via the Whistleblower Channel or other means are subject to analysis and investigation by the Internal Audit team.

Since 2023, we have been publishing our Annual Integrity Report, a document aimed at providing a comprehensive view of the ethical practices that permeate our operations, reflecting our ongoing commitment to transparency, accountability, and respect at all levels of our company. It highlights not only our achievements but also recognizes areas where we can further improve our practices.

Check out Ourofino's 2023 Integrity Report at the following link: [www.ourofino.saudeanimal.com/praticas\\_de\\_integridade](http://www.ourofino.saudeanimal.com/praticas_de_integridade)



# Integrity Agenda

As main advancements made in 2023 and connected to the integrity theme, we can highlight:



+  
+  
+

- Achievement of the Pró Ética certification granted by the Office of the Comptroller General of Brazil (CGU), which is an important recognition validating and attesting to the effectiveness of our *Compliance Program* practices.
- Maintenance of the More Integrity Seal and Business Pact against Corruption (Ethos Institute), reinforcing our commitment to ethical, transparent, and sustainable practices.
- Adherence to the Transparency 100% Movement, the first corporate transparency promotion initiative in Brazil, launched by the Brazilian Network of the UN Global Compact.
- Revision of the Corporate Code of Conduct and Supplier Code of Conduct, enhancing relevant themes and best practices.
- Conduction of mandatory annual trainings: Code of Conduct, Sexual Harassment Prevention, and Conflict of Interest Prevention, for all employees, administrators, and governance bodies.
- Launch of the Prevention of Moral and Sexual Harassment Guidebook.
- Regular monitoring of our *Compliance Dashboard* by the Ethics Committee, for monitoring and identification of any non-compliance situations regarding our policies, internal regulations, and applicable laws.
- Publication of the Annual Integrity Report, containing a summary of the practices comprising our *Compliance Program*.
- Improvement of the supplier management process, with the implementation of a risk assessment and classification matrix connected to material themes and ESG aspects.
- Conduction of monthly communications to reinforce the guidelines of our Code of Conduct.

### Governance

Ensuring the reliability of the company for its shareholders by monitoring policies, procedures, and compliance with the B3 New Market regulations.



### Risks

Managing strategic risks that the company may face in order to mitigate or eliminate them.



# GRC&IA

Also, learn about Ourofino's Integrity Practices at [ouofinosaudeanimal.com/praticas\\_de\\_integridade](https://ouofinosaudeanimal.com/praticas_de_integridade)

### Compliance

Complying with legal and regulatory norms, as well as with the policies and guidelines established for the business and activities of the institution or company.



### Internal Audit

Assessing the internal control environment, promoting and monitoring process improvements, and reducing the Company's exposure to risks.



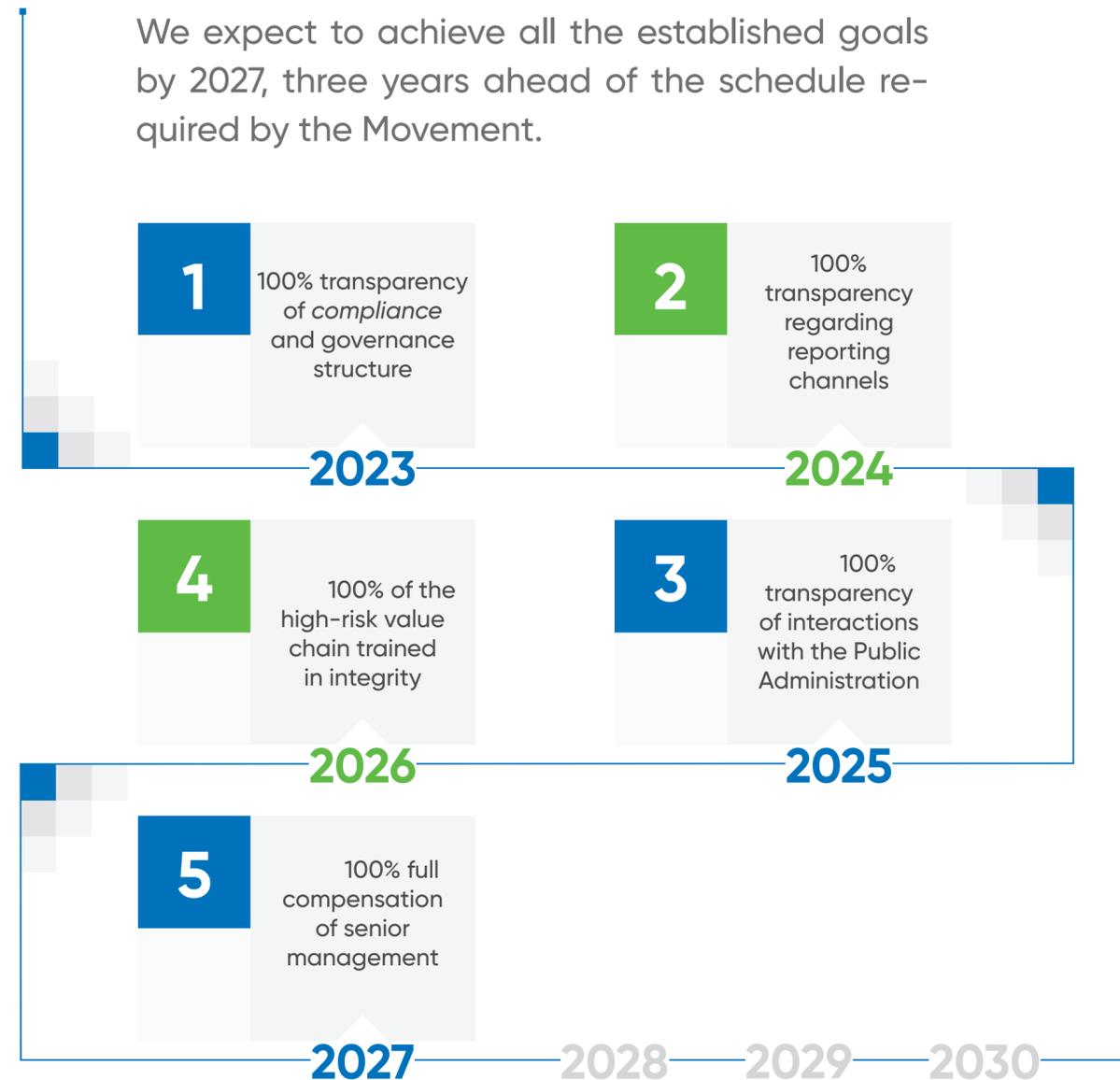


MOVIMENTO TRANSPARÊNCIA 100%

In 2023, we joined the Transparency 100% Movement, which is the first initiative to promote corporate transparency in Brazil, launched by the UN Global Compact Network Brazil.

The movement aims to encourage and empower companies to go beyond legal obligations, strengthening mechanisms of transparency, integrity, and anti-corruption efforts, in line with the Sustainable Development Goals (SDGs) of the 2030 Agenda.

By joining the Movement, Ourofino publicly commits to meeting 5 important goals in pursuit of the SDGs:





# Code of Conduct

GRI 3-3

The Ourofino Group's Code of Conduct plays a vital role in guiding ethical and socially responsible business operations. The Ourofino Group Code of Conduct plays a vital role in conducting ethical and socially responsible business operations. Endorsed by the Company's Board of Directors, it establishes clear standards of behavior for employees, business partners, and other stakeholders, providing a consistent guide for decision-making and actions. By aligning our practices with ethical values, we strengthen trust, promote a healthy work environment, and make positive contributions to the communities in which we operate.

Corruption Law), where we establish parameters to inhibit any illicit conduct or obtaining undue advantages, including relationships with the government or government officials.

Over the past year, we have continued to provide guidance and awareness based on the Code of Conduct during the integration process of new employees. Additionally, all employees receive the Code prior to joining the Company and can read it and subsequently agree to its terms. We also conduct annual training on the practices and content of the code for all employees, including managers, directors, and board members.

In August 2023, we reinforced our commitment to these principles by updating our Code of Conduct, incorporating important aspects that reflect the growing demands of society, the evolution of business practices, and our ongoing desire to lead by example. By following this code, we not only fulfill our ethical obligations but also position ourselves to thrive in an increasingly conscious and responsible world.

**Among the most important aspects addressed in the Code are principles of honesty and compliance with laws, adoption of socially responsible practices, environmental protection, animal health and welfare, ethical behavior, respect for diversity, and human rights.**

We have a significant approach related to combating corruption based on the terms of Law 12,846/2013 (Anti-



# Whistleblower Channel

GRI 2-24, 2-26, 205-3



Recognizing the importance of transparency, responsibility, and respect for ethical values, our organization invests in a robust Whistleblower Channel as an integral part of our commitment to integrity and corporate governance. This channel not only serves as a tool for identifying potential irregularities but also reinforces our organizational culture, promoting trust and accountability.

The GRC&IA department continues to be responsible for managing the channel, conducting analyses and investigations focused on potential cases of ethical deviations, fraud prevention, bribery, corruption, among others.

The channel is formally established and communicated to various stakeholder groups, including employees, suppliers, and customers. Reports received through the Channel are recorded on a digital platform and managed by Contato Seguro, a reputable company in the sector, ensuring greater security and reliability in the process.

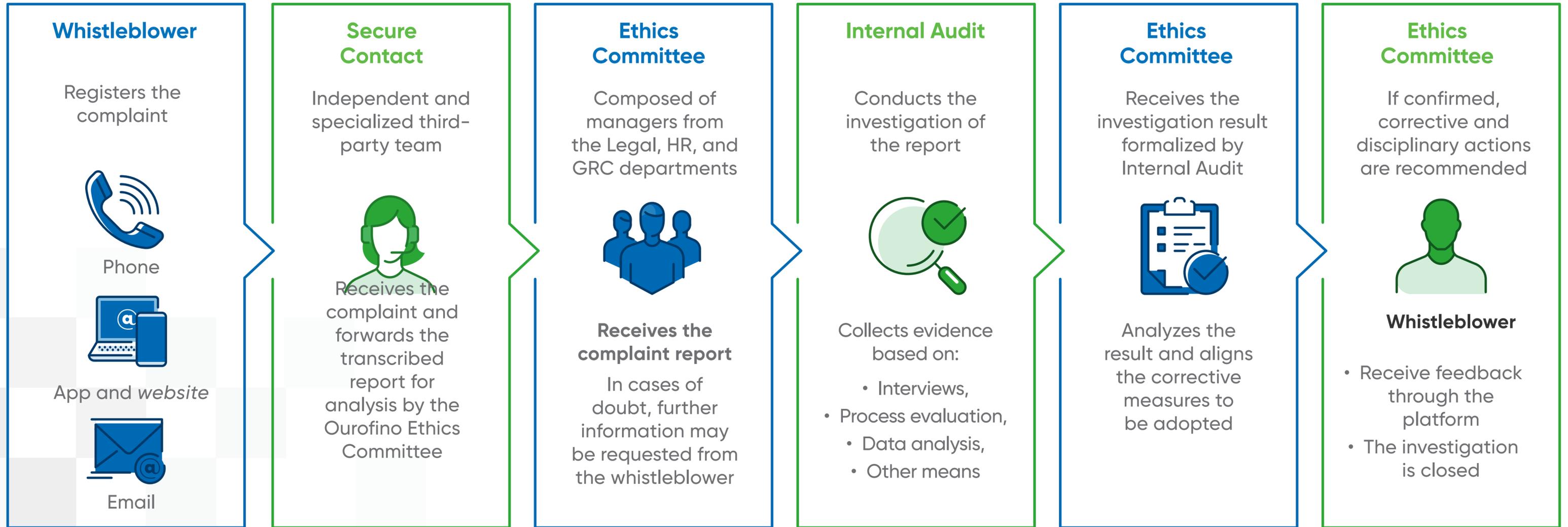
**Brazil: 0800 517 0045**  
**Website :** [www.contatoseguro.com.br/ourofinosaudeanimalE-mail: ourofinosaudeanimal@contatoseguro.com.brApp](http://www.contatoseguro.com.br/ourofinosaudeanimalE-mail: ourofinosaudeanimal@contatoseguro.com.brApp)  
**Secure Contact**

Our entire process of receiving and investigating reports is confidential and handled with utmost care. Thus, we ensure anonymity and protection for well-intentioned whistleblowers and do not tolerate any form of retaliation against individuals who raise genuine concerns. All allegations of retaliation are thoroughly investigated, and appropriate actions are taken.

The handling of reports is conducted diligently and impartially. Our Ethics Committee, supported by our GRC&AI department, is responsible for evaluating and directing investigations relevant to each report received. If irregularities are confirmed, appropriate disciplinary measures are implemented in line with our ethical principles and internal policies.



### Service methodology



### Monitoring and periodic reporting by the Statutory Audit Committee

The GRC&IA department periodically reports a summary of complaints to the Statutory Audit Committee (CAE), which

is responsible for monitoring the results of investigations and actions taken. The Board of Directors may also be called

upon to take applicable measures whenever necessary.

## Whistleblower Channel Records

	2021	2022	2023
Total number of reports received through the whistleblowing channel	23	38	33
Average number of reports per 1,000 employees/year	0.02	0,04	0.03
Total number of reports	23	38	33
Number of reports investigated	23	38	26
Number of reports forwarded to the DHO area	-	-	7 (*)

(\*) Note 1: Of the total reports received through the Complaints Channel, 7 refer to behavioral aspects of low-risk management, which, according to internal policy, do not require an investigation process and, therefore, were

sent for analysis and treatment by the Department of Organizational Human Development (DHO).

Involved areas	Quantity
Commercial	14
Industrial operations	7
Human Resources	6
Quality	5
Financial	1

Whistleblower Channel Statistics	Quantity
Number of reports investigated	26
Confirmed reports proven or partially proven	65%
Unfounded reports	35%

+ + +

### Whistleblower profile:



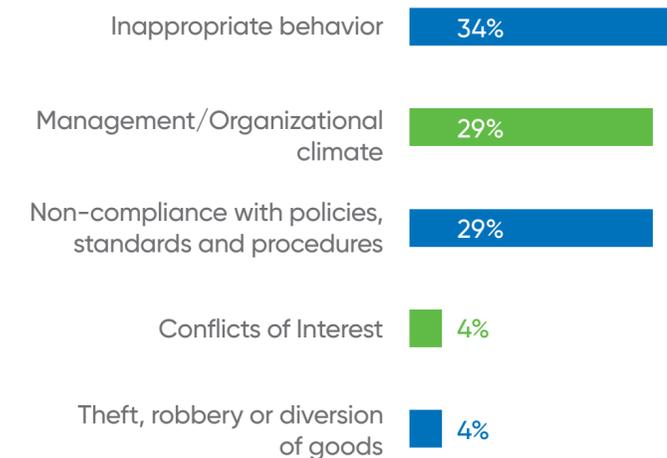
### Taking action for confirmed reports:



### Receipt route:



### Theme of the report



### Applied measures



All reports received are used for the annual reassessment of our integrity program.

