



Dream

Do

Grow

M. Dias Branco
Dream, Do, Grow

2021 Integrated Annual Report



Every dream is a seed.
which needs to be watered, nurtured, and protected to be born.
Depending on where it is born, the dream grows differently.
And so, with each dream that springs, the world gains
something new.
From the dream of a Portuguese, an authentically Brazilian
brand was born: M. Dias Branco.
A bakery was turned into a plant producing cookies and
crackers,
pasta, flours, margarines and toasts...
and new dreams that have come true.
Such as turning flavors representing
each region into a national pride.
Our dream comes true everyday
because it makes the dreams of many others come true too.
It fulfills the dreams of the brands that grow alongside us.
Of the new talents that build the future.
Of the employees that since the beginning
have always nurtured our values.
And the dream of everyone who works at M. Dias Branco:
Bring food and joy to millions of people.
In Brazil... and in the world.
Our dreams are born like a seed.
That we fulfill and make it grow every day.


M. Dias Branco
Dream, Do, Grow

Summary

- 06 About the Report
- 08 Message from the CEO

10

M. DIAS BRANCO

- 12 Corporate Identity
- 13 Our Guidelines
 - Purpose, Mission, Vision and Values
- 13 Product Categories
- 14 Highlights of the Year
- 16 Timeline

18

GOVERNANCE, RISKS AND COMPLIANCE

- 20 Corporate Governance and Organizational Chart
- 22 Diversity in Governing Bodies
- 23 Governance Forums
- 24 Risk Management
- 26 Compliance and Code of Ethics

28

MARKET CONTEXT

- 30 Overview of Markets of Operation
- 34 Market Share
- 35 Growth in Exports
- 36 Channels and Sales by Region

38

PERFORMANCE STRATEGY AND OUTLOOK

- 40 Business Model and Value Chain
- 42 Sustainability Agenda
- 44 Key Performance Indicators (results by capitals)
- 45 Strategy, Culture and Sustainability Management
- 46 Progress of Key Indicators and Goals
- 48 Commitments
- 49 Analysis of Business Connections with SDGs

50

MANUFACTURED CAPITAL

- 52 Industrial Units and Distribution Centers throughout Brazil

54

INTELLECTUAL CAPITAL

- 56 Main Trademark Actions
- 61 Research, Development and Product Launch
- 62 Research & Development (R&D)
- 64 Policies and Procedures
- 65 Certifications and Licensing

66

HUMAN CAPITAL

- 68 Strategic Direction
- 69 Employee Profile
- 73 Management and People Development Practices
- 74 Diversity, Equity and Inclusion
 - Performance Management
 - Occupational Health and Safety
 - Benefits Granted to Employees
- 80 Engagement Culture

82

SOCIAL AND RELATIONSHIP CAPITAL

- 84 Engagement and Relationship with Stakeholders
- 86 Relationship with Customers and Consumers
- 87 Investor Relations
- 88 Community Relations
- 89 Social Investment
 - Main Social Initiatives by Unit
- 95 Work with Suppliers

96

NATURAL CAPITAL

- 98 Environmental Management
- 99 Climate Change
- 100 Energy and Emissions
- 103 Water and Effluents
- 105 Waste
- 108 Packaging
- 109 Biodiversity

110

FINANCIAL CAPITAL

- 112 Economic and financial performance
- 123 Capital Market
- 124 Balance Sheet
- 126 Statement of Profit or Loss
- 127 Statement of Comprehensive Income
- 128 Statement of Changes in Equity - Parent Company and Consolidated
- 130 Statement of Cash Flow
- 132 Statement of Value Added

134

LETTER OF ASSURANCE

140

SUMMARY OF GRI CONTENT

ABOUT THE REPORT

This edition of the Integrated Annual Report of M. Dias Branco presents market, economic and financial, operational and social and environmental information for the period from January 1 to December 31, 2021. GRI guidelines – Global Reporting Initiative – guided the preparation of the content, in compliance with the Standard pattern, core option. The mapping of GRI indicators is distributed throughout the text and, starting on page 132, a summary is provided, including the description of each indicator and an index to simplify the data search.

Material topics, defined in the Sustainability Agenda for the 2014-2021 cycle, have guided the definition of indicators reported in this publication. ^{GRI 102-54} Throughout 2021, we revisited, through a process of materiality and listening to stakeholders, the new priority topics for the 2022-2030 cycle.

We highlight the effort to integrate information and transparency in the report, as recommended by IIRC – International Integrated Reporting Council. The assessment of the financial indicators complies with the international accounting standards approved by the Brazilian Securities and Exchange Commission (CVM). Sustainable Development Goals (SDGs) and the United Nations (UN) Global Compact Principles, to which M. Dias Branco is a

signatory, were also important references for the preparation of the content. ^{GRI 102-12, 102-46}

The report covers all of the Company's business units – exceptions to certain information, are flagged throughout the publication. This report was prepared by the Sustainability, Communication, Investor Relations and Accounting areas, together with the managers of the different areas. The publication was internally validated by the Executive Committee, Statutory Executive Office and the Board of Directors. KPMG, the external auditor, assured the data veracity and reliability.

The report can be found in English and Portuguese version at the website www.mdiasbranco.com.br, in Sustainability or Investor Relations area. Compliments, doubts, complaints or suggestions can be sent to the email ri@mdiasbranco.com.br.

^{GRI 102-46, 102-53}

Have a good reading!



Memorial in honor of Mr. Ivens Dias Branco, located in the company's headquarters, in Eusébio/CE

MESSAGE FROM THE CEO GRI 102-14

Ladies and Gentlemen,

2021 was marked by several challenges for the overall market and society. The coronavirus pandemic, the macroeconomic, political and social context led people, institutions and organizations to adapt and adopt protective measures in line with their strategies.

Based on its experience of almost 70 years in the market, and firmly motivated by the belief in Brazil and in the recovery of the world economy, M. Dias Branco implemented important strategic changes, with the purpose of continuing its historical path of growth and profitability, combined with the maintenance of the recognized quality of its products.

As the main hurdles faced in 2021, we highlight the sharp rise in the costs of our inputs due to the depreciation of Brazilian Real against the US Dollar, as well as the rise in commodity prices. In the midst of a consumption scenario impacted by inflation, natural difficulties are found in offsetting these increased costs by passing them on to the consumer. We know, however, that this is an atypical and transitory scenario. In this context, in addition to several other measures, we adopted concrete and effective actions to recover margins and protect cash.

The Company, rated AAA with stable outlook by Fitch, boasts financial strength and low leverage, with emphasis on the debt lengthening through the issue of Certificates of Agribusiness Receivables - CRA, held early in 2021. This solid financial structure combined with an efficient pricing policy and constant attention to consumer

desires and possibilities have been of paramount importance for us to overcome these challenges.

We continue to invest to enable sustainable mid- and long-term growth, especially with the launch of higher value-added products and marketing investments. This is the context of the acquisition of Latinex in 2021. With the FIT FOOD, Frontera, Smart and Taste&Co brands, Latinex reinforces the Company's presence in healthy food and snacks, in addition to marking the entry into the seasonings, sauces and condiments segments, reflecting the company's commercial strategy of growing with profitability, including products with high growth and value potential in its portfolio.

In the pursuit of higher efficiency and productivity, we have implemented an important redesign in our organizational structure. Some positions have been eliminated, others created, and some areas were merged. All this to foster increased synergy, safety and agility in the performance of our activities. In this context, two new statutory executive offices were created: Supply Chain Vice Presidency and Legal, Governance, Risks and Compliance Vice-Presidency.

This redesign has yielded significant savings in our costs and has also provided us with a proper structure to continue growing with a focus on the needs of our customers and on the development of the market in which we operate, as well as representing a reinforcement of our unwavering commitment in seeking to ensure the highest level of corporate governance in our operations.

In 2021, we also reviewed M. Dias Branco's Sustainability Agenda with a focus on 2030, with long-term public commitments. Climate change, diversity, inclusion and entrepreneurship of surrounding communities are topics that received even more attention. We remained in the select portfolio of ISE (B3 Corporate Sustainability Index), evolved from D to B- in CDP ranking (Carbon Disclosure Project), and we made an unprecedented fundraising in the Company's history through the aforementioned issuance of CRA, which was classified as a "Green Bond".

In terms of social investment, among other actions, we donated more than 4,300 tons of food to institutions in the surroundings of our units to food banks. We also provided aid to the victims of the rains that hit Bahia at the end of the year.

We are a Company attentive to its time. We are present in the main e-commerce and delivery platforms of the country and we remain connected with startups and disruptive culture through our Germinar Program.

We recognize our leading position in the domestic market of pasta and cookies and crackers and we are proud of the dedication and union of our employees and, supported by our entrepreneurial spirit, market experience, work capacity, and innovation, we are able, always and more and more, to live up to our positioning of "Dream, Do, Grow", generating value to shareholders and the society.

Thank you.

“

Supported by our entrepreneurial spirit, market experience, work capacity, and innovation, we are able, always and more and more, to live up to our positioning of "Dream, Do, Grow", generating value to shareholders and the society

Ivens Dias Branco Júnior
CEO

”



M. Dias Branco

Every dream is a seed



CORPORATE IDENTITY

M. Dias Branco S.A. Indústria e Comércio de Alimentos is a publicly held company, listed on the São Paulo Stock Exchange (B3), which operates in several fields of the food industry. Its headquarters are located in the city of Eusébio, in Ceará, Brazil.

GRI 102-1, 102-2, 102-3, 102-5, 102-6

In 2021, the Company launched a new positioning and organizational identity translated into three words: Dream, Do, Grow. This positioning refers to the Company's almost 70-year history, honoring the past, connecting with the challenges of the present and communicating what we desire for the future.

Sustainable development is part of the company's culture, which recognizes the work done last year in its 15 plants and 28 distribution centers strategically located throughout Brazil. In 2021, the business and consumption environment was challenging, but M. Dias Branco proved its resilience by making the necessary changes to overcome the challenges in with agility. GRI 102-4, 102-7

Learn more about its corporate identity, by watching the manifest video of the new positioning on the company's channel on YouTube.



Monument reproduces Ivens Dias Branco medal, created by the Government of Ceará to honor representatives of the production sector

OUR GUIDELINES

GRI 102-16



PURPOSE

Feed and inspire people turning dreams into reality.



MISSION

To offer quality, innovative, healthy and tasty food with competitive prices, providing wellbeing and happiness to people.



VISION

To be a large food company in Brazil, with a global presence, diversified operations, sustainable growth and respect for our origins.



VALUES

• **Simplicity**
in relationships and in the search for practical solutions

• **Attitude**
to innovate and make it happen

• **Collaboration**
for business growth

• **Respect**
for people and the common good

• **Excellence**
in everything we do

CATEGORIES OF PRODUCTS

GRI 102-2



- Wheat and rice cookies and crackers
- Corn and wheat pasta
- Wheat flour and bran
- Cake Mix
- Margarine and vegetable shortening
- Cakes
- Corn, wheat and potato snacks
- Packaged toasts
- Chocolate iced cookies and crackers
- Peanut butter
- Sauces
- Seasoning
- Chocolates

HIGHLIGHTS OF THE YEAR



Dream, Do, Grow

We launched the new corporate positioning, which reflects our essence, history and values.

Our products are now at the “most watched house in Brazil”. Vitarella promoted a group dynamics with BBB21 participants and Piraguê hosted a party. The actions were part of the strategy for national brand strengthening.



Once again, we are part of the B3’s Corporate Sustainability Index (ISE). Other highlights include: the Company’s progress, from D to B- in CDP ranking (Carbon Disclosure Project), A rating in the ESG Ratings assessment by Morgan Stanley Capital International (MSCI), as well as the raising of R\$ 811.6 million through Agribusiness Receivables Certificates (CRAs) classified as Green Bonds.



Recognitions

We are the Best Food Company in the Country, according to IstoÉ Dinheiro magazine. For our innovative work and partnerships with startups, the Company was also recognized in the 100 Open Startups 2021 Ranking, as the largest food company in the Northeast according to the Valor 1000 Award.



Organizational redesign

Our brands are present in the main delivery applications in the country, such as Rappi, iFood and Cornershop, and in the largest marketplaces, such as Mercado Livre, Amazon, Magazine Luiza and Americanas.



E-commerce

Online retail success



Our Sustainability Agenda was revisited, considering the vision of several stakeholders, with the definition of themes that will be focused until 2030. Climate change, diversity and inclusion and entrepreneurship of surrounding communities are some of the new topics with increased focus in this review.



Future ESG

We strengthened our organizational structure with the creation of two new vice presidencies: Legal, Governance, Risks and Compliance, and Supply Chain.



During the year, 4,309 tons of food were donated to communities surrounding the industrial units, an important contribution to minimizing hunger in a social and economic context weakened by the pandemic.



Social support

With one more acquisition, we enriched our portfolio with the Fit Food, Frontera and Smart brands, strengthening our position in the healthy food segment and higher value-added products.



Expansion into new segments

Two of our regional brands are among the 20 favorites of Brazilians for everyday products, according to Kantar Brand Footprint Survey. Fortaleza is the 7th most purchased brand in online retail, while Richester is ranked 17th.

In 2021, we celebrate 15 years of listing on B3. We went public in 2006, when we carried out the Initial Public Offering (IPO), in Novo Mercado segment.



