

# ANNUAL SUSTAINABILITY REPORT 2020



## On this report

GRI 102-50 to 102-54

This is the Montesanto Tavares Group's first Annual Sustainability Report. It sets forth the major initiatives and the financial performance of the Company for the period from January 1 to December 31, 2020, and addresses prospects for 2021 and the major medium- and long-term targets and projects.

The contents are divided into chapters to present the whole range of operations of the two holding companies, and of each individual company. Additionally, the document contains the materiality matrix that has been constructed in partnership with the Group's stakeholders.

All the material has been produced in accordance with the Global Reporting Initiative's Standards (GRI), for the Sustainability Report: GRI-referenced option.

It also takes into consideration the United Nations Organization's Sustainable Development Goals – SDGs. For the first time the Group has adopted these methodologies and carried out the exercise of answering the GRI Indicators. Since then, GMT has committed to preparing a sustainability report annually and sharing all its actions, projects and progress in sustainability and governance with its stakeholders.

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Please send suggestions and queries concerning the report to the following e-mail  
[cs@montesantotavares.com.br](mailto:cs@montesantotavares.com.br)



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## Transforming the future.

### What is the Onward policy and brand?

In recent months, GMT companies have developed a set of strategic actions to make sure that our own operations and those of the coffee chain are sustainable. We therefore presented our GMT Sustainability Policy on our website, in which we formalized the commitments that guide the group's conduct in all spheres.

The Policy lays down guidelines for decision-making among primary suppliers, third-party service providers, and other stakeholders in the supply chain, and applies to all the Montesanto Tavares Group's suppliers, clients and other parties.

This Sustainability Policy has become a sustainable program, and a brand that bears the entire concept.

Onward means advancing, moving ahead. And this idea of transforming the future into today, guides the onward path of the GMT companies towards a better world.



### Our commitments:



Recognizing  
and rewarding



Developing the  
supply chain



Connecting  
production to  
consumption



## President's message

GRI 102-14

I am delighted to write the opening message for the Montesanto Tavares Group (GMT)'s first Annual Sustainability Report. We are more than just major producers and exporters of coffee: we see ourselves as ambassadors for Brazilian coffee, for its tradition and quality, and for its importance to our economy and our citizenship. We negotiate with the entire world through our operations in Brazil, the United States, Colombia, Costa Rica, Switzerland, Sweden, Germany, Lithuania, Ethiopia, Singapore and the United Arab Emirates. Above all, we are passionate about coffee growing. For more than two decades we have striven to promote the sustainable progress of the activity, and the development of the coffee production chain which supports the livelihoods of millions of people in Brazil.

In producing this report, we wish to share some of the major environmental, social and economic challenges faced by our industry, by presenting the best practices of GMT and the path which we have taken in the direction of increasingly sustainable operations. We seek more efficient and more transparent business models for all stakeholders and are always committed to generating shared value; above all we aim to produce a positive impact on the communities in which we operate, recognizing family farming and small growers, who make up the vast majority in Brazil.

“ Above all, we are passionate about coffee growing.



**Ricardo Tavares**

President of GMT

Consumption has been increasing steadily, as has the value given to high-quality product. The benefits coffee brings are increasingly recognized and disseminated. We now know that reasonable quantities of coffee are good for physical and mental health. At the same time, the quality of coffee has also steadily increased - and the varieties never cease to surprise us.

Worldwide, the coffee business has grown between 2% and 3% annually, while specialty coffees have grown 15%. We have a range of operations in GMT and are ready to supply each of these markets. We are proud of helping place on consumers' tables the quality they appreciate, which has been planted and harvested with transparency and responsibility.

The year 2020 was totally atypical, bringing grief and loss to so many people. Nonetheless, thanks to awareness-raising among our employees and the effective work of our Human Resources department, we have been able to adapt to the constraints imposed by the novel coronavirus pandemic, and have managed to keep operations going, partly through working from home (for specific departments and at-risk employees) and partly in situ, with skeleton teams, and changes to certain procedures, such as coffee tasting.

The Montesanto Tavares Group thus managed to close the year after a better performance than had been forecast: with a full team, and healthy, conscientious employees, a record in the negotiated sales contracts, and booming productivity on farms.

Add to this our willingness to formalize a range of traditional practices within the companies, and the result has been a tremendous advance in terms of organizational governance. We have always been protective of our reputation, and we know that improvements are an ongoing process, but the fact is that working correctly is part of the Group's DNA. And that is how we prepare for the future.

So together, our team, our suppliers and our customers, we will continue to build the future.



WHO WE ARE

## Who we are

GRI IO2-3, IO2-4, IO2-5

Montesanto Tavares Group operates in several segments of the coffee market.

Our flagship company, **Atlantica Coffee**, was set up in 2000. Today, GMT sells coffee to more than 60 countries on every continent. Our intention is to promote the sustainable progress of coffee growing and of all the stakeholders in the coffee world, inspiring many others to do the same.

**Cafebras**, in the municipality of Patrocínio (Minas Gerais), focuses on exporting top-quality Brazilian coffees. **Ally Coffee**, our specialty coffee trading arm, focuses on bringing together roasters from a range of origins, constantly valuing sustainability, both were founded in 2013.

Since 2018, by formalizing a partnership with a Canadian institutional investor, the Montesanto Tavares Group has undertaken a major corporate and governance restructuring, which we present throughout the course of the present report. Currently the Group comprises one private corporation that possesses two holding companies.

Montesanto Tavares Group is headquartered in the capital city of Minas Gerais state, Belo Horizonte, and its 558 employees are spread out among four different operational companies with offices in Brazil and overseas, as well as on five farms. The history of GMT is closely bound to the idea of enhancing, encouraging and developing coffee growing.



## Our principles

GRI 102-16



### Thinking coffee-growing:

applying GMT's actions within the context of coffee-growing worldwide and assessing their impact on the lives of coffee growers, communities, employees, clients and partners beyond the domain of trading.



### Inspiring and involving everyone in the chain:

inspiring the collective and progressive development of coffee-growing by involving the ecosystem and the stakeholders who are involved in it.



### Positive ideology, daring to do things differently:

through passion and entrepreneurial know-how, challenging conventions and encouraging optimism, innovation and ethics in growing coffee, in business, and in life for all the stakeholders in the supply chain.

## Our principles

GRI 102-16



**Environmental, social and governance practices - ESG:** We believe that our ethical precepts are essential for creating a sustainable environment. Our purpose is to promote sustainable progress in the coffee-growing industry and among all those involved in the world of coffee, inspiring others to follow suit. The interchange of experience is essential for this sustainable progress and encompasses transparency, opportunities for exclusive business, differentiation, the building of loyalty, and innovation. We follow good governance practices to mitigate risks that could compromise the Group's longevity and the legitimate interests of its shareholders. We demand that individuals be treated justly, fairly and with respect for equality of rights in all our relations, both internal and external. We are proud of our reputation and therefore all our processes must be guided by transparency, continually seeking truthfulness of information among stakeholders. All conflicts of interest inside and outside the company must be avoided.



**Quality in services:** our business is guided by trust and quality. We are committed to our deadlines and to being consistent in delivery.

## Our principles

GRI 102-16, 103 406



**Belonging and ownership:** we take responsibility for the company's results, providing investors with security and the certainty of our prosperity.



**Innovation and dynamism:** our company is youthful in spirit, and we perceive the need to create different strategies in order to attain our goals.



**Diversity, valuing people: We respect and value differences:** they are an essential condition for the existence of an ethical relationship, as well as the social values of labor and of free initiative, as an essential underpinning to guide actions and decisions. We repudiate each and every form of discrimination, whether by background, color, religion, race, gender, sexual orientation, political beliefs or social class, and are vehemently against discrimination in any activity. We believe that meritocracy is the way to recognize those people who make our company better every day. We believe in fair treatment and respect for the dignity of human relations.



## Global Presence

GRI 102-6, 102-7



In 2020, GMT companies sold 3.452 million bags of coffee, to 63 countries from every continent.

Our customers range from the main corporations in the industry to small local coffee roasters. The map shows that GMT is present all over the globe.



**63 countries served**



**Sales on all 5 continents**



**3,452 million bags**

## Presence in Brazil

GRI IO2-4



**Head Office of GMT:**  
in Belo Horizonte - MG



**4 offices and 1 warehouse:**  
Manhuaçu, Varginha, Caparaó  
and Alto Jequitibá, all MG.



**4 offices:** Patrocínio,  
Varginha & Caparaó in  
MG; Franca, in SP.



**5 farms:** Fazenda Primavera, Fazenda  
Matilde, Fazenda Riveira and Fazenda  
Atlantica Agro (MG); Fazenda Sequoia (BA).

GMT's offices, warehouses and farms are concentrated in the Brazilian states of Bahia, Minas Gerais and São Paulo.



1998

2007

2011

2018

2000

2010

2013

2020

### • 1998

- Montesanto Tavares Group is born.

### • 2000

- Atlantica Coffee, a Brazilian coffee exporter, is set up.

### • 2007

- GMT purchases Fazenda Atlantica Agro, in the town of Pirapora, Minas Gerais (MG), and commences its own coffee production.

### • 2010

- Purchases Fazenda Primavera, in Angelândia - MG

### • 2011

- Purchases Fazenda Matilde, in Capelinha - MG

### • 2013

- Cafebras is set up in order to export top-quality Brazilian coffees, showcasing the country's main coffee-producing regions.

- Ally Coffee, headquartered in the United States, commences its coffee purchasing and selling operations.

- Purchase of Fazenda Sequoia, in Barreiras (BA).

### • 2018

- Canadian fund PSP associates with Montesanto Tavares Group both in coffee trading operations and in farms.

### • 2020

- With a new corporate structure, the Montesanto Tavares Group now has two holding companies: Montesanto Tavares Trading and Montesanto Tavares Farms.

- Montesanto Tavares Farms acquires another farm, Fazenda Riviera, in Minas Novas (MG) within its plan to extend its planted area.



**FINANCIAL PERFORMANCE**

## Financial performance

GRI 103-2, 103-3 201

- 2020 was a challenging year for financial performance, but it ended with good results for the Montesanto Tavares Group. The Covid-19 pandemic appeared on the scene at the end of 2019 and no-one could have foreseen that it would impact the economy so severely. More than one year further on, in certain aspects of our society, we are still experiencing upheaval.
- The pandemic hit roasters hard within the coffee market. Many in the “Horeca” (hotel, restaurant, café) segment had to shut down their operations either partially or completely because of lockdowns or slowdowns in demand. At the same time the home consumption market and sales over digital channels, the so-called e-market, grew.
- Regarding international credit lines, insurers unilaterally reduced or canceled their limits for a great many GMT clients. Credit markets were impacted by the overall scenario of falling interest rates and by a wave of bankruptcies in the global commodities markets, leading to the exit of several banks. This reduction in market creditors led to higher financing costs to offset the additional risks.
- Throughout 2020 in Brazil there was high volatility and there was a devaluation of the Real: this factor unsettled the financial market, taken aback by such a marked fall, leading to an increase in the country risk. Investors needed greater return on capital in this scenario, if they were to assume the Brazil risk. This meant that interest rates became more meaningful. This led to a marked reduction in the market's liquidity, affecting the business of our trading houses and farms. However, over the course of the year, the situation went from critical to stable. At year's end, interest rates steadied as investors returned gradually.

“ At year's end, interest rates settled and investors steadily returned.

- At farm-level, inputs such as manure and fertilizers, the prices of which were linked to the dollar rate, were readjusted, and impacted production costs. On the other hand, the price of fuel fell in early 2020, bringing down growing costs and the cost of mechanized harvesting, as well as terrestrial freight costs. It was more difficult to hire labor that year owing to the constraints imposed by the pandemic. Despite this, the result was positive and was strengthened by the good performance of Brazil's harvest in terms of volume and quality and owing to the normal fulfillment of futures contracts.
- Ally supported its roasters by granting an extension of the delivery period for contracts and by keeping stocks available longer in order to accommodate possible immediate demands. Additionally, it gave financial support to some partners, by extending terms and preparing tailor-made payment plans.
- Difficulties resulted from the high degree of volatility of the exchange rate and of the futures markets, local interest rate increases, reductions in credit and worldwide uncertainty about demand and consumption of coffee. Despite this, Atlantica and Cafebras managed to set a new all-time record in negotiations thanks to the resilient performance of their teams and of their partners (above all credit suppliers, farmers and clients). All in all, GMT sold 3.452 million bags on a back-to-back basis. Brazil also ended the year with record volumes: the country exported 44.5 million bags in 2020, up 9.4% over 2019.

“ In 2020, 3.452 million bags were sold and Atlantica and Cafebras set new negotiations records.





GOVERNANCE



## New management model

GRI 102-18, 102-26

Since our Canadian institutional investor, PSP, joined the Montesanto Tavares Group as a partner in 2018, corporate and governance issues have been redefined and a Board of Directors instituted in each of the holding companies (Trading and GMT Farms). It is the Board's responsibility to debate strategic issues.

Each Board is currently made up of three members, with renewable two-year mandates. All compliance and risk-related decisions must be taken unanimously. The Remunerations Committee has been set up and an Audit Committee and a Compliance and Risk Committee are expected to be instituted.

“ Each holding company has a Board of Directors which deliberates on strategic matters.

The articles of incorporation govern the Shareholders' Assembly, the Board of Directors, and three Management bodies (which, in the specific case of GMT Farms, are the Office of the President, the Financial Director's Office and the Operational Director's Office). The Office of the Director for Governance, Risk and Compliance was set up in January 2020. All Directorates report to their corresponding Boards of Directors, according to the articles of incorporation. The Sustainability Committee, also set up in 2020, addresses sustainability issues.