# Compliance Indicators

Since 2022, we have had a *Compliance dashboard*, which currently consists of 5 indicators, primarily related to the following topics:

- Completion of mandatory training;
- Donations and sponsorships;
- Complaints received and actions taken;
- Interactions with public officials;
- Conflicts of Interest;

These indicators are monitored monthly by the ethics committee, and any non-compliances are discussed, and actions are proposed to address potential risks.

# Tax Management

GRI 207-1, 207-2, 207-3



**The Company's tax strategy is based on a commitment to good tax practices and current tax legislation, aligning social interest and sustainability with business guidelines.**

The financial statements and disclosed financial analyses report, in a consolidated manner, information on tax expenses, tax assets and liabilities, main judicial discussions involving taxes, as well as the main tax rates applicable to the business. We also heavily focus on regulatory compliance and interpretation of tax legislation. Tax decisions are made based on applicable laws and submitted for approval to the Board of Directors and the Fiscal Council, as well as the Statutory Audit Committee (CAE), which manage, within the limits allowed by law, the business strategies of the Group.

Considering the dynamism of the tax area, which requires periodic reviews at the federal, state, and municipal

levels, the company has a Tax Committee responsible for coordinating and reviewing the guidelines applicable to all Group companies. Additionally, the committee's function is to adapt tax demands to its business, with total transparency, monitoring tax issues, measuring risks through case law analyses and external opinions, with the result of this work presented quarterly to the board. Regulatory compliance is carried out by a specialized team responsible for timely tax payments, avoiding fines and accumulation of liabilities. In addition, all tax obligations required by the supervisory bodies are delivered in a timely manner, maintaining a transparent and cooperative relationship with the tax authorities at all levels in which we operate.

In order to act transparently regarding tax information, the company does not use artificial structures unrelated to its activities to reduce tax burden, does not transfer tax benefits between its subsidiary establishments, does not use intra-group loans and credits artificially, cooperates with tax authorities by providing information and documents as soon as possible, and provides various channels for reporting acts contrary

to the law, including tax matters. The company has a fully integrated Tax Governance aligned with organizational guidelines, guiding its business on principles of legality, tax risk management, tax transparency, relationship with tax authorities, and high ethical and compliance standards, cooperating with society in tax payment in all states where it operates its activities, contributing to job creation for the population.

Our tax team is responsible for the tax structure and control, and the work is guided through three pillars:

- **Tax Compliance:** *Compliance with tax legislation, enabling control over tax processes, assessing inconsistencies, and guiding the development of strategies for better efficiency.*
- **People:** Qualification of professionals in conducting activities, who ensure the economic and financial viability of the organization, observing the specificities in the business model and managing risk factors in the short, medium, and long terms. The tax department interacts with the entire company to align tax strategy with a broader corporate strategy, considering that all business decisions have tax implications.
- **Technology:** The company has tools to prevent fraud, automate tax parameters, and share information between departments, reducing errors and increasing data reliability. The group is based on excellence and a commitment to good tax practices, ensuring compliance with applicable tax legislation and ensuring the company's good tax practices, always within the scope of realizing social interest and supporting a long-term business strategy that avoids risks and tax inefficiencies in executing business decisions.

For this, it considers all the interests of its stakeholders. Currently, we adopt a broader strategy with a sustainability commitment, including more in-depth reports for our stakeholders. We have a good relationship with administrative tax authorities, aiming to solve any tax issues preventively. We believe that tax policy should be proposed as a tool for correcting imbalances in reducing inequalities, growth, and economic development. The company plays this role by collecting its taxes for the benefit of society, which are directed towards the guidelines of the economic policy outlined by the government. Tax, in its essence, contributes to the reduction of regional and social inequalities. We are always open to receiving external views on our performance, and if pertinent and consistent with our mission, we are adaptable to suggestions, seeking continuous improvement to meet the needs of stakeholders.



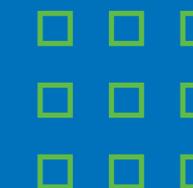


# Participations and Initiatives

GRI 2-8

To promote value generation for various stakeholders, we participate in professional associations and sustainability promotion organizations. Additionally, we engage in working groups, associations, and external initiatives whose

topics are of paramount importance to the business. These engagements allow us to observe market trends and strengthen relationships throughout the value chain.



## Global Compact

We joined the United Nations Global Compact in 2019, allowing us to integrate a network of companies that seek to advance a strategic agenda aligned with the ten universal principles in the areas of Human Rights, Labor, Environment, and Anti-Corruption. We also participate in the Climate Action and Sustainable Agriculture Action Platforms of the UN Global Compact's Brazilian Network.

## Sustainable Development Goals (SDGs)

Our business model, materiality, and strategic planning remain connected to the SDGs and maintain significant synergy with our ESG agenda. This alignment enables us to systematically address the planet's key current challenges through coordinated corporate actions.

## Global Reporting Initiative (GRI) and International Integrated Reporting Council (IIRC)

We annually adopt the guidelines of GRI and IIRC to structure the Annual Report, including the proposed models in the protocols for accountability and management indicators.

## Business Pact for Integrity and Against Corruption

We are signatories to this important initiative by the Ethos Institute, which brings together companies from various sectors with the same purpose: to promote an honest market and to eradicate any forms of corruption.

### Brazilian GHG Protocol Program

We use the Brazilian GHG Protocol program tool to inventory greenhouse gas emissions and thus establish opportunities for adaptation or even reduction over the years.

### Brazilian Sustainable Livestock Roundtable

The Brazilian Sustainable Livestock Roundtable is composed of representatives from the six links of the livestock production chain, committed to the sustainable development of livestock through chain articulation, information dissemination, and support for the continuous improvement of the activity, considering the balance between economic, social, and environmental pillars. We also integrate the Climate Change and Traceability Group.

### Brazilian Society of Science in Laboratory Animals (SBCAL)

In 2023, we became members of SBCAL, an entity related to good practices regarding the study of laboratory animals. Our practices were showcased at the entity's congress in 2023.



In addition to the mentioned programs, the Group has significant involvement in various other initiatives with diverse activities, the main ones listed below (GRI 2-28):

- Brazilian Association of Zebu Breeders (ABCZ)
- Brazilian Association of Publicly-Held Companies (Abrasca)
- Brazilian Fine Chemical Industry Association (Abifina)
- Commercial and Industrial Association of Ribeirão Preto (Acirp)
- Brazilian-American Chamber of Commerce Brazil United States (Amcham)
- Brazilian Agency for the Promotion of Exports and Investments (Apex Brazil)
- Brazilian Hereford and Braford Association (ABHB)
- National Association of Veterinary Product Laboratories (Aprovet Colombia)
- São Paulo State Industries Center (Ciesp)
- Association of Credit and Collection Professionals in the Pharmaceutical Industries and Related Sectors (Credinfar)
- National Technical Commission on Biosafety (CTNBio)
- Veterinary Pharmaceutical Industry (Infravet Mexico)
- National Union of Animal Health Product Industries (Sindan)
- National Chamber of the Pharmaceutical Industry (Canifarma Mexico)
- Animal Health Working Group (Gesa)
- Brazilian Packaging Association (Abre)

# Risk management



**The Group's Risk Management is directly related to sustainable growth, profitability, preservation, and value creation for the Company and its shareholders, as this process allows the identification not only of threats but also of business opportunities, in addition to decision-making based on risks.**

An effective management process, implemented through compliance with good corporate governance practices, aims to manage risks effectively, contributing to reducing the materialization of events that negatively impact its strategic and operational objectives. Management, through a structured approach and a better understanding of the interrelationships between risks, aligns strategy, processes, people, technology, and knowledge, leveraging the inherent benefits of diversification, aiming at preserving and creating value for the company and its shareholders.

The Governance, Risk, Compliance, and Internal Audit (GRC&AI) area coordinates and monitors the process of identifying and assessing Ourofino's risks, considering the main internal and external scenarios, the nature of operations, the dissemination of risk management culture and methodology. In this way, we seek to en-

sure a preventive risk management aligned with the best market practices, following the international standards established in ISO 31000, COSO (*Committee of Sponsoring Organizations of the Treadway Commission*). In addition, our management practices also follow the guidelines of the Brazilian Institute of Corporate Governance (IBGC), the Securities and Exchange Commission (CVM), the Institute of Internal Auditors (IIA), and the "New Market" segment of B3 (Brazil, Stock Exchange, Counter).

The risk culture is widespread across all Group operations and is part of employees' work routines.

Building this environment is only possible thanks to the engagement and participation of different hierarchical levels in risk scenario mapping, including key governance bodies such as the Board of Directors, Statutory Audit Committee, Fiscal Council, and other advisory committees, which play a fundamental role in developing this culture and fully support the integrated risk management process. Our actions are guided by the Group's Risk Policy, which establishes clear criteria for risk classification, considering impact levels and probability of occurrence. Annually, this mapping is updated and included in the Company's official publications. This process provides important information for strategic decision-making, as the analyses observe the Company's exposure level and potential adverse events in each risk scenario.

# Strategic Risks



The Company's Risk Management structure considers the joint action of corporate governance and management bodies, following the concept of the three lines of defense of the IIA Brazil (Institute of Internal Auditors of Brazil).

strategic objectives are on the agenda of senior management.



We have a Corporate Risk Management Policy, duly approved by the Board of Directors, which encompasses strategic, financial, and operational risks. The policy aims to establish a risk management framework to enable the identification, assessment, prioritization, treatment, communication, and monitoring of risks related to strategic objectives, observing applicable regulations and best market practices, as well as promoting a risk culture throughout the organization.

## Main Roles and Responsibilities in Risk Management

The Board of Directors plays a fundamental role in developing the risk culture within the Company, as well as in implementing a robust process of Integrated Risk Management. In the context of Risk Management, it has the following responsibilities:

- Approve the Risk Management Policy.

- Understand and evaluate the risk map.
- Periodically assess the risks reported by the Audit Committee and monitor Risk Management actions.
- Approve the Company's exposure level, when applicable.





The Statutory Audit Committee is directly linked to the Board of Directors and has its responsibilities defined in the Bylaws and Internal Regulations. In the Risk Management process, it has the following responsibilities:

- Recommend to the Board of Directors the approval of the Company's Corporate Risk Management Policy and request adjustments when necessary.
- Recommend to the Board of Directors the approval of the Company's Risk Exposure, requesting adjustments when applicable.
- Monitor the Company's key risks based on quarterly reports provided by the GRC&AI department and report relevant issues to the Board of Directors.
- Report to the Board of Directors on risk management.
- Monitor and deliberate on changes in the risk criticality assessment.

- Periodically monitor the risk map and risk treatment based on quarterly reports to be provided by the GRC&AI department.
- Propose guidelines and strategies for the Company's Risk Management.
- Provide financial, human, and technological resources necessary for the execution of the Risk Management process.
- Evaluate the progress of actions to mitigate risks (action plans).
- Define risk owners.
- Support the risk owner in defining the risk response plan.
- Monitor and report to the Audit Committee changes in the assessment of risk criticality, when applicable.
- Monitor integrity risks and approve, when applicable, action plans to mitigate/reduce the level of exposure to these risks.

Our risk matrix is based on executives' and managers' risk perceptions, the Group's strategic planning, the reference form, and sector and supply chain concerns. For all mapped risks, we have developed a series of mitigation actions monitored by business areas and the GRC&IA department. Below, we present our 8 priority risks (with the potential for significant impact on our operations or growth strategies), which continue to be monitored by the Management Committee and the Statutory Audit Committee.

For all mapped risks, we have developed a series of mitigation actions monitored by business areas and the GRC&IA department. Below, we present our 8 priority risks (with the potential for significant impact on our operations or growth strategies), which continue to be monitored by the Management Committee and the Statutory Audit Committee.





## Challenges in executing the growth and geo-expansion strategy.



### Main impacted SDGs:



#### Material Theme: Innovation and Research GRI 3-3

The potential emergence of disruptive technologies and new business models among our competitors may put us at a disadvantage in the market and directly impact our growth plan. We are also subject to market loss if we do not maintain constant diversification in the product portfolio, expand market coverage, and increase participation in important markets such as vaccines and tablets.

The suspension of mandatory foot-and-mouth disease vaccination from 2023 has impacted our revenue, including that of other products used concurrently in animal management.

We are also subject to the emergence of outbreaks of communicable diseases worldwide, leading to greater volatility in the global capital market, which could result in negative pressure on the Brazilian economy, affecting our growth plan.

Significant climatic variations outside expected seasonality can significantly affect revenue in certain operating regions.

The launch of strategic products may also fail to meet revenue targets expected by feasibility studies, impacting our growth strategy.

Certain changes by the regulatory authority, such as the suspension of mandatory foot-and-mouth disease vaccination starting in 2023, can impact, as it did, our revenue, including that of other products used concurrently in animal management.

#### Mitigators:

Our New Business Development area, in conjunction with the Research and Development area, has closely monitored new trends in the animal health industry to keep us aligned with new technologies or business models. We have been expanding and diversifying our portfolio, nationally and internationally, for companion and production animals, entering new segments or expanding *market share*, to launch products in the *pipeline*, capturing and concluding partnerships for various areas of interest.

Regarding the risk scenario for the emergence of new global pandemics or climatic variations, we understand that this is an inherent risk to all corporations and global economies, but all the evolution of controls and processes implemented over the past years brings greater security and a more favorable condition for facing situations like this.

#### Opportunities

Our Research and Development and New Business areas have the opportunity to periodically review our portfolio, seeking alignment with the best sustainability practices, disruptive technologies, and market trends. This process elevates our maturity level and puts Ourofino in a differentiated position in relation to its customers and their expectations.