15 years at B3

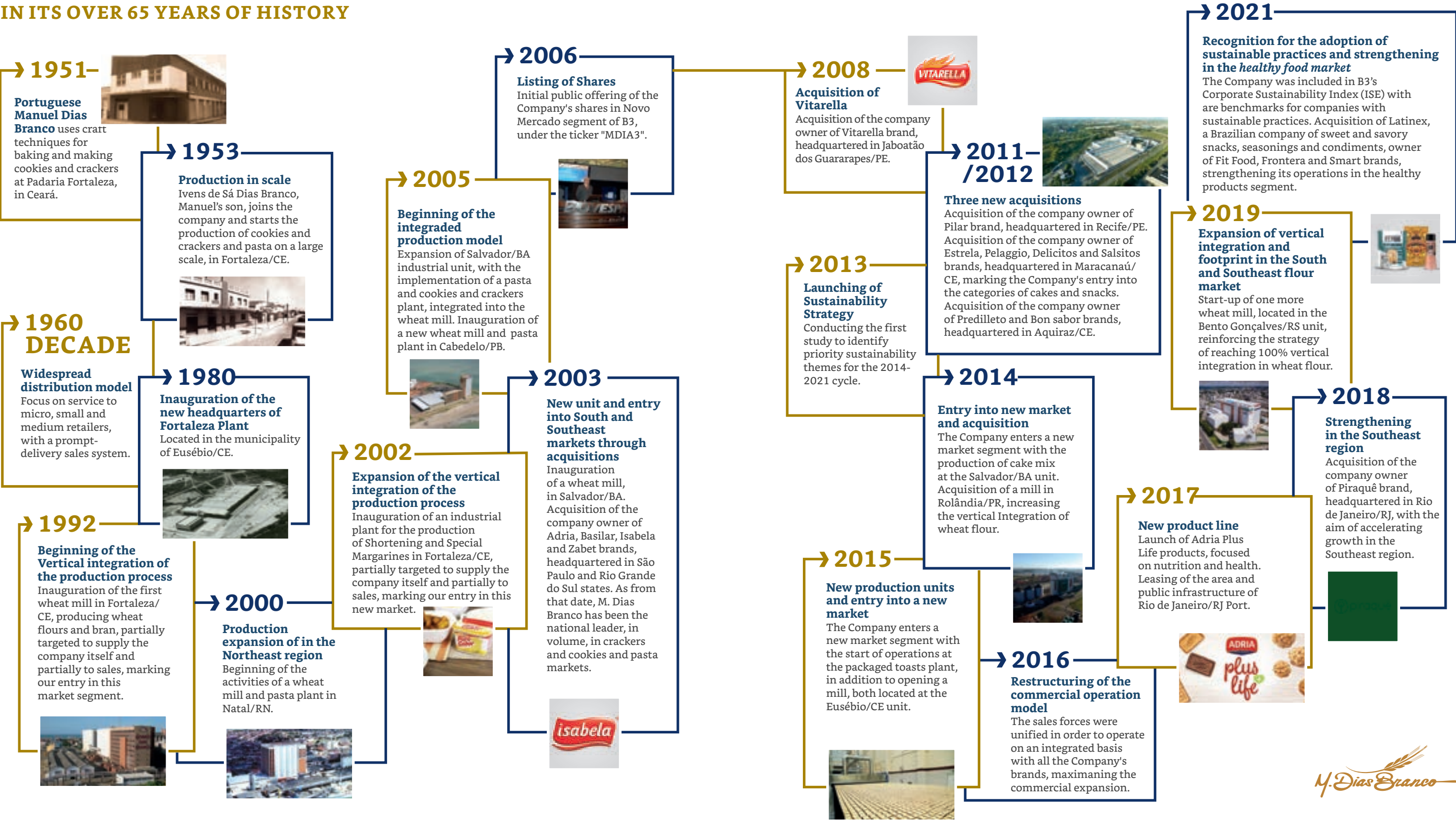


At the table of Brazilians

A study carried out by Kantar shows that our brands are present in 91.1% of Brazilian households.

TIME
Line

LEARN MORE ON THE EVOLUTION OF M. DIAS BRANCO
IN ITS OVER 65 YEARS OF HISTORY



Governance, Risks and Compliance

*With every dream that springs,
the world gets something new*

Chapter references

SDG



IIRC Capitals



Related Principles of the Global Compact

- | | |
|----|--|
| 1 | Businesses should support and respect the protection of internationally proclaimed human rights. |
| 2 | Make sure that they are not complicit in human rights abuses. |
| 5 | The effective abolition of child labor. |
| 10 | Businesses should work against corruption in all its forms, including extortion and bribery. |

CORPORATE GOVERNANCE AND ORGANIZATIONAL CHART



Executive Committee, comprised by officers, in a meeting with the CEO to define plans

Our Company, which has been listed on B3's Novo Mercado since 2006, adopted an indicator called iMDB – M. Dias Branco Corporate Governance Index, which helps the company to direct efforts to improve and measure progress in the area. The index includes four indicators: Novo Mercado Regulation, Brazilian Corporate Governance Code, Dow Jones Sustainability Index and Corporate Sustainability Index (ISE).

M. Dias Branco's Corporate Governance structure comprises a Board of Directors, elected by the Shareholders' Meeting; three advisory committees to the Board of Directors – ESG,

People and Management and Audit Committees; a Statutory Executive Office, elected by the Board of Directors for a three-year term; and the Governance Department.

The Board of Directors is responsible for the business guidance, including the long-term strategy. It currently comprises six board members, where 50% are independent members. Since 2014, the positions of Chief Executive Officer and Chairperson of the Board of Directors have been held by different individuals.

GRI 102-18

As part of the restructuring process implemented in

2021, with the support of an external consultancy, two vice-presidencies were created in the Company: Supply Chain and Legal, Governance, Risks and Compliance.

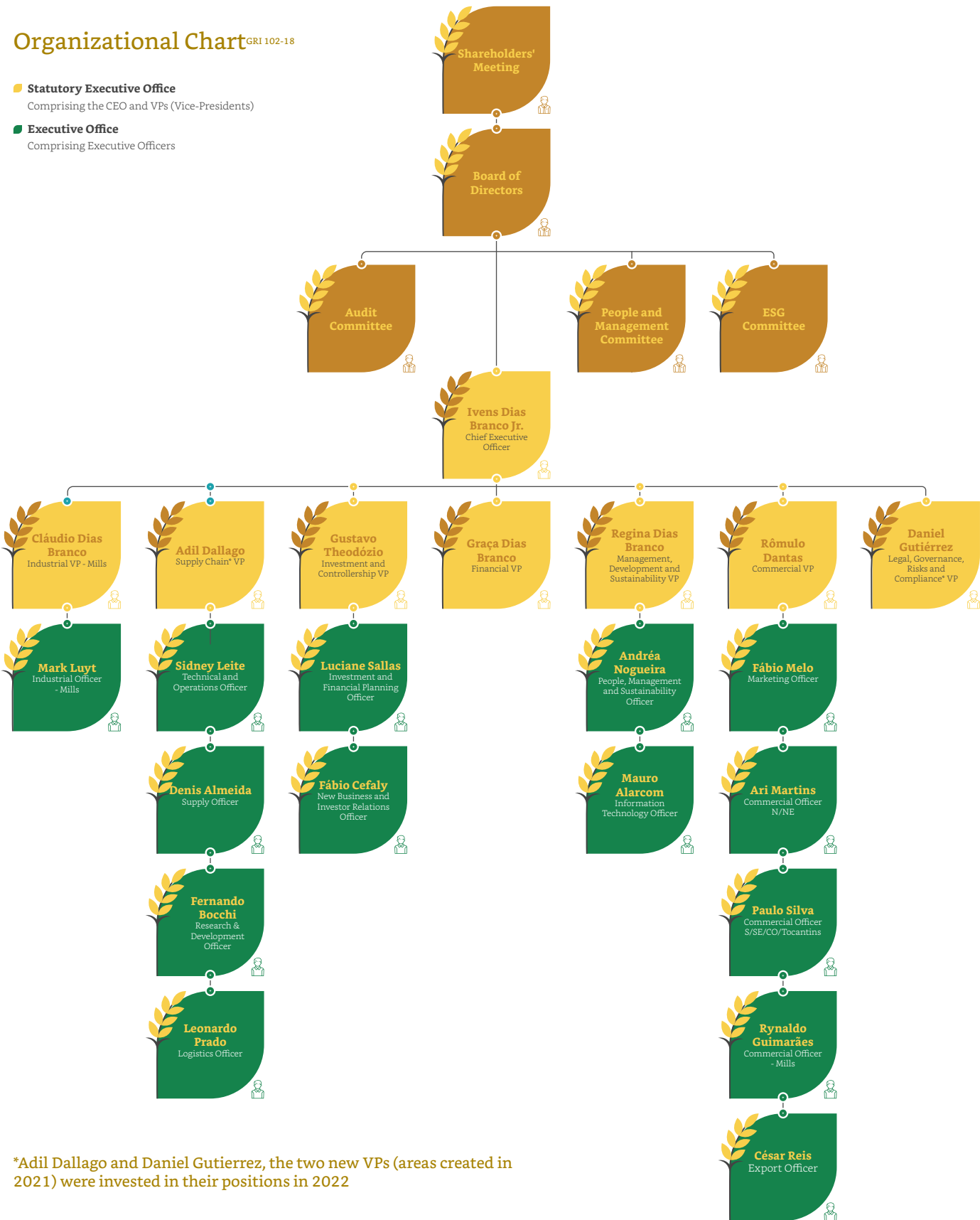
GRI 102-10

50% of the members of the Board of Directors are independent

Organizational Chart

GRI 102-18

- Statutory Executive Office
Comprising the CEO and VPs (Vice-Presidents)
- Executive Office
Comprising Executive Officers



*Adil Dallago and Daniel Gutierrez, the two new VPs (areas created in 2021) were invested in their positions in 2022

DIVERSITY IN GOVERNANCE BODIES GRI 405-1

The different governance bodies comprise professionals from different backgrounds, ages, education and gender.

Individuals within governance bodies of the organization, by gender (%)		
Board of Directors		
2019	Male	66.67
	Female	33.33
	Total	100
2020	Male	66.67
	Female	33.33
	Total	100
2021	Male	66.67
	Female	33.33
	Total	100

Individuals within governance bodies of the organization, by age group (%)		
Members of governance bodies		
2019	From 46 to 55 years	33.33
	Over 56 years	66.67
	Total	100
2020	Under 30 years	33.33
	Between 30 and 50 years	66.67
	Total	100
2021	Under 30 years	33.33
	Between 30 and 50 years	66.67
	Total	100

Individuals of the governance bodies			
	2019	2020	2021
Board of Directors	6	6	6

Respect for people and the common good

This is a value for M. Dias Branco

GOVERNANCE FORUMS

The Company has a Corporate Governance Department, which acts as an interface between the Executive Office (Statutory and Executive), the Board of Directors and its advisory committees. In addition to coordinating senior management meetings, it works to monitor compliance with corporate and regulatory legislation (CVM/B3) and ensure compliance with the best corporate governance practices. Is also recommends any adjustments or amendments to governance policies, processes and structures to the relevant management bodies and their advisory committees.

We have eight committees, three of which are advisory to the Board of Directors. Namely: Audit, People and Management and ESG Committee. Each one includes the participation of an independent member of the Board of Directors.

The Audit Committee is an advisory body to the Board of Directors responsible for continuously assessing the work of the internal and external audit, risk identification systems and the Company's internal controls.

The People and Management Committee's role is to advise the Board of Directors on issues pertaining to people and management, including people management; appointment and succession of members of the Board of Directors, its Committees and of the Statutory Executive Office; compensation of the members of the Board of Directors and the Statutory Executive Officers; definition

of benefits and goals and talent development and retention programs; and establishment of management practices supportive of meritocracy.

ESG Committee's role is to advise the Board of Directors on improving internal controls and mechanisms of its environmental, social and governance agenda, including the Company's sustainable

development, ensuring compliance with applicable laws and best market practices.

Other advisory committees to the Statutory Executive Office include: Executive Committee, Ethics Committee, Occupational Health and Safety Committee, Sustainability Committee and Image Management Committee.



Consuelo Dias Branco, Chairperson of the Board of Directors

RISK MANAGEMENT GRI 102-11



Salvador/BA Unit, located in an Environmental Protection Area

We adopt a formal risk management policy, reviewed by the Audit Committee and approved by the Statutory Executive Office. The purpose is to support the Company in meeting its strategic goals, and to set definitions, guidelines, evaluation criteria, so as to ensure that the main business risks are identified, assessed and minimized to an acceptable level. Thus, we contribute to operational losses reduction, efficiency gains and the management and continuity of the business in adverse scenarios. We also have a structure of internal controls that is continuously reviewed and a system to assist in this management.

The risk management policy classifies the main risks as: strategic, operational, reporting, compliance, cyber, data protection, market, and social and environmental risks. In this sense, based on the quantitative

and qualitative risk assessment and measurement, protection is sought for those representing a potential to adversely affect the business results.

We adopt as a benchmark the guidelines of the main entities in these areas, such as COSO (Committee of Sponsoring Organizations of the Treadway Commission), IIA (Institute of Internal Auditors) and IBGC (Brazilian Corporate Governance Institute). In addition to these entities, we assess the laws, rules and regulations in force in the country on a regular basis, keeping our risks continuously reviewed and adherent to the market trends and the Company's strategies. The main risks identified are detailed in the Reference Form, filed with the Brazilian Securities and Exchange Commission (CVM), available on our website.

BUSINESS CONTINUITY

In 2021, we started building our business continuity plan. The first step was the design of a BIA (Business Impact Analysis) process, which consists of mapping the most critical dependencies and risks for M. Dias Branco that could disrupt the operation (people, inputs, systems, among others).

This study aimed to assess the governance maturity, considering the key elements for the Business Continuity Management Program (GCN), according to the best market practices. An assessment of the risks and crisis scenarios was also carried out for the critical processes of the covered units, in addition to the assessment of the current response capacity and proposal of recommendations. The work will continue to evolve in the coming years.

CLIMATE RISKS

We have evolved in our commitment to the ESG theme, with active participation of the risk area in the sustainability Working Groups (WGs), helping to assess climate risks and opportunities jointly with other areas. Among the deliveries, the following stand out:

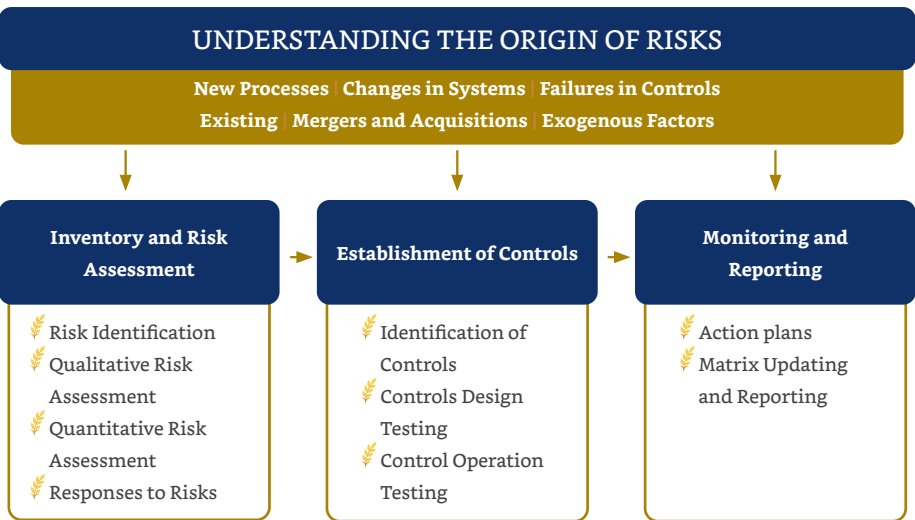
- Mapping of the main climate risks, whereby the impact and probability of each risk factor were measured;
- Identification of mitigating controls related to the theme;

- Addressing the Company's opportunities and actions.

This work was used as input for the evolution of the Company's score in CDP (Carbon Disclosure Project or Climate Resilience Index) and ISE (Corporate Sustainability Index), in addition to confirming the achievement of the goals of the strategic agenda, signed by 2030.

UPDATE OF THE HEDGE AND GOVERNANCE POLICY

As an evolution in the theme of hedging exposures to the risks of fluctuations in the prices of commodities and currency, we have updated the Hedge Policy, adapting the methodology to meet the specifications of operations in foreign currencies, in addition to implementing controls to ensure that derivative agreements are exclusively for hedging purposes.



Storage and wheat mill in Bento Gonçalves/RS

COMPLIANCE AND CODE OF ETHICS

GRI 102-17, 103-2



Podcast format Code of Ethics disclosure poster

In 2021, we joined the Business Pact for Integrity and Against Corruption, linked to the Ethos Institute, strengthening our commitment to promoting a fairer and more ethical market. The action continues the advances made in the theme in 2020, when the company joined the UN Global Compact. Our action is also in line with SDG 16 - Peace, Justice and Strong Institutions, especially target 16.5 - Substantially reduce corruption and bribery in all their forms.