In 2020 we concluded and introduced the following actions: new organization charts for the companies; agendas containing the topics of Board Meetings; the holding of regular Boards of Directors' meetings in the trading companies; the hiring of an information and governance management system; the commencement of the mandatory legal process; and the operation of the Remunerations Committee (already with new rules on administrators' salaries and benefits).



## New management model

GRI 102-18, 102-19, 102-26

We have also unified the Human Resources, Quality Assurance, Information Technology and Legal departments in order to support the Group's growth. Within GMT there is still much to be built in terms of a governance culture. However, we believe we are on the right path, building on the foundation of our values and a modern shareholders' agreement which lays down governance practices that are in line with the world's best and most modern practices.

As part of the process of aligning with best global practices, we set up the Office of the Director for Governance, Risk and Compliance, inspired by the principles of the OECD (Organization for Economic Cooperation and Development): transparency, accountability, respect for the rights of shareholders and the main stakeholders, and integration into all the areas of the company. The new structure is subdivided into four parts:



- Legal Management
- Certification Coordination Office
- Environmental Coordination Office – Farms
- Management of Compliance (including governance and risk)

Additionally, the new Office of the Director is responsible for sustainability on farms and for supporting sustainability initiatives within the exporting companies.

Many new activities are expected to take place in 2021. In addition to the publication of the Sustainability Policy drawn up by the Sustainability Committee (read more in the chapter on Environmental Management), the following initiatives are expected from the Office of the Director for Governance, Risk and Compliance.

All initiatives must first be approved by the Board of Directors:

- Review of the Code of Ethics, including the Anti-corruption and Money-Laundering Act; the Combating Terrorism Act; and the General Data Protection Act.
  - Review of the Hedge Policy, with purviews and limits more in line with best practices of the financial market.
  - New Related Parties/Conflict of Interests Policy
  - New Variable Remuneration Policy.
  - New Risk Management Policy, including specific financial risks.
  - New Dividend Distribution Policy, going beyond basic and statutory criteria and indicators to include cash generation and liquidity.
  - New Commercial Strategic Committee governing both trading companies and farms.
- It is worth pointing out that in 2020 there were no records of activities or practices that could be defined as unfair competition, or monopolistic or antitrust activities.

**GRI 102-20, 103-2 and 103-3 206, 206-1**



## Impacts and risks

GRI 102-11, 102-15, 102-31

The result of risk management practices is a controlled environment, in which risks are observed and duly communicated. The Montesanto Tavares Group thus continues to enhance its risk management and oversee the constant devolution of its internal controls. Approval of our Risk Management Policy is forecast for 2021, with a methodology for identifying, analyzing, addressing, monitoring and notifying risks.

Risk management in GMT is guided by our Risk Matrix, which blends into the internal audit program, in accordance with the impact and likelihood of occurrence of any risk. The probabilities are subdivided into virtually nonexistent, unlikely, probable, highly likely and expected, in accordance with the frequency of their occurrence. The matrix itself is reviewed annually. The impact analysis takes into consideration the following risk factors: occupational health, environmental impact, social impact and impact on the community, legal and regulatory risk, financial risk and reputational risk - and an impact classification is applied to each risk factor - minor, moderate, important, severe or very severe.

The risk matrix is approved by the Board of Directors, and it is the responsibility of the Office of the Director for Governance, Risk and Compliance, through its compliance area, to render account of the application of in-house controls. We also have a certification department which is responsible for certifying business partners and farms. Montesanto Tavares Group certifications demand high standards of process control and traceability, above all in environmental issues, and concerning relations with the communities in which the companies operate.

“ Our Risk Management Policy is expected to be approved in 2021.

## Stakeholder engagement

### GRI IO2-43

Headed by a consultancy that specializes in the premises of the Global Reporting Initiative (GRI), the process of building the GMT materiality matrix was divided into three steps:

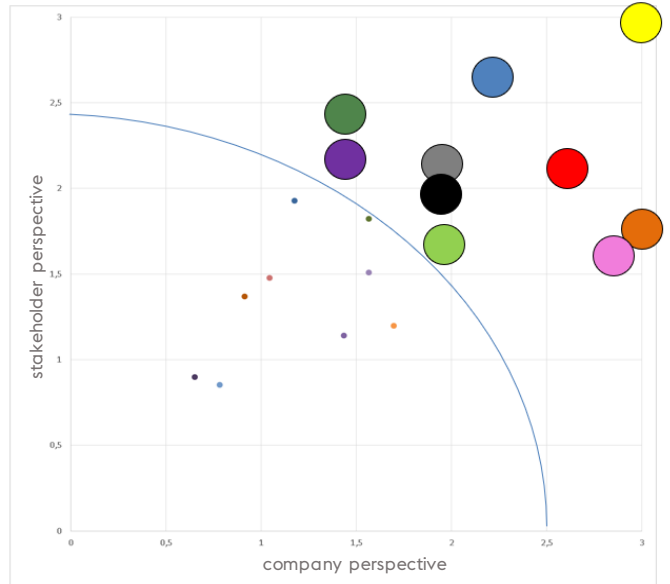
1. Identifying our organization's target audiences and main impacts;
2. Prioritizing and raising the perceptions of our stakeholders;
3. Analyzing results, preparing the matrix, and having it validated by our leaders.

The following groups of major importance to GMT were taken into account in order to identify the stakeholders: Board of Directors and Executive Board, Leaders and managers, Employees, Farmers, Clients, Suppliers, Banks and Investors, and Others (trade associations, certifying agencies, research institutions, NGOs, the press and digital influencers). In the second half of 2020, 35 interviews were carried out, 9 being top management, and 26 from the outside target audience, while from on-line contacts we received 607 answers from stakeholders, representing all the Group's companies in several countries.

### GRI IO2-40, IO2-42, IO2-43

Interviews	On-line searches
Board of Directors and Executive Board	Leaders and managers
Customers	Customers
Specialists	Employees
Farmers	Farmers
Community	Banks and investors
	Suppliers
	Others (trade associations, certifying agencies, research institutions, NGOs, the press and digital influencers)

## Materiality matrix



### Priority issues













	Sustainable development of farmers
	Value creation in the chain
	Employee culture, development and well-being
	Strategy and sustainability
	Community
	Sustainable development and economic/financial performance
	Innovation
	Good agricultural practices
	Certification
	Traceability, guarantee of origin and quality




## Materiality

GRI IO2-44, IO2-47, IO3-1

Sectoral analyses were taken into account for the building of the matrix, such as the *GRI Sustainability Topics for Sector*, *The Sustainability Yearbook 2020*, (Robeco), and *SASB Standards*, as well as internal documentation and benchmarking. We thus narrowed it down to a starting list of 19 topics.

After completing the analysis and taking into consideration the company's vision and that of the stakeholders, the IO priority topics were defined, and then validated in a sustainability committee meeting.

Priority issue	Why it is important	Groups commenting most on it	Connection to SDGs
Sustainable development of farmers	To strengthen, train, and add value to family farming and to coffee growers, through partnerships and a relationship of trust and respect. Promoting economic opportunity and fair, transparent trade.	<ul style="list-style-type: none"> <li>- Top management</li> <li>- Farmer</li> <li>- Clients</li> </ul>	   
Value creation in the chain	Helping provide sustainable progress and enhancing all links and players in the coffee chain, strengthening connections and partnerships and creating healthy ecosystems.	<ul style="list-style-type: none"> <li>- Leadership</li> <li>- Specialists</li> <li>- Community</li> </ul>	  
Employee culture, development and well-being	Puts people first, attracting, developing and retaining a highly qualified team of professionals who work together with mutual respect and integrity. Promotes the team's talents and the welfare of employees and their family members.	<ul style="list-style-type: none"> <li>- Top management</li> <li>- Employees</li> <li>- Leadership</li> </ul>	 
Strategy and sustainability	Establishes a strategic vision whose aim is sustainability and the management of social and environmental risks and impacts, including communications and marketing activities.	<ul style="list-style-type: none"> <li>- Employees</li> <li>- Leadership</li> <li>- Banks</li> </ul>	  

Priority issue	Why it is important	Groups commenting most on it	Connection to SDGs
Community	Respect for the culture and traditions of the communities contiguous to the coffee-growing areas, helping with their economic development and offering capacity-building and environmental education, as well as establishing listening and conflict-management processes. Encouraging voluntary initiatives and activities.	<ul style="list-style-type: none"> <li>- Top management</li> <li>- Community</li> <li>- Specialists</li> </ul>	 
Sustainable development and economic/financial performance	Aims to achieve profitable and sustainable economic growth, bringing prosperity to the business, and positive social and environmental impacts, with accountability.	<ul style="list-style-type: none"> <li>- Leadership</li> <li>- Employees</li> <li>- Specialists</li> </ul>	 
Good agricultural practices	Embedding agricultural production practices that promote sustainable operational efficiency, the correct use of resources and of the soil, and the integrated management of waste, among other objectives, throughout the chain, and under monitoring.	<ul style="list-style-type: none"> <li>- Top management</li> <li>- Clients</li> <li>- Farmer</li> </ul>	   
Innovation	Daring to do things differently. Encouraging the management of innovation, partnerships, engagement, and research into - and the development of - new technologies that will be accessible to the entire chain, producing positive results for society at large and the environment.	<ul style="list-style-type: none"> <li>- Leadership</li> <li>- Employees</li> <li>- Suppliers</li> </ul>	   
Traceability, guarantee of origin and quality	Traces the origin and enhances the quality of the product. Encourages transparency throughout the supply chain.	<ul style="list-style-type: none"> <li>- Client</li> <li>- Farmer</li> <li>- Leadership</li> </ul>	
Certification	Encourages players throughout the chain to introduce their own programs, certification and seals, as well as regional and international ones, for environmental, social, sustainable agriculture, organic, quality, and fair trade requirements.	<ul style="list-style-type: none"> <li>- Top management</li> <li>- Farmer</li> <li>- Clients</li> </ul>	

## Food safety

GRI IO3-2 and IO3-3 416, 416-1, 416-2

Overseeing the production chain is one way of ensuring consumer health and safety. This mapping starts on the farm, with in-the-field annotations on the application of agricultural chemicals, withdrawal periods, harvesting and processing dates, as well as chemical residue testing of the beans until they are sent to the warehouse. The warehouse, in turn, maintains a plan for the evaluation of physical and chemical hazards — HARPC (Hazard Analysis and Risk-Based Preventive Controls).

In addition, every movement carried out is recorded electronically, which enables a time line to be established, tracing the coffee from its origins. The same logic applies to certification programs on our own farms and on our suppliers' farms: all movements are recorded on the origin assurance platforms.

Since coffee is a commodity that undergoes high roasting temperatures, there are few contamination risks, except for the risk of residual chemicals. For the case of GMT, an in-house audit performed by a workplace and environmental safety team certifies that the parameters demanded by the legislation are met, ensuring the food safety of the raw material. GMT does not analyze the impacts of the consumption of the product by the end consumer. However, no non-compliances for health and safety impacts caused by the products and services of the supply chain were identified in 2020.





## Global certification

GRI IO3-2 and IO3-3 301, IO3-2 and IO3-3 414, IO3-2 and IO3-3 417

Brazil's legal requirements in agribusiness are extremely stringent. Nevertheless, companies increasingly strive to attain certification that goes beyond what the local environmental and labor laws demand. In the case of Montesanto Tavares Group, this is particularly important because we believe that it is essential to disseminate good practices throughout the production chain, and we know that being consistent in quality and delivery of service is not enough, but that it is essential to build in the value and have a positive impact on the environment in which we operate. It is therefore essential to speak of sustainability, traceability and transparency.

Among the main certifications and verifications that exist in the coffee market are the Rainforest Alliance, UTZ, 4C, C.A.F.E. Practices, Fairtrade and Organic (NOP, CE, JAS). For example, the Rainforest Alliance demands details on the impact caused by the activity of the farm, and the planting of living barriers (or maintenance of a distance between crops) in order to protect people traveling on highways as well as the flora and fauna of the reserves. C.A.F.E. Practices, as another example, lists farmers who pay above the national minimum rate or the rate in collective bargaining agreements.

“ We believe in the importance of spreading good practices throughout the entire production chain.

Beyond their own specific demands, these certifications, and verifications: confer traceability and transparency upon the coffees produced, ensure good living conditions for employees, the setting-up of complaints channels for hired workers and the entities hiring them (without any risk of reprisals against the former), the use of products with reduced environmental impact and an efficient management on the farms, providing farmers with guidelines so they can farm sustainably.

In 2020 over 50% of the coffee beans traded by Cafebras and 36% traded by Atlantica were certified. Our Sequoia, Matilde, Primavera and Atlantica Agro farms possess Rainforest certification. The trading companies Ally, Atlantica and Cafebras possess distinct seals depending on the consuming market in which they operate, the complete range being: UTZ, Rainforest, Certifica Minas, 4C, Região do Cerrado Mineiro, C.A.F.E Practices, Fairtrade, Fairtrade Organic and Smithsonian Bird Friendly.



**PEOPLE MANAGEMENT**

## The strength of diversity

GRI 102-41, 103-2 and 103-3 401, 103 406

Montesanto Tavares Group believes that all of the results of its companies are down to the talent, engagement and efforts of its employees. We are committed to the care and development of people, not only within our group, but throughout the entire coffee-producing chain. GMT's people management complies with policies and guidelines intended to promote a motivating, safe and healthy working environment. For this reason we invest in our employees' professional and personal qualifications.