R2

## Banishments and/or discontinuation of certain R2 products by regulatory agency decision



### Main impacted SDGs:



#### Material Theme: Innovation and Research GRI 3-3

As part of an extremely regulated sector, we are subject to penalties or discontinuation of certain products due to non-compliance with regulatory requirements or changes by the regulatory agency.

Currently, the main ban trend that could affect our product portfolio is related to organophosphates, which would impact the commercialization of our line of products based on chlorpyrifos, as seen in Colombia, for example. In the long term, there are discussions about banning antimicrobials as well.

In this regard, our Strategic Development and New Business team is currently actively addressing the likely ban on organophosphates, seeking alternatives for developing new products and/

or partnerships with *startups* capable of minimizing these effects.

#### Mitigators:

We have continuous monitoring of changes and new regulatory requirements in Brazil and other markets where we operate by the Company's Regulatory team. This work is carried out based on monthly agendas with industry associations and through monitoring publications in the Official Gazette and websites of *Codex Alimentarius* and the *European Medicines Agency* (EMA).

Regarding the risk of banning certain products from our portfolio, in addition to periodic monitoring of ban trends with the National Union of the Animal Health Products Industry (Sindan), we have implemented a matrix with the risks related to each of these products – ban trends or pos-

sible substitutions and regulatory compliance requirements. This matrix is periodically monitored by the responsible areas, and necessary actions are taken to mitigate adverse effects on the business, with the evolution of the possibility of expanding the mapped risks.

#### Opportunities

We understand that this context accelerates the process of updating our portfolio, contributing to maintaining and improving a culture of innovation and challenge, making our products even more sustainable and open to developed global markets.



## Dependency on the supply chain of active ingredients, restricted to China and India.



### Main impacted SDGs:



#### Material Theme: Supply Chain GRI 3-3

China and India are the largest suppliers of raw materials for medicines. Therefore, like the entire industry, we are subject to shortages of inputs due to the dependency on this supply chain, which could expose our operation to a lack of raw materials or weak negotiation power.

Additionally, there is the possibility of disruptions in the supply chain of strategic products due to global outbreaks, strikes, and other external factors. Furthermore, there is a risk of shortages due to the complexity and concentration of the international logistics chain, with few operators, especially in maritime transport.

#### Mitigators:

Currently, we already have more than one approved manufacturer for the acquisition of each input from this supply chain.

We also have an initiative, in collaboration with the Supply and New Business areas, to map the inputs that will be strategic for the next developments in our *pipeline*, as well as the definition of a strategic action plan - which may include, for example, seeking new sources of inputs and even opening a local office in the country from where the supply will come, aiming to reduce the risk of supplier dependency and input shortages from China and India.

Additionally, we continue with the routine monitoring, in monthly agendas, of potential global outbreaks, strikes, and other factors with the possibility of disruption in the supply chain of strategic products. Furthermore, all new developments at Ourofino are designed to include at least two viable supply sources for the raw materials in question.

#### Opportunities

Considering the scenario we are in, we have the opportunity for closer engagement with key suppliers

with local offices and Ourofino employees from the country itself, reducing the risk of supply disruption. Additionally, we have the opportunity for collaborative purchasing with other local companies that depend on the same suppliers, increasing our bargaining power, improving negotiations, and prioritizing supply.

There is a constant search for the development of new manufacturers outside the China-India axis. We have been successful in some inputs, but there is a cost impact that is higher than in Asian countries.



## Operations in biologics not meeting the expected development plan.



### Main impacted SDGs:



#### Material Theme: Animal Welfare/Food Safety and Security/Innovation and Research GRI 3-3

The process of biologics production is inherently complex and multifaceted, involving a series of stages that require precision and technical excellence. From the initial research and development, through rigorous clinical testing, to the scaling up of production on a large scale, each phase is permeated by unique challenges.

As such, we may fail to realize our biologics development *pipeline* within the expected timelines, which would impact the achievement of our strategic objectives.

Additionally, the development process of biologic products is highly dependent on individuals with specific experiences and competencies, which brings additional risks, inherent to a process of this nature.

#### Mitigators:

All ongoing biologics projects are daily monitored through indicator analysis by the R&D Project Management department. The results of the analysis are reported monthly by the R&D Directorate to the Management Committee.

When any delay is identified, the Project Management team collaborates with the responsible technical teams to seek alternatives and action plans to compensate for the delay without compromising the final delivery deadline.

The objective of this entire process is to minimize the risk of delays that may compromise the company's expected growth plan and to provide transparency on critical cases whose impact on the final deadline may not have been compensated.

#### Opportunities

The global demand for animal-origin products and the growing awareness of animal welfare drive the need for advanced and preventive therapeutic solutions, which puts us in a privileged position since our growth plan relies on solutions of this nature.

Furthermore, the evolution of biological technologies enables more advanced approaches in vaccine formulation, offering opportunities to create more specific and adaptable solutions to the various market needs. Ongoing research in this area not only promises advances in animal health but also strengthens the contribution of the animal pharmaceutical industry to food security and global welfare.



# R5 Adverse Impact on Reputation



## Main impacted SDGs: 3 8 15

### Material Theme: Animal Welfare/Climate Change/Well-being and Appreciation of People/Food Safety and Security GRI 3-3

Our operations rely on industrial parks that handle chemicals with the potential for environmental contamination due to accidents, leaks, among other factors.

Additionally, we are subject to adverse media coverage due to possible violations of our Code of Conduct, Anti-Corruption Law, or any other regulations by our employees or administrators.

We are also exposed to situations involving association with third parties engaged in deforestation or illicit conduct in general. Selling products to customers and/or supplying products from third parties listed on restrictive lists, engaging in slave labor practices, or other non-compliance issues from a *compliance*

ce, environmental, sustainability, and animal welfare standpoint are also risks.

We are also susceptible to brand negativity and financial losses due to product counterfeiting, altered, stolen, expired, diverted, relabeled, or misused.

### Mitigators:

Our team daily manages occurrences involving damages and product losses, both from the logistics operator and internally at Ourofino, taking necessary measures for reverse logistics to the originating branch, segregation, reimbursements, and proper disposal in the case of damages.

In the event of losses, we have established procedures for reimbursement, product location, police report filing, and legal actions as necessary. Additionally, the

Customer Service and Communication teams monitor complaints from customers, and if indications of the use of counterfeit, altered, expired, diverted, or relabeled products are identified, these occurrences are internally directed to our Legal department for action.

Regarding the risk of environmental contamination, we have a Wastewater Treatment Plant (ETE) that treats all industrial effluents, thus minimizing the risk of non-compliance with environmental legislation, for which significant investments have been made in recent years to enhance safety levels and improve effluent treatment.

Regarding the risk of hazardous substance leaks, we conduct periodic inspections in all storage areas, as well as compliance with legal requirements for storage and handling.

Ourofino also has mechanisms for corruption prevention and combat, such as the Code of Conduct and Whistleblower Channel, as well as internal controls established through Policies, norms, and procedures, in addition to monthly communication and training aimed at ensuring that all employees act in compliance with internal policies, laws, and regulations. Additionally, we have an Internal Audit department, with independent reporting to the Statutory Audit Committee, responsible for evaluating business processes, their risks, and internal controls, analyzing the adequacy of designs and their effectiveness. We also have a third-party *due diligence* process conducted through a

systemic platform, where *compliance*, criminal, environmental, and embargo processes are verified, among other risks.

**Opportunities**

The adoption of an honest, transparent, and ethical stance is part of Ourofino's essence in all relationships established among our employees and within our value chain. This approach strengthens our corporate responsibility culture and results in a safe environment to operate in Brazil or abroad, including the public and private sectors.

This process allows us to review our environmen-

tal impact, aiming to become increasingly a clean and sustainable company. We have implemented initiatives to mitigate emissions from our major sources, including electricity purchased from the open market. We regularly procure 100% of our energy consumed through renewable sources, verified through I-REC. Additionally, this process also challenges us to improve our customer experience program.




**R6** **Reduced Profitability Margin**



**Main impacted SDGs:** 8

**Material Theme: Innovation and Research/ Well-being and Valuation of People** GRI 3-3

We are subject to profitability loss due to our competitors' strategy to increase market share nationally, resulting in difficulties in price adjustment due to subdued demand and heightened competition.

Due to national and global turmoil, we face increased production costs due to macroeconomic fluctuations such as the exchange rate, energy, and others, as well as increased logistics costs (freight).

These factors may also influence consumers' purchasing power nationally, leading them to migrate to more affordable substitute products. We are also susceptible to market loss due to a

lack of constant diversification of our product portfolio, including an expansion of our market coverage and increased participation in important markets such as vaccines and tablets.

Since the enactment of Complementary Law No. 160 of 2017, ICMS tax benefits and financial-tax benefits attracted the tax rule applicable to subsidies for investment. This means that the values enjoyed by companies under this title, provided certain requirements are met, should not be included in the calculation base of IRPJ and CSLL. Additionally, since 2017, the Judiciary has deliberated on the taxation of ICMS benefits by IRPJ and CSLL from the perspective of the "Federative Pact" (considering the federal entity's reflexive taxation on values

granted by a state entity), which was favorable to taxpayers. However, in early 2023, the STJ judged Theme of General Repercussion 1,182, and restricted the application of the "Federative Pact" only to the benefit of presumed credit. This understanding impacted the Company's operations, considering that the enjoyed ICMS benefits refer to exemption and reduction of the calculation base, and in November 2023, the Company paid the amounts enjoyed between 2019 and 2022.

**Mitigators:**

We monitor competitors' actions through patent monitoring conducted by the Intellectual Property department, with regular sharing of information.

We also maintain our participation in congresses and events in the field, access to international journals and publications.

Market analysis is conducted quarterly by the Center of Commercial Excellence, which compiles performance information in sales and market share, as well as the growth expectation support strategies of the main companies in the sector.

Monthly production cost monitoring is conducted, including the evolution of costs related to freight and storage, per business unit. Another important action is the expansion of the portfolio, nationally

and internationally, for large and small animals, entering new segments or expanding *market share*, aiming to ensure the launch of new products planned in our *pipeline*. Simultaneously, we seek to identify new opportunities for innovative products or services.

### Opportunities

Regular monitoring of risk factors directly linked to the decrease in profitability margin provides us with opportunities for continuous review and improvement of our commercial strategy, as well as

constant refinement of our processes and internal controls.

This systematic monitoring allows us not only to promptly identify potential threats but also empowers us to anticipate changes in the business environment. By integrating this monitoring approach into the essence of our operations, we strengthen our ability to respond to market dynamics, promoting an organizational culture oriented towards excellence and continuous innovation.



# R7 Cyber Security Incidents



## Main impacted SDGs:



### Material Theme: Innovation and Research/Well-being and Employee Appreciation GRI 3-3

The effectiveness of information security controls is intrinsically linked to the behavior of employees. Lack of awareness or knowledge on the part of our team can represent a significant vulnerability, opening doors to potential cyber attacks.

Furthermore, adverse commercial conditions or operational results may reduce our investment capacity in information security, which could put us in a position of lower preventive response capability to potential cyber attacks.

Like any company that processes personal data, we are also subject to potential leaks, which could

potentially result in penalties under the requirements of the General Data Protection Law.

### Mitigators:

Information security is a relevant topic for our company and is regularly on the agenda of our Executive Committee and Board of Directors. Ourofino has a Information Security department, responsible for (among other activities) identifying risks of cyber security incidents, including attacks on infrastructure, and taking action to mitigate them. We also have a Security Committee, responsible for monitoring established and executed actions.

We currently have contracts with external service providers to conduct security tests in our technological environment. Annually, we also carry out penetration tests (Pen tests) with the support of specialized companies, and based on the results obtained, we apply the necessary corrections.

We conduct regular cyber security training on our internal learning platform. We also constantly conduct *phishing* tests, which indicate the propensity of our employees to click on links that may contain malicious files or content.

We have made significant investments in this area in recent years and are following a security *roadmap* aimed at continuously improving our controls

and technology assets. Additionally, we maintain a level of investment in Information Security aligned with companies in our sector.

In 2023, we also conducted an audit on our compliance with the requirements of the General Data Protection Law, with the support of a renowned company in the sector, and obtained a result that positions us above the market in these aspects and reinforces that we have robust and efficient controls and processes to comply with the legislation.

### Opportunities

Effective monitoring of the information security process not only strengthens the organization's digital defenses but also opens doors to a series of strategic opportunities. By identifying threat patterns in real time and continuously analyzing associated risks, the company can develop proactive responses and preventive measures, anticipating potential cyber incidents.

Furthermore, regular analysis of security data provides valuable *insights* to improve and optimize existing security policies, adapting them to the evolving digital landscape. This approach not only strengthens the organization's resilience against threats but also inspires confidence among customers and partners, positively differentiating it in the market.



# R8 Adverse Impacts Resulting from Extreme Climate Changes



## Main impacted SDGs:



### Material Theme: Climate Change/ Animal Welfare GRI 3-3

Due to the nature of our operations, we are subject to changes in government policies and environmental regulations that may increase operational costs and impose stricter emissions restrictions on greenhouse gases.

In this context, the development of our growth strategy may not fully capture the effects that extreme climate changes can have on the value chain.

The public perception of the company's environmental responsibility can influence its reputation and relationship with *stakeholders*, making a proactive and transparent approach to climate change and sustainability essential.

We are also subject to increased scarcity of critical resources, such as water and raw materials, due to global warming.

Climate changes can alter disease patterns in ani-

mals, both in terms of prevalence and geographic distribution. This can affect the demand for certain medicines and vaccines, potentially impacting our results. They can also affect animal husbandry practices, with direct implications for animal health and welfare. This may influence the need for new types of treatments and preventive solutions adapted to the new climatic conditions.

Furthermore, the occurrence of extreme events and irreversible changes in climate patterns can alter the productivity of various sectors of the economy and lead to systemic socio-economic and environmental crises.

### Mitigators:

Climate change is a material issue for Ourofino. Therefore, we have been committed to mitigating the impact of our operations on this issue, engaging all areas in this common goal of incorporating environmental issues into all our projects and practices.

The Company has an ESG Policy that addresses cli-

mate change issues. We conduct a Greenhouse Gas (GHG) inventory in accordance with the Brazilian GHG *Protocol* Program. Based on the data generated by the inventory, we annually design strategies for reducing and mitigating GHG emissions throughout our operations.