GRI 102-12, 102-13, 103-2, 103-3 | 205

Our Code of Ethics disseminates the principles and values of the Company, its subsidiaries and affiliated companies, guiding the conduct of all employees, managers, legal representatives and third-parties, making explicit the pattern of behavior expected in the relationship with stakeholders.

Concerning internal integrity policies, we have adopted, among

others, the following regulations: Anti-Corruption Policy; Gifts, Ammenities, Entertainment and Hospitality Policy; Policy on Related-Party Transactions and Other Situations Involving Conflict of Interest; Donations and Sponsorship Policy; Internal Investigation Protocol and Ethical Channel Operation; Consequences Policy; Purchasing and Supplies Policy; Risk Management Policy; Good Practices and Competition Policy; and Supplier's Code of Conduct, launched in 2021. The Code of Ethics and these policies are available for consultation on our internal communication platform and the Company's website.

GRI 103-2, 103-3

Complaint mechanisms				
Complaints	2019	2020	2021	
Number of complaints identified through the mechanism	876	992	1012	
Number of complaints addressed	876	992	1012	
Number of complaints resolved	679	840	919	

ETHICAL CHANNEL

We provide employees and other stakeholders with the Ethics Channel, a tool for reporting conducts in violation of our Code of Ethics and other internal policies. This is an independent, specialized and secure channel, accessible by phone, email or internet, and ensures anonymity and protection for those who make reports in good faith.

Such reports are received by an independent company and, based on the identification of the matter of the complaint, are addressed for investigation and accountability with the body or entity responsible for the Company's governance structure. When relevant, actions are established to improve internal controls and/ or apply disciplinary measures. At the end of the process, feedback is given to the reporting individual, through the Ethical Channel. It is worth noting that in 2021, most notifications (99%) were investigate by the compliance area and submitted to the Company's Ethics Committee.

The main types of reports include: Interpersonal relationships (424), Doubts, criticisms and suggestions (194), Non-compliance with internal regulations (100), Non-compliance with protocols for preventing and combating covid-19 (48), Dissatisfaction with human resources policies (45), Moral harassment (44), Fraud (36), Conflict of interests (33) and other types (88).

No reports of corruption involving public officials and government authorities were recorded at the Ethical Channel in 2021. In addition, we were not subject to administrative or judicial sanctions for acts against national or foreign governments, pursuant to the terms of the Anti-Corruption Law.

GRI 205-3

COMMUNICATION AND TRAINING

Communications on the Code of Ethics and compliance policies, including Anti-corruption Policy, were carried out on a regular basis throughout 2021, in the internal communication vehicles. We had a total of 25 publications in Workplace, with around 30 thousand views. We also released a podcast version of the Code of Ethics, available on the streaming plaform, Spotify.

We also carried out 12 training actions, amounting to 18,000 hours, reaching 4,365 professionals, including officers, managers, coordinators, supervisors and other employees. In May 2021, at a Business Meeting with

Leadership, under the Leader Development Program (PDL), we discussed the Compliance Program with 677 managers participating in the event. For the newly hired employees, these topics are included in the on-boarding process.

REPUTATION AND CONFLICT OF INTEREST

We monitor operations that are most exposed to corruption and money laundering risks. We also carry out reputational checks on business partners, including suppliers, customers, recipients of donations and sponsorships, through the data mining system in public sources.

We also monitor transactions involving Related Parties, as well as we request, annually, the submission of the statement of conflict of interest to our Management, aiming to identify possible conflicts and address them, if necessary. Thus, we ensure that decisions involving Related Parties, and other situations of potential conflict of interest, are made in the best interest of the Company.

Some disclosures reinforce with employees the anti-corruption stance



Market Context

*The dream of turning
regional flavours into a
national pride*

M. Dias Branco
Dream, Do, Grow

Chapter references

SDG



IIRC Capitals



OVERVIEW OF MARKETS OF OPERATION GRI 102-6

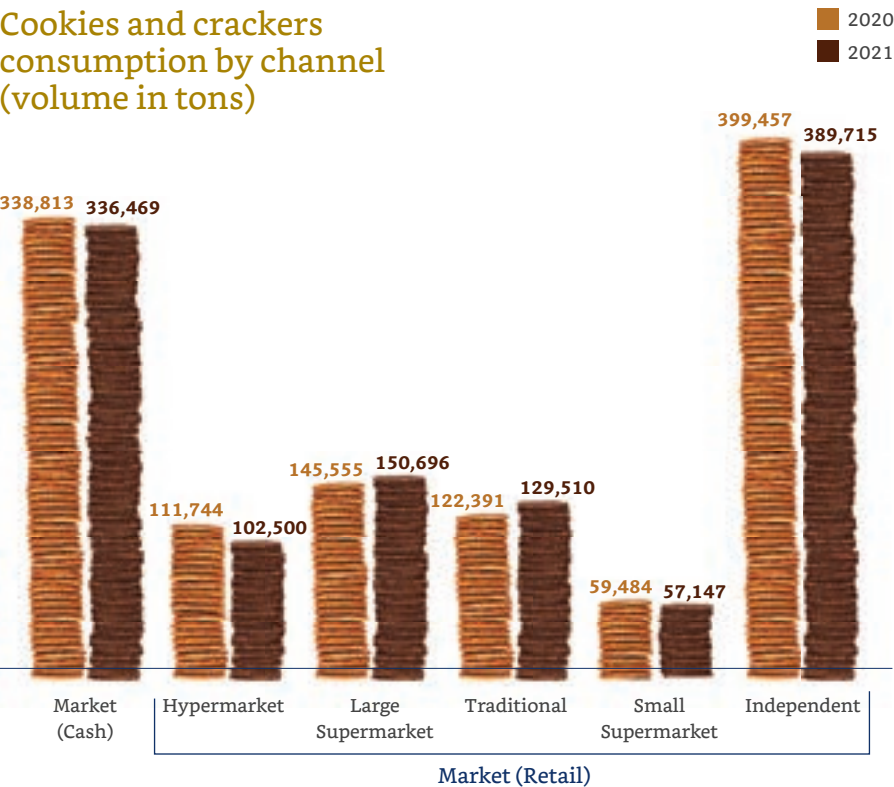
COOKIES AND CRACKERS

According to market results received through Nielsen's Retail panel, in 2021, the Brazilian cookies and crackers market shrank 1% in sales volume when compared to the previous year, representing a drop from 1,177,444 to 1,166,038 tons. Considering amounts, market grew 11.8%, increasing from R\$ 15.5 billion to R\$ 17.4 billion.

During the year, the economic background and the increase in prices caused impacts on consumption. In September, the consumption of cookies and crackers was 4.7% lower than the monthly average for the same year.

Changes in consumption based on sales volume segmented by channels, showed a 1.1% drop in Retail, with a more significant reduction in the Hypermarket channel. Similarly, cash&carry, recorded a 0.7% decline.

Cookies and crackers consumption by channel (volume in tons)



Source: Nielsen Retail Index - T. Brasil 2021

Sales volume by category in the cookies and crackers market (in tons)			
Career level	2020	2021	CHANGE 20/21
Total cookies and crackers	1,177,444	1,166,038	-1%
Cracker	252,041	244,459	-3%
Sweet filled	285,111	284,836	-0.10%
Maria and Maizena	160,153	154,422	-4%
Dried and Sweet	159,505	155,267	-3%
Waffer	93,251	94,275	1%
Salted	82,221	84,840	3%
Donut	105,578	107,007	1%
Cookie	22,371	23,488	5%
Iced	5,709	7,101	24%
Mixed	3,580	2,738	-24%

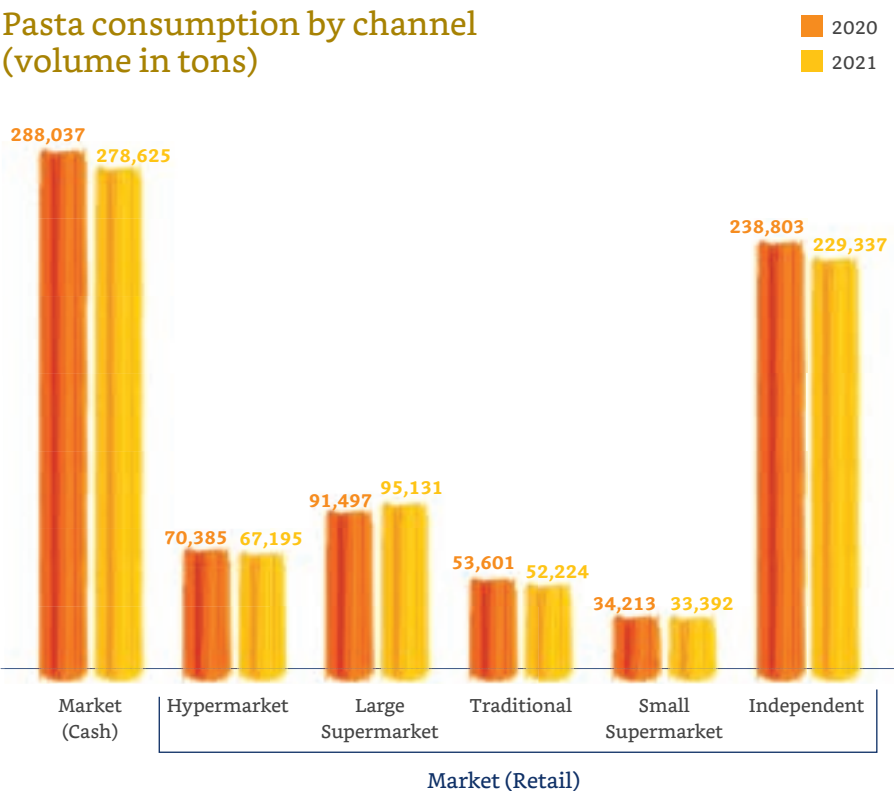
Total Brazil: Retail + cash. Source: Nielsen Retail Index - T. Brasil 2021

PASTA

Pasta market recorded a 2.7% decrease in volume in Brazil during 2021, dropping from 776,536 to 755,904 tons. The financial amount transacted grew 9.7%, jumping from R\$ 4.2 billion to R\$ 4.6 billion as compared the previous year. The hike in commodities prices, such as wheat, caused an increase in the prices of products in this category, impacting the volume consumed and the accrued amounts.

When looking at consumption-related data by sales channels, both Retail (-2.3%) and Cash&Carry (-3.3%) showed a decrease when comparing versus 2020. Diving deeper into the analysis of the Retail segment, we can see drops in sales in Traditional and Independent channels, which were offset by the growth in Large Supermarket channel.

Pasta consumption by channel (volume in tons)



Source: Nielsen Retail Index - T. Brasil 2021

Sales volume by pasta category (in tons)			
Career level	2020	2021	CHANGE 20/21
Pasta	776,536	755,904	-2.7%
Regular	213,957	195,190	-8.8%
Semolina	263,889	269,151	2.0%
Semolina with eggs	254,213	250,436	-1.5%
Grano Duro	20,780	18,729	-9.9%

Total Brazil: Retail + cash. Source: Nielsen Retail Index - T. Brasil 2021

Collaboration for
business growth

Is a value for M. Dias Branco

Instant Noodles market in Brazil recorded a 3% improvement in consumption, increasing from 145,580 to 149,893 tons; while the financial amount sold grew 18.7%, from R\$ 2.4 to R\$ 2.9 billion.

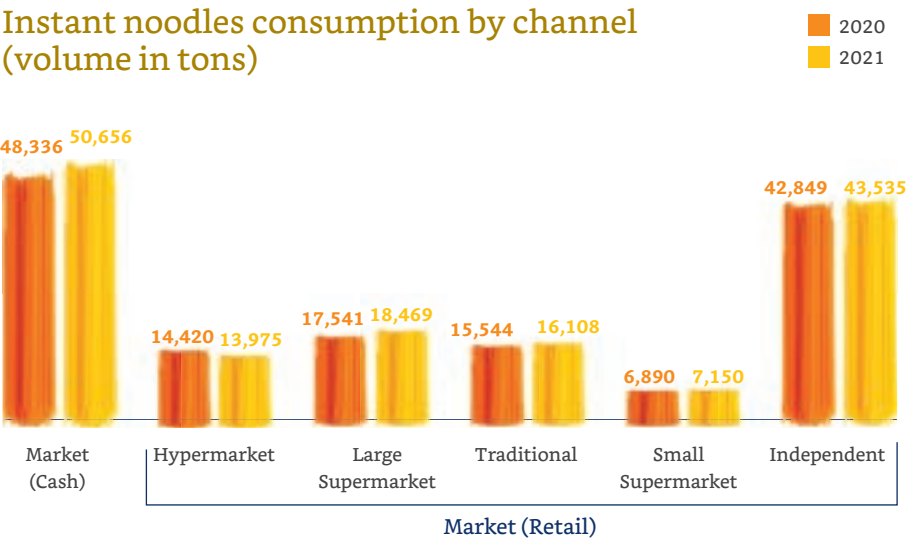
Consumption growth in instant noodles was seen in both channels: Retail (2.1%) and Cash&Carry (4.8%). In terms of volume, Cash&Carry is less representative in consumption, however it shows the best variation performance when comparing 2021 versus 2020.

WHEAT

CONAB (Companhia de Abastecimento Nacional) estimates that wheat production in Brazil for 2021/2022 will reach 7.8 million metric tons (MMT), representing a 25.28% increase versus the previous harvest. Despite this increase, the quantity and quality of Brazilian wheat production are not enough to meet the market demand of wheat for milling.

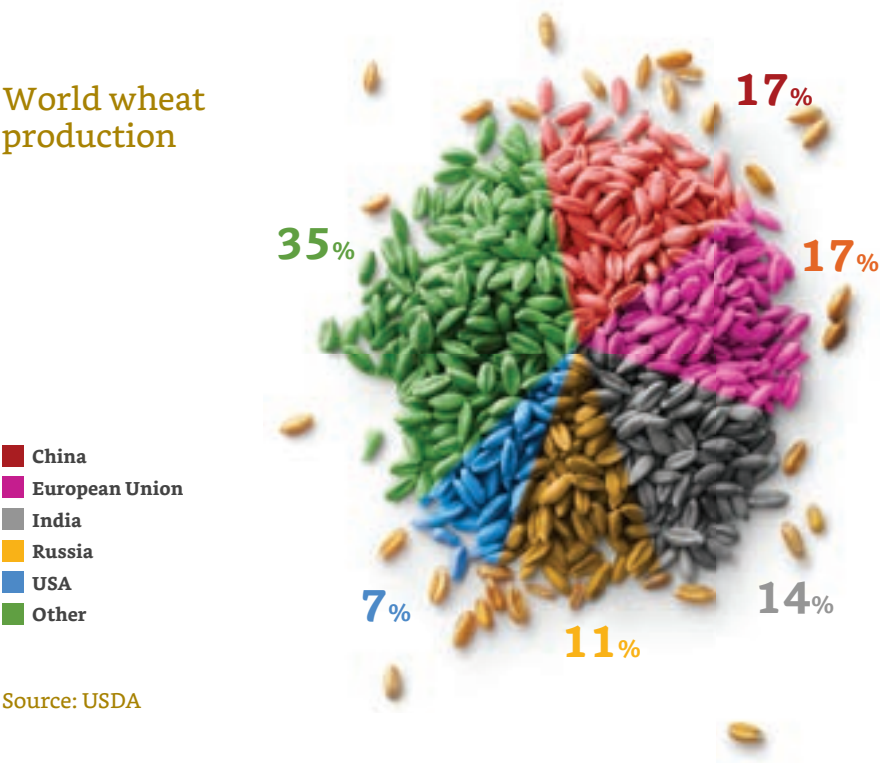
In the global scenario, according to the U.S. Department of Agriculture (USDA), 2021/2022 harvest is estimated at a 777.89 MMT, pointing out 0.25% growth versus the previous period. With world consumption increasing by 1.57%, inventories are expected to decrease from 289.64 MTM to 278.18 MTM, a 3.95% drop. According to USDA data, Argentina is historically the largest wheat exporter to Brazil, and for the current harvest it has an estimated production of 20 MTM.

