

SUSTAINABILITY

Report

2023



Belém - Pará - Brazil





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MESSAGE FROM THE CEO

Dear employees, partners and stakeholders,

It's a great pleasure to share Tropoc's progress and commitments in the area of sustainability. As CEO, I am honoured to lead a team that is so dedicated and engaged in adopting sustainable practices and raising environmental awareness in all facets of our operations.

Our commitment to sustainability goes beyond mere compliance with environmental regulations. We are dedicated to implementing initiatives that effectively contribute to the sustainable development of our region and the conservation of natural resources that are essential to the continuity of our business.

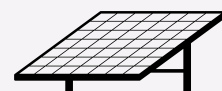
We recognise that the journey towards sustainability is an ongoing process full of challenges. However, we reiterate our commitment to continue evolving and seeking innovations to overcome the environmental and social challenges we face, both as a company and as a society.

I thank all of you for your commitment to this journey and invite you to familiarise yourself with our achievements. Together, we are capable of building a more prosperous and sustainable future for generations to come. (2.13, 2.22)

CEO -
FRANCIANO VIEIRA



HIGHLIGHTS 2023



Installation of 1,080 photovoltaic panels with the potential to produce 75,000 kwh/month.

Meeting with farmers in more communities and more often



Increased direct purchase of pepper from the farmer, avoiding intermediaries

WE ARE TROPOC

Our story begins in 1973 when Mr Dieter Fuchs arrived from Germany in the north of Brazil in search of land to grow a noble spice, black pepper. In the city of Castanhal, in the state of Pará, Mr Fuchs found a place to start planting and thus a small company was born, which years later would become one of the most important businesses in the black pepper market.

Tropical Products of Castanhal was the English name used to give rise to TROPOC (Produtos Tropicais de Castanhal Ltda.). With its headquarters located in the same place where it all began, Castanhal is now home to a TROPOC with a larger, more modern operation that has become an important part of the community. Buying, processing and exporting black pepper, we have built up a solid reputation with our customers and local farmers, making us one of the largest companies in the sector in Brazil (2.1, 2.6).

Serving the global market, we take the black pepper produced by farmers in the Amazon region all over the world. In 2023, we served 14 countries, spread across Europe, North America, Asia and South America. On the other hand, our attention is also focussed on our farmers, and this is one of our great differentials. (2.1)

We are committed to those who care for the land, to those who produce the black peppers that will end up on the tables of thousands of people around the world. We are responsible for combining the highest product quality with socially and environmentally responsible production. Through partnerships with public research and rural extension organisations, we provide farmers with the information they need to manage their peppers in accordance with good agricultural practices and to ensure that farm operations respect human rights and current environmental legislation.



PARÁ STATE

- Conservation Unit
- Indigenous Territory
- Main black pepper producing municipalities



Our Infrastructure

COMPANY
PROPERTY
AREA **96** ha

9.180 tonnes of pepper
PRODUCED IN THE YEAR

STORAGE
CAPACITY **4.000** t
of black pepper

102
EMPLOYEES

more than
15 PRODUCT SPECIFICATIONS
SPECIFICATIONS

news PURCHASE POINTS
direct sales of black pepper. Direct sales
from the farmer to Tropicoc

BOUGHT BLACK
PEPPER FROM
MORE THAN **1.300**
farmers

↪ **57%** direct
purchase

5 CONTINENTS
SERVED

sold to more than
20 COUNTRIES

WE DELIVER to national and
WORLDWIDE international
clients

11 INTERNATIONAL
CERTIFICATIONS



THE BASE

Our sustainability programme is based on the UN Sustainable Development Goals (SDGs), which set out 17 objectives and 169 global targets aimed at eliminating poverty and hunger, providing quality education for all, protecting the planet and promoting peaceful and inclusive societies by 2030. Our company has prioritised the integration of sustainable practices in all its operations, aiming to ensure a positive impact on the environment and considering the legacy we will leave for future generations. We are committed to acting today to promote a better tomorrow.' (2.23)

We have selected six SDGs to guide our decision-making and establish goals and objectives within the themes related to agriculture, the environment, society and governance.



Here at Tropoc, compliance with human rights and national labour laws is paramount. In our day-to-day work, we encourage dialogue, freedom and respect, and we are always open to listening, optimising and adapting our operation. Diversity, respect and fairness towards the people on our team are essential for us to produce excellence. Since 2021, Tropoc has been Sedex/Smeta certified, a social audit that publicises the work of ethical supply chains. (2.23)



Mission

Guaranteeing our customers quality raw materials that are guaranteed and recognised:

- Offering our clients a technical, logistical and commercial edge;
- To provide rural farmers with business and income opportunities in the Amazon geo-economic region;
- Offer our customers total transparency through TROPOC Total Traceability;
- To offer customers a product based on a comprehensive Sustainability Programme.

(2.23)

We hope that TROPOC will set an example for other companies in the sector, being a benchmark for quality and food safety, while actively working to make the development of sustainable pipericulture possible in the state of Pará. (2.23)

The highest governance body is responsible for managing in line with the company's purpose, always putting the alignment of actions with sustainable development on the agenda. Dialogue with employees is fundamental so that the manager can assess and supervise the organisation with due diligence. (2.12)

Values

- Global presence and financial strength;
- Commitment to customer needs, proposing solutions that encompass quality, innovation and service;
- Commitment to the environment and the society in which we operate.
- Respect for employees, being a company where they are proud to work.

(2.23)

Vision

- Using the experience of 50 years of agro-industrial activities to be recognised globally as a company that guarantees quality and sustainability;
- To become the largest company in the segment in Latin America, supplying the global market with screened, selected and tested products, with quality and responsibility.

• Be the largest company in innovation
(2.23)



PARÁ - AMAZONIA

Located in the most biodiverse biome in the world, we are responsible for caring for and protecting our forest. The Amazon is home to around 40,000 species of plants, more than 300 species of mammals and 1,300 species of birds. It is also home to a cultural heritage of 173 ethnic groups living in protected Indigenous Lands (TI) that occupy an area corresponding to 27 per cent of the national territory.