Taking into account all of GMT's companies, we have more than one thousand employees, both full-time and temporary. On December 31, 2020, there were 558 employees with indefinite term contracts. That year, 497 people worked in the group with fixed-term contracts. Within Brazil, 100% of our employees are covered by collective bargaining agreements. We are present in many regions of the world, and our team is made up of people with a whole range of profiles, with varying demands. For that reason our management model is modern and decentralized and focuses on the autonomy of each operation.



Despite 2020 being such an atypical year, our keyword was planning:

- To foresee events and difficulties;
- To carry out the necessary adaptations;
- To maintain good relations with partners;
- To consolidate Human Resource rules.

Many of the changes carried out over the course of the year were triggered by the novel coronavirus pandemic. And precisely because we were well prepared and are a united, committed team, we were able to rise to the enormous challenge relatively calmly.

As part of the restructuring of the group in terms of governance, the human resources department kicked off a process of standardizing the assessment of performance, remuneration and benefits (these documents are expected to be finalized in 2021). One of the targets is to use these tools to increase workplace satisfaction and boost retention.

In our Sustainability Policy, due to be published in 2021, we reinforce the following commitments towards our employees:

- To promote safe working environments for everyone.
- To promote working conditions and fair remuneration, so as to ensure our employees' health, well-being and quality of life without any kind of discrimination.
- To encourage the constant development of all GMT employees.

Since 2020, each company has prepared Sustainability Action Plans containing voluntary goals and targets to be attained by 2030. Overall, the main objectives have to do with growth, and are about leveraging the results of our business through people who are increasingly well prepared, engaged and valued.

Some R\$ 300,000 (three hundred thousand Brazilian Reals) has been invested in allowances for education, in-house and external capacity-building, and programs for professional development and improvement. A further R\$ 750,000 was earmarked for corporate health and dental plans, and life insurance.



**558** employees



**425** work on farms

## The following stand out among the main people-management initiatives:

GRI IO3-2 and IO3-3 404

- **Remuneration and benefits:** our methodology is based on market research, and the design of the organizational structure is linked to the career plan, standardization of scopes, and the definition of eligibility criteria. The variable remuneration policy is shared by all the companies in the group and allows for the distribution of 6% of the annual profits of each company to employees.
- **Participatory management:** each company encourages monthly meetings between the CEO and all the employees, in order to bring information on economic performance up to date. There is room for the exchange of ideas, which reinforces organizational culture and encourages transparency and integration.
- **Academy of leaders:** our training school aims to provide constant capacity-building for employees in management positions. The program has online classes, and is based on talks and workshops, focusing on leadership skills development. The project is run in partnership with the American Chamber of Commerce (AmCham) Belo Horizonte, and GMT invested R\$ 100,000 in it in 2020.
- **Education allowance:** Atlantica, Cafebras and GMT farms extend to all its employees the ability to cover 50% of their expenditures on language classes, or at undergraduate and postgraduate levels.
- **Performance appraisal:** until 2020 it was only Atlantica and Cafebras that possessed this tool, but it will be extended to the other companies after 2021. The assessment is carried out annually by means of a process whereby behaviors are identified, diagnosed and analyzed during the cycle, observing professional attitude, technical knowledge, relationships with working partners and so on. It enables strengths to be identified as well as other points that need to be developed.

“ The variable remuneration policy allows for the distribution of 6% of the annual profits of each company to employees.

## Workplace health and safety

GRI IO3-2 and IO3-3 403, 403-1, 403-3, 403-4

We believe that all incidents are avoidable. Our goal is to make sure that nobody working within or around our operations should come to any kind of harm. We are responsible for keeping our workplace safe. Our operations should have facilities, equipment and an infrastructure that are essentially safe, well-designed and well-maintained, with effective safety management systems. Therefore, at all our operating units, we comply with all workplace health and safety management standards and laws.

Our policies are reviewed annually, as are our main indicators. In the event of an accident, the administrative team and the Workplace Health and Safety team are notified immediately. They provide first aid, and check whether there is a need to call in any more specialized assistance. The farms possess first aid kits, and where applicable, labor medicine professionals operate. All the group's companies work with specialist firms to develop their workplace health and safety plans.



Likewise, the Environmental Risk Protection Program is prepared annually. Based on interviews with workers, and a qualitative/quantitative survey of the environmental risks existing, the listed factors are:

- Actual exposure;
- Estimated concentration or intensity;
- Toxicity or level of aggressiveness;
- Degree of exposure;
- Supposed hypersensitivity;
- Duration of actual exposure.

All companies based in Brazil possess In-House Accident Prevention Commissions (CIPA is the acronym in Portuguese). Once annually, training is given on workplace health and safety, with topics such as ergonomics, first aid, and firefighting.

SIPATs (which stands for In-House Workplace Accident Prevention Weeks) are not organized on the farms because all our employees are required compulsorily to attend regular training activities for the exercise of their activities. All the units on the farms possess duly trained safety personnel.

In partnership with the farmers, we provide guidance and prioritize relations with those that possess safety plans, that have been proven through certification audits.

In 2020 no workplace accidents were recorded in the trading houses, and there were only five minor accidents on the farms, and on only one occasion did the employee temporarily have to take time off work.

(GRI 403-9)

### **Non-discrimination (GRI 103 406, 406-I)**

GMT has a clear stance against any type of discrimination — whether for sexual option, color, or for religious or political belief. No cases of discrimination were reported in 2020. Because the new Code of Ethics approved in 2021, this situation will become even more significant. An Ethics Committee is also expected to be set up. New policies are being prepared and published, in order to strengthen the Group's values. Likewise, there are no reports of social or economic non-compliance with laws and regulations.

## Special attention is paid to the value chain

### GRI 102-9

The coffee business demands a relatively high level of specific understanding. It is therefore important to foster long-term relationships. The entire production chain depends on such partnerships. Worldwide, the coffee business is dominated by family agriculture. It is an important element of our social license to encourage the development of these small farmers.

We are delighted to have fulfilled the payments of futures coffee contracts in 2020 (entered into three or four years prior to this), enabling these small farmers to obtain prices above spot market prices.

Unlike other sectors of the economy, the close links between ourselves and clients and suppliers is extremely important in the coffee business. Good relations with our partners are one of our greatest assets.

We work directly with farmers as well as in partnership with cooperatives and brokers, providing them with agronomical and commercial support. Our suppliers are mainly located in three Brazilian states (Minas Gerais, São Paulo and Bahia), making up a total of 2,338 individuals and companies.

Overseas, Ally Coffee runs several supply chains in order to provide a range of coffees to the entire world. These structures are unique to each country — from the plantation to the post-harvest processing and exportation. Whenever possible, we negotiate directly with individual farmers or the representatives of a community.

“ Promoting the development of farmers is an important part of our social license.



We know that we play a core role in the supply chain. We are not simply commercial intermediaries for our product, we are service providers for clients and suppliers. Our organization's involvement with its suppliers is based on trust and respect - since connections between and among links in the chain generate added value for the product. It is precisely these close relations with our stakeholders, as our principles demand, that enable us to understand market trends and share information with partners, thus making sure that their business remains economically feasible, and helping develop each region.

Another important aspect promoting the development of the regions in which we operate is job creation. Throughout the world, we know that coffee-growing is an important instrument for local development.

At the same time we are committed to our suppliers in order, above all, to avoid issues relating to working conditions. We have our own certificates for our groups and we have an educational focus and carry out audits on these practices. We help farmers obtain sustainability seals for coffee growing, such as the Rainforest Alliance (RFA), C.A.F.E Practices (Starbucks) and Certifica Minas, among others. In the case of C.A.F.E. Practices we manage groups containing hundreds of farmers, coordinating training activities, audits and consultancy.

“

Our involvement with suppliers  
is based on trust and respect.

Although each company has specific guidelines and policies for sourcing, it is important to underscore those practices that are shared throughout the Group:

1. A compliance policy in line with OECD principles.
2. Each supplier must comply with each company's Code of Ethics; these will be replaced in 2021 by the GMT code of Code of Conduct.
3. General Data Protection Law (Lei Geral de Proteção de Dados — LGPD).
4. The Anti-Corruption Act.
5. Analysis of documents updated in accordance with local regulations for registering suppliers.
6. Sourcing only from suppliers registered via the system.
7. Compliance with local social, fiscal, environmental and labor laws.

## Support for local communities

GRI IO3-2 and IO3-3 4I3

At Montesanto Tavares Group, we believe it is essential to contribute towards the economic development of the neighboring communities around our operational bases by means of the education and capacity-building of individuals.

We are aware of the responsibility that private institutions have to reduce social inequalities, not only in Brazil, but also in other countries with which those institutions relate. We believe we contribute positively by generating employment, increasing the population's income, and driving local commercial and service activities.

“ At GMT we believe that it is essential to contribute towards the economic development of communities.

## Everyone against the coronavirus

Agribusiness cannot come to a halt: even the novel coronavirus pandemic has not disrupted agricultural production. However, that does not mean that everything has remained the same. Quite the opposite: many adaptations have been carried out over the year, both in our offices and on our farms. See below some of the major initiatives we took in 2020 in order to ensure the health and safety of our employees and partners.

- We do not work with outsourced teams on our farms. At harvest time, for example, we draw up fixed-term contracts (usually for three or four months). In 2020, in order to ensure social distancing, and avoid clusters of people, thus mitigating the risk of contagion by Covid-19, we opted to reduce the number of people involved in harvesting by extending working hours within the limits of the legislation.
- The transportation of these field teams was completely adapted, with only one person per pair of seats inside the bus, with empty rows, and a reorganization of the routes traveled.

- The farm canteens were also changed: in addition to alcohol in gel for all to use, shifts were set up in order to reduce the number of people eating all at the same time, and some tables were removed in order to increase the distance between the remaining tables. We replaced self-service by plates served to each individual's preference and handed to them in person.
- All employees were given masks, alcohol in gel, and guidance leaflets.
- Questionnaires on symptoms, and temperature testing, became mandatory.



All employees were given masks, alcohol in gel, and guidance leaflets.

- Administrative staff in the Belo Horizonte, Varginha and Patrocínio offices (Minas Gerais state) were put on a working-from-home regime. The number of face-to-face meetings and journeys was significantly reduced (and international travel was canceled).
- One of our most critical roles, that of coffee tasters, was redefined in order to avoid the operation being disrupted. This was perhaps one of the best examples of how essential cooperation is in life. With the aid of technology (and above all social networks), we managed to exchange information — with our competitors even — on how to solve the problem. Among shared proposals, companies bringing samples were no longer given access to our facilities. Usually, each batch is tasted by three different people, in ten cups. Traditionally, each person dips a spoon in the cup, which could lead to a risk of contamination. The solution was to double the number of spoons. One spoon collects the liquid from the cup then transfers it to the second spoon which is placed in the mouth.

- Since late 2019 we have been working with an outside health-and-safety provider in order to set up this department within the Group. In the pandemic we prepared guidance leaflets, expedited the scheduling of on-line consultations, and intensified contacts in order to make sure that the psychological comfort of all our employees was maintained. HR teams took turns to make telephone calls in order to discover each employee's expectations and needs.
- We started carrying out more meetings involving people from different departments, thus boosting collaboration within the companies. At the same time we stopped taking part in trade fairs and events. Those had to be carried out virtually in order not to lose our focus on relationships.

The result was that our operations suffered no kind of disruption. No working contracts were suspended, nor did we put off the payment of taxes as the federal government had authorized companies to do. Our employees felt safe and supported throughout the year.

A black and white close-up photograph of a bee on a white flower. The bee is positioned in the center, facing slightly to the right. Its wings are spread, and its legs are visible as it interacts with the flower's petals. The background is dark and out of focus, highlighting the bee and the flower. A red banner with rounded corners is overlaid at the bottom of the image, containing the text "MANAGEMENT OF SUSTAINABILITY" in white, uppercase letters.

**MANAGEMENT OF  
SUSTAINABILITY**

## Long-term partnerships

The topic of sustainability comes up more and more in conversations with all our stakeholders.

We are therefore collaborating more and more each year with our coffee growers, providing them with commercial assistance and technical support for their crop. We wish to be engaged in long-term partnerships and are striving to be a benchmark for the market. For this reason we are extending our sustainability strategy to include not only environmental and social issues, but also governance (after the acronym ESG), bringing in issues relating to climate change, labor practices, lawsuits and transparency.

Around the world, consumers expect healthy foods, planted in a traceable manner in non-deforested areas, grown under good labor conditions by companies with good reputations.



Consumers expect healthy foods, planted in a traceable manner in non-deforested areas, grown under good labor conditions by companies with good reputations.



## Management of water, wastewater and waste

GR1 IO3-2 and IO3-3 3O3, 3O3-1 to 3O3-3, IO3-2 and IO3-3 3O6, 3O7-1.

The conservation of water resources is of fundamental importance to a good agricultural operation. On our GMT farms and in our relations with partner farmers, we always strive to protect natural resources and raise everyone's awareness of the importance of a rational use of water. We witness this happening in all our visits to farmers in the certification groups.

On two of our farms (Fazendas Primavera and Matilde), water is taken up from a weir. On the Sequoia and Atlantica Agro Farms we take water directly from the Rio de Janeiro and São Francisco rivers, respectively, by underground abstraction. The water is used in handling the crop, both for irrigation and for spraying, as well as in the processing plant. There are artesian wells for water for human consumption, at volumes that comply with the registry for negligible use. All consumption is controlled and monitored in accordance with licenses for water use that are granted by the competent public authorities.

The coffee-washing water is reused, in the plant, alongside the use of potassium-rich organic manure on the crop. Some of the water goes to damp down the unpaved roads, in order to improve the circulation of vehicles and reduce the amount of dust in the air. Water for human consumption goes into organic pools.