Instant noodles consumption by channel (volume in tons)



Source: Nielsen Retail Index - T. Brasil 2021

World wheat production



Source: USDA

Wheat supply and demand balance in Brazil (in thousand tons)								
Product	Harvest	Inventories Inventories (Aug 01)	Production	Import	Supply	Consumption	Export	Final Inventory (Jul 31)
WHEAT	2014	2,414.1	5,971.1	5,328.9	13,714.1	10,652.2	1,680.5	1,381.4
	2015	1,381.4	5,534.9	5,517.6	12,433.9	10,312.7	1,050.5	1,070.7
	2016	1,070.7	6,726.8	7,088.5	14,886.0	11,470.5	576.8	2,838.7
	2017	2,838.7	4,262.1	6,387.0	13,487.8	11,244.7	206.2	2,036.9
	2018	2,036.9	5,427.6	6,753.1	14,217.6	12,435.8	582.9	1,198.9
	2019	1,198.9	5,154.7	6,676.7	13,030.3	12,060.6	342.3	627.4
	2020*	627.4	6,234.6	6,007.0	12,869.0	11,899.0	823.1	146.9
	2021**	146.9	7,810.8	6,200.0	14,157.7	12,547.8	1,200.0	409.9
Note: Estimate in December/2021. *Estimate **Throughflow Stocks Forecast - Wheat July 31								
Source: Companhia Nacional de Abastecimento (Conab)								

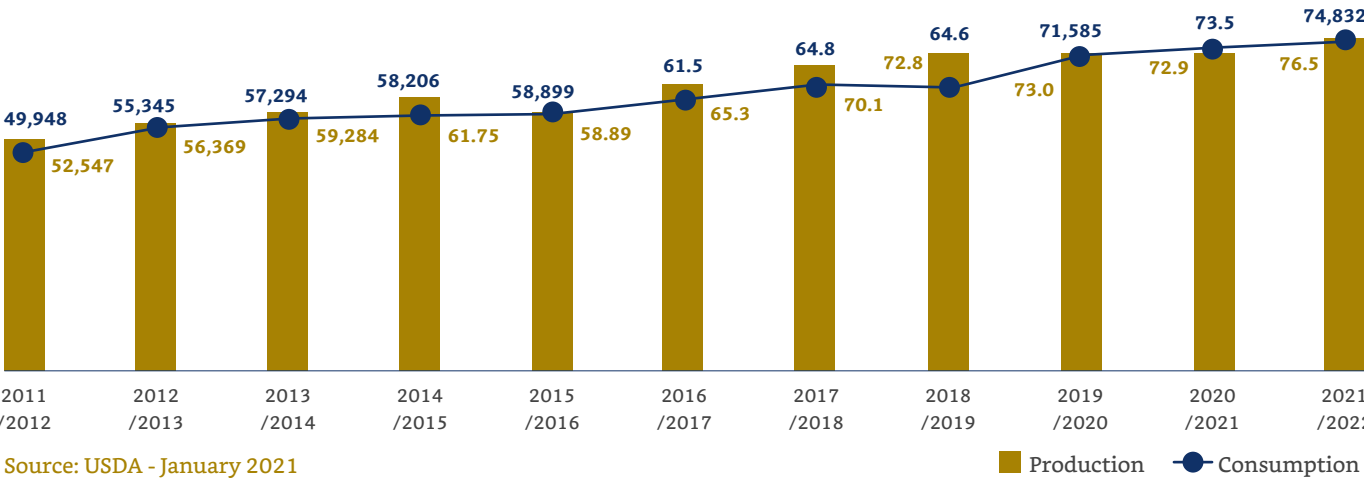
VEGETABLE OILS

Vegetable oils are used in the refinery to produce vegetable shortening and margarines. Palm oil is the main vegetable oil, representing 79% of the company's consumption in 2020. Brazilian production is

not enough to meet the product demand, so it is necessary to import this commodity. According to USDA, 2021/22 harvest will set a new record in global production reaching 76.56 MMT, a 5.03% increase

versus 2020/21 harvest. World demand has also grown, mainly because of biofuels. The increase in consumption reaches 2% in 2021/22 period, compared to the previous period, and world stocks reach 12.9 MTM.

World palm oil production and consumption (in MTM)



Source: USDA - January 2021

MARKET SHARE

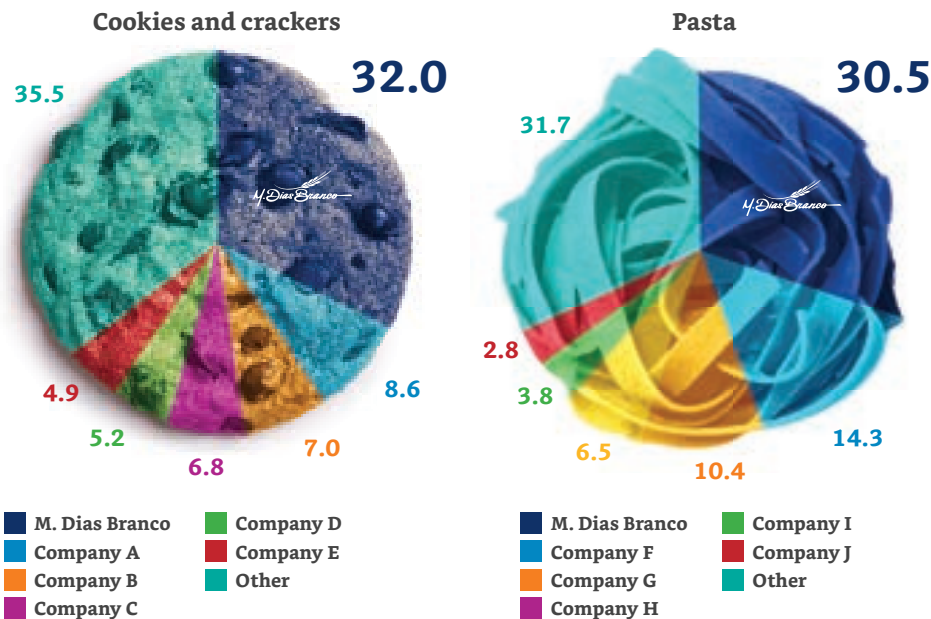
We are in the leading position in the cookies and crackers and pasta markets in Brazil. Our share of sales volume in 2021 was 32.0% in cookies and crackers (33.6% in 2020) and 30.5% in pasta (33.5% in 2020). The graph shows M. Dias Branco's market share and the main competitors year-to-date from January to December 2021.

M. Dias Branco has strengthened its footprint in Brazilian market based on a consolidated strategy of expanding its main regional brands beyond the regions where they were founded, respecting their cultural traits and legacy. As an example, we can highlight two of the Company's regional brands that are among the 20 most present in households through online purchases, according to the study by Kantar Brand Footprint 2021: Fortaleza is the 7th most purchased brand in online retail, while Richester is ranked 17th.

At the same time, the company is also working on expanding into new product categories. In the Northeast region, the strategy aims to increase the quantity and quality of sales, taking advantage of the market maturity. One of the competitive advantages is the trading of products serving all regions of the country and all social classes, with different price levels.

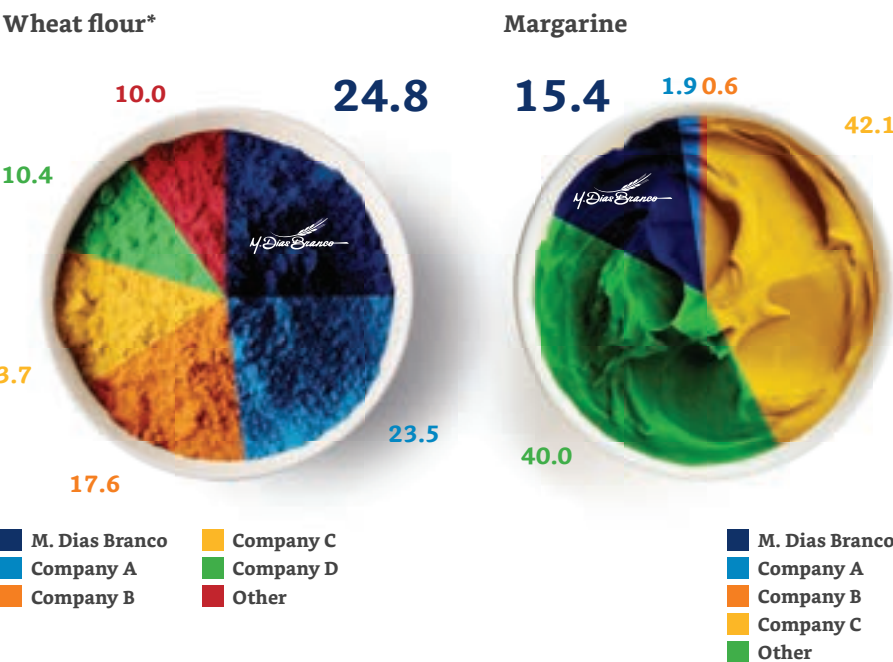
In the Northeast region, we remain leaders in flours and have grown our share in margarines, reaching 15.4% market share.

MARKET SHARE in Brazil (in % of volume sold)



NIELSEN Data for the period from Jan to Dec 2021

Market share in Northeast (in % of volume sold)



NIELSEN Data for the period from Jan to Dec 2021

*Market Share of wheat flour year-to-date by Oct/Nov 2021

GROWTH IN EXPORTS

In 2020, our exports reached a new level of revenue, exceeding R\$ 200 million in net revenue, with 273% growth versus 2019. Part of this effect was due to non-recurring sales arising from the pandemic crisis and its effects on the global demand and supply of items exported by us, especially pasta, flour, and margarine. Such demand was expected to cool down with the pandemic; however, the Company quickly adapted and was able to turn these opportunities into more stable business platforms in 2021, sustaining high revenue levels compared to the pre-pandemic period.

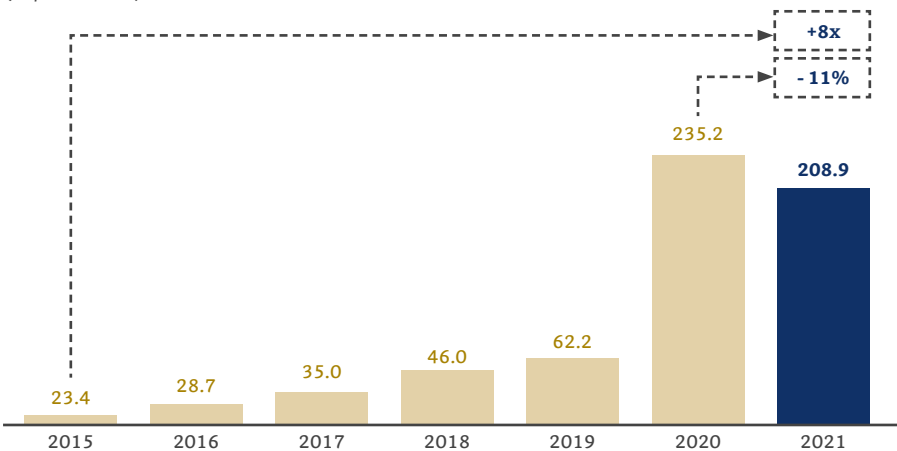
We witnessed a sales retraction in the second half of the year due to the worsening of the global shipping crisis, which reduced the supply of routes and containers, as well as generating delays in shipments, extension of delivery times, and extremely high increases in freight rates, which reached 400% for some destinations. Selecting only sales with recurring features, we had a significant increase of 37% versus the previous year.

Despite all the challenges of this bumpy year, M. Dias Branco remained active in the market, participating, after more than a year, in a on-site fair: Anuga 2021, in Germany. We also participated in several virtual business rounds, maintaining the usual dynamism. To keep operational costs low and service efficiency high, the export team was restructured, with the creation of an operations management and concentration of the entire team in Ceará. Aiming to leverage

Stand at the international fair ANUGA, held in Cologne, Germany



Net revenue from exports (R\$ million)



sales, investments were made in marketing and trade marketing in South America, with emphasis on the first open TV campaign of Isabela brand in Uruguay. Other highlights include the expansion of Piraquê brand in Latin America, exceeding sales expectations, and the continuity of the program to adapt and develop new products

for export, either with own brands or in partnership with third parties. The Company's internationalization is in our future plans, with the opening of bases or acquisitions of new brands abroad.

CHANNELS AND SALES BY REGION

GRI 102-6, 102-7)

We maintained the strategy of geographic sales diversification. In 2021, 64.1% of sales occurred in the Defense area (North and Northeast regions) and 33.9% in the Attack area (South, Southeast and Midwest regions). Exports represented 2.0% of sales, maintaining a high standard, in line with the strategy, and reaching 46 countries (44 in 2020).

During the year, M. Dias Branco intensified its investments in marketing on e-commerce platforms. Currently, the Company's brands are present in the main delivery applications in the country, such as Rappi, iFood and Cornershop, and in Brailian largest marketplaces, such as Mercado Livre, Amazon, Magazine Luiza and Americanas (B2W), cwith specific promotional actions.