There are 1,872 conservation units (UC), created by the government, which cover an area of 154 million hectares and whose main function is to protect ecosystems.

In the state of Pará there are 80 Conservation Units and 54 Indigenous Lands (TIs), which cover 75 million hectares, representing 60 per cent of the state's total area. Tropoc has a relationship of friendship and respect with the indigenous and quilombola communities in our region. In the quilombola communities, we provide support for good agricultural practices in the production of black pepper, in partnership with the state's rural extension agency (EMATER-PA).



UC in Pará -
40.8 million
hectares



TI in Pará -
34.1 million
hectares

We're in the Forest

Within Tropoc's property is an 80-hectare area of Amazon rainforest. Bathed by small streams, forming crystal-clear Igarapés, Tropoc's vegetation includes centenary trees of exuberant size and beauty. The area that was once pimental in the 1970s is now forest. Cocoa trees, chestnuts, açai and many other native species, as well as a rich fauna, inhabit the site. We make a point of looking after the vegetation on our property, as we know the importance of the forest's biodiversity and the ecosystem services it can provide. We have fenced off our area and have security guards on site to keep an eye on our forest. For the community, both internal and external, illegal hunting and deforestation are priority topics in the courses and lectures we give.

In addition to what is required by law, we have a forest surplus of approximately 35 hectares. We have forest inventories, focused on identifying the species in our forest, as well as quantifying biomass and carbon. In this way, we monitor the forest's regeneration process.

(13.3.1, 304-1/13.3.2, 304-3/13.3.4)

PARÁ'S BLACK PEPPER

Pará currently ranks second in black pepper production in Brazil, only behind the state of Espírito Santo.

Characterised by a production matrix made up of small family farmers, Pará's peppers occupy 0.01% of the state's total area. When discounting the main protected areas, consisting of UCs and TIs, pimentais occupy 0.03% of the territory and in areas of consolidated use, i.e. occupied for decades by local populations.

Recent figures from the United Nations Food and Agriculture Organisation (FAO) indicate that in 2022 Brazil produced and exported 128,000 tonnes of black pepper, second only to Vietnam with 272,000 tonnes. Brazilian pepper is responsible for generating around 30,000 direct jobs. During the harvest, which is carried out manually, the sector employs up to 80,000 people.

Pará Production



Black pepper area in Brazil - 41.346 ha
 Black pepper area in Pará - 18.064 ha
 Area of Pará - 124.6 million ha

% of Pará covered by black pepper fields - 0,03%

World Production



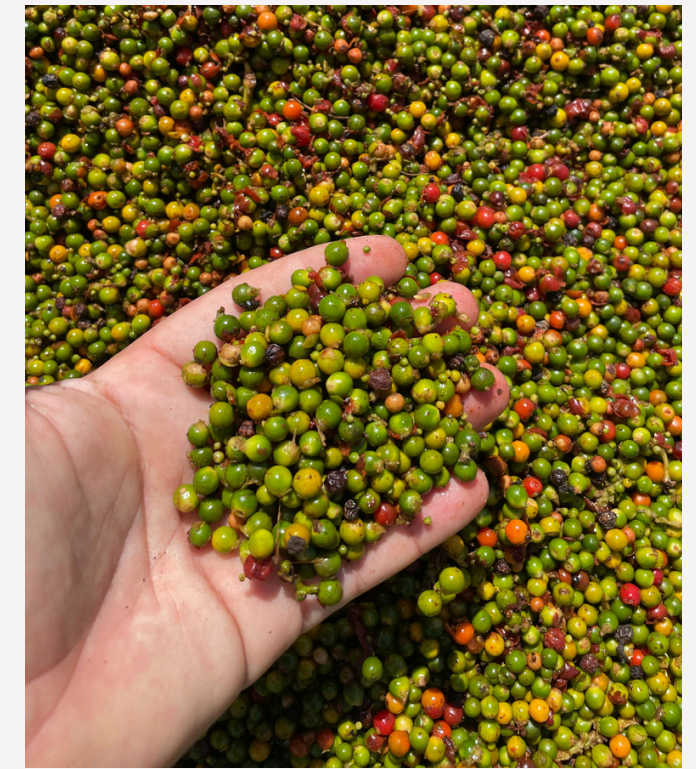
Black pepper farmers in the Amazon not only cultivate their peppers using family labour, but also grow other fruits from the forest, such as açaí, cocoa and cupuaçu. Tropoc strongly encourages the implementation of the agroforestry system (SAF) on rural properties. This cultivation model combines woody species (trees) with other smaller agricultural species, both of which are economically important.

The cultivation of black pepper, as well as being the basis for the livelihood of thousands of families, is a local tradition that is passed down from generation to generation. (2.6)

Our black pepper

In addition to family production, our black pepper has an important differential. Around 95 per cent of black pepper from Pará is dried in the sun, without the use of dryers or wood-burning ovens. This natural drying method, which does not require the use of fossil fuels or firewood, contributes to the protection of forests and local biodiversity, as well as preventing greenhouse gas emissions from the burning of fossil fuels. (2.6)

Tropoc advises farmers on how to structure the drying area, emphasising the importance of the solar dryer and the fence around the drying area, in order to maintain the quality of the pepper that will be exported.



Tropoc has a large specification of products that vary in six types:

- Whole
- Clean
- Classified
- Sterilised
- Granulated
- Ground

Tropoc Products

Our products are 100% industrialised. All the black peppers we export go through at least one sorting and cleaning process before being packaged and sent to our customers.



The **green pepper (in brine)** is the fruit that has not yet ripened and has a very strong aroma, but a fresher, milder flavour than other peppers.



The **dehydrated green peppercorns** are picked selectively at the point of physiological ripeness with a completely green colour. After harvesting, the peppercorns are threshed, washed and dried in the sun under extremely hygienic conditions. It is the most sustainable green black peppers in the world. It is classified as AD dehydrated green pepper and made in an exclusive Tropoc process.