We also monitor trends in potential changes in government policies and environmental regulations, as we participate in groups and committees that address this agenda.

### Opportunities

With the results of the GHG inventory, we annually develop a mitigation and adaptation plan. In this process, we identify opportunities for a low-carbon economy that focuses on creativity and innovation in processes and technological solutions capable of reducing our carbon footprint, contributing to a more sustainable chain.

# Financial



## Financial Performance

R\$ 5 Million	2022	2023	Var %
<b>Net revenue</b>	1.041,1	<b>943,3</b>	-9,4%
Cost of goods sold	(513,0)	<b>(511,5)</b>	-0,3%
<b>Gross profit</b>	528,1	<b>431,7</b>	-18,2%
<b>(Gross margin)</b>	50,7%	<b>45,8%</b>	-4,9 p.p.
Sales, general and administrative expenses *	(284,0)	<b>(282,9)</b>	-0,4%
Research and innovation expenses	(69,3)	<b>(59,7)</b>	-13,9%
<b>Operating profit</b>	174,7	<b>89,2</b>	-49,0%
<b>(Operating Margin)</b>	16,8%	<b>9,5%</b>	-7,3 p.p.
Net financial income	(30,3)	<b>(11,2)</b>	-63,0%
Income Tax (IR) and Social Contribution (CS) *	(16,1)	<b>(27,4)</b>	70,5%
<b>Adjusted net income</b>	128,4	<b>50,5</b>	-60,6%
<b>(adjusted profit margin)</b>	12,3%	<b>5,4%</b>	-6,9 p.p.
<b>Adjusted EBITDA **</b>	207,2	<b>134,4</b>	-35,2%
<b>(Adjusted EBITDA margin)</b>	19,9%	<b>14,2%</b>	-5,7 p.p.

(\*) In 2022, it does not consider: (I) recovery of expenses related to M&A operations; (II) expenses related to the incorporation of the subsidiary OF Pet; (III) gain from tax lawsuits from previous periods; and (IV) extemporaneous tax credits from previous fiscal years. In 2023, it does not consider: (I) attorney fees related to successful tax lawsuits; (II) extemporaneous tax credits from previous fiscal years; (III) impairment of goodwill from business combinations; and (IV) reversal of obligations related to investment acquisition. The respective tax effects were considered in both periods presented.

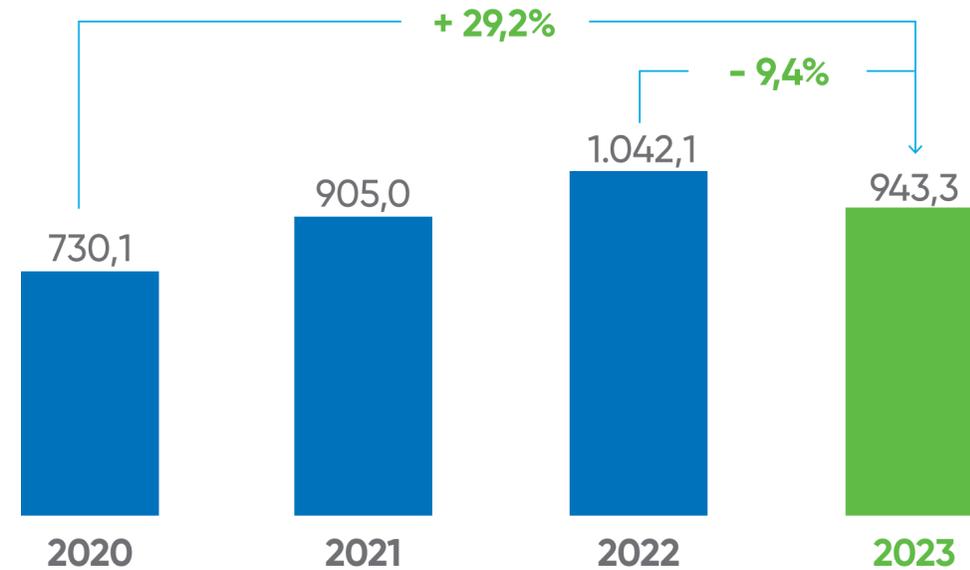
(\*\*) In 2023, the financial result and income tax and social contribution do not consider the provision for loss of IRPJ and CSLL (principal and monetary updating) related to the investment subsidy benefits utilized between 2019 and 2022.

(\*\*\*) In 2023, it also does not consider the provision for impairment of intangible assets and goodwill recognized in business combinations.

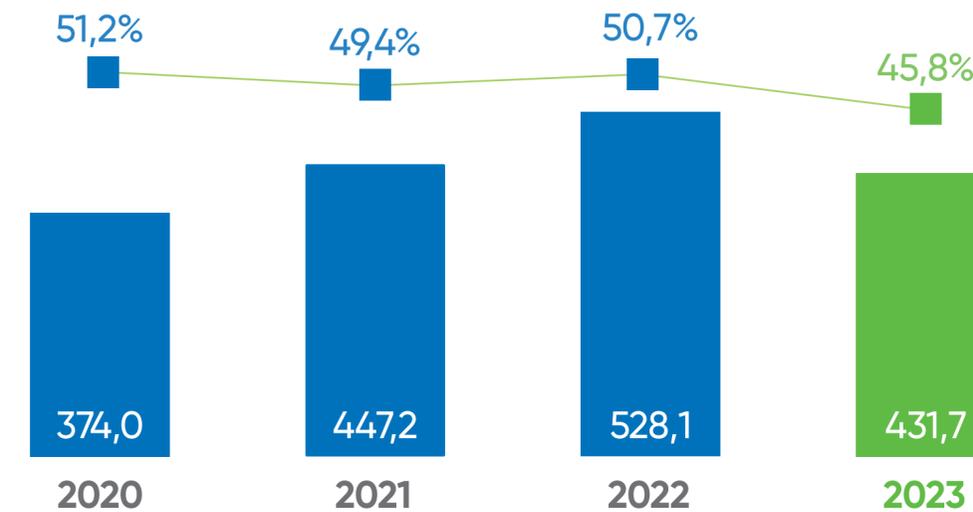
# Consolidated Net Revenue and Gross Profit



**Net revenue - Consolidated**  
R\$ 5 Million



**Gross Profit and Margin - Consolidated**  
R\$ 5 Million



The consolidated net revenue of the Company in 2023 amounted to R\$ 943.3 million, reflecting a decrease of 9.4% compared to the same period of the previous year. The gross profit for the period concluded at R\$ 431.7 million, marking a decrease of 18.2%. Below are the performance comments for the three segments.

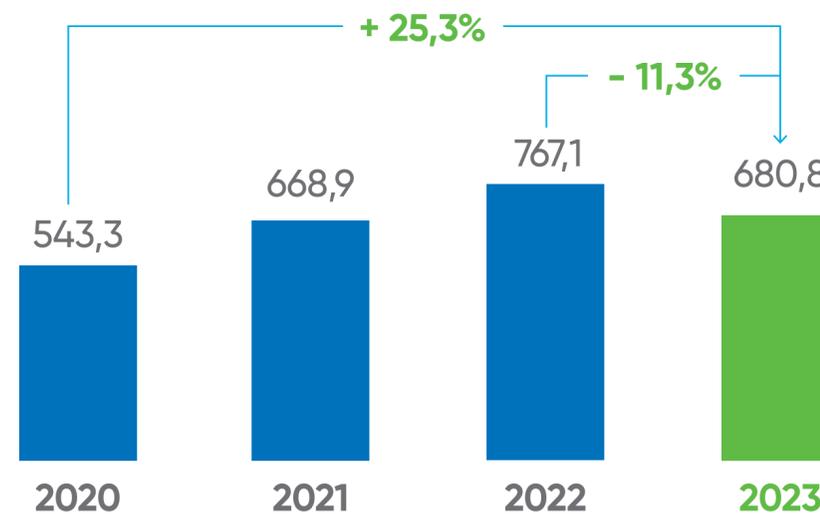
## Production Animals

The business unit recorded a net revenue of R\$ 680.8 million during the period, marking a decrease of 11.3% compared to the same period of the previous year. The accumulated gross margin stood at 40.5%, representing a decrease of 5.5 percentage points compared to 2022.

The domestic market faced significant challenges in the second half of 2023 due to the atypical events reported in the first half of the year. The sales performance of the business unit was mainly impacted by the reduction in sales of reproduction products and vaccines against Foot-and-Mouth Disease, particularly in the Central North region of the country. This region is characterized by extensive cattle production in large properties.

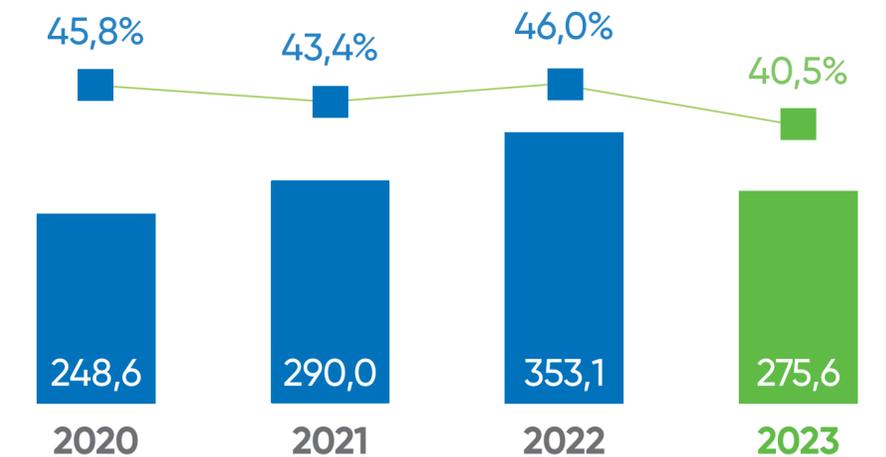
### Net revenue Livestock

R\$ 5 Million



### Gross profit Livestock

R\$ 5 Million



# Pets

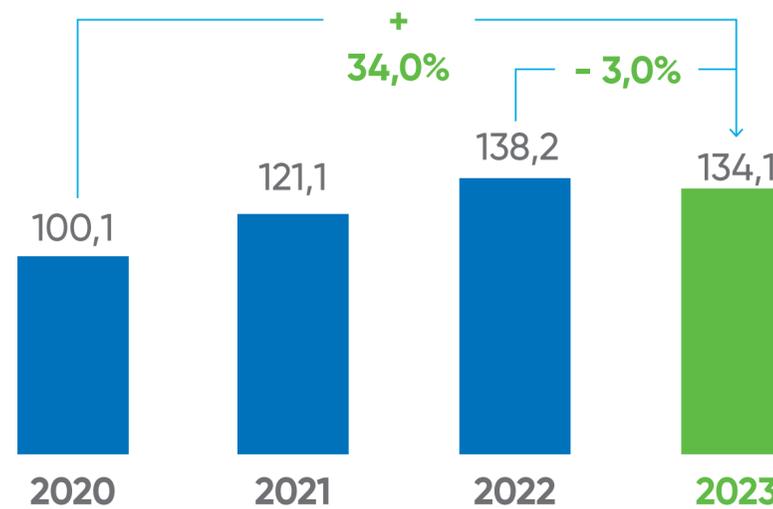
The business unit resumed growth in the fourth quarter, partially offsetting the impact of lower revenues for the 12-month period ending in 2023. The accumulated revenue amounted to R\$ 134.1 million, with a gross profit of R\$ 88.4 million and a margin of 65.9%, marking a decrease of 2.9 percentage points compared to 2022.

As we have been illustrating throughout the year, high household indebtedness and a slowdown in consumption due to rising interest rates have hindered product circulation across the entire supply chain. Consequently, the pet market experienced a period of inventory adjustment, which is beginning to show signs of stabilization, with growth rates approaching pre-pandemic levels.

Our actions focus on access and distribution strategies, aiming to enhance proximity to veterinarians and pet owners to provide the most suitable solutions for pets. Additionally, we have expanded our presence with major retailers in the sector to extend the reach of our products to pet owners.

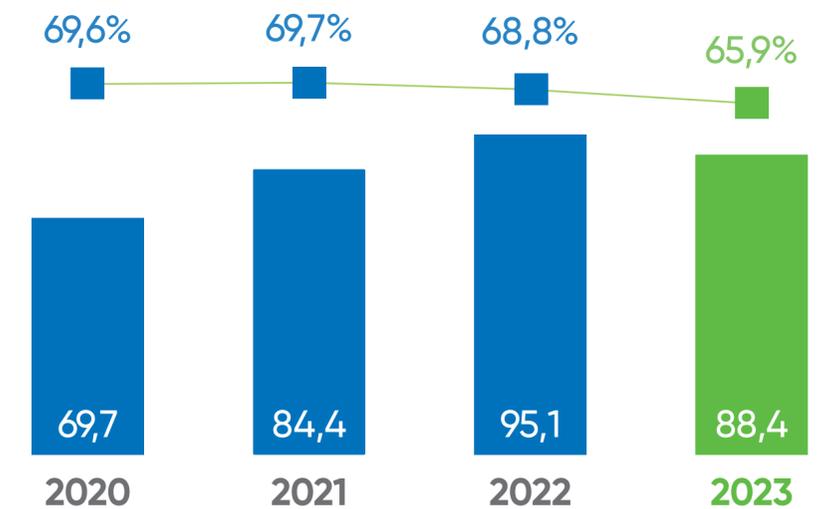
## Net revenue

### Companion Animals R\$ 5 Million



## Gross profit

### Companion Animals R\$ 5 Million



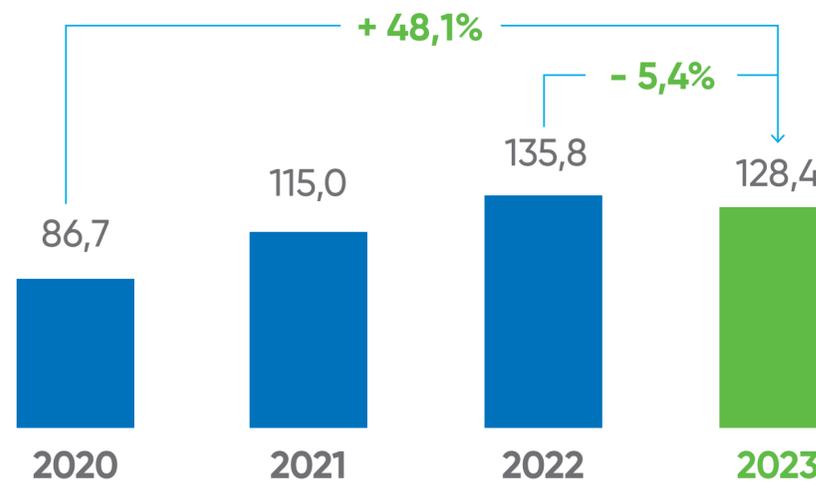
# International Operations

The business unit achieved a net revenue of R\$ 128.4 million, representing a decrease of 5.4% compared to the same period in 2022. The gross profit for the period totaled R\$ 67.7 million, with a gross margin of 52.7%. In our subsidiaries, we experienced revenue growth in Mexico and an increase in sales in local currency in Colombia, although this growth was tempered by currency fluctuations in the country.