Customer Mix*	2021	2020	Change
Retail	25.4%	26.8%	-1.4 p.p.
Wholesale	21.1%	22.5%	-1.4 p.p.
Key Account/Regional Network	23.4%	20.7%	2.7 p.p.
Cash & Carry	16.3%	18.2%	-1.9 p.p.
Distributors	8.8%	7.3%	1.5 p.p.
Manufacturing	1.5%	1.0%	0.5 p.p.
Other	3.5%	3.5%	0 p.p.
Total	100.0%	100.0%	

*Customer mix, considering gross revenue net of discounts and returns

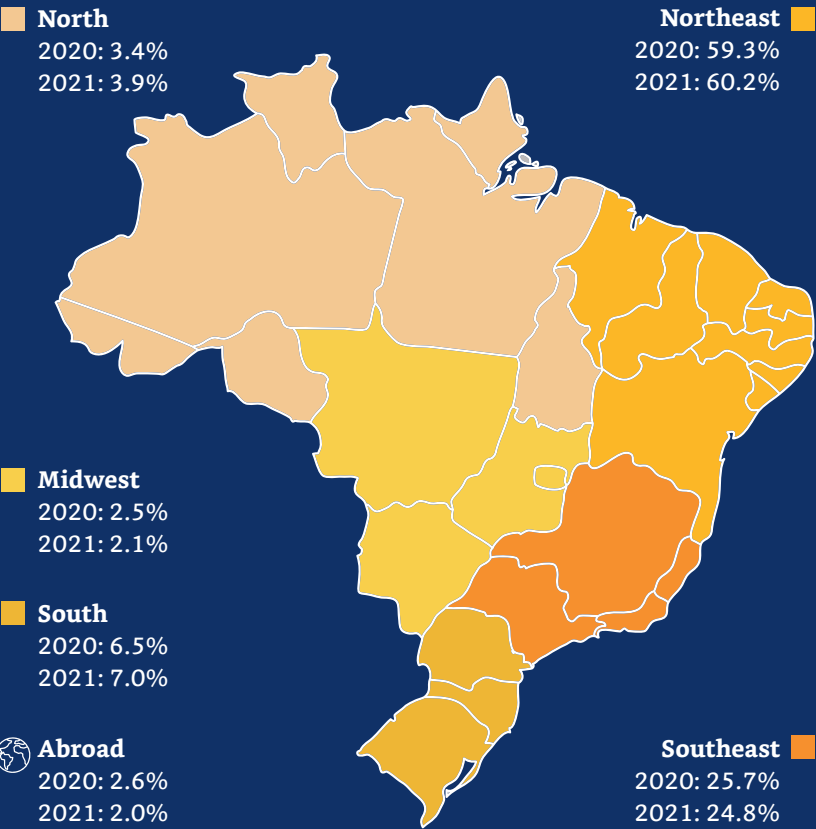
Large Customers		Sales 2021 (R\$ million)*	Share in gross revenue net of discounts and returns (%)	
Sequence	Cummulative		In Range	Cummulative
Largest Customer	1	845.9	9.2%	9.2%
49 Subsequent	50	2,754.3	30.0%	39.2%
50 Subsequent	100	717.1	7.8%	47.0%
900 Subsequent	1,000	2,745.8	29.9%	76.9%
Other Customers	All	2,133.2,	23.1%	100.0%
Total		9,196.3		

*Gross revenue net of discounts and returns

Regarding sales channels, Key Account/Regional Networks and Distributors increased their share in customer mix in 2021.

The performance of Key Account/Regional Networks is linked to the strategy of building and strengthening brands. Distributors channel continues to grow in line with the Company's strategy of increasing capillarity, especially in the Attack region.

Sales by region
(% of gross revenue net of discounts and returns)



Performance strategy and outlook

*Our dream comes true every
day because it also fulfills
many others*

Chapter references

SDG



IIRC Capitals



Related Principles of the Global Compact

- 7 Businesses should support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

BUSINESS MODEL AND VALUE CHAIN

GRI 102-9

M. Dias Branco is the leader in the domestic market for pasta and cookies and crackers and has expanded its international operations. The profitability increase sought is compliant with the highest standards of quality in sustainable practices, the strengthening of corporate governance, the search for the well-being of employees and customer satisfaction. This holistic view is responsible for sustainable business growth.

We revisited our long-term Strategic Direction, as well as the projects that will enable us to achieve our goals. We strengthened our methodology for monthly monitoring of results, based on management by guidelines and matrix management of expenses. A special highlight was the creation of the Partners for Results Program, which trained employees in several areas to carry out a deeper analysis of our indicators and goals, under a process of continuous improvement in the search for expressive and sustainable results.

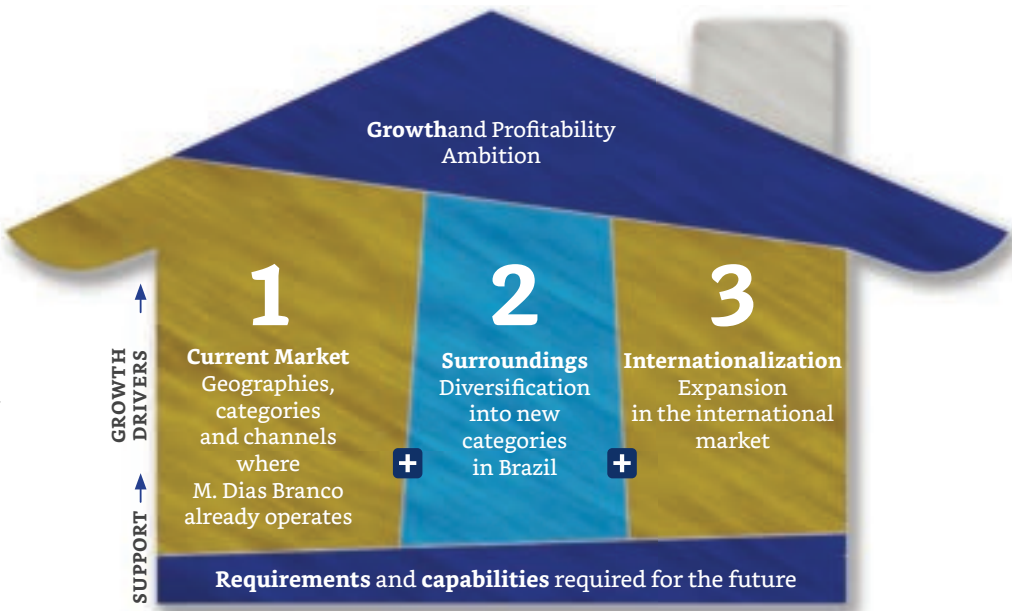
Other highlights of the business model include: the portfolio of strong brands, with nationwide coverage and spread distribution; the modern production facilities, with plants strategically located; financial robustness and strong cash generation to support the growth strategy. The commercial strategy is based on consistent investments in marketing, assertive pricing models, use of technology and new methodologies to meet market trends.



Some products of Adria cookies and crackers line

SYNTHESIS OF STRATEGIC DIRECTION

Goals for the next growth cycle



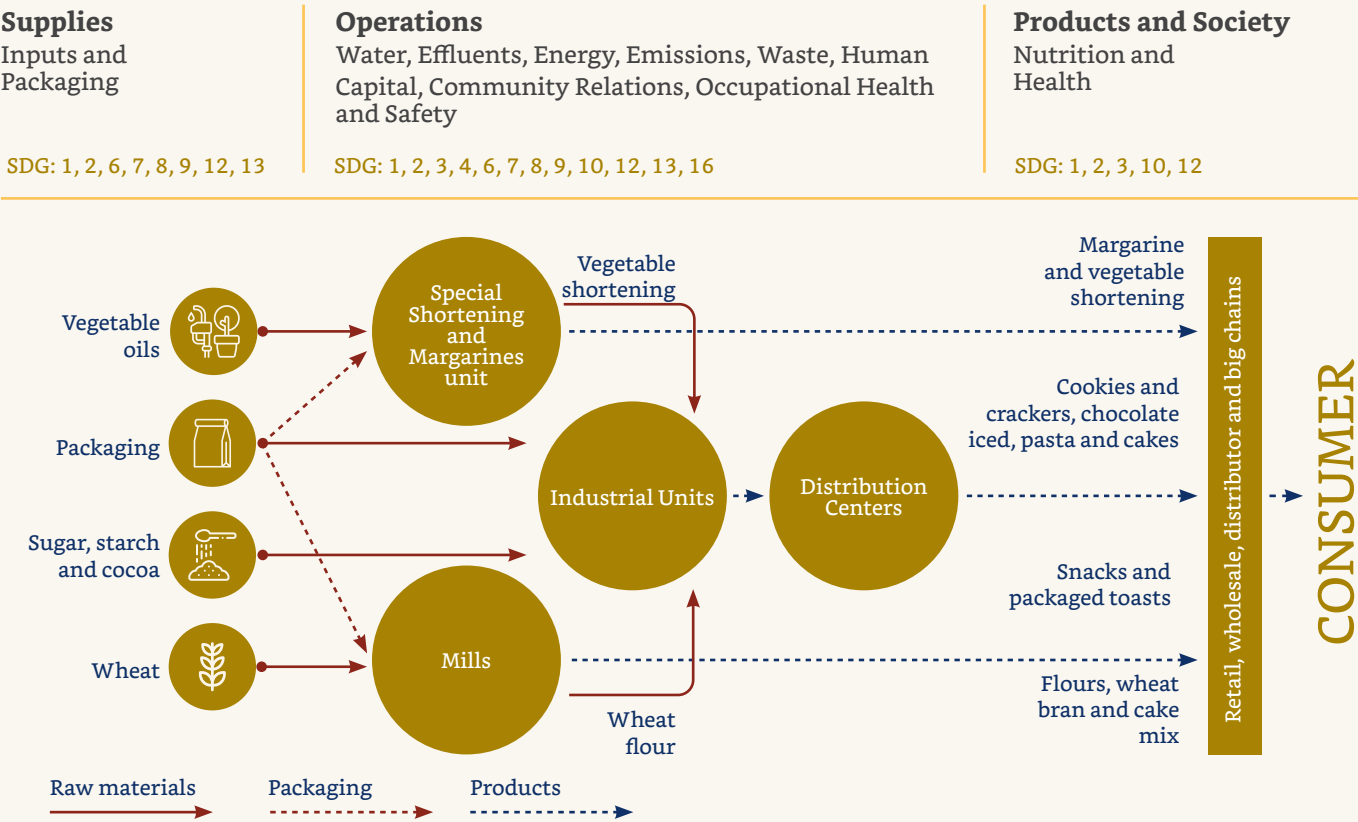
To continue growing, we are dedicating special attention to the portfolio, product mix, and distribution channels, taking advantage of the existing logistics network, with a focus on agile processes. Our expansion happens mainly through organic growth or acquisitions of other companies that add value to the business. While we strengthen our operations in Northeast, we advance in opportunities in other regions of the country,

seeking a more even national coverage.

Internationally, the Company works on its domestic brands, such as Piraquê, launched in Latin American countries in 2021, but is considering acquisitions or opening bases. Innovation is an important pillar of our strategy, with a close relationship with startups through the Germinar Program, an acceleration initiative by M. Dias Branco.

We count on the engagement of all areas in our growth strategy and vision. The future envisions our consolidation as a large food company in Brazil, with a global footprint, diversified operations, sustainable growth and respect for our origins.

M. DIAS BRANCO VALUE CHAIN



This value chain does not include the activities of the acquisition made in November 2021

SUSTAINABILITY AGENDA

GRI 102-12, 102-46 AND 102-47

Sustainability integration in key business strategies is our priority. Since 2013, we have adopted a Sustainability Agenda, fostering sustainable practices across our company's entire value chain. As a result of this journey of over eight years of progress, we highlight the inclusion of M. Dias Branco in the 16th ISE Portfolio - B3's Corporate Sustainability Index, which ran from 01/04/21 to 12/30/21, renewed for the 17th ISE Portfolio, which will be in force until 12/30/22.

Reinforcing its position as a company focused on the ESG agenda, also in 2021, M. Dias Branco expanded the scope of its Corporate Governance Committee to also cover environmental and sustainability matters, turning it into an ESG Committee. This is one of the advisory committees to the Board of Directors, and includes an independent member of the Board, evidencing the theme relevance for the Company.

We also highlight a strategic delivery in 2021: the preparation and approval of the new Sustainability Agenda for the 2022-2030 cycle, seeking to further connect our actions with current social, environmental and governance priorities, including long-term public commitments.

The entire process of reviewing the Agenda relied on the methodological support of a specialized consulting firm, Combustech, which conducted interviews with various stakeholders (customers, employees, investors, etc.), market trends research, benchmarking with food companies, among other sources. As a result, we

were able to frame a materiality matrix, considering the impact of the themes on our business versus the relevance attributed to each one of them by the different stakeholders.

Climate actions, for example, will play a prominent role in this next cycle. Diversity and inclusion, combating food waste and entrepreneurship in communities surrounding our facilities will be initiatives that will also be emphasized.

The new Agenda will address a total of 15 priority topics divided into three pillars: caring for the planet (Environmental), believing in people (Social) and strengthening alliances (Governance). For each theme, indicators and long-term goals will be set, some of which will be public, while others will be managed in-house.

The preparation of the new Agenda proposal involved the participation of several Sustainability Working Groups, with validation by the Executive Sustainability Committee and the ESG Committee, which advises the Board of Directors.

The new Agenda was approved by the Board of Directors in February/2022, setting goals for 2030 in the environmental, social and governance dimensions (see opposite page). We will make a wide internal and external disclosure, with mobilization of the new Working Groups (WGs) for implementing the action plans and short-, mid-, and long term goals. Progress will be monitored through a management system.

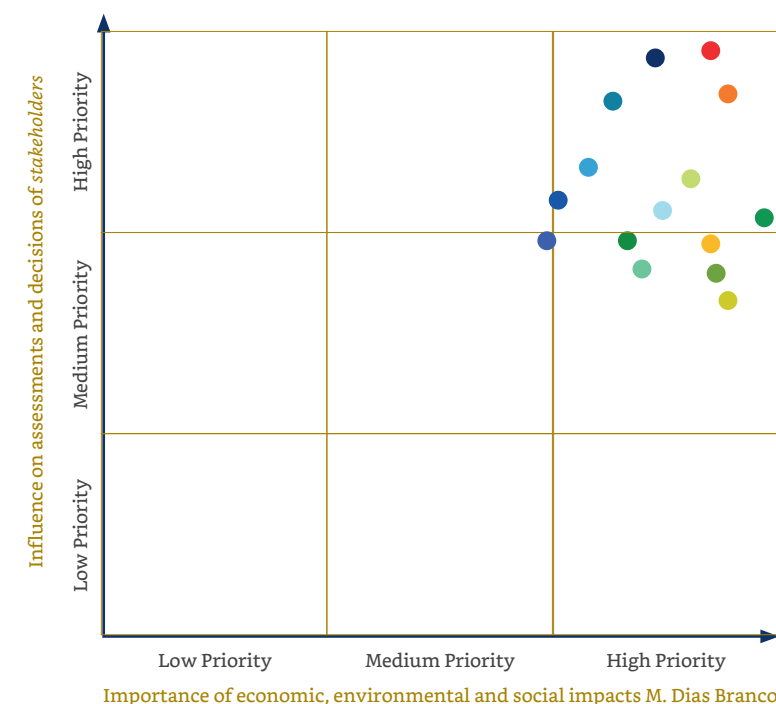
OUR COMMITMENTS BY 2030

- ✦ Reduction of water consumption to 0.40 m³/t products;
- ✦ Reuse of 30% of the water consumed;
- ✦ Zero waste sent to landfills;
- ✦ Recovery of 28% of post-consumer packaging;
- ✦ Achieving science-based goals, which are in the process of being prepared with the Science Based Targets Initiative (SBTI), to reduce absolute greenhouse gas emissions (GHG) scope 1 and 2;

- Adoption of two product brands with carbon-neutral seal;
- Use of 90% renewable energy of scope 2;
- Use of 100% recyclable and/or postable and/or biodegradable finished product plastic packaging;
- 25% reduction in input losses in the production process;
- 50% reduction in waste of finished products;
- 150,000 people impacted by the program for fostering entrepreneurship and professionalization in the food sector;

- 80% employee satisfaction index measured by an external survey;
- 40% women in leadership;
- Accident frequency rate: maximum 0,5 (own employees);
- Severity rate: maximum 8 (own employees).
- Leading market share in four categories with health and nutrition appeal;
- 10 million people impacted by the food education program for the overall population;
- 80% purchases from local suppliers.