White pepper is produced from the ripe fruit. It is obtained by removing the outer skin of the fruit, giving the white pepper a softer, more delicate and refined flavour.



Red pepper is produced by dehydrating the ripe fruit. It is characterised by its intense red-orange colour and spicy flavour, which is milder than black pepper.



Black pepper is the sun-dried, non-irradiated grain. It is the most widely consumed variety in the world and has a pungent, spicy and woody flavour.



SUSTAINABILITY

The TROPOC Sustainability Programme turned six in 2023. We understand that true sustainability requires not only the formulation of plans and the execution of specific actions, but also the implementation of projects aimed at the sustainable development of the region.

The production of black pepper in the countryside is predominantly carried out by small family farmers from communities in Pará. We also have a responsibility to encourage and promote the sustainable cultivation of the crop, respecting people and Amazonian biodiversity.

In 2023, we set up the Internal Sustainability Committee, whose mission is to disseminate this knowledge among all employees and implement measures to achieve production that is increasingly aligned with the pillars of sustainability. The highest level of governance and management leaders are always updating themselves and looking for new practices that promote sustainable development. (2.17)

Furthermore, as of 2023, the actions of the TROPOC Sustainability Programme have been integrated into the sustainability principles established by FUCHS Gruppe.

In order to put our sustainability goals into practice, we adopt a collaborative approach, encouraging everyone to take part, so that we can have a positive impact on as many people as possible. The highest governance body leads the management of the organisation's impacts and is assisted by the Internal Sustainability Committee, made up of various employees, and the traceability team. (2.13)

In this way, we work together to be the differentiator in origin, product, people and resources. Tropoc makes a difference by developing and sustaining opportunities for farmers to increase their production and the quality of their product, working with research institutions in the field of pipericulture, collaborating with social organisations, encouraging responsible use and disposal and, finally, always seeking the best quality certifications. (2.13)

- Responsible sourcing
- Responsible products
- Responsible community and workplace
- Responsible use of resources

Stakeholders

We identify our stakeholders by understanding the society and institutions that can be directly or indirectly influenced by our actions, as well as the company's employees and the agents involved in the black pepper production chain, such as customers, suppliers, researchers and farmers.

- Collaborators 
- Farmers 
- Customers 
- Community 
- Government 



Material Themes

In the 2023 Sustainability Report, we are prioritising the reporting of the issues in which our operations have a significant impact on the economy, the environment and people. We have therefore identified, with the help of a team specialising in sustainability in the agribusiness chain and some key stakeholders, the material topics of high relevance to the company, and we will address how each of them is being developed in our Sustainability Programme. (3.1)

Compared to last year's report, there have been no changes to the material topics. (3.2)

In this report we will address the following themes and projects:

- Traceability
- farmers
- Geo Project
- Research Field - gliricídia
- Greenhouse Gases
- Water
- Energy
- Waste Management
- Social
- Management
- Quality



TRACEABILITY

In 2023, we began a new phase of the Tropoc Traceability Programme, marking a significant expansion in our operations. In order to reach a greater number of farmers and cover the various black pepper producing regions, we established a strategic partnership with the state's official rural extension agency, EMATER-PA.

As a result of this collaboration, the traceability of farmers is now also carried out by EMATER technicians, who register farmers and provide technical guidance on good agricultural practices.

EMATER's mission is to bring the results of agricultural research conducted in the country to farmers, providing information and teaching management techniques aimed at improving productivity and soil health to those who need it most.

The training and guidance provided by the Tropoc Traceability Programme takes into account not only peppers, but also other crops grown on farms. In addition, they offer support to farmers on legal and social issues related to rural property.

This partnership culminated in the creation of a new database and traceability report system, adapted to the specific demands of the black pepper production chain.

The system, in APP format, containing the form is made available to each technician on a mobile phone app with offline capability, allowing data to be recorded even in remote areas.

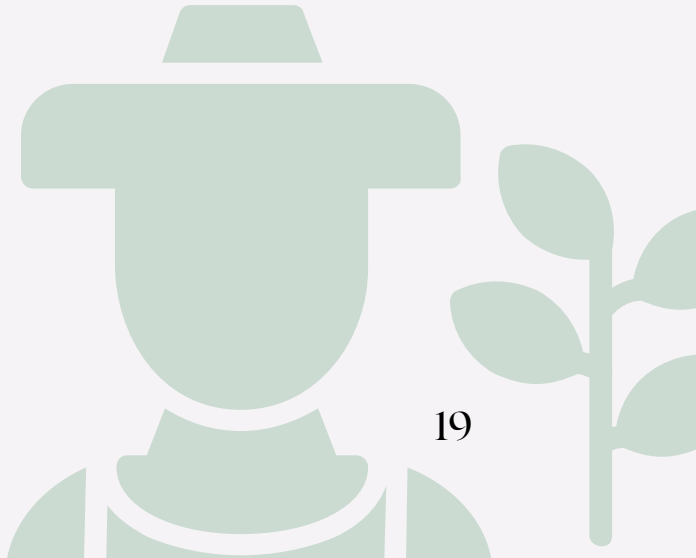
EMATER, in addition to receiving a database linked to the geospatial location of each property and available on an online platform, is rewarded through financial support for the structure and purchase of equipment. In this way, the public-private partnership contributes to both parties and to the development of pipericulture in Pará.

As well as collecting information, the traceability process is an important way of establishing a close, personal and trusting relationship with the farmer.

1.979

FARMERS tracked

until December 2023



FARMERS

As part of our Traceability Programme, we are dedicated to identifying farmers and mapping their geographical locations. This direct presence in the fields, where we closely observe the black pepper production process, is essential to guaranteeing the quality of our product.