For other countries, we faced the impact of reduced volumes of foot-and-mouth disease vaccines and the *impairment* provision related to foot-and-mouth disease records in Latin America, due to the halt in production. It's noteworthy that the company continues to expand its market presence and introduce products from our national portfolio to Latin American countries. As a result of this strategy, we have established distribution partnerships in two new countries: Chile and the Dominican Republic.

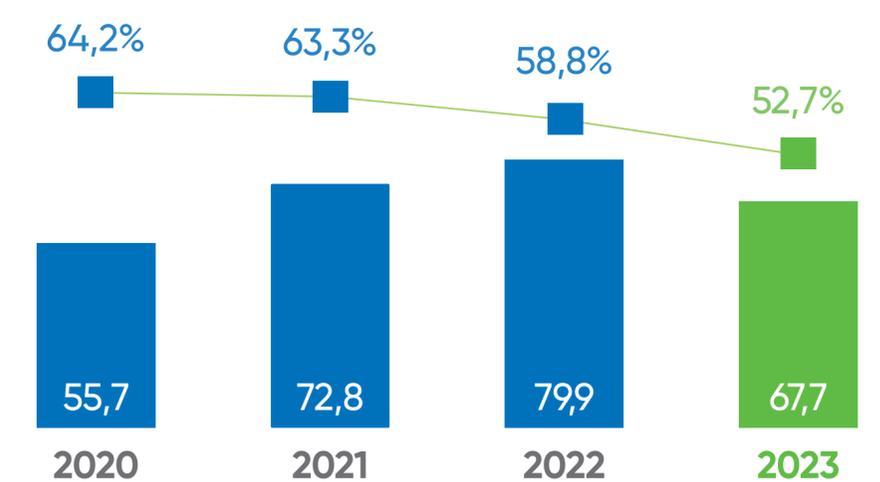
## Net revenue Livestock

R\$ 5 Million



## Gross profit Livestock

R\$ 5 Million



## Sales, general, and administrative expenses

R\$ 5 Million	2022	2023	Var %
Sales, general and administrative expenses	(284.1)	(273,6)	-3,7%
Percentages on net revenue	-27.3%	-29,0%	-1,7 p.p.
Other expenses, net	0,1	(9,1)	-16115,8%
Percentages on net revenue	0,0%	-1,0%	-1,0 p.p.

Expenses with sales, general, and administrative (SG&A) presented a reduction of 3.7% in the aggregate of 2023, reflecting the actions taken in the first quarters of the year. Internally, we worked throughout the year to achieve efficiency gains across the operation, restructuring and adjusting our spending and investment planning according to the current business context. We are confident that these measures position us solidly to face the challenges and ensure sustainable growth for the company in the upcoming periods.

nera, conducted in December 2023. The Company assessed the recoverability of goodwill and the group of assets of Regenera and concluded that the recoverable amount of the assets was lower than their carrying amount. As a result, we recorded the total write-off of goodwill in the amount of R\$ 18.1 million and a provision for *impairment* of fair value (goodwill) of assets in the amount of R\$ 7.0 million in the income statement. Liabilities recognized at the time of acquisition were also reviewed, with adjustments totaling R\$ -3.5 million.

In other net expenses, the main impact comes from the *impairment* test of the business combination of Rege-

## Expenses with research and development

R\$ 5 Million	2022	2023	Var %
Expenses with research and innovation and portfolio management	(69,3)	(59,7)	-13,9%
Percentages on net revenue	-6,7%	-6,3%	0,4 p.p.

We invested R\$ 78.6 million in research and development in 2023, of which R\$ 59.7 million are allocated to expenses and reflect the stage of development of the projects as well as the level of associated innovation. We emphasize that we have a continuous investment agenda in research, development, and innovation, and that the level of investment may vary according to the stage and cycle of the research. We remain aligned with our strategic planning for launches and new partnerships aimed at bringing new revenue streams to the company.

## EBITDA and EBITDA margin

R\$ 5 Million	2022	2023	Var %
<b>Adjusted net income**</b>	128,4	50,5	-60,6%
(+) Non-recurring results	2,3	(100,5)	-4.488,8%
<b>Net profit (loss) for the year</b>	130,7	(50,0)	-138,2%
<b>(+) Net financial income**</b>	30,3	26,8	-11,6%
(+) Income tax and social contribution**	16,4	104,2	535,3%
(+) Depreciation and amortization	32,0	36,2	13,1%
<b>EBITDA</b>	209,3	117,2	-44,0%
<b>(+) Non-recurring effects (*)</b>	(2,5)	8,2	-425,3%
(+) Outros**	0,4	9,0	2.281,5%
Adjusted EBITDA***	207,2	134,4	-35,1%
<b>Net receipts from sales</b>	1.041,1	943,3	-9,4%
<b>EBITDA Margin</b>	20,1%	12,4%	-7,7 p.p.
<b>Adjusted EBITDA margin</b>	19,9%	14,2%	-5,7 p.p.

(\*) In 2022, it does not consider: (I) recovery of expenses related to M&A operations; (II) expenses related to the incorporation of the subsidiary Ouro Fino Pet; (III) gains from tax litigation from previous periods; and (IV) untimely tax credits from previous fiscal years. In 2023, it does not consider: (I) legal fees related to successful tax litigation; (II) untimely tax credits from previous fiscal years; (III) write-off of goodwill from business combinations; and (IV) reversal of obligation for investment acquisition. The respective tax effects were considered in both periods presented.

(\*\*) In 2023, the financial result and income tax and social contribution do not consider the provision for the loss of IRPJ and CSLL (principal and monetary updating) related to the investment subsidy that was utilized between the years 2019 and 2022.

(\*\*\*) In 2023, it also does not consider the provision for *impairment* of intangible assets and goodwill recognized in business combinations.

## Financial Result

R\$ 5 Million	2022	2023	Var %
<b>Net financial result, adjusted</b>	(30,3)	<b>(11,2)</b>	-63,0%

The financial result showed an improvement of R\$19.1 million compared to 2022, reflecting the greater availability of cash and the improvement of the capital structure. Amount adjusted for the effects of the provisioning of grant tax benefits used between 2019 and 2022.



## Income tax and social contribution

R\$ 5 Million	2022	2023	Var %
<b>Income tax and social contribution</b>	(16,1)	<b>(27,4)</b>	70,5%
<b>Percentage of Profit before Income Tax and Social Contribution</b>	-11.1%	<b>-35,2%</b>	-24,1 p.p.

The income tax and social contribution in the 12M23 amounted to R\$ 28.1 million, compared to R\$ 16.1 million in the 12M22.

## Adjusted net profit

R\$ 5 Million	2022	2023	Var %
<b>Adjusted net income</b>	128,4	<b>50,5</b>	-60,6%
<b>Margem líquida</b>	12,3%	<b>5,4%</b>	-6,9 p.p.

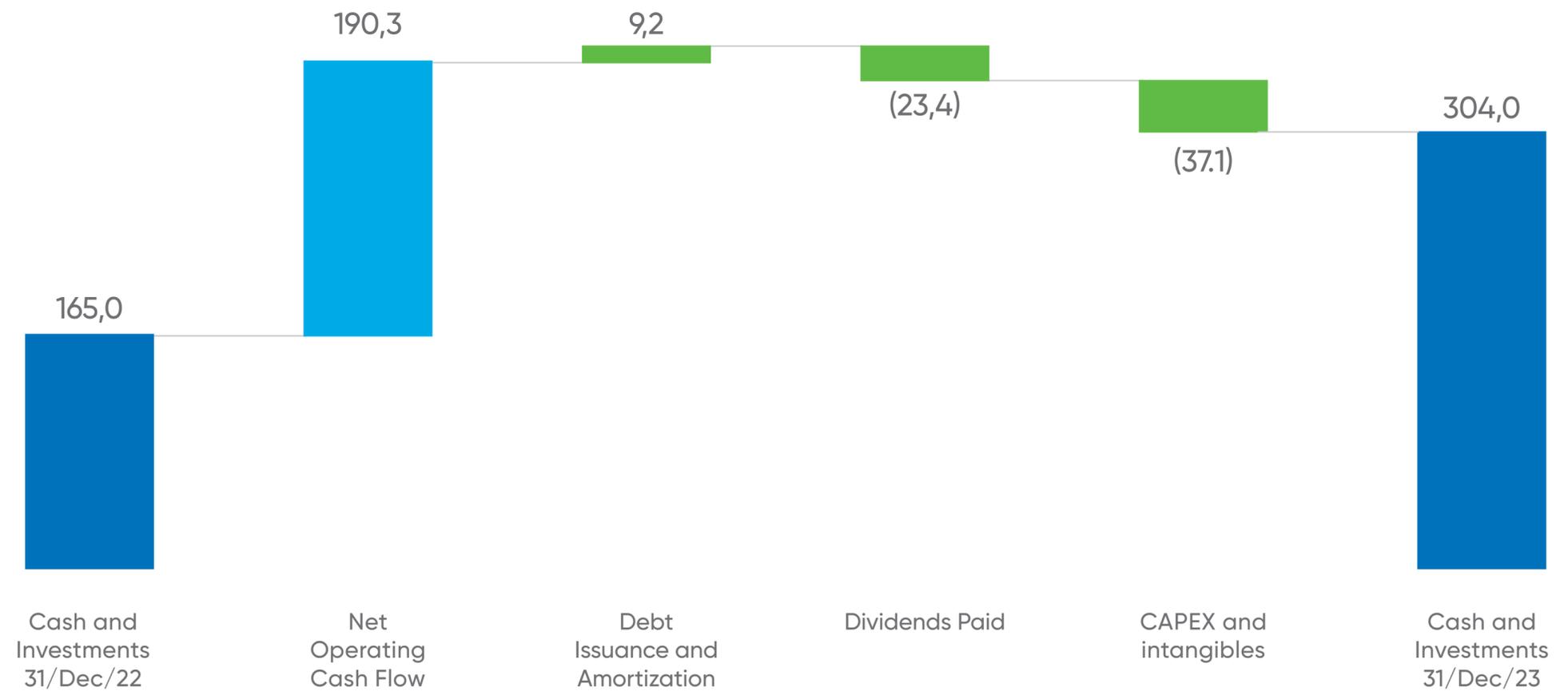
The adjusted net profit totaled R\$ 50.5 million in 2023, representing a decrease compared to the 2022 result by 60.6%. This reflects the lower operational result impacted by an unfavorable external scenario and the non-dilution of general and administrative expenses, as previously mentioned.

## Cash position

The financing flow recorded an increase of R\$ 9.2 million in a year where we amortized R\$ 79.4 million in loans and raised R\$ 90.0 million from FINEP. We also had R\$ 23.4 million related to dividend payments to shareholders and R\$ 37.1 million for the acquisitions of maintenance CAPEX and intangible assets for R&D.

### Cash position

R\$ 5 Million



## Indebtedness

In R\$ Million	2022	2023
<b>Current</b>	88,2	<b>98,9</b>
<b>Non-current</b>	324,1	<b>333,1</b>
<b>Gross Debt</b>	412.4	<b>432,0</b>
Financial derivative instruments linked		<b>0.2</b>
<b>Gross Debt considering linked derivatives</b>	412.4	<b>432,2</b>
(-) Cash, cash equivalents, and financial investments	165	<b>304,0</b>
<b>Net debt</b>	247,3	<b>128,1</b>
<b>Average cost of debt (LTM) <sup>1</sup></b>	10.1%	<b>10,4%</b>
<b>Net debt/Adjusted annual EBITDA LTM</b>	1/2x	<b>0,9x</b>

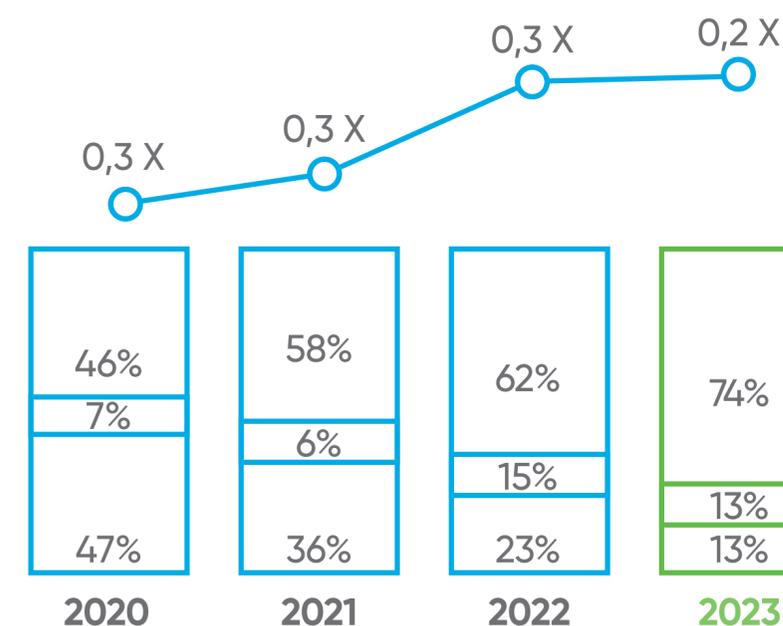
<sup>1</sup> Net bank debt considering bank guarantee costs.

We ended the year 2023 with a 52% reduction in net debt, attributable to robust cash generation during the period. The financial leverage ratio stood at 0.9x Adjusted EBITDA, compared to 1.2x in 2022. The debt

profile remains aligned with the company's long-term investment characteristics, with 77% of the debt categorized as long-term, and 40.8% of total gross debt having maturities exceeding 5 years.