MATRIX OF PRIORITY TOPICS



PRIORITY SUSTAINABILITY THEMES FOR 2022 TO 2030 CYCLE



CARING FOR THE PLANET

Manage environmental impacts and promote efficient use of natural resources.

- Water
- Energy
- Climate Change
- Waste
- Sustainable plastic packaging and materials
- Combating food loss and waste



BELIEVING IN PEOPLE

Promote social development and people's well-being.

- Community Relations
- Human Capital
- Diversity and Inclusion
- Health and Safety
- Healthy and nutritious food
- Food safety



STRENGTHENING ALLIANCES

Improve governance for sustainable development across our value chain.

- Sustainability risks and opportunities
- Governance, Ethics and Integrity
- Sustainable Value Chain

KEY PERFORMANCE INDICATORS (RESULTS BY CAPITALS)

Social and Environmental, Human Development and Economic and Financial Indicators

INDICATOR	2019	2020	2021
Human Capital			
Investments in Human Capital (R\$ million)	324.0	327.1	304.6**
Accident frequency rate (TF)	0.82	0.72*	0.68**
Accident severity rate (TG)	9.16	76.72*	13.53**
Average number of training hours per employee	46.43	22.95	29.91**
Natural Capital			
Energy intensity - GJ/ton produced	1.28	1.37	1.30**
Recycling rate (%)	77.3	57.5	90.9**
Water reuse index - %	16.8	15.1	9.6**
Intensity of GHG emissions - tCO ₂ e/ton produced (scope 1 and 2)	0.066	0.060**	-
Investments in environmental management (R\$ million)	9.5	9.3	12.1**
Social and Relationship Capital			
Social investment (R\$ million)	3.3	20.6%***	26.5**
Number of occurrences recorded in the Ethical Channel***	5	42	26**
Number of service complaints in Customer Service (SAC)	1,187	1,967	1,266**
Number of entities supported with monthly donations	281	159	152**
Financial Capital			
Net Revenues (R\$ million)	6,103.6	7,252.5	7,814.0
Cookies and crackers	3,287.0	3,702.2	3,960.4
Pasta	1,318.2	1,687.9	1,713.5
Flours and Brans	1,025.7	1,297.0	1,425.6
Margarine and shortening	334.5	420.6	545.7
Other Product Lines****	138.2	144.8	168.8
Other	-	-	-
Net Income	556.9	763.8	505.0
EBITDA	772.1	974.3	683.9
Operating Expenses	1,621.9	1,660.9	1,793.7
Indebtedness	979.7	1,589.1	1,767.5
Investments	321.3	221.8	208.1
Intellectual Capital			
R&D Investment (R\$ million)	11.6	10.7	14.2**
Amount realized with addition of nutrients in relation to total revenue (%)	33.4	26.20	23.55**
Total of 5 certifications and 2 licensing Total of 83 Policies and over 12 thousand normative documents framing and regulating processes. Initiatives addressing the 17 Sustainable Development Goals.			
Manufactured Capital			
15 food plants, 7 wheat mills, 28 distribution centers and 204 vehicles of the company's own fleet			

* Excluding Piraquê. ** Excluding Latinex. **As from 2020, the calculation includes the amount billed in food donations to communities and institutions supported in different regions of Brazil. **** Human rights occurrences considered valid. In 2021, of the 26 occurrences, 13 were related to non-compliance with protocols to prevent and combat covid-19. *****Cakes, Snacks, Cake Mix, Refreshments and Packaged Toasts ***** Amounts include human capital, R&D, Environment and Social investments.

STRATEGY, CULTURE AND SUSTAINABILITY MANAGEMENT

GRI 103-2

3rd edition of the Sustainability and Development Forum



Communication, Culture and Sustainability Management, linked to the People, Management and Sustainability Department, and the Executive Sustainability Committee, linked to the Statutory Executive Office, are the instances responsible for promoting the engagement of all employees for compliance with our Sustainability Policy. All business areas support governance through practices, programs and projects. Sustainability management is carried out through Working Groups (WGs).

Working Groups were created for each material topic of the Company. The results of the initiatives are reported on a regular basis to the Sustainability Committee and at the management level in the monthly Management by Guidelines (GPD) meetings. The section entitled Progress on Key Indicators and Goals (page 46) informs the status of WGs efforts in 2021.

The progress on the sustainable agenda requires the company-wide engagement. Therefore, several engagement activities were carried out throughout the year. We list a few:

- 3rd edition of the Sustainability and Development Forum, with the them “ESG: How to Evolve the Agenda in Your Company”, featured lecturer Ricardo Voltolini, founder of the consulting firm Ideia Sustentável and a reference on the subject. In addition to employees, other stakeholders and business partners were invited to the discussion.
- ESG was also the subject of events called “Jornada do Conhecimento” (Knowledge Journey) and a podcast produced by the Corporate University.

- Campaigns related to environmental protection, a cultural contest on sustainable actions and corporate volunteer initiatives in surrounding communities were also carried out. Sustainability Ambassadors are partner employees in these initiatives.
- Diversity Agenda 2021 promoted lectures, affirmative actions and campaigns.
- The Human Rights, Diversity and Inclusion Policy was launched, in addition to raising awareness and training leaders and HR on these topics.
- Mental health came into focus, with the implementation of psychological care and conversation rounds.

EVOLUTION OF THE MAIN INDICATORS AND GOALS

GRI 102-44, 102-47

Packaging

- ✦ We set the goal of reducing total plastic consumption by 1.2% p.a. In 2021, we were able to reduce 0.71% of flexible plastic from packaging and we stopped consuming 99.34 tons of films in the year, with an accumulated reduction of 1.48% in the year and 1,093.35 tons from 2017 to 2021. There is a limit on the thickness of the packaging for product protection and machinability, therefore we need to use the minimum amount of plastic, without jeopardizing the packaging function and the plant productivity. Due to this, reducing the weight of plastic packaging is a major technological challenge.
- ✦ We met the goal of using 100% of the volume of cardboard and paperboard boxes made from recycled material and/or kraft (virgin) from raw material extracted from managed forests.
- ✦ Regarding the goal of introducing baler films with 100% recycled material, this year we consumed 525,618 kg of post-consumer recycled baling films, representing 59% of the Company's volume (except Mills). Since 2017, we have been increasing the consumption of recycled baling film, reducing the amount of virgin resin used. However, maintaining the product quality remains as a challenge, in addition to the lack of suppliers for baling film with a higher percentage of recycled resin.

Inputs and Sustainable Value Chain

- ✦ We kept our goal of qualifying 100% of suppliers of raw materials classified as critical to the Company's business. In addition, we continue with the transition project for cage-free egg consumption, with progress reporting on M. Dias Branco website.

Nutrition and Health

- ✦ We achieved the goal of keeping 100% of the products in the domestic market produced without hydrogenated partial fat.
- ✦ In 2021, we did not meet the goal of increasing the share of products with a more nutritious profile in the company's portfolio, with 26.20% in 2020 and 23.55% in 2021. In this sense, an important initiative was the acquisition of Latinex, which has products with higher health appeal.

Environment

- ✦ We achieved the goal of effectively reducing waste generation in all units. The generation of waste per ton produced was 1.5% lower as compared to 2020, as a result of various actions to improve the production process and the Landfill Zero Program.
- ✦ We achieved the goal of implementing water reuse in units equipped with Wastewater Treatment Plant



Employee during social action promoted in a supported institution

- (WWTP). The growth was 9.2% compared to 2020.
- ✦ Due to the reduction in production volumes and the increase in routine maintenance of the units, the relative consumption of water showed 8% increase as compared to 2020 and we did not achieve the goal of reducing the relative consumption of water as compared to the previous year.

Sustainability Culture, Human Rights and Diversity

- ✦ We partially achieved the goal of applying Sustainability contents in 100% of training trails of the Schools of the Corporate University. The focus of corporate education actions were leaders, industry and

- commercial employees, and did not include some groups of professionals.
- ✦ The measurement of the goal of reaching a ratio over 90 in "Sustainability and Diversity" item was not possible, since the Company did not conduct the organizational climate survey in the last few years. In the last survey, carried out in 2018, the ratio was 82.5.

Climate Change, Energy and Emissions

- ✦ We exceeded the goal of 2% reduction in the relative energy consumption versus the previous year. We had an improvement in energy intensity, especially when comparing 2020 (166.8) and 2021 (139.0), with a 16.6% improvement.

- ✦ We achieved the goal of monitoring greenhouse gas (GHG) emissions, including in the inventory of emissions of scope 3. In addition, we improved the performance of our score in the Climate dimension of the CDP, which went from "D" to "B-" in 2021.

Communities and Social Investment

- ✦ We partially achieved the goal of keeping social investment in 100% of manufacturing units. Despite making product donations to institutions close to all our plants and various distribution centers, we carried out community engagement actions (volunteer actions and social projects) in 57.14% of the manufacturing units in 2021.

- ✦ We achieved the goal of applying the social investment impact assessment methodology in 100% of the manufacturing units by 2021, applying assessment and accountability forms in supported projects and benefited institutions.

Occupational Health and Safety

- ✦ Accident Frequency Rate in 2021 was 0.68, failing to meet the goal of having a maximum of 0.5.
- ✦ Accident Severity Rate in 2021 was 13.53, failing to meet the goal of staying below 10.
- ✦ Regarding the goal of implementing the Occupational Safety management system in all units, based on the Positivo Program, we advanced in two more units (Jaboatão dos Guarapapes/PE and Rio de Janeiro/RJ) during 2021, totaling 73% of the units.

- ✦ We achieved the goal of keeping at zero the Frequency Rate of occupational diseases, with Work Accident Communication (CAT).
- ✦ We achieved the goal of maintaining at zero the number of CAT issued due to Hearing Loss and Noise (PAIR) of industrial employees.

COMMITMENTS ASSUMED

Our voluntary commitments have evolved significantly throughout our journey. They show important directions of our Sustainability Agenda as follows:

GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

Since 2020, we have been signatories to the Rede Brasil do Pacto Global, a corporate sustainability initiative of the United Nations, which promotes principles related to human rights, labor and anti-corruption.= We also mapped the Company's indicators and contributions to the UN Sustainable Development Goals (SDGs), as described in Analysis of Business Connections with SDGs (page 47).

DIVERSITY

We disclose at the corporate website and for employees our commitment to diversity: All people should be treated fairly and equally, with respect for individuality. At M. Dias Branco, we value diversity and we are opposed to prejudice and discrimination of any nature (color, age, sex, religion, sexual orientation, ethnicity, sociand and cultural condition, nationality, marital status, physical disabilities or special needs).

INCLUSION

Always searching for a more inclusive and equal society, M. Dias Branco reaffirms its commitment with hearing impaired people and keeps its official website 100% accessible in Brazilian Sign Language (Libras) Through Maya, a virtual interpreter, all content published on the page can be accessed by deaf people from all over Brazil. Access to information is everyone's right.

ANIMAL WELFARE

In addition, since 2019, we have been committed to being cage-free by 2025, using in our products only eggs from cage-free hens, completing the transition by 2025.

Maya, Libras interpreter at the corporate website



With our actions, we contribute to 14 of the 17 U.N's SDGs.

ANALYSIS OF BUSINESS CONNECTIONS WITH SDGs

Based on a study on the Sustainable Development Goals, their connections with the business and material topics for M. Dias Branco, 14 Company's priority SDGs were mapped. Learn more on our study of positive and negative impacts in relation to the SDGs, accessing our 2020 Integrated Report, pages 46 and 47. The infographic below highlights the SDGs contemplated in our initiatives.



Share Capital

*The dream of bringing food and
joy to millions of people in
Brazil and around the world*

Chapter references

SDG



IIRC Capitals



INDUSTRIAL UNITS AND DISTRIBUTION CENTERS ALL OVER BRAZIL*

GRI 102-4, 102-7

We have 15 plants or industrial complexes, 7 of which featuring wheat mill structures. In addition, our 28 distribution centers strategically located in different states, allow our brands to be present throughout the country, as well as supporting exports to more than 40 countries.

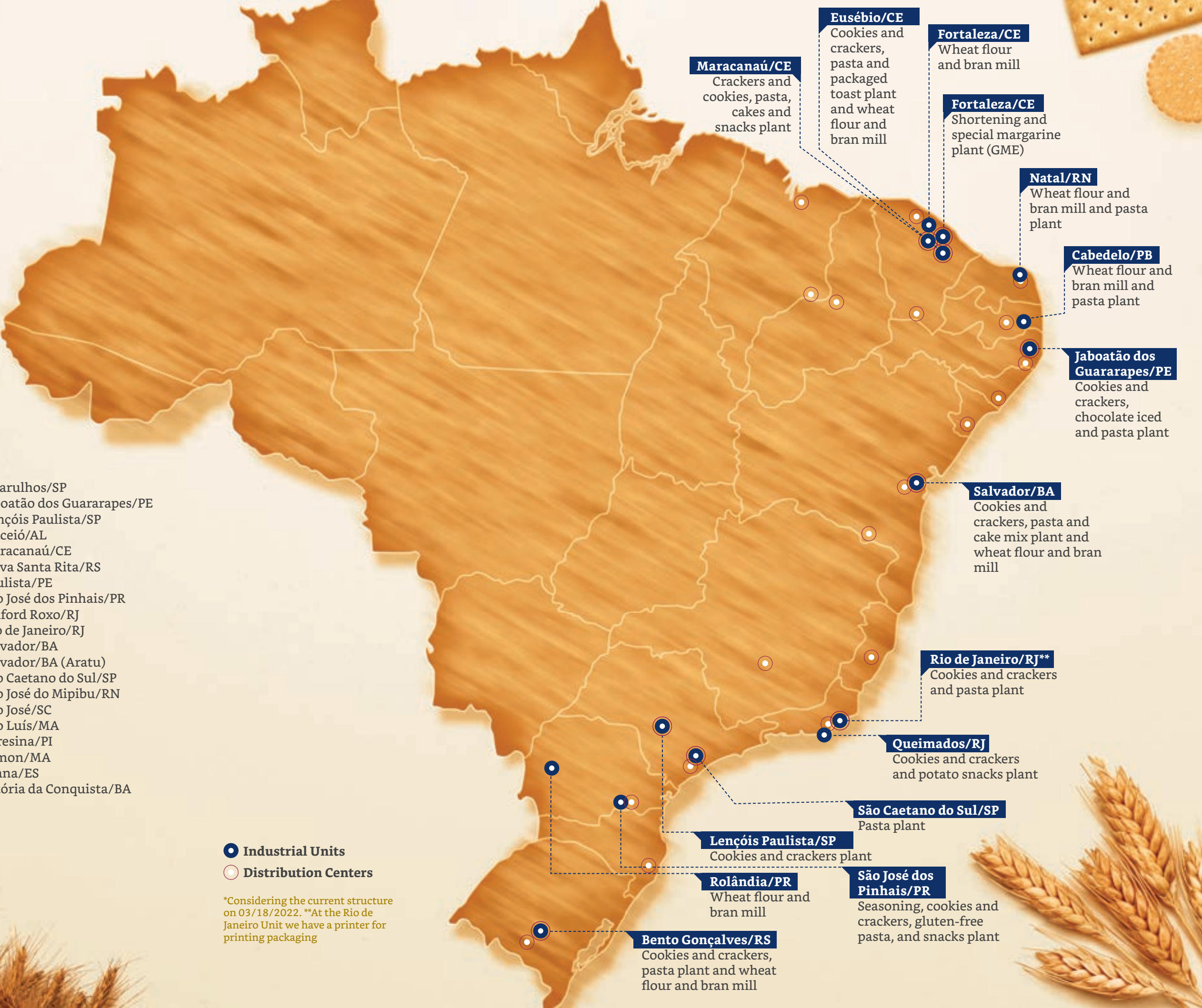
DISTRIBUTION CENTERS

- Aracaju/SE
- Bayeux/PB
- Bento Gonçalves/RS
- Crato/CE
- Contagem/MG
- Eusébio/CE
- Fortaleza/CE (Cais do Porto)
- Fortaleza/CE (Shortening and special margarines)