Based on the information obtained about the location of the black pepper plantations, we establish contact with the farmer communities to understand their individual realities. We are currently present in 30 of Pará's 144 municipalities. Through Meetings with Farmers in rural communities, we promote discussions on the sustainable management of black pepper, providing a Manual of Good Agricultural Practices, which clearly and illustratively describes management techniques that combine increased productivity with the conservation of the health of the agricultural system and the soil. We also address crucial issues such as child labour, the use of pesticides and fertilisers, preserving biodiversity, combating illegal hunting and preventing salmonella contamination.

Our encouragement of farmers to adopt practices that protect forest biodiversity is fundamental. We emphasise the importance and advantages of **the live gliricídia (*gliricidia sepium*) tutor**, as well as the implementation of integrated production systems, such as the Agroforestry System (SAF). Widely adopted in this region, the SAF model values biodiversity by combining tree species with plants with shorter life cycles, promoting a synergistic interaction between them.

In addition to our presence in the field, we invite farmers to come to TROPOC. During the **Farmer Visit**, they visit the industry and become familiar with the processes involved in processing black pepper. Our intention is to show farmers the value of their product and emphasise its importance in the chain of a spice that originates in Pará and reaches several countries around the world. The main objective of the Farmers' Visit is to value the work of the farmer and his product and to teach how the pepper is processed.

On a day-to-day basis, we keep in touch with the farmers via messaging apps. We communicate regularly and are always open to receiving possible questions and queries. The proximity we have favours the process of buying black pepper directly, i.e. negotiation between the farmer and TROPOC.

Following market variations, direct purchase guarantees a fair price for the farmer.

MEETING WITH FARMERS from **different** COMMUNITIES

Tropoc stays close to the farmer by being present on radio programmes, disseminating material related to pepper management and sustainability, collaborating with rural extension and through the Meeting with Farmers and their visits to Tropoc.

3 Farmer visits at
with **140** farmers

6 Meetings with
farmers
in **6** communities
reaching **347** farmers





Farmers' meeting - Baixo Seco Community, Baião



Meeting with Farmers -
Agrovila Guajara, São Caetano de Odiveias

At the Meeting with Farmers, the Tropoc team, together with the EMATER technician, go to the community and give a talk to the farmers and their families. Management techniques, sustainability in the black pepper chain and the social and environmental issues that must be complied with and respected are presented and discussed. This meeting strengthens the bonds that Tropoc has with each farmer, being present in the community and in the field.



Visit from the farmers - TROPIC



Tracked farmer -
André Leal, Santa Maria do Pará

André has been growing black pepper on his property with his father, Mr Antônio Valdecy, for many years. A prominent farmer in the region, André takes care of the planting as his father taught him, only refining the work by perfecting the management techniques. As well as pimental, he also grows açaí, cocoa and cupuaçu in the Agroforestry (SAF) format.



Visit from the Farmers -
Tropoc, Castanhal

During the Farmers' Visit, Tropoc welcomes farmers to the company's premises. The aim of this visit is for them to get to know the whole operation, passing through the factory, getting to know the different processes and products generated from the black pepper they grow.

GEO PROJECT

Brazil stands out for by law the preservation of vegetation on part of the rural property, characterised by the legal reserve

We took an increasingly broader approach to analysing the geographical context of the black pepper production area, focusing not only on the farmer, but also on the broader context of pipericulture in the state of Pará.

We used the geolocation obtained from the Tropoc Traceability Programme to precisely map the location of the black pepper farmers.

We developed an online, interactive dashboard containing maps and relevant data on pepper cultivation in the region where the company operates.

From this robust database, we cross-referenced the farmer's location with the rural areas registered in the Rural Environmental Registry (CAR), a system that publicly registers the delimitation of rural properties, as well as the environmental characteristics required by Brazilian environmental legislation, such as the Permanent Preservation Area (APP) and the Legal Reserve (RL).

Thus, starting with the perimeter of the farms, we began our analysis of land use and the changes that had taken place on each property tracked on the basis of the CAR, using satellite images and artificial intelligence techniques. We identified forest areas and investigated whether there had been deforestation or an increase in vegetation cover between the project period and the previous year. In addition, we assessed whether the properties are located in areas overlapping with protected lands, such as Indigenous Lands, Quilombola Territories, Conservation Units, Geoparks and archaeological sites.

Importance

- We contribute to the protection of the Amazon rainforest and promote sustainable development
- We train and make farmers aware of their important role in preservation
- We generate evidence that black pepper production is carried out in consolidated areas
- We guarantee transparency with stakeholders about the origin of the product
- We provide information to guide farmers' environmental compliance actions
- We contribute to environmental monitoring by identifying annual land use and forest areas
- We build an environmental and historical database of farmers

Targeting

Traced farmers who do not submit CARs are identified on the online platform and referred to the EMATER office responsible, so that they can help with CAR registration. The Geo Project's online dashboard enables public agents to identify and localise inconsistencies in land use and bureaucracy, directing them to a focal point for immediate action.

SUSTAINABLE PRODUCTION SYSTEM

In a collaboration provided by Tropoc and established with public research, extension and development institutions - the Brazilian Agricultural Research Corporation (EMBRAPA), the Federal Rural University of Amazonia (UFRA) and the Technical Assistance and Rural Extension Company of the State of Pará (EMATER-PA) - a Technological Reference Unit (URT) was developed at Tropoc. Covering 2 hectares, the experimental field's main objective is to conduct agricultural studies aimed at improving the management of black pepper, with a view to making the crop more productive and sustainable.

The responses of the different varieties in relation to the following topics are studied under the management scenarios, using conventional cuttings and live gliricídia cuttings:

- **Productivity**
- **Response to irrigation management**
- **Response to different levels and composition of fertilizers**
- **Product quality characteristics**

Traditionally, the production of wood cuttings involves the selective removal of trees such as the endangered Acapú (*Vuouacapua americana*). Thus, the use of Gliricídia helps to reduce selective deforestation in the Amazon rainforest.