The construction of large tanks known as “piscinões” is due for completion in 2021, in order to capture rainwater and reuse water discarded in the production process. Additionally, new coffee-processing machinery will become functional and reduce water consumption in the process by 70% - from 2 liters to only 600 milliliters per liter of coffee. This investment will initially be tested on the Fazenda Primavera, and is expected to be replicated on the other farms in 2022.

Waste management, on the other hand, meets both legal and certification requirements. However, GMT did not make a compilation in 2020 of total discarded volumes. One of the targets set for 2021 is precisely to produce reports containing this analysis, for the following areas:

- o Environmental diagnosis;
- o Remediation and the management of impacted areas;
- o Reverse logistics and valorization;
- o Management of environmental works;
- o Total management of waste;
- o Tests of watertightness;
- o Waste inventory.

In 2020, traders Ally, Atlantica and Cafebras did not record any environmental non-compliances. Among the farms there was one incident of a leakage from a tank of water containing organic material (coffee hulls). Although it did not result in the payment of fines, it did generate a notification of violation (under discussion) and an action plan for the verification of, and correction to, the water tank; identification of the root cause; laboratory testing of water by an independent company; the diagnosis of possible environmental harms and impacts, the conclusion of which was that there were no issues.

GMT Farms separates the operating technical departments from those of regulations, workplace health and safety, and environmental. On each of its farms it has a dedicated team made up of its own and outsourced professionals to reinforce and oversee the execution of operations in compliance with best practices. The environmental team/WHS is also responsible for overseeing, identifying, notifying incidents and accompanying the execution of action plans. All identified incidents are reported to the Executive Board. Additionally, the compliance department follows up to make sure that legal compliance is obeyed.





**SOCIAL INVESTMENT**

## Making dreams come true

GRI 102-12, 203-1

### 'Café Solidário' Institute

Set up ten years ago in the town of Buritizeiro (MG), which had one of Brazil's lowest Human Development Indices (HDI), the *Café Solidário* Institute helps 154 children and young people through sporting and cultural activities on school days but outside of school hours.

The *Realizando Sonhos* ('Making dreams come true') Project possesses four classrooms. In the mornings, participants stay from 08:30 to 11:30. They have breakfast when they arrive and have lunch before they go to their normal school lessons in the afternoon. And in the afternoons, the project works from 13:00 to 17:00 for those who have had classes in the morning. They are served a snack as well as dinner in the early evening before going home. All in all, some 328 meals are served daily.



In 2020, 154 children and young people were provided with sporting and cultural activities on school days, outside school hours.



- Lessons included painting, music and plastic arts. In recent years, three shows were staged, thanks to funds from Brazil's *Rouanet Act*, enabling experienced professionals to be hired on a temporary basis to help students with their rehearsals. However, in 2020, the pandemic disrupted this routine. The headquarter of the Institute was closed from March 20 to November 3. But even before City Hall authorized the reopening of the Institute, teachers and assistants had begun to offer distance education in literature and Portuguese to supplement the young peoples' schoolwork. Fifty-seven classes were taught online. A library was set up in July containing 400 books, and a drama group began.
- Classes are also taught in the Brazilian martial art '*capoeira*', in fashion, and in culture. One group of young people coordinates a YouTube channel, baptized TV *Projeto*. They record and edit the material, which includes reports on local news stories, interviews with people who live in the region, tradespeople and politicians. In 2020, even when the school gates had to be closed, everybody was given masks, and to avoid gatherings of people, meals were then delivered in customized packages to be taken home and eaten there.
- Ten years ago, when the project began, the vast majority of the children were aged around seven. Many have remained in the project until today: according to the current rules, young people are accepted until they turn 18. The change in the age profile led to a very important adaptation within the Café Solidário Institute. A vocational course on entrepreneurship was set up in 2019, in partnership with a group of distance-education universities. The objective is to boost people's prospects for the future.



## Own resources

GMT's three trading companies (Atlantica, Ally and Cafebbras) jointly with Armazém Gerais Leste Minas (not part of the Group) shoulder the costs of Café Solidário Institute's overheads. Each one earmarking 0.03% of revenues. In 2020, the group donated 417,391.49 Brazilian Reals to the Institute (up 99.86% over 2019). Additionally, the top management seeks funding from other partners. Banco do Nordeste has donated basic baskets of staple foods and household supplies, and in 2020, SESC, Brazil's Commerce Social Service also contributed foodstuffs.

In line with the Aldir Blanc Act, the government of the State of Minas Gerais earmarked R\$ 90,000 in order to stage "Africa", a show about the continent's history and culture. The intention is also to receive financing from the Special Fund for Childhood and Adolescence (Fundo Especial para Infância e Adolescência—FIA), administered by the local city hall and by the Sports Act (Lei do Esporte). Buritizeiro has 30,000 inhabitants and grows coffee and fruit. All ten registered employees of Café Solidário, and the nine service providers, live in the town.



All in all, GMT donated more than R\$ 417,000 to keep Instituto Café Solidário in operation.



## Other external initiatives

### GRI 102-12

Atlantica Coffee is a member of the Global Coffee Platform (GCP). In 2020 it donated some 18,000 Brazilian Reals, ploughed back into projects helping develop the coffee-production chain in nine countries: Brazil, Colombia, Vietnam, Indonesia, Tanzania, Uganda, Kenya, Honduras and Peru.

GCP is an international association of over 200 members from all sectors of the production chain. Its main goal is to bring about a sustainable coffee industry offering good living conditions to farmers and workers. In the social sphere it seeks to foster compliance with labor and safety laws and contribute to better management for farms. In the environmental sphere it values conservationist practices and the correct treatment of wastes.

Additionally, Atlantica Coffee organized a program for the donation of reusable masks in the towns of Caparaó and Alto Jequitibá in Minas Gerais. From April to June 2020, local seamstresses were hired at a total cost of R\$ 5,892 to produce these masks, which were used to combat the spread of Covid-19.







Atlantica  
Coffee



montesanto  
tavares  
group

**BUSINESS PORTFOLIO**



## Atlantica Coffee

### GRI IO2-2, IO2-7

Atlantica Coffee is a coffee exporter that is part of the Montesanto Tavares Group. Founded in July 2000, it has offices in the Minas Gerais towns of Varginha, Manhuaçu, Alto Jequitibá and Caparaó. It sells the commercial and superior lines of green Arabica coffee beans from Brazil both to the international market and to the domestic market.

In addition to our offices, the company has a modern general warehouse in Caparaó, powered by solar energy. The 456 solar panels installed at a total cost of half a million Brazilian Reals strengthen our commitment to sustainability in the coffee chain. Clean, renewable energy produced by a solar plant ensures 77% energy autonomy in the processing and storage of beans, helping reduce anthropogenic greenhouse gas (GHG) emissions

The varieties of coffee sourced by Atlantica are harvested by partner coffee-growers in several regions of Brazil, such as Matas de Minas, Sul de Minas, Cerrado, Mogiana, Norte de Minas, Chapadas de Minas and Bahia. We sell natural, washed and semi-washed coffees, such as fine cups, good cups and Rio Minas. These may or may not come with such certifications as UTZ, Rainforest Alliance, C.A.F.E. Practices, 4C and Certifica Minas.



Throughout our history we have dedicated ourselves to building sound relationships with our partners and understanding the sensory characteristics that each market seeks, in order to consistently deliver the best coffee-purchasing experience, and this has placed us in a select group at the global level.

2020 was a record year for us. We celebrated 20 years of history and sold over 2 million bags of coffee to more than 45 countries, despite such challenging times. To mark the date, we created a commemorative campaign singing the praises of the art and culture of coffee and the people who are a part of our history. In addition to this, we took major steps to guide our actions for the coming years:

- 01 - We set up a **Sustainability Committee**, made up of a multidisciplinary team involving members of our trading company and sustainability department, in order to create sustainable development strategies that go beyond Certification;
- 02 - We enhanced our **governance**, bringing employees and managers closer together — an essential factor for keeping our team engaged at a moment when there is greater social distancing;
- 03 - In June 2020, in the midst of the Covid-19 pandemic, we distributed **5,000 reusable masks** to avoid the spread of the disease in the Matas de Minas region. All these masks were sewn by local seamstresses hired by Atlantica Coffee, and this helped to generate income in the region;
- 04 - We established ambitious targets for **direct origination from the grower**;
- 05 - We invested in **cultural and sporting events in the communities**, and in the donation of basic staple commodities baskets and in the support for municipal public competitive examinations, as well as a fixed standard for monthly donations to the Café Solidário Institute.
- 06 - We originated over **720,000 bags of certified coffees**;
- 07 - We began to share information on the coffee market on a weekly basis, as a way of helping expand **access to information** and transparency in the coffee chain.





We celebrated 20 years of history and sold over 2 million bags of coffee to more than 45 countries, despite such challenging times.

To mark the date we created a commemorative campaign singing the praises of the art and culture of coffee and the people who are a part of our history.

We are aware of our outreach and our potential, and we believe that just as important as selling coffee beans is enhancing economic, social and environmental development throughout the supply chain.

We are therefore sure that when we focus on mutual growth in the coffee chain, in a win-win relationship, everyone then lives in a balanced ecosystem.

#### **New headquarters**

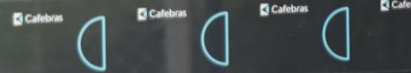
Atlantica's central offices were transferred in 2020 from Belo Horizonte to Varginha, in southern Minas Gerais. The new headquarters has 1,700 m<sup>2</sup> and can house up to 70 employees. It has an auditorium and training room, four meeting rooms, a well-appointed laboratory for coffee quality operations, a gourmet area, a rest and leisure area for employees, a cafeteria and its own parking facility for employees, customers and suppliers.

GRI 102-10



**Headquarters in Varginha, Minas Gerais.**





## Cafebras

### GRI 102-2, 102-7

Cafebras was set up in 2013 and was inspired by increasing demand in the coffee market, and by opportunities generated by new global consumption trends. Its major challenges are to introduce the world to Brazil's best coffees, to spread awareness, disseminate narratives and values, and above all to connect people to this exciting product.

We provide the market with unique, washed, semi-washed and natural coffees, most of which possess the market's major social and environmental certifications (Rainforest, Orgânico, Fairtrade and 4C), as well as verification certificates (such as C.A.F.E. Practices). The coffees from these programs account for over 50% of the volume sold in 2020.

In that year we shipped 1.033 million bags, 12.4% up on 2019, while 14.4% above the expectations of the budget. We also purchased 776,000 bags from the spot and futures markets. One fact worth pointing out is that 85% of this trade was carried out directly with growers. There was a marked reduction in the futures market from 648,000 in 2019 to 296,000 last year, helping significantly reduce the company's exposure to hedge operations. Net profits attained 21.91 million Brazilian reals, 20.7% above budget, with a 34.8% return on net equity.





One major pillar of our business is that we value and work closely with growers. Cafebras has thus become one of the main export channels for coffees that have a denomination of origin from the Cerrado Mineiro and Mogiana Paulista regions. Independent audits ensure compliance with economic, social and environmental criteria in production and in processing, making the beans more sustainable, reliable and traceable.

Beyond the domestic market, we currently cater to a further 43 countries. Within eight years we have risen to a position among the 15 major coffee traders of Brazil. In addition to this, in the last five years we have numbered among the industry's best companies, according to EXAME magazine's ranking. We came first in 2018, and second in 2019.

We are located in the Cerrado Mineiro region: our headquarters are in Patrocínio (MG), while we have offices in Alto Caparaó (MG) and Varginha (MG), in the Matas de Minas region and in Franca (SP), in the Alta Mogiana Paulista region. We have trading partnerships in the states of Bahia, Espírito Santo and other strategic locations.

Acknowledging and valuing people is the most important aspect for the company and the Group. That is why we stand out for our team of professionals with their extensive experience in the universe of specialty high-quality coffees, aiming to understand and meet the main demands, establishing connections between the producing origins within Brazil, the companies and the most demanding consumers around the world.



In order to introduce the potential of Brazil's coffees, and their wide range of aromas and flavors, owing to their specific terroirs, we have created a line of coffees called "Diamonds". Each coffee, in addition to the basic requirements that make a special coffee, such as body and finish, bears with it a characteristic predominant sensory feature: chocolate, sweetness, acidity, florals and fruitiness. See below a quick summary of these precious aspects:

## GRI 102-2

- 01 Black Diamond:** recommended for those who appreciate a good espresso. Notes of chocolate stand out in this label. This coffee is full-bodied, sweet, and has a long, pleasant finish. Its DNA carries the predominant features of the coffees grown in the Cerrado Mineiro and Mogiana regions.
- 02 Blue Diamond:** this bean is grown at higher altitudes, closer to the sky, and displays a delicious citric acidity such as you find in limes, tangerines and oranges. It is full-bodied, and also has a long, pleasant aftertaste.
- 03 Rose Diamond:** as rare as pink diamonds, the beans that make up this label have unique characteristics and floral aromas like orange blossom, jasmine and rose. It is a full-bodied bean with a long finish. Finding this precious commodity requires much exploration and a deep sensory understanding of coffees.
- 04 Yellow Diamond:** originating normally from the yellow varieties that naturally absorb fewer rays of the sun and retain more sugars in their pulp, the beans making up this group stand out for sweetness, a good body, and excellent finish. They are recommended for people who appreciate smooth, aromatic coffees.
- 05 Red Diamond:** as surprising as passion itself, and with the excitement and the aroma and flavor of red berries, the balanced body of this label seduces those who appreciate it, while its complex citric acidity and long pleasant finish delight and enchant them. Naturally standing out, aided by the right management process and point of fermentation, these beans concentrate some of the most highly prized attributes among connoisseurs worldwide.