## Composition



Bancos comerciais

In November, we concluded the contracting with FINEP for a credit line of R\$ 225 million, aimed at financing R&D projects, with the first disbursement occurring in December, in the amount of R\$ 90 million. The achievement of the pioneer innovation classification in this project by FINEP, intended for Strategic Innovation Plans

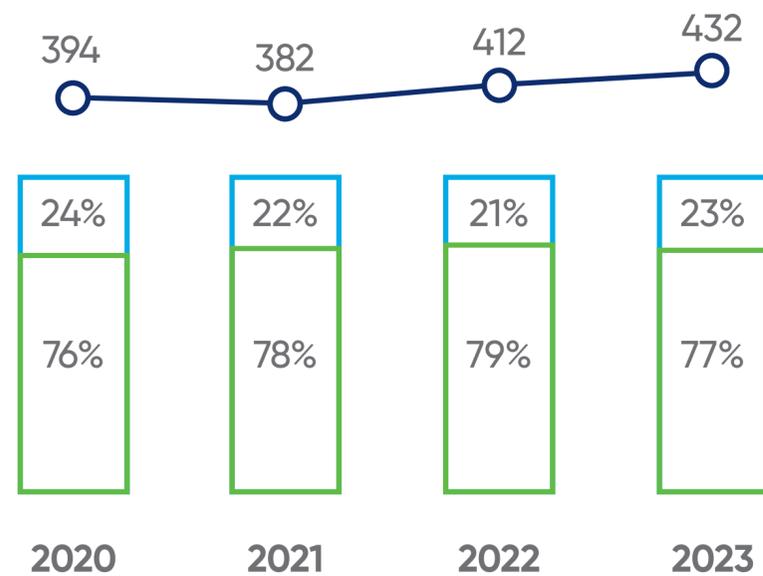
demonstrating a high degree of innovation and relevance to the benefited economic sector, allowed the financing to be classified at the rate of TR + 2.8%, with a total term of 12 years and a grace period of 36 months.

The average cost of debt as of December

31, 2023, was 8.30% per annum, representing a 3.45 percentage point reduction compared to the SELIC rate at the end of the year. We reduced our exposure to SELIC with the new FINEP project, and currently, we have 87% of our contracted debt with BNDES and FINEP.

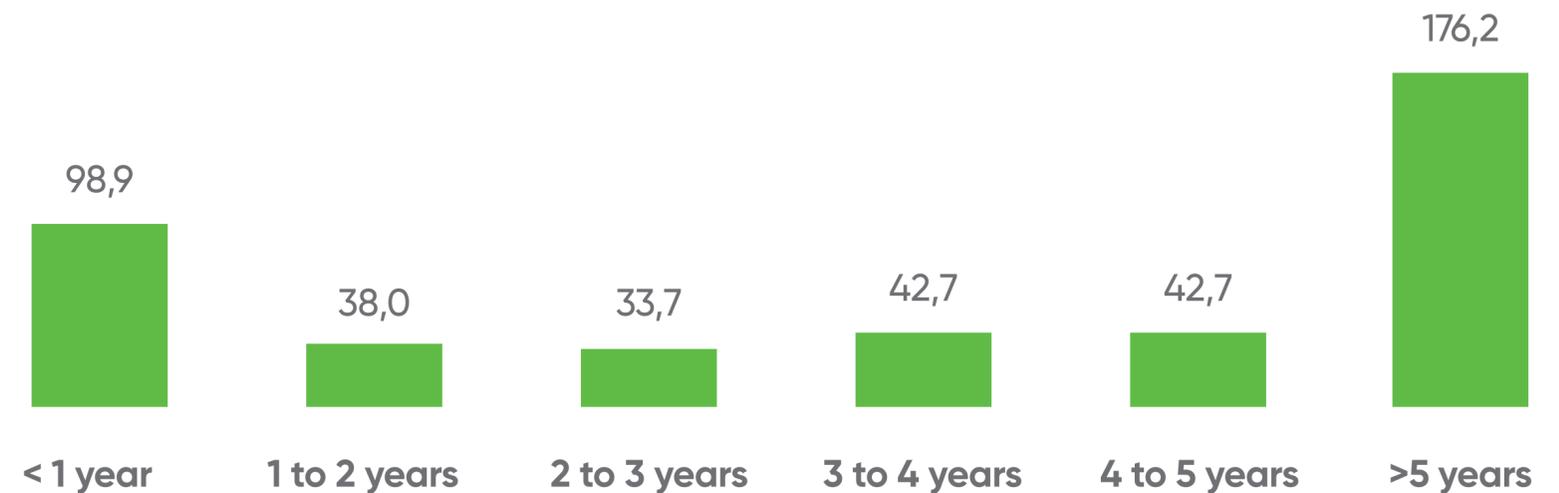
### Aging

R\$ million



### Aging of bank indebtedness

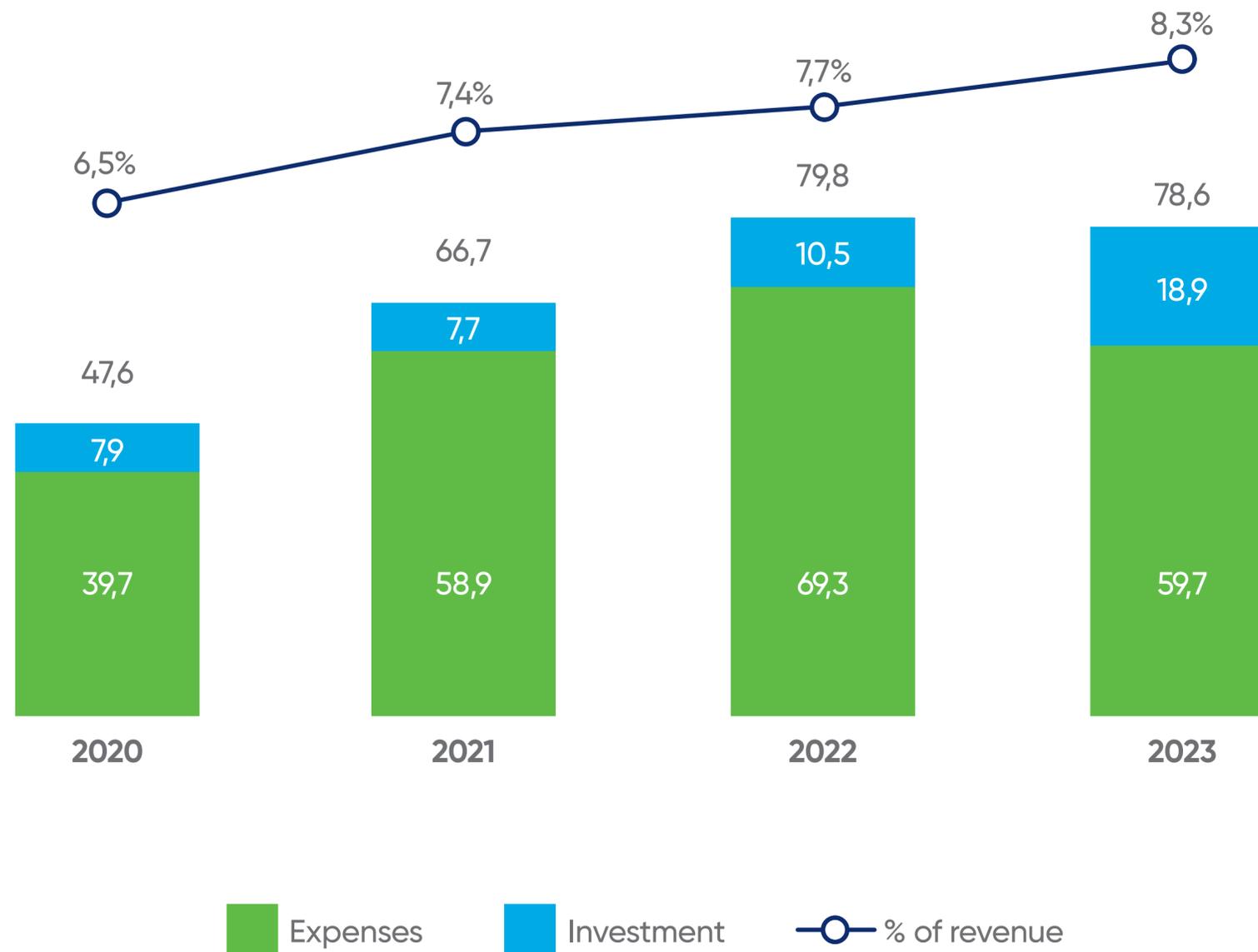
R\$ million



Long Term
  Short Term
  Gross Debt

## Investing in Research and Development

In 2023, 8.3% of the net revenue was invested, totaling R\$ 78.6 million. The total investment remains in line with Ourofino's investment history, demonstrating a commitment to initiatives and projects that can yield results in the short, medium, and long terms.



## Income Statement – Adjusted

Income statement (Thousands of R\$)	2022	2023
Revenue	1,041,107	943.281
Cost of sales	(513,032)	(511.548)
Gross profit	528.075	431.733
Expenses on sales	(221,488)	(215.610)
Research and innovation expenses	(69,341)	(59.696)
General and administrative expenses (*)	(62,595)	(57.993)
Other expenses, net (*)	57	(9.257)
Operating profit	174,708	89.177
Financial revenues	18,402	29.289
Financial expenses (*)	(43,964)	(42.978)
Derivative financial instruments, net	8	1.785
Exchange rate changes, net	(4,701)	698
Financial income	(30,255)	(11.206)
Profit before income tax and social contribution	144,453	77.971
Income tax and social contribution – Current and Deferred (*) (1)	(16,085)	(27.432)
Net profit for the period	128,368	50.539

(\*) Excludes expenses considered non-recurring, and their respective tax effects.

(1) On April 26, 2023, the Superior Court of Justice ("STJ") concluded the judgment on theme 1,182, and decided that the tax benefits of exemption and reduction of the ICMS tax base can only be excluded from the calculation of IRPJ and CSLL if the requirements provided for in article 10 of Complementary Law 160/2017 and article 30 of Law 12,973/2014 are observed. This decision brought about a significant change in the court's jurisprudence regarding the federative pact thesis for the ICMS tax benefits used by the subsidiary Ouro Fino Agronegócio Ltda., a fact that was the subject of a Market Communication on April 27, 2023.

Considering that the STJ judgment occurred shortly before the disclosure of information for the first quarter of 2023 to the market, and that until the disclosure date, the judgments with the votes of each minister had not yet been published, the Company's legal advisors concluded that there was not enough information to justify any change in the accounting approach adopted up to that moment. This assessment was the subject of disclosure of subsequent events in the explanatory notes for the quarter ended on March 31, 2023.

On June 12, 2023, the judgments with the complete votes of each minister of the STJ were published, and considering the change in jurisprudence, our legal advisors reassessed the previous prognosis on the subject. As a result of this reassessment, the Company recognized, in the nine-month period ended on September 30, 2023, the amount of R\$ 89.4 million, of which R\$ 74.6 million were principal and R\$ 14.8 million were monetary updating. These values reflect the benefit calculated between the years 2019 and 2022.

Further details on the subject can be found in explanatory note No. 1.1 (II) of the Financial Statements ended on December 31, 2023.

## Income Statement – Corporate

Income statement (Thousands of R)	2022	2023
Revenue	1.041.107	943.281
Cost of sales	(513.032)	(511.548)
Gross profit	528.075	431.733
Expenses on sales	(221.488)	(215.610)
Research and innovation expenses	(69.341)	(59.696)
General and administrative expenses	(62,978)	(58.468)
Other net revenues (expenses)	3 050	(16.948)
Operating profit	177,318	81.011
Financial revenues	18.402	29.289
Financial expenses	(43.964)	(58.531)
Derivative financial instruments, net	8	1.785
Exchange rate changes, net	(4.701)	698
Financial income	(30.255)	(26.759)
Profit before income tax and social contribution	147.063	54.252
Current and deferred income tax and social contribution	(16,405)	(104.228)
Net income (loss) for the period	130,658	(49.976)

## Cash flow statement (1/2)

<b>Cash flow statement (Thousand of R\$)</b>	<b>2022</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Profit before income tax and social contribution	147,063	<b>54.252</b>
<b>Adjustments for:</b>		
Expected credit losses (gains)	(101)	<b>369</b>
Provision for losses and write-offs of inventories	9,953	<b>29.017</b>
Provision of bonuses to customers	1,641	<b>424</b>
Depreciation and amortization	31,994	<b>36.189</b>
Provision for <i>impairment</i> of intangible assets	478	<b>1.958</b>
Provision for <i>impairment</i> of capital gain - business combination		<b>7,044</b>
Goodwill Write-Off		<b>18,094</b>
Reversal of obligations for investment acquisition		<b>(5.153)</b>
Result in write-offs of fixed assets	(3,227)	<b>(307)</b>
Result from write-offs of intangible assets	252	<b>(486)</b>
Monetary, exchange and interest variations, net	35,975	<b>53.772</b>
Derivative financial instruments	(8)	<b>(1.785)</b>
Provision (reversal) for risks, net	154	<b>(826)</b>
Long Term Incentives	8.100	<b>9.642</b>
Adjustment to present value	.910	<b>1.630</b>
<b>Change in working capital</b>		
Accounts receivable from customers	(57,203)	<b>38.640</b>
Inventories	(68,253)	<b>90.656</b>
Recoverable taxes	19,584	<b>35.194</b>
Other assets	2,467	<b>1.827</b>
Suppliers	17.113	<b>(13.147)</b>
<b>Taxes payable</b>	(5,501)	<b>2.128</b>
Other liabilities	10,693	<b>(20.008)</b>
<b>Cash flow from operations</b>	152,084	<b>339.124</b>
Interest paid	(34,559)	<b>(34.885)</b>
Income tax and social contribution paid	(27,935)	<b>(113.938)</b>
<b>Net cash generated by operating activities</b>	89,590	<b>190.301</b>