In addition to promoting environmental benefits, Gliricídia also brings benefits to the farmer, such as reduced costs for setting up and renovating pepper plantations and a better working environment, since the production system using the living tutor is characterized by partial shading of the production area, reducing the local temperature at harvest time.

gliricídia is fast-growing and requires frequent pruning, producing seedlings that can be used on the property or sold, providing an additional source of income for the farmer. In addition, pruning results in a good amount of organic matter, which can be left on the ground for subsequent decomposition, fertilization and incorporation of carbon into the soil. As a leguminous species, Gliricídia also helps to fix nitrogen in the soil, which can reduce the need to use nitrogen fertilizers in the soil.

One of the objectives of the research carried out at Tropoc is to quantify the impact of gliricídia in contributing to climate change mitigation, considering the balance of greenhouse gas emissions and removals from the black pepper production system in gliricídia live tutors.



The data generated at Tropoc's URT was the basis for

- 3** doctoral dissertations
- 2** master's dissertations
- 1** scientific initiation



Estimates indicate that black pepper production can be carbon neutral or even carbon negative when grown in a system with a live gliricídia tutor.

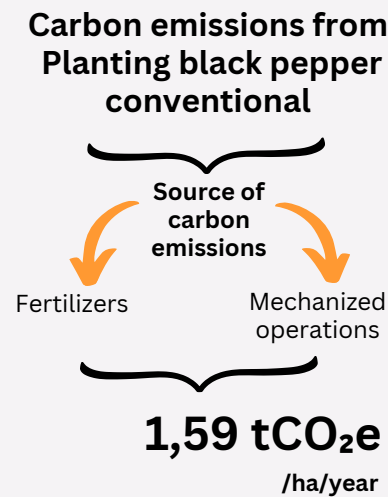
GREENHOUSE GASES

Results of the study

The research with EMBRAPA showed a better quality of pepper produced on a live stand and a lower cost of irrigation, as well as structuring the most efficient management for the irrigation of black pepper plants.

Another study carried out in the TROPOC field evaluated how planting black pepper with live gliricidia can affect soil carbon removal and the annual balance of carbon emissions and removals from the spice crop.

The simulated scenarios show potential removals (-) of: -0.75 to -1.5 tCO₂/ha/year by adopting the system. When the removals (-) are added to the emissions (+) from the black pepper production system, the use of gliricidia can reduce CO₂ emissions by up to 96%, depending on the scenario analyzed.



We are conducting a systematic analysis of Tropoc's direct impact on Greenhouse Gas (GHG) emissions. Since 2020, we have implemented the Corporate Greenhouse Gas Inventory, a process in which we fully record emissions from our operations and identify the main sources of emissions. This survey allows us to strategically target and prioritize mitigation actions. We have adopted the methodology established by the Brazilian GHG (greenhouse gas) Protocol Program and we make our inventories publicly available through the Public Emissions Register, accessible via the following link: <https://registropublicodeemissoes.fgv.br/>

In Brazil, the emissions inventory is not yet required by law, but when we do this measurement we are one step ahead of our sector. We understand our responsibility to combat climate change and our commitment to our stakeholders will always be a priority. We have drawn up a complete Corporate GHG (greenhouse gas) Inventory covering all three scopes. Even though the methodology only indicates scopes 1 and 2 - direct responsibility - as necessary for reporting, we have spared no effort to do our best and have also declared scope 3, indirect responsibility.

Planting black pepper with Gliricidia

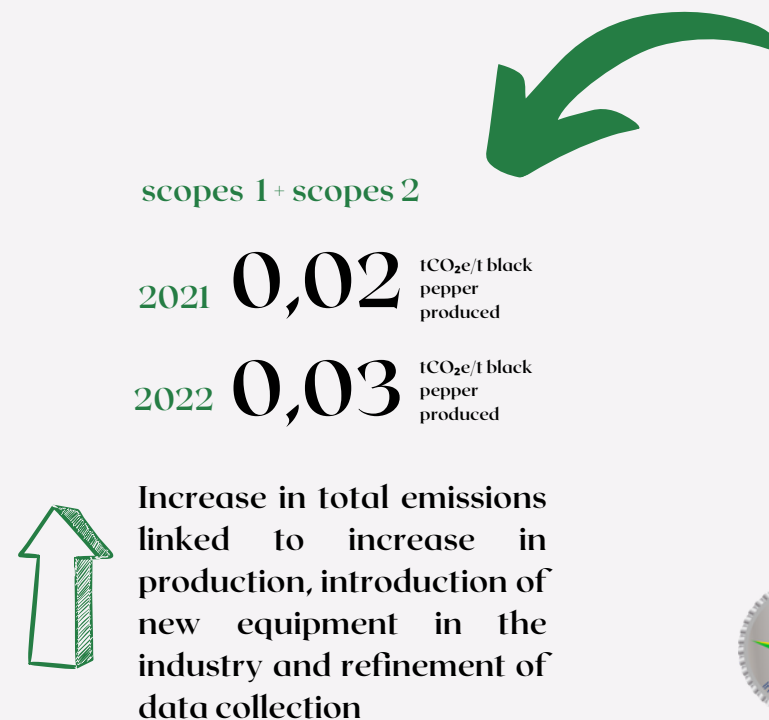
Emission from black pepper planting*		Removal potential (soil) with Gliricidia		Annual emissions balance	
1,59 tCO₂e /ha.year	+	-0,75 tCO₂e /ha.year	=	0,84 tCO₂e /ha.year	47% reduction in emissions

Tropoc therefore understands its role and responsibility in encouraging the implementation of sustainable production models.