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## The world of special coffees

Particularly in Brazil, and to a certain extent worldwide, special coffees are as yet relatively undervalued. Here in Brazil, the so-called rarities, which are top-quality beans, used to appear only sporadically, or as we tend to say, accidentally.

So in order to encourage the production of such unique batches, we set up the program 'Quality Prospectors' (*Garimpeiros de Qualidade*) back in 2013; the group was made up of partners and friends who specialized in coffee, helping us support coffee growers in the improvement of their production processes, and in achieving fair prices for their offerings. The project also aims to encourage research, and the staging of annual meetings to discuss matters pertaining to the market, to consumption and to production trends.

Beyond this program, Cafabras partners Sebrae and some other cooperatives and associations, in a project entitled Quality Clusters; each year it holds its Cafabras Award for Best of the Year, granted to the supplier of the best coffee purchased by the company.

Another standout initiative was the Direct Trade Project, which consists of holding coffee negotiations directly on a farm, involving a group of partner farms or even a production region, and a given purchaser who has specific and exclusive demands. The goal is to connect these Brazilian growers to their consumers, and bring them closer, and to value their origins, regions and histories.

Every specific and unique batch offered for sale to clients carries with it its Farm ID, containing the history of the grower, their family and their region, as well as photographs of individuals and the farm's facilities. Further information on the farms includes location, altitude, the varieties planted, and the prevailing characteristics of the coffees grown.

The program entitled Quality Cult was set up in order to spread this coffee culture. Growers and consumers thus have a chance to enjoy experiences in the special coffees world, not only to learn to appreciate the difference nuances, but also to take part in a genuine cultural and gastronomical immersion. We therefore visit trade fairs, workshops and cuppings and hold courses on roasting, grading and tasting, and for baristas, to name but a few initiatives.



COFFEE SAMPLE



Sample No. 1234



## GRI 102-2, 102-7

In 2010, Ally began operating in the United States in order to expand Montesanto Tavares Group's international operations. It does this in the spirit of all the holding company's businesses: to create communities, strengthen ties, and expand coffee growing.

We have 50 employees, half of whom are in five US states, while the rest are in Brazil, Colombia, Costa Rica, Ethiopia, Switzerland, Sweden and the United Arab Emirates. Our customer portfolio has 700 companies on five continents, and our operating model brings growing regions (Brazil, Colombia, Costa Rica and Ethiopia) closer to the major coffee consuming markets (the United States, Europe and the Middle East). At one end of the process, our team for origination and quality assurance works with growers to seek the best coffee beans. At the other, sales teams are in direct contact with consumer-nation companies and plants.

In 2020 we sold some 450,000 bags (80% of this total, to the United States). The USA consumes one third of all the coffee produced on Earth, and is, of course, the largest importer. Every year, the United States buys 7 million 60-kg bags from Brazil alone (and Ally accounts for approximately 6% of this). The four greatest players share between 40% and 50% of the North American markets, while the rest is split among some 30 companies (we are in this second group).



In September 2020, Bruno Borges, the company's CEO, was invited to become the CFO of GMT Group, the holding company that controls the group's trading companies. Rogério Schiavo, then the CEO of Atlantica Coffee, took his place. The office in Florida, where the company had been born, was closed, and some of the employees were transferred to South Carolina.

Since starting operations approximately one decade ago we have been operating on two fronts: commercial coffees because of our strong roots in Brazil, and specialty coffees, because of our commitment to introduce the world to the diversity and potential of Brazil's coffee.

Ally is a channel of diversity in the origination of coffee, importing from a range of countries and farmers and catering to customers from around the world, with a wide array of preferences.

Specialty coffees account on average for 70% of the company's net margin. Commercial coffees account for 80% of volume. After a learning curve of some years, and a process of structuring, the company has hit peak form, with positive results and new growth plans.

Despite certain adjustments which were needed owing to the effects of the pandemic, the sound foundation built over time with our customers, employees and partners, was essential for the company's performance in 2020.







Ally is a channel of diversity in the origination of coffee, importing from a range of countries and farmers and catering to customers from around the world, with a wide array of preferences.

The target for 2021 is to boost sales of specialty coffees by new hirings and investing in organizational development and transparency programs, providing innovative options for our stakeholders, like Ally Open.

Ally Open, an initiative by Ally Coffee, is a platform aimed towards small roasting businesses to provide a curated selection of small box specialty green coffee (sold in 25 and 50 pounds) and access online learning courses. All of the coffee is sourced in partnership with Ally Coffee, and with the shared goal of building an open community and to work to move coffee forward.



The target for 2021 is to boost sales of specialty coffees by new hirings and investing in organizational development and transparency programs.







**GMT FARMS**



## GRI 102-2, 102-7

The corporate restructuring of Montesanto Tavares Group by associating with the Institutional Investor, has led to the setting up of GMT Farms, with the aim of investing in coffee farms.

The group believes in the synergy between production and commercial activities, and is backing this model. In 2020 the farm operation was responsible for managing more than 3,000 hectares of coffee plantations, shared among four different production units (the fifth unit was purchased in late 2020) in the states of Minas Gerais and Bahia.

Taking into consideration the area available for planting on these farms and others purchased over the course of the year, GMT Farms has the potential to attain 10,000 hectares of production by 2028. One of the deals should be closed in the early 2021 - involving a total area of 27,000 hectares, of which 20,000 hectares will be preserved.

The farm, currently dedicated to eucalyptus planting, will be completely repurposed through a bold project in order to attain 5,000 hectares of coffee plantation. The idea is to significantly benefit the local communities owing to the characteristics of coffee-growing, which requires labor throughout the cycle, as well as generating logistical improvements and levying taxes in the region. The entire project will be run from the outset under sustainable practices, guaranteeing the environmental protection of the reserve areas.



Coffee is a commodity trending worldwide towards growth. The expectation is that within ten years, Brazil will produce around 80 million bags of coffee per year, for which reason GMT Farms is getting ready to keep up with this shift in production.

Several factors are leading the company to position itself increasingly as an important producer, able to cater to international clients and to be a model to be followed by Brazilian coffee growers: the valuing of sustainable practices that are an improvement in quality and in the premiums paid for coffee sold around the world; new requirements imposed by the market; the possibility of investments to hire specialized professionals; and the adoption of modern practices.

In 2020 the group's production grew significantly to attain 102,000 bags, a performance that exceeded the target stipulated for the year. Much of the volume produced had already been negotiated on the market through futures contracts.

The sales for 2023 and 2024 were carried out at price levels even higher than those closed for 2020.







In 2020 the group's production grew significantly to attain 102,000 bags, a performance that exceeded the target stipulated for the year.

The target for 2021 is to extend the total planted area. At the same time we are working hard on projects to achieve an energy-source transition, so as to prioritize solar energy, which will be another important step forwards to environmental sustainability on the farms, which are already undergoing several practices and procedures with that aim.

The farms directly employ 425 workers, and had a significant increase in investment in training programs, the definition of targets, and the distribution of bonuses.

Turnover is still an issue to be faced, which underscores the importance of valuing people who are directly linked to the operation, as well as their families and communities, through projects that demonstrate real improvements in their quality of life.

The same applies to strategic planning. We are increasingly attuned to the best management models, whether in designing commercial and financial strategies, or in modeling investments, and in community relations.

The future is promising for the Montesanto Tavares Group's farms, their employees, and the communities in which the group works.





APPENDICES **GRI INDICATORS**

## GRI IO2-8 - Information on employees and other workers

Number of employees by type of labor contract and gender									
Type of Contract	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fixed-term	312	168	480	345	209	554	342	155	497
Indefinite term	356	115	471	383	129	512	403	155	558
<b>Total</b>	<b>668</b>	<b>283</b>	<b>951</b>	<b>728</b>	<b>338</b>	<b>1066</b>	<b>745</b>	<b>310</b>	<b>1055</b>

Number of employees by type of labor contract and region									
Region	2018			2019			2020		
	Fixed-term	Indefinite term	Total	Fixed-term	Indefinite term	Total	Fixed-term	Indefinite term	Total
Minas Gerais	235	330	565	307	356	663	291	421	712
Bahia	245	102	347	245	119	364	205	94	299
Other regions	1	10	11	3	10	13	2	13	15
United States	0	28	28	0	26	26	0	29	29
<b>Total</b>	<b>481</b>	<b>470</b>	<b>951</b>	<b>555</b>	<b>511</b>	<b>1066</b>	<b>498</b>	<b>557</b>	<b>1055</b>

Number of employees by type of employment									
Type of employment	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time work	668	283	951	728	338	1066	745	310	1055
Part-time work (half day)			0			0			0
<b>Total</b>	<b>668</b>	<b>283</b>	<b>951</b>	<b>728</b>	<b>338</b>	<b>1066</b>	<b>745</b>	<b>310</b>	<b>1055</b>

Note 1: Atlantica has 4 young apprentices and 3 outsourced workers; Cafebras has 2 young apprentices; GMT Farms 6 young apprentices.

Note 2: The changes seen in Ally are due to seasonality, improvements, and the outsourcing of activities.

Note 3: On GMT Farms, harvesting takes place from April to July, so during these months there are major fluctuations due to employees joining and leaving.

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**Number of employees by functional category**

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
<b>Management positions</b>	37	9	41	13	36	10
<b>Position requiring advanced educational attainment</b>	26	43	40	49	42	51
<b>Positions not requiring advanced educational attainment</b>	601	235	644	279	662	254
<b>Total</b>	<b>664</b>	<b>287</b>	<b>725</b>	<b>341</b>	<b>740</b>	<b>315</b>
<b>Overall total</b>	<b>951</b>		<b>1066</b>		<b>1055</b>	



## GRI 201-1 Direct economic value generated and distributed

	Tradings consolidated			GMT Farms			Total		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Total number of operations; (60-kg bags)	2.375.934	2.491.163	3.036.856	100.000	43.817	104.081	2.475.934	2.534.980	3.140.937
Brazil	227.247	171.912	324.076	18.479	37.684	53.798	245.726	209.596	377.874
Japan	326.162	310.513	348.840	-	-	-	326.162	310.513	348.840
Switzerland	296.966	309.911	346.377	-	-	-	296.966	309.911	346.377
The Netherlands	94.038	150.853	280.110	-	-	-	94.038	150.853	280.110
United States	387.187	309.555	393.033	-	-	-	387.187	309.555	393.033
Canada	43.139	33.303	53.920	-	-	-	43.139	33.303	53.920
Sweden	16.312	19.246	24.549	-	-	-	16.312	19.246	24.549
Germany	4.150	-	-	-	-	-	4.150	-	-
United Kingdom	-	3.711	-	-	-	-	-	3.711	-
Italy	-	-	28.555	-	-	-	-	-	28.555
Other countries:	278.368	402.672	585.780	-	-	-	278.368	402.672	585.780
Total capitalization in terms of debt and net equity;	1.014.577	1.325.764	1.609.584	100.105	188.258	242.153	1.114.682	1.514.022	1.851.737
Total de assets	1.577.155	1.760.290	2.112.623	-	-	-	1.577.155	1.760.290	2.112.623
Actual ownership, including identification and percentage share of main stockholders	100%	100%	100%	100%	100%	100%	2	2	2
Costs (R\$)									
Brazil	221.969	164.951	295.868	36.024	60.305	48.698	257.993	225.256	344.566
Japan	278.038	237.918	235.493	-	-	-	278.038	237.918	235.493
Switzerland	263.272	272.678	271.059	-	-	-	263.272	272.678	271.059
The Netherlands	84.207	127.545	198.801	-	-	-	84.207	127.545	198.801
United States	344.784	260.642	331.668	-	-	-	344.784	260.642	331.668
Canada	37.321	30.938	50.766	-	-	-	37.321	30.938	50.766
Sweden	12.547	13.569	18.638	-	-	-	12.547	13.569	18.638
Germany	3.820	-	-	-	-	-	3.820	-	-
United Kingdom	-	2.978	-	-	-	-	-	2.978	-
Italy	-	-	28.755	-	-	-	-	-	28.755
Other countries:	265.153	401.820	493.163	-	-	-	265.153	401.820	493.163

## GRI 202-2 Proportion of executive board members hired from the local community\*\*\*

### Percentage of members of top management of major operating units hired from the local community.

	2018	2019	2020
<b>Total number of members of top management</b>	15	16	14
<b>Members of top management hired from the local community</b>	13	14	11
<b>Percentage of top management hired from the local community</b>	87%	87,5%	78,5%

We deem the local community to be the State of Minas Gerais\*\*\*



## GRI 204-1 Sourcing practices (Coffee)

	2018	2019	2020
<b>Total amount of the budget for suppliers (R\$ million)</b>	R\$ 1.110.149.941	R\$ 900.042.771	R\$ 872.453.387
<b>Total amount of expenditure on local suppliers (R\$ million)</b>	R\$ 733.397.939	R\$ 655.142.401	R\$ 861.153.603
<b>Percentage of budget spent on local suppliers</b>	66,06%	72,79%	98,70%

Those located in the State of Minas Gerais were deemed to be local suppliers

## GRI 204-1 Sourcing practices (Coffee)



	2018	2019	2020
<b>Total amount of the budget for suppliers (R\$ million)</b>	R\$ 374.725.256	R\$ 401.004.024	R\$ 422.910.468
<b>Total amount of expenditure on local suppliers (R\$ million)</b>	R\$ 480.543.648	R\$ 472.578.207	R\$ 554.868.244
<b>Percentage of budget spent on local suppliers</b>	128,24%	117,85%	131,20%

Local suppliers were deemed to be those located in the state of Minas Gerais.  
Their level of expenditure in 2020 was higher than the initial budget for suppliers.