- Guarulhos/SP
- Jaboatão dos Guararapes/PE
- Lençóis Paulista/SP
- Maceió/AL
- Maracanaú/CE
- Nova Santa Rita/RS
- Paulista/PE
- São José dos Pinhais/PR
- Belford Roxo/RJ
- Rio de Janeiro/RJ
- Salvador/BA
- Salvador/BA (Aratu)
- São Caetano do Sul/SP
- São José do Mipibu/RN
- São José/SC
- São Luís/MA
- Teresina/PI
- Timon/MA
- Viana/ES
- Vitória da Conquista/BA

- Industrial Units
- Distribution Centers

*Considering the current structure on 03/18/2022. **At the Rio de Janeiro Unit we have a printer for printing packaging



Intellectual Capital

From the dream of a bakery
to the dream of one of the
largest industries in Brazil

Chapter references

SDG



IIRC Capitals



ACTIONS OF MAIN BRANDS

GRI 102-2

Our strategy includes the expansion of regional brands in their areas of operation; the consolidation of national brands; the acquisition or launch of products; and growth in the international market. As a result of our efforts, we were recognized, for the second consecutive year, as the best company in Food Brazil category by IstoÉ Dinheiro magazine(Best of Dinheiro Award).

With Latinex acquisition in 2021, in addition to increasing our footprint in the healthy food market, we entered new categories such as rice crackers, peanut butter, chocolates, corn pasta, and seasoning. Among the main brands, in general, Piraquê, Adria, Vitarella and Finna operate nationwide. Fortaleza, Richester, Pilar, Puro Sabor, Estrela, Salsitos and Delicitos are focused on North and Northeast regions. In Midwest, Fortaleza and Vitarella also stand out. And Isabela, Basilar and Zabet brands are focused on South and Southeast regions. GRI 102-10

Consistent investments in marketing and attention to market trends are part of the strategy to strengthen our brands. The main actions in 2021, by product category, include:



Adria

- Recognized by Brazilians as Top of Mind in Noodles category, according to a survey by Instituto Datafolha, for the second consecutive year.
- The “Espetáculo na Cozinha” (Kitchen Show) campaign was broadcast on open media and digital channels, valuing each step of the cooking process and reinforcing the positioning: “Life happens in the details”.
- Celebrating the brand's 70th anniversary, Adria Grano Duro premium line was relaunched with new packaging and a more modern look for its 12 cuts (ten traditional and two whole grain). The action was disclosed through a digital campaign with influencers at Noodle Week, in late October.
- With the change in design, the brand also changed the

packaging format for short pasta, which now features an opening and closing label. Its purpose is to facilitate storage and enhance the main product's functional attributes: texture and use of imported wheat. The initiative included actions at the point of sale, with specific and attractive materials.

San Gennaro's Party, in the district of Mooca, in São Paulo, used the brand's pasta for the preparation of typical Italian recipes. Adria also sponsored the 96th São Silvestre International Race. The athletes found in their kits some selected items, such as Whole grain Toast, Spaghetti Grano Duro and Mega Wafer.



Piraquê

- With the positioning “The recipe is being original”, the brand has been remembered for more than 70 years for the originality of its iconic products, and is one of the main factors in generating value for M. Dias Branco.
- Inspired by its originality, Piraquê launched the “Batatismo” movement (the word is derived from

“batata”, which means potato in Portuguese, and sounds like “Potatism”), which transformed the brand's Potato Snacks into art pieces on the streets of São Paulo and Rio de Janeiro. For this, artists from three segments were invited to create original works called “batatartes”. The campaign featured a manifest video and digital pieces.

Piraquê promoted a party on Big Brother Brazil TV show, featuring the brand's most famous products, such as Goiabinha cookie, Malted Milk and Vaquinha cookie, in addition to Sesame Cream Cracker and Presuntinho and Queijinho snacks, which marked and continue to marking generations. This action was part of Piraquê's national communication plan, which also featured 30- and 15-second films on open TV.

Treloso

- Supporting the launch of new flavors, Treloso promoted a campaign aimed at reinforcing the brand's footprint in the Northeast. 3D versions of the brand's flavors were created and starred in a 15-second film for broadcast TV. The 360º campaign included online media, backbus and radio in the Northeast.
- In partnership with FriSabor Ice Cream Parlor in Pernambuco, Treloso brand launched ice cream and popsicle with its exclusive cookies and crackers flavors.



Vitarella

- ✦ Vitarella carried out an action on Big Brother Brasil to strengthen its domestic expansion. The “brothers” received a basket filled with the brand's main products, such as the sales leader Traditional Cream Cracker, in addition to Delicitá Cristal, Donuts, Maria, Maizena, Delicitá Personal Cracker and D-Tone.
- ✦ The brand introduced a new positioning: “There is a difference. It has flavor.” The message values the brand's portfolio while celebrating the diversity of experiences, opinions, generations, perceptions and cultures. The film “Portas” (Doors) materialized the new concept broadcast on TV, Radio, OOH (Out of Home) and on Digital.
- ✦ The campaign included a social billboard, an initiative that disseminates social or advertising campaigns in the homes of community residents, generating income for the population.
- ✦ Even during the pandemic period, when events were suspended, Vitarella was present online at the June Party to value the culture



Fortaleza

- ✦ The pioneering brand of M. Dias Branco worked throughout the year on the positioning “Love strengthens”. The message invokes how much Fortaleza is part of the lives of different generations, valuing family relationships, affective memory and bonds of affection at the table.
- ✦ Kantar Brand Footprint survey highlighted the brand as the 7th favorite among Brazilians for everyday purchases. The ranking listed the 20 favorite brands, and also featured Richester in 17th place.

Isabela

- ✦ Isabela signed a partnership with Mu-Mu brand and together they launched the cookies and crackers line in Milk Jam flavor.
- ✦ Celebrating the gaúcho tradition and staying close to the audience, the brand was present during the Farroupilha Week, producing exclusive content on its social networks in partnership with influencers from the South region, such as presenter and singer Neto Fagundes and actor and communicator Gaudêncio. It was also present in TV shows Destemperados and Galpão Crioulo, OOH publicity (Out of Home) and broadcast on radios.
- ✦ Chocks line featured an Easter campaign on social media and street furniture in the states of Santa Catarina and Rio Grande do Sul.
- ✦ Isabela also had its first international campaign broadcast on open TV in Uruguay.



Richester

- ✦ With campaigns and product launches, the brand reinforced the “Let's Experiment” positioning, which expresses the intention of encouraging contact between young people through new experiences.
- ✦ Kantar Brand Footprint survey highlighted Richester as the 7th favorite among Brazilians for online retail purchases.
- ✦ Digital influencers Alvaro and Lucas Veloso starred in Amori Chocowaffer's launch campaign. Inspired by the product's chocolate icing, Richester transformed a building's penthouse into a thematic space: walls, decor, furniture, appliances and even a hot tub were iced with chocolate. For an entire
















day, influencers produced content in every room of the penthouse, interacting with the public.

Finna

- ✦ Leader in flours in the North and Northeast regions, the brand strengthened its positioning with the concept “With Finna, it always works out”.



ADDITIONAL
INFORMATION OF BRANDS

	No. 1 brand in Rio de Janeiro with wide expansion throughout the country.		Top Of Mind pasta brand for two consecutive years by Data Folha and leader in pasta in Metropolitan Region of São Paulo.		Leader in cookies and crackers sales in Brazil. 1st place in pasta in the Northeast region.
	Leader in pasta and cookies and crackers market in Ceará, and the 2nd best-selling pasta brand in the Northeast region.		2nd best-selling filled cookies and crackers brand in the Northeast region. It is the leading Cracker brand in Metropolitan Region of Rio de Janeiro.		Leader in cookies and crackers and pasta sales in Brazil. 1st place in pasta in Reio Grande do Sul.
	One of the most traditional food brands in the country with over 140 years. The 2nd best selling Cracker and Mamai brand in Pernambuco.		Brand with strong footprint in North and Northeast regions. It is the best-selling pasta brand in countryside of Ceará.		Leading wheat flour brand in Northeast region.
	Snack brand with a strong footprint in Ceará, Piauí and Maranhão.		Best-selling brand of filled cookies and crackers in São Paulo countryside, ranked 2nd in Maranhão.		Best selling margarine in Ceará, ranked 3rd in the Northeast.
	Margarine and wheat flour brand with strong footprint in the Northeast.		Pasta brand with strong footprint in Ceará, Piauí and Maranhão.		Snack brand with strong footprint in Ceará, Piauí and Maranhão.

NEW BRANDS
ACQUIRED

Through Latinex acquisition, we included Fit Food, Frontera, Smart and Taste & Co. brands in our portfolio, expanding our position in the market of healthy food and high value-added products. We have also become the exclusive importers in Brazil of the Tyrrell's brand, which has an award-winning portfolio of artisan Potato Chips with unique flavors.

	Healthy appeal brand with multi-category and gluten-free assortment. Rice Crackers, Peanut Butter, Nuts, Flour, Chocolate, Pasta.		Ethnic Snacks brand. Full line of Tex Mex and high quality products.
	Healthy appeal brand with multi-category assortment and gluten free.		An iconic sauce brand in the world.

RESEARCH, DEVELOPMENT AND
PRODUCT LAUNCHING

Innovation, development and research are important pillars for M. Dias Branco. Aiming at generating value for consumers and investors, we are always attentive to market trends, the optimization of formulas and processes and technological development. In this sense, we adopted a model of collaborative innovation, which considers four main players: suppliers, employees, startups and universities.



Analysis lab in Eusébio/CE

GERMINAR
PROGRAM

In 2021, we held the 4th edition of Germinar, a relationship program with startups that seeks solutions for the current business and new businesses. Innovation is a competitive edge for industries. An efficient way to speed up this process is by connecting to startups, an initiative adopted by M. Dias Branco since 2018, with the Program creation.

In this edition, challenges were pre-established with a focus on the search for partnerships with startups, universities and researchers. These include:

- 3D printing in food, to accelerate the prototyping of new products, such as pasta and cookies and crackers;
- Algorithm for directing the sustainable development of new products and packaging;

- Remote management for the execution of industrial tests;
- Artificial intelligence for commodity scenarios;
- Solutions for analysis and generation of insights focused on brand reputation;
- Solutions in trade marketing;
- New technologies in ingredients and processes;
- New business opportunities such as foodtechs of products and ingredients, in line with health and nutrition trends.

Through Germinar 2021, 260 startups were mapped. The edition had three different events for 54 presentations. In addition, two weeks of immersion were allocated for developing Pilots. Currently, eight startups from 2021 edition are being monitored plus three from 2020.

For its work with innovation and partnerships with startups, M. Dias Branco was recognized in 2021 in the TOP 100 Open Corps of the 100 Open Startups Ranking for the second consecutive year.

RESEARCH & DEVELOPMENT (R&D)

R&D front is being restructured based on studies developed with leading companies and using Germinar as a source of project intake. At the beginning of 2021, adjustments were made to the product launching process, such as the implementation of Stage Gates process, with fixed forums with Officers, Vice-Presidents and the CEO, inclusion of tools ensuring the visibility of all projects to top management, standardization of documentation, definition of the best project portfolio and monitoring of results. Falconi consultancy supported the restructuring.

In 2021, we invested in 89 new products, which added to the launches of the last 24 months, amounted to R\$ 418 million in revenue, or 4.88% of the company's gross revenue. This percentage is called Innovation Index and is monitored on a monthly basis.

We also hired Falconi to design the project office, review the product launch flow, and the strategic alignment of the portfolio. The project started in 2021 with completion expected for 2022.

Also in 2021, we developed projects to reduce the consumption of plastics in virtually all manufacturing units. As a result of the initiatives, 0.21% of the flexible plastic in packaging was no longer consumed, representing the saving of 48.70 tons. In addition, 100% of the volume of cardboard and paperboard boxes used in the year were

Percentage of total sales volume and product category with addition of nutrients such as fiber, vitamins, minerals and other functional additives GRI EP7

Career level	% of the amount realized with addition of nutrients versus total revenue		
	2019	2020	2021
Cookies and crackers	11.20%	9.70%	7.74%
Pasta	0.00%	0.10%	0,08%
Margarine and vegetable shortening	5.60%	1.70%	1.32%
Shortening	0.00%	0.00%	0.00%
Flour	16.00%	14.20%	13.14%
Bran	0.00%	0.00%	0.00%
Cakes	0.00%	0.00%	0.57%
Snacks	0.00%	0.00%	0.08%
Cake Mix	0.30%	0.30%	0.26%
Packaged toasts	0.30%	0.20%	0.35%
Total	33.40%	26.20%	23.55%

Calculation based on sales net of discounts and returns (revenues)

derived from managed forests or recycled materials.

R&D initiatives focused in nutrition and health remain underpinned by two main pillars: developing products that contribute to reducing the nutritional deficit and promoting enhancements of health attributes of products, such as reduction of sodium, sugar and trans fat. The ongoing actions include research to enable the use of alternative raw materials, especially in vegetable oils and shortening, strengthening the vertical integration of the business and allowing increased flexibility in formulations by excluding trans fats and reducing saturated fats.

R&D area also has a strong role in process optimization, resulting in 2021, among many other fronts, in the change and optimization of the soy oil refining process, reducing the consumption of inputs and water in the processing and the production of effluents and waste. It has also worked strongly with sustainability initiatives aimed at reducing water consumption and waste.

Main launches in 2021



- The premium Adria Grano Duro line has two new cuts: Spaghettoni and Spaghetтини.
- Launch of Mega Wafer cookies and crackers, in tablet format, in milk chocolate, white chocolate and truffle flavors, in 90g packages.
- The 80g version of the brand's Cookies was launched in the flavors vanilla with chocolate drops and chocolate with chocolate drops.