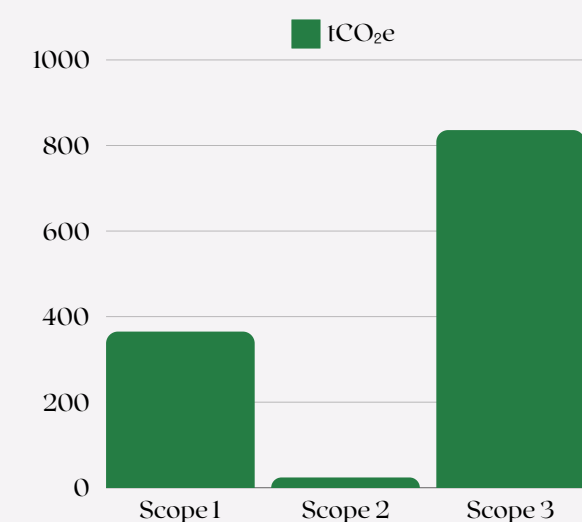
We pay farmers an additional premium per ton for batches of black pepper from fields planted with live Gliricidia trees.

This differential in sustainability is an incentive for the farmer to produce responsibly, collaborating with the preservation of the environment and Amazonian biodiversity. (201-2/13.2.2)

The above calculations do not take into account the plant's biomass removal potential and are therefore conservative.
*Based on management and inputs recommended by EMBRAPA



Results



389 tCO₂e

0,04 tCO₂e/t black pepper produced



Importance

- The company's commitment to GHG emissions;
- Anticipation of future laws and regulations;
- Assessment of risks and opportunities;
- Meeting customer and stakeholder expectations;
- Competitive advantages and prominence in the sector.

Objectives

100% solar energy - 2023 ✓

Tropoc is optimizing processes to reduce the use of fossil fuels and bring its production more and more in line with sustainable development. A decarbonization plan is already underway and we will see the first results by 2024.

WATER

TROPOC's water supply comes from artesian wells located on the company's property. These wells follow all the rules and legislation for withdrawing water, and have the appropriate licences for withdrawing and using water, issued by the Pará State Secretariat for the Environment and Sustainability, in accordance with State Law 6831 and the National Water Resources Policy.

Water quality analyses are carried out regularly following verification protocols established by the public environmental agency, so that the results are documented in order to comply with the requirements of current legislation and competent bodies.

23.107 m³
CONSUMED

2,52 m³
/t black pepper produced

ENERGY

Brazil has the most sustainable energy matrix in the world, with **42.5 per cent of its production coming from renewable sources**.

- When it comes to **electricity**, this figure is **94%**
- Of all the electricity produced in **Pará**, **98% comes from renewable sources**

The source of energy used in the company's area comes almost exclusively from hydroelectric plants, the main one being the Tucuruí-PA plant. Electricity is distributed by Equatorial Pará Distribuidora de Energia S.A., through a conventional power supply line.

In 2023, we made a major investment in solar energy. We installed 1,080 photovoltaic panels with the potential to produce 75,000 kwh/month. From the end of 2023, Tropoc will produce **100% of the energy it consumes**.

706 MWh
CONSUMED

86% CONSUMED IN INDUSTRY

0,08 MWh
/t black pepper produced

WASTE

The activities carried out in TROPOC's industrial sector result predominantly in recyclable waste, which comes mainly from the packaging processes of our products. With regard to waste from the processing process, TROPOC only generates waste classified as non-hazardous and inert, belonging to class II-A, and posing no biological, chemical or radiological risks to the environment or the health of employees.

All the waste generated is duly segregated and collected by a cooperative specialising in **RECYCLING** and waste management, ensuring the appropriate disposal of these materials.

In 2023, we expanded our initiatives in this area. We set up collection points for separating recyclable materials in TROPOC's common areas, at our pepper buying points and in various communities in the region. Alongside these collection points, we also provide containers for the proper disposal of cooking oil. In all, five collection points were set up, which received waste from homes in the communities, thus ensuring that these materials were disposed of correctly.

Additionally, within TROPOC's facilities, we have adopted the use of biodegradable and reusable cups, as well as recyclable paper.

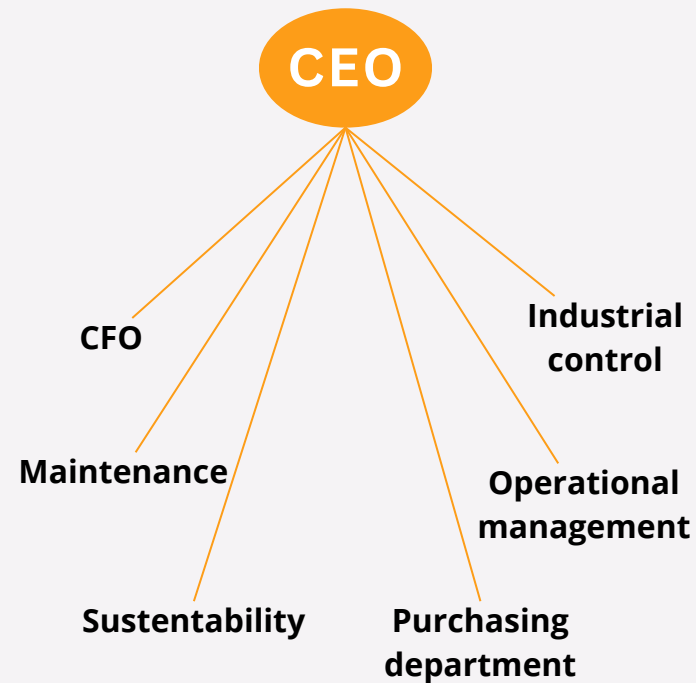
As for sanitary effluents, TROPOC uses septic tanks with biodegradable bacteria to treat waste. This practice is recommended by public authorities for implementation in rural areas in Brazil. In addition, organic waste and rubble is collected by a company specialising in environmental management, which is responsible for correctly disposing of these materials.