## Cash flow statement (2/2)

Cash flow statement (Thousands of R\$)	2022	2023
<b>Cash flows from investment activities</b>		
Acquisition of companies, net of acquired cash	(14,532)	
Investments of funds in intangible assets	(18,202)	<b>(22.759)</b>
Acquisition of fixed assets	(51,974)	<b>(24.918)</b>
Amount received for the sale of fixed assets	5,733	<b>10.040</b>
Amount received for the sale of intangible assets	826	<b>500</b>
<b>Net cash applied in investing activities</b>	<b>(78,149)</b>	<b>(37.137)</b>
<b>Cash flows from financing activities</b>		
Obtaining of loans and financing	106,104	<b>94.681</b>
Payments of loans and financing	(78,905)	<b>(79.427)</b>
Lease payments	1 997	<b>(2.948)</b>
Term Payments on Company Acquisition		<b>(4,610)</b>
Payment of dividends and interest on stockholders' equity	(33,224)	<b>(23.408)</b>
Derivative financial instruments	72	<b>1.356</b>
Net cash used in financing activities	(7,950)	<b>(14.356)</b>
<b>Increase (decrease) in cash and equivalents</b>	<b>3,491</b>	<b>138.808</b>
<b>Cash and equivalents at the beginning of the year</b>	<b>161,254</b>	<b>165.036</b>
<b>Exchange gains on cash and cash equivalents</b>	<b>291</b>	<b>185</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>165.036</b>	<b>304.029</b>

**Asset Balance Sheet**

<b>Balance Sheet (Thousands of R\$)</b>	<b>2022</b>	<b>2023</b>
<b>Active</b>		
<b>Current assets</b>	842,904	<b>828.889</b>
Cash and cash equivalents	165,036	<b>304.029</b>
Accounts receivable from customers	301.008	<b>263.035</b>
Derivative financial instruments		<b>546</b>
Inventories	324.971	<b>207.888</b>
Recoverable taxes	31.368	<b>16.306</b>
Income tax and social contribution recoverable	11.438	<b>15.215</b>
Related parties	414	<b>15.120</b>
Other assets	8.669	<b>-6.750</b>
<b>Non-current assets</b>	503,601	<b>450.120</b>
<b>Long term receivable</b>	55,167	<b>24.313</b>
Recoverable taxes	18.983	<b>462</b>
Deferred income taxes and social contribution	34.069	<b>21.888</b>
Inventories	276	
Other assets	1.839	<b>1.963</b>
<b>Permanent</b>	448.434	<b>425.807</b>
Fixed assets	342,358	<b>333.146</b>
Intangible	106.076	<b>92.661</b>
<b>Total assets</b>	1.346.505	<b>1.279.009</b>

## Balance Sheet Liabilities and Shareholders' Equity

Balance Sheet (Thousands of R\$)	2022	2023
<b>Liabilities and net equity</b>		
<b>Current liabilities</b>	259,425	<b>232.656</b>
Suppliers	85.566	<b>74.558</b>
Derivative financial instruments	64	<b>181</b>
Loans and financing	88,229	<b>98.852</b>
Salaries and social contributions	47,875	<b>30.212</b>
Taxes payable	7,993	<b>10.825</b>
Dividends and interest on owners' equity	10,576	
Related parties	414	<b>247</b>
Commissions on sales	6.614	<b>5.335</b>
Other liabilities	12.094	<b>12.446</b>
<b>Non-current liabilities</b>	351,111	<b>356.958</b>
Loans and financing	324.140	<b>333.122</b>
Provision against risks	5,675	<b>5.022</b>
Investment acquisition obligations	8.153	
Other liabilities	13.143	<b>18.814</b>
Total liabilities	610,536	<b>589.614</b>
<b>Total owners' equity</b>	735,950	<b>689.374</b>
<b>Non-controlling interest</b>	19	<b>21</b>
<b>Total liabilities and net equity</b>	1.346.505	<b>1.279.009</b>

## Value Added Statement (1/2)

GRI 201-1

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Revenues:</b>				
Gross sales of products and services	-	-	1.026.696	1.137.912
Other net revenues	-	-	1.043	4.231
Revenues related to the construction of own assets	-	-	13.491	12.031
Expected credit losses (gains)	-	-	(369)	101
			1.040.861	1.154.275
<b>Inputs purchased from third parties:</b>				
Cost of goods sold and services provided			(344.778)	(379.957)
Materials, energy, outsourced services and others	(1.070)	(1.039)	(255.347)	(266.744)
Losses of assets, net			(51.715)	(10.139)
<b>Gross value added (distributed)</b>	(1.070)	(1.039)	389.021	497.435
Depreciation and amortization	(26)		(36.189)	(31.994)
<b>Net value added (distributed) produced by the entity</b>	(1.096)	(1.039)	352.832	465.441
<b>Value added received in transfer:</b>				
Equity accounting income	(40.237)	139.481		
Financial revenues	1.433	2.562	40.214	26.097
Royalties	200	200	205	205
Others	7	4	1.171	1.208
<b>Total value added distributed</b>	(39.693)	141.208	394.422	492.951

## Value Added Statement (2/2)

GRI 201-1

	Parent Company		Consolidated	
	2023	2022	2023	2022
<b>Personnel:</b>				
Direct compensation	6.269	6.330	164.513	183.092
Benefits	198	217	34.702	34.428
FGTS	123	115	15.506	12.410
<b>Taxes, fees, and contributions:</b>				
Federal	3.532	3.717	151.881	69.890
State	12	8	9.083	4.332
Municipal	1		590	537
<b>Remuneration of third-party capital:</b>				
Interest, passive exchange variation, losses on derivatives, etc.	146	158	64.234	53.017
Rents	1		3.862	4.567
Others			27	20
<b>Remuneration of Equity Capital:</b>				
Retained profit	(49.975)	96.492	(49.975)	96.492
Interest on Equity and Dividend		34.171		34.171
Non-controlling interests participation			(1)	(5)
<b>Value added distributed</b>	<b>(39.693)</b>	<b>141.208</b>	<b>394.422</b>	<b>492.951</b>

# Indicators and annexes

Statement of use: Ourofino reported the information cited in this GRI content summary for the period from January 1 to December 31, 2023 based on the GRI Standards.

## GRI 1: Fundamentals 2021

### General Disclosures

#### Organizational profile

GRI Standard	Content	Page/ Justification for Omission	SDG
GRI 2: 2021 General Disclosures	2-1 Organization details	14	
	2-2 Entities included in the organization's sustainability report	14	
	2-3 Reporting period, frequency and point of contact	5	
	2-4 Restatements of Information	In 2021 and 2022, in the non-hazardous waste indicator (wood), the value was entered in units and not in kg. The calculation has been redone and included in this edition.	
	2-5 External check	5	
	2-6 Activities, value chain and other business relationships	14, 23, 25, 28, 31	
	2-7 Employees	54	8 10
	2-8 Workers who are not employed	54	8 10

Presentation	About us	Business strategy	Sustainability at Ourofino	Indicators and annexes
	2-9 Governance structure and its composition			96 <span>5</span> <span>16</span>
	2-10 Appointment and selection to the highest governance body			98 <span>5</span> <span>16</span>
	2-11 Chairman of the highest governance body			6, 98 <span>16</span>
	2-12 Role played by the highest governance body in overseeing impact management			98 <span>16</span>
	2-13 Delegation of responsibility for impact management			98, 102
	2-14 Role played by the highest governance body in sustainability reporting			5 <span>16</span>
	2-15 Conflicts of interest			103
	2-16 Communication of Critical Concerns			98
	2-17 Collective knowledge of the highest governance body			102
	2-18 Performance evaluation of the highest governance body			98
	2-19 Compensation Policies		The details of the guidelines for compensation of senior management are contained in item 13 of the Reference Form. <a href="http://link.ourofino.com/b65df">http://link.ourofino.com/b65df</a>	
	2-20 Process for determining compensation		The details of the guidelines for compensation of senior management are contained in item 13 of the Reference Form. <a href="http://link.ourofino.com/b65df">http://link.ourofino.com/b65df</a>	
	2-21 Proportion of total annual compensation		The details of the guidelines for compensation of senior management are contained in item 13 of the Reference Form. <a href="http://link.ourofino.com/b65df">http://link.ourofino.com/b65df</a>	
	2-22 Declaration on Sustainable Development Strategy			8
	2-23 Policy commitments			17 <span>16</span>



<b>GRI 202: Market presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The ratio for men is 1.4 and for women is 1.3	5	10
	202-2 Proportion of senior management members hired in the local community	62	8	
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Development and impact of investments in infrastructure and services offered	63	5	9
	203-2 Significant indirect economic impacts	The Company does not have an evaluation or studies to effectively assess the significant indirect economic impacts generated by our presence.		11
<b>GRI 401: Employment 2016</b>	401-1 Rates of new hires and employee turnover	167, 168, 169	5	8
	401-2 Benefits granted to full-time employees who are not offered to temporary or part-time employees	55	3	5
	401-3 Parental leave	170	5	8
<b>GRI 403: 2016 Occupational Health and Safety</b>	403-1 Occupational Safety and Health Management System	59		3
	403-2 Hazard identification, risk assessment and incident investigation	60	3	8
	403-3 Occupational health services	61	3	8
	403-4 Worker participation, consultation and communication on occupational health and safety	59	8	16
	403-5 Worker training on occupational health and safety	59	3	4
	403-6 Promotion of worker health	61	3	8

	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		78	3 8
	403-8 Workers covered by an occupational health and safety management system		59	8
	403-9 Work-related Injuries		62	3 8
	403-10 Work-related illness	In 2023, we did not identify new cases of occupational diseases related to the activities performed by employees in our operations, whether they are themselves or regular third parties.		3 8
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee		57	4 5 8 10

	404-2 Continuous Learning Programs for Employees and Career Transition Assistance	For cases of dismissal without just cause, we offer a professional relocation program. For the retired employee who chooses not to continue the employment contract, the company by mere liberality will carry out the dismissal for dismissal without just cause, making available the payment of the indemnified prior notice, as well as the fine corresponding to 40% of the FGTS amount. To be entitled, the employee must have at least 10 years of uninterrupted active contract and communicate their interest in dismissal to the responsible area of Human Resources, as well as deliver the documents proving retirement.		8
	404-3 Percentage of employees receiving regular performance and career development reviews	Evaluations are carried out at the beginning of the year in order to analyze the employee's performance for the previous year. For this reason, we do not yet have the percentage for 2023. In 2022, 97.1% of the team participated in Performance Management.		8 10
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees		170, 171	5 8
	405-2 Ratio of basic salary and remuneration of women to men		172	5 8 10
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	We have not recorded incidents of discrimination or reports related to the subject in the last fiscal year.		5 8 16
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs		62, 63, 172	
	413-2 Operations with significant potential impacts or real negative impacts on local communities	No significant or actual negative impacts on local communities near the Group's main operations were recorded in the last fiscal year.		12
<b>Innovation and research</b>				
<b>GRI 3: Material Themes 2021</b>	3-3 Management of material themes		79	

<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed		149,150	8 9
	201-4 Financial assistance received from the government	We chose not to disclose this information as we consider it confidential.		
<b>Internal indicator</b>	Percentage of net revenue invested in the Company's Research and Development		79,142	
<b>Food safety and security</b>				
<b>GRI 3: Material Themes 2021</b>	3-3 Management of material themes		74	
<b>GRI 416: Consumer health and safety 2016</b>	416-1 Products and services for which health and safety impacts are assessed		78	
	416-2 Nonconformities relating to impacts caused by products and services on health and safety	We did not record incidents relating to health and safety impacts of products and services in the last fiscal year.		16
<b>GRI 417: 2016 Marketing and Labeling</b>	417-1 Requirements for product and service information and labeling		77	12
	417-2 Non-conformities relating to information and labelling of products and services		No non-conformities were reported in the service of information and labeling of products and services.	
	417-3 Non-conformities relating to <i>marketing</i> communications		We did not record non-compliance related to <i>marketing</i> communications in the last fiscal year.	
<b>Supply Chain</b>				
<b>GRI 3: Material Themes 2021</b>	3-3 Management of material themes		70	

**GRI 204: Purchasing Practices 2016**

204-1 Proportion of spending on local suppliers in major operating units

71

8

308-1 New suppliers that were selected using environmental criteria

72

**GRI 308: Supplier Environmental Assessment 2016**

308-2 Negative environmental impacts in the supply chain and actions taken

By accepting the purchase order, our supplier automatically accepts Ourofino's general terms and conditions, registered in a notary's office. These documents establish the practices that must be followed by our suppliers. Among them is the non-acceptance of association with child labor. In addition, we have a tool that analyzes through the supplier's CNPJ if there is any criminal proceeding associated with child labor related to its CNPJ as a passive party. If this relationship is pointed out, an analysis is made by the legal department on the process in question and, if the supplier's responsibility is proven, it is blocked and fails to provide it to the company. We also have our Code of Conduct for Suppliers on our website containing all required practices from our suppliers to the Company.

**GRI 407: Freedom of Association and Collective Bargaining 2016**

407-1 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining agreement may be being violated or there is a risk of it

We do not record incidents in our operations or suppliers, in which the right to exercise freedom of association and collective bargaining has been violated or there is a risk that it will be in the last fiscal year.