	2018	2019	2020
<b>Total amount of the budget for suppliers (US \$ million)</b>	\$93.182.222,00	\$72.470.601,00	\$68.751.468,00
<b>Total amount of expenditure on local suppliers (US \$ million)</b>	\$76.366.597,00	\$64.329.010,00	\$61.194.643,00
<b>Percentage of budget spent on local suppliers</b>	81,95%	88,77%	89,01%

Those located in the State of Minas Gerais were deemed to be local suppliers



## GRI 204-1 Sourcing practices (Packaging)

GMT Farms: All coffee produced by GMT Farms is sold in bulk. The Trading Companies purchase the packaging. Ally did not report



	2018	2019	2020
<b>Total amount of the budget for suppliers (R\$ million)</b>	R\$ 3.469.630,00	R\$ 4.392.787,00	R\$ 5.732.834,00
<b>Total amount of expenditure on local suppliers (R\$ million)</b>	R\$ 3.734.755,48	R\$ 6.210.528,54	R\$ 4.590.180,93
<b>Percentage of budget spent on local suppliers</b>	107,64%	141,38%	80,07%



	2018	2019	2020
<b>Total amount of the budget for suppliers (R\$ million)</b>	R\$ 5.972.431,00	R\$ 3.510.259,00	R\$ 5.819.673,00
<b>Total amount of expenditure on local suppliers (R\$ million)</b>	R\$ 2.793.642,00	R\$ 4.784.868,00	R\$ 5.800.782,00
<b>Percentage of budget spent on local suppliers</b>	46,78%	136,31%	99,68%

Local suppliers for Atlantica and Cafebras were deemed to be those located in the state of Minas Gerais. Their level of expenditure in 2020 was higher than the initial budget for suppliers.

## GRI 301-I Materials used, broken down by weight or volume

### Total weight or volume of materials used in the production and packaging of the main products and services

Name of material	Used in the end product or packaging	Renewable or non-renewable source	Unit of measurement (weight or volume)	2018	2019	2020
<b>Tradings - raw green coffee beans</b>	Final Product	Renewable	1 60-kg sack	2.375.934	2.491.163	3.036.856
<b>GMT Farms - raw green coffee beans</b>	Final Product	Renewable	1 60-kg sack	100.000	43.817	104.081
<b>Ally - jute / burlap bag</b>	Final Product	Renewable	1 60-kg sack	507.044	387.711	313.860
<b>Ally - grain pro plastic bag</b>	Final Product	Non-renewable	1 60-kg sack	31.976	49.824	33.948
<b>Ally - supersack</b>	Final Product	Non-renewable	1 1,000 kg sack	3.515	3.126	3.002
<b>Cafebras - jute sack</b>	Packaging	Non-renewable	1 60-kg sack	455.000	533.000	435.000
<b>Cafebras - polypropylene sack</b>	Packaging	Non-renewable	1 60-kg sack	52.000	42.800	39.000
<b>Cafebras - grain pro/liner</b>	Packaging	Non-renewable	1 60-kg sack	55.550	84.000	66.550
<b>Atlântica - jute sack</b>	Packaging	Non-renewable	1 60-kg sack	599.616	692.500	722.867
<b>Atlântica - grain pro</b>	Packaging	Non-renewable	1 60-kg sack	7.512	14.501	19.700
<b>Atlântica - plastic seal</b>	Packaging	Non-renewable	1 Unit	7.512	14.501	19.700
<b>Atlântica - big bag</b>	Packaging	Non-renewable	1 1,000 kg sack	2.580	6.880	16.140
<b>Atlântica - bulk liner</b>	Packaging	Non-renewable	21.6 tonnes	1.162	998	1.209
<b>Atlântica - liner kit</b>	Packaging	Non-renewable	1 Unit	3.500	4.000	4.200
<b>Atlântica - "doce diamantina"</b>	Packaging	Non-renewable	1 60-kg sack	650	8.125	9.100

## GRI 304-1 Own operating units, or units leased or managed within or contiguous to environmental protection areas and areas of outstanding biodiversity value located outside environmental protection areas

### Own operating unit or unit leased or managed within or contiguous to environmental protection areas and areas of outstanding biodiversity value located outside environmental protection areas

Year	Operational Units	Region	Own surface and underground areas leased or managed by the organization	Position vis-à-vis environmental protection	Type of operation	Size of unit	Value of the biodiversity characterized by being an APA or AVC.	Value of biodiversity characterized by being on a protected list.
2020	Fazenda Primavera	Chapadas de Minas - MG (-17.67242°, -42.29338°)	Own farm	Outside environmental protection area.	Office, primary agricultural production and processing.	2.103,16 ha	No AVC areas. Terrestrial and freshwater ecosystems. Cerrado and Atlantic Coastal Rainforest (transitional) biomes.	Not located in these areas
	Fazenda Sequoia Bahia	Western Bahia (-11.87137°, -45.72930°)	Own farm	The farm is partly in a sustainably managed APA (458).	Office, primary agricultural production and processing.	3.780 ha	Terrestrial and freshwater wetland ecosystems. Cerrado Biome.	APA - sustainably managed
	Fazenda Atlântica Agro	Northem MG (-17.48239°, -44.95068°)	Own farm	Outside environmental protection area.	Office, primary agricultural production and processing.	2.970 ha	Terrestrial and freshwater ecosystem. Cerrado Biome.	Not located in these areas

## GRI 304-3 Protected or restored habitats – GMT Farms

Aspect	Area 1	Area 2	Area 3
Size of protected or restored habitats (km <sup>2</sup> )	1.023,0077	790,4	624,47
Location of protected or restored habitat areas;	Pirapora - MG	Barreiras - BA	Capelinha - MG Angelândia
Success of restoration measures approved by independent external specialists;	No approval by independent external specialists.		
Status of each area based on its condition at the end of the period covered by the report;	Cerrado, and strictly-defined cerrado for Cerrado and Legal Reservation areas. Permanently preserved areas (APPs) not only have more arboreal vegetation but conserve leaves better. The São Francisco River APP is in an advanced state of recovery	Cerrado strictly defined, and cerrado fields in legal reservation areas and protection strips for flooded areas. Characteristic 'Veredas' vegetation	Cerradão and cerrado as strictly defined in the transitional area into the Mata Atlântica area. Characteristic transitional phytophysionomy.
Standards, methodologies and assumptions adopted.	Brazilian biomes Rainforest Standard - Canopy coverage.		

### GRI 304-4 - Species on the IUCN red list and on Brazilian conservation lists with habitats in areas affected by our organization's operations

During the fauna monitoring process carried out in this enterprise in 2018, 2019 and 2020, the following were mapped and registered in the areas of GMT Farms: 1 species of birds at risk of extinction, 1 vulnerable species of birds and 3 vulnerable species of mammals. The fact that these species were reported for the 3 years of monitoring shows that the enterprise's area of influence possesses a good supporting capacity for the maintenance of its associated fauna. Also noteworthy is the large number of non-concerning species reported in the 3 years of monitoring.

#### Total number of species included on the IUCN's red list and on domestic conservation lists

Level of threat of extinction	2018	2019	2020
At critical risk of extinction	0	0	0
Threatened with extinction	1	1	1
Vulnerable	4	4	4
Almost threatened	0	0	0
Relatively non-concerning	210	204	204

## GRI 401-I - New hires and employee turnover

### Total number and proportion of employees (workers) hired, by age bracket

Age bracket	2018						2019						2020					
	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion
<b>Under 30</b>	10	28	3	144	185	19,45%	26	32	2	205	265	24,86%	14	31	2	213	260	25%
<b>From 30 to 50 yrs</b>	2	20	5	278	305	32,07%	5	20	3	277	305	28,61%	4	20	5	263	292	28%
<b>Over 50 yrs.</b>	1	3	0	62	66	6,94%	0	4	0	59	63	5,91%	1	4	0	41	46	4%
<b>Total</b>	13	51	8	484	556	58,46%	31	56	5	541	633	59,38%	19	55	7	517	598	57%

### Total number and rate of employees (workers) hired, by gender

Gender	2018						2019						2020					
	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion
<b>Men</b>	4	22	5	308	339	35,65%	17	25	3	328	373	34,99%	11	24	6	339	380	36%
<b>Women</b>	9	29	3	176	217	22,82%	14	31	2	213	260	24,39%	8	31	1	178	218	21%
<b>Total</b>	13	51	8	484	556	58,46%	31	56	5	541	633	59,38%	19	55	7	517	598	57%

## GRI 401-I New hires and employee turnover

Total number and proportion of employees (workers) hired, by region																		
Region	2018						2019						2020					
	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion
US	0	0	5	0	5	0,53%	0	0	4	0	4	0,38%	0	0	5	0	5	0%
Rest (?) (Ally)	0	0	3	0	3	0,32%	0	0	1	0	1	0,09%	0	0	2	0	2	0%
Bahia	0	0	0	245	245	25,76%	0	0	0	214	214	20,08%	0	0	0	150	150	14%
Minas Gerais	13	51	0	239	303	31,86%	31	56	0	327	414	38,84%	19	55	0	367	441	42%
São Paulo	0	0	0	0	0	0,00%	0	0	0	0	0	0,00%	0	0	0	0	0	0%
<b>Total</b>	13	51	8	484	556	58,46%	31	56	5	541	633	59,38%	19	55	7	517	598	57%

Total number and proportion of employees (workers) leaving the company, by age bracket																		
Age bracket	2018						2019						2020					
	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion
Under 30	30	5	0	130	165	17,35%	23	4	0	193	220	20,64%	11	2	1	158	172	16%
30 to 50 years	40	3	6	242	255	26,81%	5	4	3	283	295	27,67%	4	1	6	236	247	23%
Over 50 years	0	0	0	62	62	6,52%	2	0	0	63	65	6,10%	3	0	0	42	45	4%
<b>Total</b>	34	8	6	434	482	50,68%	30	8	3	539	580	54,41%	18	3	7	436	464	44%

**Total number and proportion of employees (workers) leaving the company, by gender**

Gender	2018						2019						2020					
	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion
<b>Men</b>	25	4	3	273	305	32,07%	15	3	1	329	348	32,65%	10	2	4	309	325	31%
<b>Women</b>	9	4	3	161	177	18,61%	15	5	2	210	232	21,76%	8	1	3	127	139	13%
<b>Total</b>	34	8	6	434	482	50,68%	30	8	3	539	580	54,41%	18	3	7	436	464	44%

**GRI 401-I New hires and employee turnover**

**Total number and proportion of employees (workers) leaving the company, by region**

Region	2018						2019						2020					
	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Number total	Proportion	Atlântica	Cafebras	Ally	GMT Farms	Total number	Proportion
<b>US</b>	0	0	5	0	5	0,53%	0	0	3	0	3	0,28%	0	0	7	0	7	1%
<b>(Except US)</b>	0	0	1	0	1	0,11%	0	0	0	0	0	0,00%	0	0	0	0	0	0%
<b>Bahia</b>	0	0	0	197	197	20,72%	0	0	0	215	215	20,17%	0	0	0	0	0	0%
<b>Minas Gerais</b>	34	8	0	237	279	29,34%	30	8	0	324	362	33,96%	18	3	0	265	286	27%
<b>São Paulo</b>	0	0	0	0	0	0,00%	0	0	0	0	0	0,00%	0	0	0	171	171	16%
<b>Total</b>	34	8	6	434	482	50,68%	30	8	3	539	580	54,41%	18	3	7	436	464	44%



## GRI 401-2 Benefits provided to full-time employees that are not given to temporary or part-time employees

	2020											
	Operating unit 1		Operating unit 2		Operating unit 3		Operating unit 4		Operating unit 5		Operating unit 6	
	GMT Farms corporate		GMT Farms		Cafebras		Ally US		Ally rest of the world		Atlântica	
	Full-time working hours	Part-time (or temporary) working hours	Full-time working hours	Part-time (or temporary) working hours	Full-time working hours	Part-time (or temporary) working hours	Full-time working hours	Part-time (or temporary) working hours	Full-time working hours	JornPart-time (or temporary) working hours	Full-time working hours	Part-time (or temporary) working hours
<b>Life insurance</b>	x	x	x	x	x	x					x	x
<b>Health plan</b>	x	x			x	x	x		x		x	x
<b>Disability allowance</b>	x	x	x	x	x	x			x			
<b>Maternity/paternity leave</b>	x	x	x	x	x	x			x		x	x
<b>Pension/benefits plans</b>									x			
<b>Dental Plan</b>	x		x								x	x
<b>Shopping/Meals Vouchers</b>	x	x			x						x	x
<b>Fuel allowance</b>	x	x										
<b>Scholarship</b>	x											
<b>Company transport</b>			x	x								
<b>Canteen</b>			x									
<b>Education allowance (50%)</b>					x	x					x	x
<b>Fuel allowance</b>					x						x	x

## GRI 401-3 Maternity/paternity leave

Maternity & paternity leave		2018					2019					2020				
		Atlantica	Cafebras	Ally	GMT Farms	Total	Atlantica	Cafebras	Ally	GMT Farms	Total	Atlantica	Cafebras	Ally	GMT Farms	Total
Total number of employees who had the right to <u>take</u> maternity/paternity leave.	Men	3	22	9	536	570	3	25	8	591	627	4	24	8	601	637
	Women	1	29	2	206	238	1	31	3	158	193	1	31	3	226	261
Total number of employees who <u>took</u> maternity/paternity leave in the present year.	Men	3	1	0	4	8	3	1	0	2	6	4	2	0	8	14
	Women	1	2	0	4	7	1	1	0	6	8	1	1	0	5	7
Total number of employees who <u>took</u> maternity/paternity leave in the present year, and whose leave expires in the present year.	Men	2	1	0	4	7	3	1	0	6	10	4	2	0	8	14
	Women	0	2	0	2	4	1	0	0	1	2	1	1	0	4	6
Total number of employees who <u>took</u> maternity/paternity leave in the present year, and whose leave expires in the following year.	Men	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0
	Women	1	0	0	2	3	0	1	0	1	2	0	0	0	1	1
Total number of employees expected to return in the present year.	Women	1	2	0	4	7	1	0	0	6	7	1	2	0	5	8

## GRI 413-I Operations involving engagement, assessments of impact, and development programs benefiting the local community

Café Solidário Institute, support for cultural events, donation of masks, and income generation in the communities. All of the investment is 'own investment', and does not use funds from incentive laws.