100% of the waste generated is correctly disposed of according to the type of material



MANAGEMENT

The effective performance of an operation is the direct result of efficient team management. Our organisational structure is led by the highest governance body, headed by the CEO, Franciano Vieira. Advised by professionals specialising in sustainability, the CEO is in charge of making decisions and overseeing the management of the organisation's impacts on the economy, the environment and people. To lead our team, we select qualified individuals who represent the culture and diversity of our employees, thus reflecting our dedication to respecting and valuing diversity. (2.9, 2.10)



(2.9, 2.10, 405-1/13.15.2)

In choosing the leaders who head up the company's day-to-day operations, the opinions of Tropoc's key stakeholders are taken into account, with professionals who are experienced in people management, business management and similar industries to Tropoc. In this way, management is optimised in order to integrate the particularities of the local context. (2.11)

The team's transparency and honesty prevent and mitigate conflicts of interest in our operations. Frequent alignment and update meetings, especially on crucial concerns, with leaders and employees ensure that everyone is moving in the same direction, avoiding any kind of antagonism. The evaluation of the management of the highest governance position, in terms of overseeing the management of the organisation's impacts on the economy, the environment and people, is also the subject of regular meetings with key stakeholders who have great influence on the operation. When necessary, measures are taken to adapt, always prioritising sustainable development. (2.15, 2.16, 2.18)

In this way, we incorporate our policy commitments into practice, always being guided by our leaders and working collectively to fulfil expectations. The top governance body delegates responsibilities to its leadership team, which passes on to employees the measures that need to be taken in order to integrate the commitments into operational strategies. Here at Tropoc, the daily dialogue between employees and leaders is the key to ensuring that our values are present in the different sectors of our production chain. (2.24)

At Tropoc, we value transparency and open communication in all aspects of our operation. We recognise that the concerns and questions of our employees are fundamental to the constant improvement of our business practices. That's why we not only encourage direct communication, but also recognise the importance of anonymity in suggestion boxes. We believe that it is through open dialogue that we can address and resolve any negative impacts that may arise. In the field, our dialogue is direct with the farmer and we provide a messaging channel so that there can be an exchange, even at a distance. With the questions in hand, leaders and senior management come together to identify priorities and strategic measures that can be taken. In this way, stakeholders monitor what is being done, while at the same time contributing suggestions for improving the effectiveness of the grievance mechanism, resolving concerns and what has been questioned. (2.25, 2.26)

Legality

Tropoc complies with all national laws and regulations involving labour, environmental, safety and production line issues, and also has a number of international certifications that address various aspects of the production chain and people relations. (2.27)



Collaborators

TROPOC works with local employees hired under the rules and specifications of the collective bargaining agreement of the Food Industry Workers' Union of Castanhal and Region - PA, and only hires temporary workers during the green pepper production season* (2.30).

PERMANENTS	TEMPORARY
16 ♀ 86 ♂	7 ♀ 9 ♂

All of Tropoc's permanent and temporary employees are from the Castanhal region and work full time. Temporary staff work during the green pepper production season, when the company requires a greater volume of labour. The methodology used in the accounting refers to the total during the reporting period. (2.7)

The employees who are not registered by Tropoc, but whose work is controlled by the organisation, work in the cultivation area of the Experimental Field and the orchard. In 2023, there were 3 employees from the same company, which follows all the requirements of the relevant legislation.* (2.8)

* the data was compiled directly by the company's Human Resources team.

Materiality

The materiality matrix is drawn up through direct research with some members of each class of stakeholder to identify priority issues. The matrix takes into account the social, environmental and economic perspectives in a broad and comprehensive way, and lists the most relevant issues for the company. In the case of our materiality matrix, we conducted a survey of 30 stakeholders related to the black pepper production and commercialisation chain, in order to identify the highest priority points for each group of people who are affected in some way by our operation. In this way, we seek to ensure stakeholder engagement in the company's actions, since they are guided by the points they highlight as priorities. (2.29)



Diversity

Here at Tropic, respect for diversity is paramount. Our management and supervisory team is made up of men and women from different cultures, backgrounds, ages, beliefs and ethnicities. We believe that difference and respect for it are the basis for valuable management, in which each person is unique and makes a difference. Inclusion goes hand in hand with diversity and we understand the important role Tropic plays in ensuring the inclusion of people with disabilities in the workforce.

Encouraging

Encouraging education is opening doors to a world of possibilities. When we invest in education, we are investing in the future, building solid foundations for a fairer and more prosperous society. Tropic therefore helps outstanding employees with higher education courses and provides in-house training and themed lectures on topics that add to work and day-to-day life.

Our Leaders



Alexandre - CFO



Franciano - CEO



Arthur - Operações



Elesandro



Anderson



Roberto



Cristiane



Edson



José Adilson



Júlia



Fábio



Éder



Homero



Rose



SOCIAL

Tropoc recognises its essential role in the community, prioritising an active presence in the development of local families. We listen, we understand needs and we act. Through our traceability team, we maintain constant proximity to farmers, strengthening our bond and enabling discussions about how we can contribute to social and environmental issues. Our work extends to schools, cultural events, farms and local communities. For Tropoc, growing and developing together is fundamental to strengthening our community bond.

More Action Project Castanhal

In 2023 Tropoc began a partnership with the Mais Ação Project, which has been operating in the city for 18 years. The project serves 170 underprivileged children in Castanhal and has four volunteer teachers who use sport as an educational and teaching tool. Tropoc has donated a drinking fountain for the school, sponsored athletes in championships and donated kimonos for training sessions.



Donation of drinking fountain



Kimono delivery for children



Sponsorship for community athletes



Pink October and Blue November Lecture - Tropoc



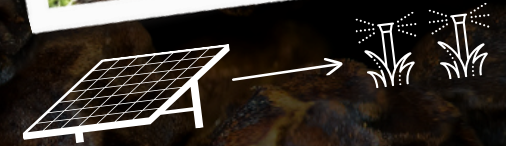
Delivery of toys on Children's Day - Acará



Delivery of soil analysis to tracked farmer - Bom Jardim, Cametá



Delivery of the solar irrigation system to the tracked farmer - Antônio and Lucas, São Francisco do Pará



Donation of school supplies for children in the community - Vila Seca, São Miguel



QUALITY

At Tropoc, our commitment to quality goes beyond the excellence of the products we offer. Our involvement begins in the field, where we advise growers on the best agricultural practices for cultivating top-quality black pepper. This includes everything from seed selection to detailed guidance on sustainable management, emphasising the use of gliricídia, organic fertilisers and biological pesticides.