8 16

<p><b>GRI 408: Child Labor 2016</b></p>	<p>408-1 Operations and suppliers at significant risk for incidents of child labor</p>	<p>By accepting the purchase order, our supplier automatically accepts the general terms and conditions of supply of Ourofino registered in a notary's office, which establishes the practices that must be followed by our suppliers when supplying their products, among them is the non-acceptance of association with child labor. In addition, we have a tool that analyzes through the supplier's CNPJ if there is any criminal process associated with child labor related to its CNPJ as a passive party, if this relationship is pointed out, an analysis is made by the legal department on the process in question and if the supplier's responsibility is proven, it is blocked and ceases to be a supplier for the company. We also have our Supplier Code of Conduct on our website containing all the practices required of our suppliers to supply to us.</p>	<p>8 16</p>
<p><b>GRI 409: Forced or compulsory labor 2016</b></p>	<p>409-1 Operations and suppliers identified as having significant risk for the occurrence of forced or slave labor</p>	<p>None of the suppliers evaluated in our tool had their CNPJ or its partners related to crimes of forced labor or slave analog.</p>	<p>8</p>
<p><b>GRI 414: Supplier Social Assessment 2016</b></p>	<p>414-1 New suppliers that were screened using social criteria</p> <p>414-2 Negative social impacts in the supply chain and measures taken</p>	<p>72</p> <p>72</p>	<p>5 8 16</p> <p>5 8 16</p>
<p><b>Sector Supplement: Food Processing</b></p>	<p>FP1 Percentage of volume purchased from suppliers in compliance with the organization's purchasing policy</p>	<p>In the last fiscal year, all suppliers (with a signed contract) complied with the criteria established in the Purchasing Policy and the clauses of the Terms and Conditions of Supply.</p>	
<p><b>Climate Changes</b></p>			
<p><b>GRI 3: Material Themes 2021</b></p>	<p>3-3 Management of material themes</p>	<p>85</p>	

Presentation	About us	Business strategy	Sustainability at Ourofino	Indicators and annexes
<b>GRI 201: Economic performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change			86 <span style="float: right;">13</span>
	302-1 Energy consumption within the organization			92 <span style="float: right;">7 8 12 13</span>
	302-2 Energy consumption outside the organization		There is no consumption outside the organization.	
	302-3 Energy intensity			92 <span style="float: right;">7 8 12 13</span>
<b>GRI 302: 2016 Energy</b>	302-4 Reduction of energy consumption		Compared to 2022, we had a reduction in energy consumption, mainly due to the reduction in the drive of our diesel generators, which had no demand. We also had the shutdown of the foot-and-mouth disease vaccine factory, impacting energy and natural gas consumption at the Cravinhos (SP) operations.	
	302-5 Reduction in energy requirements of products and services		We consider this indicator not applicable, since our actions are to reduce and control the energy intensity associated with production and to expand the use of renewable sources.	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with Water as a Shared Resource			88 <span style="float: right;">6 12</span>
	303-2 Managing Impacts Related to Water Discharge			88 <span style="float: right;">6</span>
	303-3 Water withdrawal			89 <span style="float: right;">6 8 12</span>
	303-4 Water discharge			90 <span style="float: right;">6</span>
	303-5: Water consumption			89 <span style="float: right;">6</span>

Presentation	About us	Business strategy	Sustainability at Ourofino	Indicators and annexes
<b>GRI 305: 2016 Emissions</b>	305-1 Direct (Scope 1) GHG emissions			87 <span>3 12 13 14 15</span>
	305-2 Energy indirect (Scope 2) GHG emissions			87 <span>3 12 13 14 15</span>
	305-3 Other indirect (Scope 3) GHG emissions			87 <span>3 12 13 14 15</span>
	305-4 GHG emissions intensity			87 <span>3 12 13 14 15</span>
	305-5 Reduction of GHG emissions			86 <span>3 12 13 14 15</span>
<b>GRI 307 :Environmental Compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations"	No non-compliances with laws and regulations have been identified that would result in significant fines or sanctions in the last fiscal year.		<span>12 13 14 15 16</span>
<b>Animal welfare</b>				
<b>GRI Standard</b>	<b>Disclosure</b>		<b>Page/ Justification for Omission</b>	<b>SDG</b>
<b>GRI 3: Material Themes 2021</b>	3-3 Management of material themes		45	
<b>Sector Supplement: Food Processing</b>	FP11 Percentage and total of animals raised and/or processed, by species and breed, by type of housing		50	
	FP13 Total number of cases of significant non-compliance with laws and regulations and adherence to voluntary standards related to transport, handling and slaughter practices of terrestrial and aquatic animals		We have not recorded cases of significant non-compliance with laws and regulations and adherence to voluntary standards related to transport, handling and slaughter practices of terrestrial and aquatic animals in the last fiscal year.	

**NON-MATERIAL THEMES**

### Anti-corruption procedures

GRI Standard	Disclosure	Page/ Justification for Omission	SDG
<b>GRI 205: Anti-corruption procedures 2016</b>	205-1 Operations assessed for risks related to corruption	We use a platform for the collection and analysis of registration and reputational data of customers and suppliers, to assess any integrity risks in relation to the association with third parties. Additionally, any corruption allegations received via the Whistleblower Channel or other means are subject to analysis and investigation by the Internal Audit team. All reports received have been investigated and, to date, we have not recorded any occurrences related to acts of corruption or fraud.	16
	205-2 Communication and training about anti-corruption policies and procedures		166
	205-3 Confirmed incidents of corruption and actions taken		110

### Anti-competitive behavior

GRI Standard	Disclosure	Page/ Justification for Omission	SDG
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Lawsuits brought on by anti-competitive behavior, trust and monopoly practices	We did not file lawsuits for anti-competitive behavior, antitrust and/or monopoly practices in the last fiscal year.	16

### Taxes

GRI Standard	Disclosure	Page/ Justification for Omission	SDG
--------------	------------	----------------------------------	-----

<b>GRI 207: Taxes 2019</b>	207-1 Approach to tax	113	1 10 17
	207-2 Governance, control and management of tax risk	113	1 10 17
	207-3 Stakeholder engagement and management of their tax concerns "	113	1 10 17

**Waste**

GRI Standard	Disclosure	Page/ Justification for Omission	SDG
<b>GRI 306: 2020 Waste</b>	306-1 Waste generation and significant waste-related impacts	93	3 6 11 12
	306-2 Management of significant waste-related impacts	93	3 6 11 12
	306-3 Waste generated	95	3 6 12 14 15
	306-4 Waste not destined for final disposal	95	3 11 12
	306-5 Waste destined for final disposal	95	3 6 11 12 14 15

**Public policy**

GRI Standard	Disclosure	Page/ Justification for Omission	SDG
--------------	------------	----------------------------------	-----

**GRI 415: 2016  
Public Policy**

415-1 Political contributions

We have not recorded in the last year any contributions to campaigns, parties and/or candidates for public office.

16

**Customer privacy violations**

**GRI Standard**

**Disclosure**

**Page/ Justification for Omission**

**SDG**

**GRI 418: 2016  
Customer Privacy  
Violations**

418-1 Proven complaints received regarding breach of customer privacy

We have not recorded non-compliance with laws and regulations relating to breach of customer privacy in the last fiscal year.

16



# Annexes <sup>+</sup> <sup>+</sup> <sub>+</sub> <sub>+</sub>

## Employees communicated and trained in the anti-corruption theme by region GRI 205-2

	2021	2022	2023
Number of employees trained	914	1.044	895
Total number of employees (Brazil)	1.059	1.122	940
Percentage of trained employees (%) (Brazil)	86,0	93,0	95,2
Number of employees trained (Mexico and Colombia)	65	70	61
Total number of employees (Mexico and Colombia)	72	79	65
Percentage of employees trained (%) (Mexico and Colombia)	90,2	88,6	93,8

**Note 1:** All employees of the Company were previously communicated.

**Note 2:** The data presented consider as trained only employees who reached the minimum grade of 70% in the training.

**Note 3:** The Code of Conduct addresses elements related to the issue of anti-corruption.

**Note 4:** For the year 2023, the members of the Audit Committee (2), Legal Representatives (35), not represented in the numbers above, also underwent the training.

## Employees communicated and trained in the anti-corruption theme by functional category GRI 205-2

	2021	2022	2023
Board of Directors	9	2	9
Board and Presidency	9	9	10
Management	48	58	49
Administrative	477	576	504
Produção	436	469	384
Number of employees trained	979	1.114	956
Total number of employees	1.131	1.201	1.005
Percentage of employees trained (%)	86,6	92,7	95,12

**Note 1:** All employees of the Company were previously communicated.

**Note 2:** The data presented consider as trained only employees who reached the minimum grade of 70% in the training.

**Note 3:** The data presented refer to all regions.

**Note 4:** For the year 2023, the members of the Audit Committee (2), Legal Representatives (35), not represented in the numbers above, also underwent the training.

**Note 3:** The Code of Conduct addresses elements related to the issue of anti-corruption.

## Contracting by age group

GRI 401-1

		2021		2022		2023	
		Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)
Operations Brazil	Under 30	62	41,3	137	60,0	81	59,1
	From 30 to 50 years	81	54,0	89	39,0	53	38,7
	Over 50 years	7	4,7	2	1,0	3	2,2
	<b>Total</b>	150	100	228	100,0	137	100,0
International operations (Mexico and Colombia)	Under 30	5	38,5	3	27,3	4	36,3
	From 30 to 50 years	8	61,5	7	63,6	7	63,6
	Over 50 years	-	-	1	9,1	0	0
	<b>Total</b>	13	100	11	100,0	11	100,0

Note: Interns and apprentices were considered

### Hiring rate by gender (%)

GRI 401-1

		2021	2022	2023
Operations Brazil	Men	13,1	15,9	12,0
	Women	15,8	27,4	19,0
International operations (Mexico and Colombia)	Men	22,0	16,4	21,0
	Women	9,1	8,3	9,0

Note: Interns and apprentices were considered

### Hiring rate by age group (%)

GRI 401-1

		2021	2022	2023
Operations Brazil	Under 30	34,83	63,1	42
	From 30 to 50 years	10,32	10,9	8
	Over 50 years	7,29	2,2	4,0
International operations (Mexico and Colombia)	Under 30	45,45	30,0	36,3
	From 30 to 50 years	14,55	11,3	14,2
	Over 50 years	-	14,3	-

Note: Interns and apprentices were considered

### Employee turnover by gender

GRI 401-1

		2021		2022		2023	
		Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)
Operations Brazil	Men	66	58,4	116	58,0	219	62,8
	Women	47	41,6	84	42,0	13	37,2
	Total	113	100,0	200	100,0	349	100,0
International operations (Mexico and Colombia)	Men	8	80,0	4	80,0	22	80,0
	Women	2	20,0	1	20,0	4	20,0
	Total	10	100,0	5	100,0	26	100,0

Note: Apprentices and trainees were considered

## Employee turnover by age group

GRI 401-1

	2021		2022		2023		
	Quantity	Representation (%)	Quantity	Representation (%)	Quantity	Representation (%)	
Operations Brazil	Under 30	19	16,8	92	46,0	97	27,8
	From 30 to 50 years	88	77,9	100	50,0	220	63,0
	Over 50 years	6	5,3	8	4,0	32	9,2
	<b>Total</b>	<b>113</b>	<b>100,0</b>	<b>200</b>	<b>100,0</b>	<b>349</b>	<b>100,0</b>
International operations (Mexico and Colombia)	Under 30	4	40,0	1	20,0	0	0
	From 30 to 50 years	6	60,0	4	80,0	24	92,3
	Over 50 years	-	-	-	-	2	7,7
	<b>Total</b>	<b>10</b>	<b>100,0</b>	<b>5</b>	<b>100,0</b>	<b>26</b>	<b>100,0</b>

Note: Interns and apprentices were considered

## Turnover rate by gender (%)

GRI 401-1

	2021	2022	2023	
Operations Brazil	Men	10,1	16,4	25,4
	Women	11,6	23,3	26,4
International operations (Mexico and Colombia)	Men	16	11,8	36,0
	Women	9,1	6,3	13,6

Note: Interns and apprentices were considered

## Turnover rate by age group (%)

GRI 401-1

	2021	2022	2023	
Operations Brazil	Under 30	10,67	52,8	46,1
	From 30 to 50 years	11,21	11,6	20,3
	Over 50 years	6,25	5,6	23,6
International operations (Mexico and Colombia)	Under 30	36,36	20	18,2
	From 30 to 50 years	10,91	8,9	31,6
	Over 50 years	-	7,1	20,0

Note: Interns and apprentices were considered

## Maternity/Paternity Leave

GRI 401-3

	Employees entitled to take leave	Employees who took leave	Employees maintained after return from leave	Return Rate (%)
Men	445	16	13	81,2
Women	388	29	22	75,9

## Distribution of individuals by gender in governance positions and other functional categories (%)

GRI 405-1

	Number		Percentage (%)	
	Men	Women	Men	Women
Board of Directors	9	0	100,0	0,0
Board and Presidency	9	1	90,0	10,0
Management	34	15	69,4	30,6
Administrative	252	272	48,1	51,9
Production	295	118	71,4	28,6

Brazil, Mexico and Colombia Operations

## Distribution of minorities in governance positions and other functional categories (%)

GRI 405-1

	2021			2022				2023			
	Black or brown	PcD*	Total	Black or brown	PcD*	50+	Total	Black or brown	PcD*	50+	Total
Board of Directors	0,0	0,0	0,0	0,0	0,0	100,0	100,0	0,0	0,0	77,8	77,8
Board of Directors and Presidency	20,0	0,0	20,0	20,0	0,0	20,0	40,0	10,0	0,0	20,0	30,0
Management	10,0	2,0	12,0	1,6	0,0	18,0	19,6	2,0	0,0	16,3	18,3
Administrative	21,0	6,0	27,0	8,7	1,4	4,6	14,7	10,1	1,3	2,6	14,0
Production	20,0	5,9	20,0	21,9	5,9	9,8	37,6	21,5	6,0	11,6	39,1

Note: (\*) PwD - Person with disabilities or permanent limitations (visual, auditory, physical, or intellectual).

## Distribution of individuals by gender in governance positions and other functional categories (%)

GRI 405-1

	Number			Percentage (%)		
	Under 30	From 30 to 50 years	Over 50 years	Under 30	From 30 to 50 years	Over 50 years
Board	0	2	7	0,0	22,2	77,8
Board and Presidency	0	8	2	0,0	80,0	20,0
Management	0	41	8	0,0	83,7	16,3
Administrative	145	365	14	27,7	69,6	2,7
Production	59	306	48	14,3	74,1	11,6

### Gender wage gap by job category

GRI 405-2

	2021	2022	2023
Board of Directors *	-	-	-
Board of Directors and Presidency	0,9	0,9	1,0
Management	1,0	0,9	1,0
Administrative	1,0	1,0	0,9
Production	1,0	1,0	1,0

**Note 1:** (\*) For this category we have only male representatives acting and therefore the relationship between salaries does not appear.

**Note 2:** Reported data does not include Mexico and Colombia operations.

### Private investments

GRI 413-1

Supporting entity	Local	Promotion instrument	Amount(R\$)
Projete	Ribeirão Preto (SP)	Internal indication	20.000,00
Donations to entities and institutions	Miscellaneous	Internal indication	116.190,98
<b>Total</b>	-	-	136.190,98

**Note:** The investment includes the Ourofino Group.



# Credit

## Project planning and coordination

Kátia Lobo

Daniela Achite

## Internal project team

Alan Silva

Mariana Anselmo

Claudia Pacagnella

Philippe Cangussu

## Graphic design and layout

Ninin Studio

## External assurance

BLB Auditores e Consultores