INITIATIVES	2020
<b>Education</b>	Drama/literature workshops: interpretation of texts, reading and grammar. 6 classes per day, 3 days per week. Totaling 792 classes per year. Vocational courses: Portuguese, English, technology and innovation, management and business. Two classes per day, 3 times per week. Totaling 264 classes per year. Digital media workshop: photography, basic technology, creation of visual materials for social networks. 6 classes per day, 3 times per week. Totaling 792 classes per year.
<b>Culture</b>	Fine arts workshop: 6 classes per day, 3 times per week. Totaling 792 classes per year. Painting workshop: 6 classes per day, 5 times per week. Totaling 1,320 classes per year. Fashion and sewing workshop: 6 classes per day, 5 times per week. Totaling 1,320 classes per year. Music workshop: guitar, marimbas, flute and percussion classes. 6 weekly guitar classes, 6 weekly flute classes and 6 weekly percussion classes. Totaling 792 classes per year.
<b>Sports</b>	Capoeira workshop: 6 classes per day, 3 days per week. Totaling 792 classes per year.
<b>Others</b>	Orchard project: 40 students take part in this activity in which they themselves plant, tend, and harvest the food grown in the orchard. These foods are used in the preparation of meals and are also donated so that the students can take them home. 4 classes per day, 2 times per week. Totaling 352 classes per year. Lunch: 328 meals per day, 5 days per week. Totaling 72,160 meals per year. In partnership with Banco do Nordeste, the donation of basic staple commodities baskets: 12 basic staple commodities baskets donated to socially vulnerable families in the town of Buritizeiro. In partnership with Mesa Brasil SESC Minas, the donation of basic staple commodities baskets: 279 basic baskets were donated to socially vulnerable families in the town of Buritizeiro. Totaling 391 basic commodities baskets annually.
<b>Total</b>	Classes taught: 7216 Meals: 72,160 Basic staple commodities baskets: 391 Children cared for in 2020 - 154 (ranging from 6 to 17 years of age, the main age group being 9 to 14) Children on the waiting list to enroll - 125). Formally registered employees - 10. Service providers and monitors - 02. Outsourced teachers - 04.

## GRI 413-2 Operations with real and potential negative impacts on local communities

The impacts listed by Armazém Atlântica can be found below:

Operations with real and potential significant negative impacts on local communities, including:		For each real or potential significant negative impact, be it economic, social, cultural, environmental, or affecting local communities and their rights, describe:			
Location of operation	Real and potential significant negative impacts of operations	Intensity or severity of impacts	Likely duration of the impacts	Whether impacts are reversible	Scale of impacts
Caparaó warehouse	<p><b>Real impacts</b></p> <p>Increased noise levels, water and electricity consumption, changes to the urban landscape, interference with vegetation, shade-providing trees and landscaping. Traffic impacts and highway infrastructure</p>	<p>Neighbors' complaints, reports to police, complaints posted on social media.</p>	<p>Temporary and permanent</p>	<p>Suitable civil construction procedures Prioritize equipment and vehicles that do not provoke noise. The setting-up of the solar power plant. Annual noise measurement. Good relations with the population, clarifying possible impacts, providing mitigating solutions or compensation. Architectural project and implementation of landscaping. Installation of traffic signs and indications of the undertaking.</p>	<p>Small</p>
	<p><b>Potential impacts</b></p> <p>Hillside erosion, movement of vehicles, trucks, heavy equipment may cause changes in soil structure and wear and tear to public thoroughfares; impact of traffic and on highway infrastructure, potential for accidents involving the local population and the temporary population, vehicle accidents</p>				<p>Small</p>

## GRI 413-2 Operations with real and potential negative impacts on local communities

**Note:** We do not have the necessary data to assess the community's perception, nor have community leaders been interviewed for materiality. It is essential to raise the organization's awareness of its impacts through seeking external information to help identify its negative impacts on the local communities. Assessment of the results will be important for taking decisions concerning community actions.

Impacts of this nature are inherent to the production activities of GMT Farms; however, GMT's operational goal is to minimize our impact on the environment; integrate environmental aspects with the planning of our activities; use our natural resources (including water) rationally, acknowledging the needs of local communities for these resources and refusing to allow agriculture to jeopardize the well-being of these communities; generating social and environmental benefits, and compensating them for possible negative impacts. We control quality parameters of wastewater and consumption water, as well as the abstraction and flow of water, reusing the water with which we wash the coffee. We carry out sanitary monitoring to avoid contamination of soil, water sources, and wastewater. We use new, correctly adjusted machinery, on which we perform preventive maintenance, and the machines are operated by duly trained and skilled professionals, respecting the limits of sound pollution.

With regard to the use of agricultural chemicals, in addition to legal compliance, GMT also complies with the certification parameters that additionally lay down the use of those agricultural chemicals with the least offensive potential; we observe the withdrawal periods between applications, as well as between applications and harvesting; we raise plant barriers to avoid the spread of agricultural chemicals to areas that would affect communities and locations where personnel are working. The removal of discarded agricultural chemical packaging and any oily residues. We carry out greenhouse gas emissions audits in order to commence the reductions project. We preserve native species of fauna and flora through a number of means: maintaining a fire brigade; respecting permanent preservation areas (PPAs) and legal reservations; controlling the dispersal of native animals with the assistance of a biologist.

## Percentage of purchased volume in compliance with internationally recognized certification, listed below by type of certification

Cafebras Raw materials purchased (list)	Origin of raw material (country/region)	Identify relevant standards of international recognition of responsible production (certification)	Volume of certified sourcing (tonnes)	Volume of uncertified sourcing (tonnes)	Percentage of verified volume purchased aligned with standards (%)
Coffee	Brazil	C. Practices	8.665		
Coffee	Brazil	Organico	582		
Coffee	Brazil	Rainforest	7.894		
Coffee	Brazil	Rainforest/UTZ	1.278		
Coffee	Brazil	UTZ	6.630		
Coffee	Brazil	Faritrade	593.		
Coffee	Brazil	4 C	4.230		
Coffee	Brazil			29.748	
<b>Total Cafebras</b>			29.875	29.748	50,1%

Atlantica Raw materials purchased (list)	Origin of raw material (country/region)	Identify relevant standards of international recognition of responsible production (certification)	Volume of certified sourcing (tonnes)	Volume of uncertified sourcing (tonnes)	Percentage of verified volume purchased aligned with standards (%)
Café	Brazil	UTZ/Practices	3.003		
Café	Brazil	RFA/Practices	2.039		
Café	Brazil	RFA	2.663		
Café	Brazil	UTZ	7.713		
Café	Brazil	4C	6.045		
Café	Brazil	Café practices	15.125		
Café	Brazil	Certifica Minas	261		
<b>Total Atlantica</b>			36.849	74.582	49%



APPENDICES **GRI** SUMMARY



## GRI IO2-55 GRI Summary

Summary of GRI Content			
GRI Standard	Contents	Page/ Answer	Omissions
<b>GENERAL GRI CONTENT</b>			
<b>GRI IO2: General content 2016</b>	IO2-1 Organization Name	MONTESANTO TAVARES GROUP PARTICIPAÇÕES S/A	
	IO2-2 Activities, brands, products and services	Pg. 50-53, 55-57, 61-64, 66-69	
	IO2-3 Location of headquarters	GMT Headquarters: Av. Barão Homem de Melo, 4554 - 10º Andar   Cj002B   Estoril - Belo Horizonte   MG   Brasil - CEP: 30494-270	
	IO2-4 Location of operations	Pg. 8, 13	
	IO2-5 Nature of property and legal form	Pg. 8	
	IO2-6 Markets catered to	Pg. 12	
	IO2-7 Size of Organization	Pg. 12, 50-53, 55-56, 61-64, 66-69	
	IO2-8 - Information on employees and workers	Pg. 71	
	IO2-9 Suppliers' chain	Pg. 35-36	
	IO2-10 Significant changes in the organization and in its chain of suppliers	Pg. 53	
	IO2-11 Precautionary approach or principal	Pg. 22	
	IO2-12 Externally developed initiatives	Pg. 45-48	
	IO2-13 Participation in associations	GMT, Atlantica and Cafebras are members of the Brazil Specialty Coffee Association (BSCA). Atlantica is a member of the Centro do Comércio de Café de Varginha (CCCMG). Cafebras is a member of CECAFE (the Brazil Coffee Exporters' Council), Federação dos Cafeicultores do Cerrado Mineiro and Associação da Alta Mogiana.	
	IO2-14 Top management declaration	Pg. 5-6	
	IO2-15 Main impacts, hazards and opportunities	Pg. 22	
	IO2-16 Values, principles, standards and codes of behavior	Pg. 9-11	
IO2-18 Structure of governance	Pg. 19-20		
IO2-19 Delegating authority	Pg. 20		

**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
<b>GENERAL GRI CONTENT</b>			
<b>GRI IO2: General content 2016</b>	IO2-20 Executive-level positions and roles: responsibility, by economic, environmental and social topic	Pg. 21	
	IO2-26 Part played by the highest governance body in defining purpose, values and strategy	Pg. 19-20	
	IO2-31 Analysis of economic, environmental and social topics	Pg. 22	
	IO2-40 List of groups of stakeholders	Pg. 23	
	IO2-41 Collective bargaining agreements	Pg. 30	
	IO2-42 The identification and selection of stakeholders	Pg. 23	
	IO2-43 Approach to the engagement of stakeholders	Pg. 23	
	IO2-44 Main concerns and issues raised	Pg. 25-26	
	IO2-45 Entities included in consolidated financial statements	<p>GMT Atlântica Exportação e Importação S.A. (the "Company" or "Controller") and its affiliates ("Group") possess activities that mainly encompass the processing and trading of the coffee of Mountain Coffee Corporation ("MCC" or "Ally Coffee") – which is dedicated to the sale of green coffee beans, and the affiliate is located in the town of Plantation, Florida, United States of America. Atlantica International Overseas ("Overseas") – Complements the Group's operations by promoting its buying and selling operations in the overseas market. Located in the British Virgin Islands.</p> <p>GMT Farms Atlântica Agropecuária Ltda. CNPJ: 08.954.783/0001-54 Fazenda Sequóia Ltda. CNPJ: 02793670/0001-38</p> <p>Primavera Agronegócios Ltda. CNPJ: 13.050.677/0001-86 (HQ) Primavera Agronegócios Ltda. CNPJ: 13.050.677/0002-67 (Capelinha branch) Primavera Agronegócios Ltda. CNPJ: 13.050.677/0003-48 (Pirapora branch) Fazenda Matilde Agronegócios Ltda. CNPJ: 38226097/0001-28</p>	

Summary of GRI Content

GRI Standard	Contents	Page/ Answer	Omissions
<b>GENERAL GRI CONTENT</b>			
<b>GRI 102: General content 2016</b>	102-45 Entities included in consolidated financial statements	<p>ALLY                      Ally Coffee Trading SA(Switzerland) Mountain                      Coffee Corp. (United States) Cafebras:                      Cafebras Comercio de Cafes do Brasil S/A                      1761589/0002-48 Filial Varginha                      1761589/0001-67 Matriz Patrocínio                      1761589/0003-59 Filial Franca/SP                      1761589/0004-00 Filial Alto Caparaó</p>	
	102-46 Defining the contents of the report and the Limits of topics	<p>The content of the report was defined on the basis of a materiality analysis, a definition of the material issues and the association between SDGs and listed GRI indicators.</p> <p>The indicators applicable to GMT and to each company were assessed, when necessary in accordance with these specificities of their operations. In this document the Group reports on its entire operations, and whenever possible on aspects concerning its value chain, from the growing of the coffee and other outsourced inputs, up until the end-consumer.</p> <p>Whenever available, data from the last 3 years have been presented. We have striven to present aggregated indicators for the company, whenever the management is shared; however, we highlight points that are specific or more sensitive concerning each company.</p> <p>The company has sought to comply with the reporting principles defined by GRI; however, since it is the first publication of a sustainability report, several points for improvement have been identified, so that the next report will have more complete information based on structured and systematized data.</p>	
	102-47 List of material topics	Pg. 25-26	
	102-48 Reformulation of information	Does not apply, first Report	
	102-49 Changes in the report	Does not apply, first Report	
	102-50 Period covered by the report	Pg. 2	
	102-51 Date of the most recent report	This is the company's first report	
	102-52 Report issuing cycle	Yearly	
	102-53 Contact person for questions concerning the report	Pg. 2	
	102-54 Declaration of report in compliance with GRI Standards	This report is being prepared in compliance with the GRI Standards: GRI-Referenced option	
	102-55 Summary of GRI Content	Pg. 90-105	
102-56 External verification	Does not apply Report not verified.		