On arrival at our industrial unit, the pepper is treated in an organised environment certified to the strictest global quality standards. We invest in the continuous training of our staff, not only in relation to production procedures, but also in crucial aspects such as safety at work.

We adopt a strict quality protocol, starting with the sampling of 100 per cent of the bags on receipt. This protocol extends throughout the processing process, with laboratory analyses focused on:

- humidity
- density
- presence of foreign materials
- granulation

In addition, we carry out various tests, such as pesticide analysis, PAH, MOSH/MOAH, microbiological analysis and aflatoxin and ochratoxin detection, through internationally recognised and accredited laboratories. These procedures ensure that our black pepper batches meet the specifications demanded by the market, in strict compliance with international standards.

One aspect that sets us apart is our advanced saturated steam sterilisation system. This system ensures the elimination of microbiological contaminants, meeting the standards of the most demanding markets and delivering a product that is safe and ready for consumption.

Internal training with employees

109 training in the area of quality

15 occupational health and safety training

4 environmental training

7 training in administration and human resources

0 RECALL in 2023



REPPORT

This document constitutes Tropic's Sustainability Report for 2023, covering the activities carried out from 1 January to 31 December. It is the direct successor to the 2022 report, maintaining continuity in the company's sustainable development reporting and analysis practices.

This Report has been prepared with reference to the GRI Standards: essential option, aiming to adhere to the fundamental principles for transparent and responsible reporting: inclusion of stakeholders, contextual sustainability, materiality and completeness. Data was collected and checked with the active collaboration of our management team and consultants specialising in sustainability, with a view not only to accuracy, but also to the possibility of independent verification. This process had the final approval of Tropic's highest governance body (2.14, 2.5).

We are committed to the highest quality and transparency. The data and information presented here follow the principles of accuracy, balance, clarity, comparability and constant updating. However, we recognise the possibility of errors and are open to corrections and improvements. Future projections are based on the best data and estimates available up to the date of publication of this report.

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Eduardo Pavão - Agronomist
Laura Vanini Polli - Biologist
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INDEX GRI

GRI 1 - FUNDAMENTALS

GRI 2 - GENERAL CONTENTS

2.1 - FUCHS GRUPEE e Dieter Fuchs. p. 3
2.2 - There is no entity contained in the report.
2.3 - Confidentiality restriction. The company has chosen not to disclose the economic information in the public version of the report, as this is strategic data. However, the data may be requested and the company will assess whether or not disclosure is authorised. p. 40
2.4 - There has been no reformulation.
2.5 - p. 40
2.6 - p. 3, 12, 13, 20
2.7 - p. 33
2.8 - All work under the company's control comes from contract employees. p. 33
2.9 - p. 32
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2.12 - p. 8
2.13 - p. 2, 16, 17
2.14 - p. 40
2.15 - p. 32
2.16 - Crucial concerns are brought to the attention of managers on a recurring basis, and usually involve conflict between stakeholders over product pricing. p. 32
2.17 - p. 16
2.18 - p. 32
2.19 - The company has chosen not to disclose economic information in the public version of the report, as this is strategic data. However, the data may be requested and the company will assess whether or not disclosure is authorised.
2.20 - The process of developing remuneration policies and values is structured in conjunction with strategic stakeholders and specialised consultants. Senior members of TROPOC's governance assist in overseeing the determination of remuneration.
2.21 - The company has chosen not to disclose economic information in the public version of the report, as this is strategic data. However, the data may be requested, and the company will assess whether or not disclosure is authorised.

GRI 2 - GENERAL CONTENTS

2.22 - 2
2.23 - The identification, prevention, mitigation and accountability of damage caused or contributed to by its activities and operations throughout the production chain are part of the company's policy. With a view to the well-being of all employees, TROPOC's working principles are fair and structured on the basis of human rights, especially those that seek equality and non-discrimination, recognising and protecting the dignity of all people. p. 6, 8
2.24 - In all its sales and purchase negotiations, the company's commitments are encompassed, and are essential when choosing partnerships and making decisions within the company. The leaders of each sector are responsible for incorporating these standards into the processes they coordinate and ensuring that they are followed by employees. In this way, each leader is committed to implementing the company's policies in the areas they manage. The company's doors are always open for communication with its stakeholders, in addition to the training carried out for certifications that are included in the company's policy guidelines. p. 32
2.25 - TROPOC takes responsibility for the negative impacts it generates directly or indirectly, establishing actions and targets to reduce them. Direct communication between governance and stakeholders is a path that has become simple and highly accepted, making it easier for negative impacts to reach decision-makers. Thus, when actions are taken to minimise impacts, stakeholders play a fundamental role in evaluating and reviewing them. p. 35
2.26 - Direct communication with top governance is essential for advice on how to implement the organisation's policies and practices, as well as raising concerns and points of attention in business conduct. p. 35
2.27 - There were no cases of non-compliance with laws and regulations during the reporting period. p. 35

2.28 - Participation in national and international associations.

2.29 - p. 34

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GRI 3 - MATERIAL ISSUES

3.1 - The material issues were chosen together with the main stakeholders who are affected by each issue. The negative and positive impacts generated are identified by experts in the field and/or on field visits with local stakeholders, closely verifying the real and potential effects on the economy, the environment and people. The material issues chosen are those of greatest importance to the local reality and to the international black pepper market. p. 17

3.2 - Traceability, Geo Project, Corporate GHG Inventory, Experimental Field, Water, Energy, Waste Production and Management, Forest and Wildlife Protection, Social Projects. The material themes from previous years have been maintained and new themes have been incorporated. p. 17

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13.4.1 - p. 25

13.7.1 - p. 30

13.7.4/303-3 - p. 30

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13.7.6/303-5 - p. 30

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13.23.2 - p. 19