Summary of GRI Content			
GRI Standard	Contents	Page/ Answer	Omissions
<b>ECONOMIC PERFORMANCE</b>			
<b>GRI 103: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
<b>GRI 201: Economic Performance 2016</b>	IO3-2 Form of management and components	Pg. 16-17	
	IO3-3 Assessment of form of management	Pg. 16-17	
	201-1 Direct economic value generated and distributed	Pg. 73	
	201-4 Financial support received from the government	GMT Group obtained a loan from BNB, Brazil - R\$ 61,544.72.	
<b>MARKET PRESENCE</b>			
<b>GRI 103: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	-	Information not available
<b>GRI 202: Market presence 2016</b>	IO3-2 Form of management and components	-	Information not available
	IO3-3 Assessment of form of management	-	Information not available
	202-2 Proportion of executive board members hired from the local community	Pg. 74	
	<b>ECONOMIC IMPACTS</b>		
<b>GRI 103: Form of management 2016</b>	IO3-1 Explanation of material topic and limit	Pg. 25-26	
<b>GRI 203: Economic impacts 2016</b>	IO3-2 Form of management and components	Pg. 45-48	
	IO3-3 Assessment of form of management	Pg. 45-48	
	203-1 Investments in infrastructure and support for services	Pg. 45-48	

Summary of GRI Content			
GRI Standard	Contents	Page/ Answer	Omissions
<b>PURCHASING PRACTICES</b>			
<b>GRI 103: Form of management 2016</b>	103-1 Explanation of the material topic and its Limit	-	Information not available
	103-2 Form of management and components	-	Information not available
	103-3 Assessment of form of management	-	Information not available
<b>GRI 204: Purchasing practices 2016</b>	204-1 Proportion of expenditure on local suppliers	Pg. 74-76	
		In 2020, Cafebras, Atlantica and Ally purchase coffee from the market, because GMT Farms is a grower. Given the initial amount budgeted for suppliers in early 2020, the following amounts were invested in expenditures on local coffee suppliers: 98.7% for Atlantica; 51.2% and 89.1% for Ally (GMT Farms reported it did not have information because it is a grower). Results for packaging were: 80.1% for Cafebras and 99.7% Atlantica (Ally and GMT Farms are not reported).	
<b>UNFAIR COMPETITION</b>			
<b>GRI 103: Form of management 2016</b>	103-1 Explanation of the material topic and its Limit	-	Information not available
	103-2 Form of management and components	-	
	103-3 Assessment of form of management	-	
<b>GRI 206: Unfair competition 2016</b>	206-1 Lawsuits for unfair competition, trust and monopoly practices	Pg. 21	
<b>MATERIALS</b>			
<b>GRI 103: Form of management 2016</b>	103-1 Explanation of the material topic and its Limit	-	Information not available
	103-2 Form of management and components	-	Information not available
	103-3 Assessment of form of management	-	Information not available
<b>GRI 301: Materials 2016</b>	301-1 Materials used, broken down by weight or volume	Pg. 77	

Summary of GRI Content			
GRI Standard	Contents	Page/ Answer	Omissions
<b>WATER AND WASTEWATER</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 42-43	
	IO3-3 Assessment of form of management	Pg. 42-43	
<b>GRI 303: Water and wastewater 2018</b>	303-1 interactions with water as a shared resource		Information unavailable (there is no assessment of impacts concerning the issue). The company complies with the standards contained in environmental legislation.
	303-2 Management of impacts related to discharge of water		
	303.3 Water abstraction		Information not available (there is no measurement of the volume of total abstracted water by source and by water-stressed areas).
<b>BIODIVERSITY</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	-	Information not available
	IO3-2 Form of management and components	-	Information not available
	IO3-3 Assessment of form of management	-	Information not available
<b>GRI 304: Biodiversity 2016</b>	304-1 Own operating units or units leased or managed within or contiguous to environmental protection areas and areas of outstanding biodiversity value located outside environmental protection areas	Pg. 78	
	304-3 Protected or restored habitats	Pg. 78	
	304-4 Number of species on the IUCN red list and on Brazilian conservation lists with habitats in areas affected by the organization's operations	Pg. 79	

Summary of GRI Content

GRI Standard	Contents	Page/ Answer	Omissions
<b>RESIDUES</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 42-43	
	IO3-3 Assessment of form of management	Pg. 42-43	
<b>GRI 306: Residues 2020</b>	306-1 Waste generation and significant impacts related to waste	There is no management of the impact of waste. All the products used are only used if legally permitted, and there are laboratory tests of compliance with environmental licensing conditions.	
	306-2 Management of waste and significant impacts related to waste	There is no management of the impact of waste. All the products used are only used if legally permitted, and there are laboratory tests of compliance with environmental licensing conditions.	
	-	-	- Omission: For 2020, Although waste management is performed, no data concerning the total volume had been compiled up until the date of the preparation of the report. As an improvement, a fixed date will be established in 2021 for delivery of the analysis as well as such other enhancements to management as: - Environmental diagnosis, - Remediation and the management of impacted areas; - Reverse logistics and valorization; - Management of environmental works;
	306-4 Waste not sent for final disposition		
<b>ENVIRONMENTAL COMPLIANCE</b>			
<b>GRI IO3: FORM OF MANAGEMENT 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 42-43	
	IO3-3 Assessment of form of management	Pg. 42-43	
<b>GRI 307: ENVIRONMENTAL COMPLIANCE 2016</b>	307-1 Non-compliance with environmental laws and regulations	Pg. 42-43	
<b>ENVIRONMENTAL EVALUATION OF SUPPLIERS</b>			
<b>GRI IO3: FORM OF MANAGEMENT 2016</b>	IO3-1 Explanation of the material topic and its Limit	-	Information not available
	IO3-2 Form of management and components	-	Information not available
	IO3-3 Assessment of form of management	-	Information not available



**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
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**ENVIRONMENTAL EVALUATION OF SUPPLIERS**

<b>GRI 308: Environmental evaluation of suppliers 2016</b>	308-1 New suppliers chosen on the basis of environmental criteria	In 2020, Atlantica and Cafebras had 622 and 382 suppliers, respectively, registered. It is important to point out that a single supplier may own more than one farm. Each supplier registered undergoes documentary and registry analysis as described in topics GRI 204 and 414 in the report IO3-1. GMT does not manage the number of new certified suppliers because the metrics currently being used for certification are mainly intended for increasing the volume of originating certified bags. This data is applicable to our system in which an add-on should be implemented in the registration field. We are working with this as a point for improvement in 2021.	
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**EMPLOYMENT**

<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 30-31	
	IO3-3 Assessment of form of management	Pg. 30-31	
<b>GRI 401: Employment 2016</b>	401-1 New hires and employee turnover	-	Information not available
	401-2 Benefits provided to full-time employees and not given to temporary or part-time employees	Pg. 83	
	401-3 Maternity/paternity leave	-	Information not available

Summary of GRI Content

GRI Standard	Contents	Page/ Answer	Omissions
<b>LABOR RELATIONS</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
<b>GRI 402: Labor Relations 2016</b>	IO3-2 Form of management and components	We do not yet possess a specific policy, and believe that developing one is one of the priorities for the coming years. We do not yet possess an ombudsman / helpline or hotline, which we believe is a priority and we are in the process of drafting an action plan for this.	
	IO3-3 Assessment of form of management	We do not yet possess a specific policy, and believe that developing one is one of the priorities for the coming years. We do not yet possess an ombudsman / helpline or hotline, which we believe is a priority and we are in the process of drafting an action plan for this.	
	402-1 Minimum deadline for notification concerning operational changes	Although no standard has been formally defined, the management's commitment is to total transparency and all possible advance notice for employees. One major example has been the change in the company's headquarters, which moved in 2020 from Belo Horizonte to Varginha (Minas Gerais), whereby everyone involved was notified when the decision was taken (1 prior to implementation).	

Summary of GRI Content			
GRI Standard	Contents	Page/ Answer	Omissions
<b>WORKPLACE HEALTH AND SAFETY</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 33-34	
	IO3-3 Assessment of form of management	Pg. 33-34	
	4O3-1 Occupational health and safety management system	Pg. 33-34	
	4O3-2 Identification of degree of hazard, risk assessment, and investigation of incidents	Pg. 33-34	
	4O3-3 Workplace health services	Pg. 33-34	
	4O3-4 Workplace health and safety: worker participation therein, and consultation with workers and notification of them concerning it	Pg. 33-34	
	4O3-5 Worker capacity-building in occupational health and safety	-	Information not available
	<b>GRI 4O3: Workplace health and safety 2018</b>	4O3-6 Promoting employee health	-
	4O3-7 Prevention and mitigation of workplace health and safety impacts that are directly linked to business relations	-	Information not available
	4O3-8 Workers covered by an occupational health and safety management system	GMT Farms, Atlantica, and Cafebras all have a corporate health and safety system covering IOO3 of their employees – employees are covered by PPRA + PCMSO while the trading company Ally covers all its employees in relation to the workplace.	
	4O3-9 Workplace accidents	Pg. 34	
<b>CAPACITY-BUILDING AND TRAINING</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 32	
	IO3-3 Assessment of form of management	Pg. 32	
	4O4-1 Average number of hours' capacity-building annually by employee	-	There is currently no effective control of how many hours of training have been provided over the course of the year, or the number of participants
	4O4-2 Programs for enhancing employees' skills and assisting them in career transitions	There are no career transition assistance programs or management of end of career.	
<b>GRI 4O4: Health Education and Training 2016</b>	4O4-3 Percentage of employees who regularly receive performance and career development evaluations	Performance assessment is carried out for IOO3 of Cafebras and the Atlantica holding company employees. Ally, Farms and Atlantica warehouse employees still do not undergo employee performance assessment; however, this is being introduced for 2021.	

## Summary of GRI Content

	Contents	Page/ Answer	Omissions
<b>NON-DISCRIMINATION</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. II, 31, 34	
	IO3-3 Assessment of form of management	Pg. II, 31, 34	
<b>GRI 406: Non-discrimination 2016</b>	406-I Cases of discrimination and corrective measures taken	Pg. 34	

**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
<b>HUMAN RIGHTS EVALUATION</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	-	Information not available
	IO3-2 Form of management and components	-	Information not available
	IO3-3 Assessment of form of management	-	Information not available
	412-2 Capacity-building for employees regarding human rights policies or procedures	-	This is currently not performed, but by means of the development of the group's code of conduct the topic will be approached during capacity-building sessions.

**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
<b>LOCAL COMMUNITIES</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 37	
	IO3-3 Assessment of form of management	Pg. 37	
<b>GRI 413: Local communities 2016</b>	413-1 Operations involving engagement, assessments of impact, and development programs benefiting the local community	Pg. 87	
	413-2 Operations with real and potential negative impacts on local communities	Pg. 86-88	
<b>SOCIAL EVALUATION OF SUPPLIERS</b>			
<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 28	
	IO3-3 Assessment of form of management	Pg. 28	

**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
<b>GRI 414: Social evaluation of suppliers 2016</b>	414-1 New suppliers chosen on the basis of social criteria	<p>GMT does not manage the number of new certified suppliers because the metrics currently being used for certification are mainly intended for increasing the volume of originating certified bags. In Montesanto Tavares Group, all the new suppliers are analyzed, and they are only registered if they are not on the Ministry of Labor's Black List (Lista Suja), and if their practices comply with GMT's companies' Codes of Conduct.</p> <p>In the event of a criminal non-compliance, such as failure to comply with environmental legislation, the group removes the supplier, and blocks further business with them, for an indeterminate period or until the completion of the legal process, and innocence has been proved.</p> <p>In the case of points for improvements, workshops, training sessions and technical visits are carried out in order to promote continual improvement of the chain of suppliers.</p>	
	414-2 Negative social impacts caused by the chain of suppliers and measures taken	-	Information not available (the number and percentage of suppliers assessed for social impacts, or causing significant negative social impacts, are not quantified)

**CONSUMER HEALTH AND SAFETY**

<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 27	
	IO3-3 Assessment of form of management	Pg. 27	
<b>GRI 416: Consumer health and safety 2016</b>	416-1 Assessment of impacts caused to health and safety by category of product and service	Pg. 27	
	416-2 Cases of non-compliance concerning impacts caused to health and safety by category of product and service	Pg. 27	



**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
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**MARKETING AND LABELING**

<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 28	
	IO3-3 Assessment of form of management	Pg. 28	
<b>GRI 417: Marketing and labeling 2016</b>	417-1 Requirements for information and labeling of products and services	When the coffee is certified, the bags are marked with the name of the certification. Contents referring to substances that may cause a social or environmental impact, and concerning the safe use and/or disposal of the product are not applied. There is not yet a percentage of evaluation concerning performance of the procedure.	
	417-2 Cases of non-compliance concerning information and labeling of products and services	We are not aware of any cases of non-compliance with laws and/or voluntary codes concerning the information and labeling of products and services that may have resulted in the situations listed in the table for any of the GMT companies.	
	417-3 Cases of non-compliance concerning marketing communications	We are not aware of any cases of non-compliance with regulations and voluntary codes concerning the marketing communications, including advertising, promotion and sponsorship that may have resulted in the situations listed in the table for any of the GMT companies.	

**Summary of GRI Content**

GRI Standard	Contents	Page/ Answer	Omissions
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**MATERIAL ISSUE: CERTIFICATION**

<b>GRI IO3: Form of management 2016</b>	IO3-1 Explanation of the material topic and its Limit	Pg. 25-26	
	IO3-2 Form of management and components	Pg. 28	
	IO3-3 Assessment of form of management	Pg. 28	
<b>Volume certified</b>	Percentage of purchased volume in compliance with internationally recognized certification, listed by type of certification	Pg. 88	



GRUPO MONTESANTOTAVARES

**Board of Directors**

Consultancy on drafting: Gabriel Pillar Grossi

GRI Consultancy: One Peterson

Design: Estúdio 1957

Corresponding address:

[cs@montesantotavares.com.br](mailto:cs@montesantotavares.com.br)