- Launch of the Sequilhos cookies and crackers in coconut and milk versions, in 250g packages.
- Within the trend of packages for the whole family, the Toast promopack was launched in Traditional and Whole grain flavors. The package has a net weight of 284g, and includes two packages of 142g.
- In sweet cookies and crackers category, Crystal Fortress was launched in 450g packs.



- In partnership with the Mu-Mu brand, Isabela launched the Wafer (100g), Mousse (130g), and Tortinhas (140g) line of cookies and crackers in milk jam flavor.
- The brand also expanded Chocks line with the launch of the white chocolate flavor in a 100.8g package. The product also won a 63g bag version, which is pocket-sized.



- Launch of the limited edition of Amori cookies and crackers filled with hazelnut and brownie flavors.
- Another novelty is Amori Chocowaffer, iced with chocolate and filled with thin layers of wafer, in packages of 100.8g. The line has a chocolate and white chocolate version.



- For a limited time, the Mini brownie, milky flour, and raspberry candy filled cookies and crackers were launched in 60g and 130g packages. The success of the products gave rise to the unprecedented partnership with FriSabor Ice Cream Parlor, the largest chain of ice cream parlors in Pernambuco, for the launch of the ice cream version of the cookies, ensuring the original crunchiness.
- The brand also launched the multipack versions of 240g and 480g of its chocolate-flavored filled cookies and crackers.



- The brand has teamed up with Mattel for the creation of a line of instant noodles featuring Barbie and Hot Wheels characters. Products are available in soft beef (Barbie) and soft chicken (Hot Wheels) flavors.
- The brand's cookie portfolio has been expanded with 80g packages for the flavors original with chocolate drops and chocolate with chocolate drops.
- D-Tone line, which stands out for containing chocolate in the coating, gained the compact 63g package and was expanded with the white chocolate flavor, with 100.8g.
- In limited edition, specific products were launched for June Party, the biggest festival in Northeast region. With the typical flavors of the regional festival, the novelties were the 100g hominy wafer and the 350g corn-flavored donuts.

SYSTEM OPTIMIZATION AND COST REDUCTION PROJECTS

In 2021, tools were developed with our own intellectual resources to optimize activities. Among them, the automated generation of product specifications to meet export demands and the preparation of the matrix for calculating CO₂ emissions for Piraquê brand's products stand out. Progress was also made in the project for corrections to the ERP system for integrated business management, with the development of solutions for improving the calculation of technical yields and for distinguishing operating losses.

The Company also sought to implement projects to reduce variable costs, while maintaining

product quality. A total of R\$ 41.5 million was cleared with projects aimed at reducing the use of packaging materials and optimizing the use of ingredients.

The Company's technological investment master plan, started in 2020, also made progress, with the implementation of state-of-the-art systems and tools on several fronts. We invested around R\$ 101.9 million in the year, contributing to improving business performance, streamlining processes, reducing costs and increasing productivity. We advanced towards Industry 4.0 with the pilot of MES

(Manufacturing Execution System) system providing increased efficiency in production lines. We also started using artificial intelligence to enhance the pricing process. We digitalized the entire process of recruitment, selection and hiring of new employees. We expanded our process robotization initiatives resulting in around 60% improvement in productivity, as in the cases applied in customer registration and reconciliation of receipts.

POLICIES AND PROCEDURES

As part of M. Dias Branco's Industrial Management System (SGI), which covers the entire value chain, we implemented of a series of documents that structure and regulate the execution of the activities, aiming to ensure operational excellence. The strategy of the business areas at the managerial level is described through 32 management procedures, considering the main processes that add value to the business and their relations with internal and external customers and suppliers.

We also have 83 corporate policies, of which we highlight: Industrial Management System Policy, Supply Policy,

Sustainability Policy and Process Policy, as well as 11 policies detailing important points of the Code of Ethics, such as the Anti-Corruption Policy, Donations and Sponsorships Policy, Risk Management Policy and Policies of Good Competitive Practices, among others.

In 2021, we made progress in digitalizing SGI with the contracting of a system for Electronic Document Management (GED) for the entire Company. We currently have more than 24,000 standardized documents according to the Document Approval Hierarchy Policy and the Document Standardization Procedure, which will be part of the

platform in 2022. In addition, we migrated trainings to online platforms, such as HCM System and Microsoft Teams.

We seek to strengthen our governance, valuing the performance of SGI internal auditors, Total Manufacturing Performance (TMP), Occupational Health and Safety (OHS), Good Manufacturing Practices (GMP), and the internal audit area, which encompasses all of the company's units. In 2021, M. Dias Branco had more than 300 recognized internal auditors, who contributed to the continuous improvement of processes.

CERTIFICATIONS AND AND LICENSING

Among the main certifications and licenses received, the following stand out:

ISO 9001 Certification - Quality Management System: Units: Eusébio/CE, Fortaleza/CE (wheat mill e shortening and special margarines plant), Salvador/BA, Bento Gonçalves/RS, Jaboatão dos Guararapes/PE.

ISO 14001 Certification - Environmental Management System: Eusébio/CE and Jaboatão dos Guararapes/PE units.

FSSC 22000 Certification - Food Safety Management System: Units: Eusébio/CE, Fortaleza/CE (shortening and special margarines plant), Salvador/BA, Bento Gonçalves/RS and Jaboatão dos Guararapes/PE.

ISO 45001 Certification - Occupational Health and Safety Management System Jaboatão dos Guararapes/PE Unit

Halal Certification: Eusébio/CE unit.

Universal Licensing: Licensing for manufacturing products using Universal brand in Maracanaú/CE and Lençóis Paulista/SP units.

Mattel Licensing: Licensing for manufacturing products using Mattel brand in Salvador/BA unit.

In addition, in 2021, we performed the first legal audit relating to Conama Resolution 306 at Natal/RN Unit.

Maracanaú/CE unit, licensed to produce Universal brand



Attitude to innovate and make it happen
Is a value for M. Dias Branco

Human Capital

We fulfill the dreams of those who have always nurtured our values

Chapter references

SDG



IIRC Capitals



Related Principles of the Global Compact

- 1 Businesses should support and respect the protection of internationally proclaimed human rights.
- 2 Make sure that they are not complicit in human rights abuses.
- 4 the elimination of all forms of forced and compulsory labour.
- 6 the elimination of discrimination in respect of employment and occupation.

STRATEGIC DIRECTION



CEO during the event for reviewing Strategic Direction

M. Dias Branco reaches 2022 with more agility to grow, after the recent restructuring related to its Human Capital. With the support of external consultants, the Company redesigned processes with a focus on productivity and implemented important changes in the organizational structure. Among the changes are two new vice presidencies: Legal, Governance,

Risks and Compliance, and Supply Chain.^{GRI 102-11} One of our concerns, especially in times of transformation, is to keep employees connected to the purpose and values of the business. With this purpose, we promoted a review of the corporate brand positioning, which is now “Dream, do, grow”, resulting in a review of

our purpose, mission, vision and values, connecting our team from North to South of the country. In addition, we implemented an internal social network (Workplace, by Meta, formerly Facebook) to improve communication and integration of employees at all levels.

Simplicity in relationships and in the search for practical solutions

Is a value for M. Dias Branco

EMPLOYEE PROFILE ^{GRI 103-2, 103-3 | 102-8, 401}

M. Dias Branco underwent a redesign of its organizational structure in 2021, implemented with the support of a consultancy specializing in productivity (Gradus Consultoria de Gestão). As a result, we sought a more agile structure, seizing the opportunities of synergy to adapt it to the strategy and the challenges of the market. There was also a resizing of the staff and third-party personnel, after an in-depth discussion of opportunities in all areas. We

ended the year with 15,596 employees, less than the 16,601 reported in 2020. The profile of the workforce remained flat in terms of gender and age. Virtually all of the Company's employees work full-time – in 2021, only 28 people worked part-time (13 men and 15 women). We implemented a new recruitment and selection system, both for external and internal selections. Gupy

artificial intelligence platform streamlines the selection process, promotes diversity, increases assertiveness and improves candidates' experience during the selection process.

Employees by gender ^{GRI 102-8}								
2019			2020			2021		
Male	Female	Total	Male	Female	Total	Male	Female	Total
12,496	4,496	16,992	12,082	4,519	16,601	11,230	4,366	15,596

Employees by region ^{GRI 102-8}				Employees by age group ^{GRI 102-8}			
Region	2019	2020	2021	Age	2019	2020	2021
North	74	69	62	Up to 25 years	1,414	1,344	1,197
Northeast	11,213	11,010	10,319	From 26 to 35 years	6,058	5,714	5,226
Midwest	99	61	53	From 36 to 45 years	5,969	5,964	5,722
Southeast	4,485	4,345	4,100	From 46 to 55 years	2,770	2,800	2,664
South	1,121	1,116	1,062	Over 56 years	781	779	787
Total	16,992	16,601	15,596	Total	16,992	16,601	15,596

Employees by career level ^{GRI 102-8}			
Career level	2019	2020	2021
Specialists (professionals and analysts)	768	812	807
Environmental	1,442	1,423	1,347
Operational Level	11,161	11,179	10,541
Sales Level (Sales and Promotion)	3,621	3,187	2,901
Total	16,992	16,601	15,596

We ended the year with 1,543 new hires, down from 1,690 employees hired in 2020. Turnover rate was around 13%, a percentage close to the recorded in the previous year, of 12%. In 2021, we had 659 temporary employees, 327 men and 332 women, working in the following regions: 519 in the Northeast, 2 in the Midwest, 90 in the Southeast and 48 in the South.

^{*}In 2021, the Company had 171 interns and 488 apprentices – a total of 659 professionals in these categories. ^{**}A mismatch can be seen between the number of employees for 2020 disclosed in the last report and in this report. This is because the number of apprentices was included in the last publication. ^{GRI 102-48}

HIRING AND TURNOVER GRI 401-1

Total number and rate of new employee hires, by age group						
Age group	2019		2020		2021	
	Hiring	Rate	Hiring	Rate	Hiring	Rate
Up to 25 years	384	27%	357	27%	364	30%
From 26 to 35 years	467	8%	761	13%	711	14%
From 36 to 45 years	279	5%	475	8%	378	7%
From 46 to 55 years	103	4%	89	3%	85	3%
Over 56 years	12	2%	8	1%	5	1%
Total	1,245	7%	1,690	10%	1,543	10%

Total number and rate of new employee hires, by gender						
Gender	2019		2020		2021	
	Hiring	Rate	Hiring	Rate	Hiring	Rate
Male	894	7%	1,232	10%	1,036	9%
Female	351	8%	458	10%	507	12%
Total	1,245	7%	1,690	10%	1,543	10%

Total number and rate of new employee hires, by region						
Region	2019		2020		2021	
	Hiring	Rate	Hiring	Rate	Hiring	Rate
North	7	9%	6	9%	10	16%
Northeast	549	5%	731	7%	737	7%
Midwest	10	10%	9	15%	5	9%
Southeast	524	12%	692	16%	545	13%
South	155	14%	252	23%	246	23%
Total	1,245	7%	1,690	10%	1,543	10%

Total number and rate of new employee hires, by career level						
Career level	2019		2020		2021	
	Hiring	Rate	Hiring	Rate	Hiring	Rate
Specialists	105	14%	108	13%	131	16%
Environmental	120	8%	134	9%	108	8%
Operational Level	923	8%	1,318	10%	1,216	10%
Sales Level (Sales and Promotion)	97	3%	130	11%	88	10%
Total	1,245	7%	1,690	10%	1,543	10%

Total number and employee turnover rate, by age group						
Age Group	2019		2020		2021	
	Termination	Rate	Termination	Rate	Termination	Rate
Up to 25 years	324	25%	225	22%	338	29%
From 26 to 35 years	1,173	14%	854	14%	950	16%
From 36 to 45 years	929	10%	694	10%	833	11%
From 46 to 55 years	400	9%	349	8%	395	9%
Over 56 years	115	8%	154	10%	115	8%
Total	2,941	12%	2,276	12%	2,631	13%

Total number and employee turnover rate, by gender						
Gender	2019		2020		2021	
	Termination	Rate	Termination	Rate	Termination	Rate
Male	2,389	13%	522	7%	702	8%
Female	552	10%	1,747	24%	1,929	28%
Total	2,941	12%	2,269	12%	2,631	13%

MANAGEMENT PRACTICES AND PEOPLE DEVELOPMENT

GRI 103-2, 103-3 | 404

Total number and employee turnover rate, by region						
Region	2019		2020		2021	
	Termination	Rate	Termination	Rate	Termination	Rate
North	14	14%	12	1%	19	23%
Northeast	2,297	13%	1,073	16%	1,495	11%
Midwest	17	14%	47	0%	12	16%
Southeast	347	10%	866	28%	807	16%
South	266	19%	271	34%	298	26%
Total	2,941	12%	2,269	12%	2,631	13%

Total number and employee turnover rate, by career level						
Career Level	2019		2020		2021	
	Termination	Rate	Termination	Rate	Termination	Rate
Specialists	128	15%	103	13%	178	19%
Management Level	183	11%	222	13%	263	14%
Operational Level	2,520	15%	1,598	11%	1,859	12%
Sales Level (Sales and Promotion)	110	3%	346	21%	331	23%
Total	2,941	12%	2,269	12%	2,631	13%



Technical training of employees in food manufacturing technology

We believe in people's ability to turn dreams into reality, which is why M. Dias Branco develops programs aimed at providing a good experience for our professionals. The company seeks to nurture a work environment conducive to achieving results, promoting the engagement of the entire team in its goals.

M. Dias Branco allocates financial resources and attention to Training and Development (T&D) activities, aiming at qualifying and developing employees, besides promoting important themes for the sustainable corporate culture. In 2021, several development actions were carried out, resulting in 438,000 hours of training, involving around 13,000 employees.

Among the Corporate University's initiatives are the Compliance Programs (addressing company's policies and codes), the Knowledge Journeys (addressing topics such as productivity, ESG and innovation), the Skills Development Program, the Leader Development Program (PDL), as well as Mentoring and Coaching for prioritized employees. Customized training trails are also provided for the areas: Logistics (over 470 hours in 2021); Supplies (over 1 thousand hours); Commercial, with the Sales Academy (over 4,900 hours); Industry, with the Industrial School (over 15 thousand hours); and HR, with Training in Business Partner (over 480 hours).

It should be noted that, according to the corporate education policies of M. Dias Branco, all training sessions are recorded with a standard attendance list or directly in the digital system. Reaction, learning and effectiveness assessments are applied to measure their effectiveness (the type of assessment depends on the type of training). Managers identify T&D needs in partnership with the training team and based on the demands of employees and the Company's strategic planning. Corporate Education area's goals are consistent with good market practices.

We adopt internal policies and regulations in people management practices. Among these documents are the guidelines for conducting selection processes with transparency, equity, diversity, and respect for human rights; the guidelines, standards,

and procedures related to the management of positions, career and compensation applied irrespective of gender, sexual orientation, ethnicity, race, disability and age group; the transfer policy between departments and facilities; and the rules for the process for dismissal of employees.

We are committed to hiring and developing people with disabilities (PwDs) and apprentices, in addition to promoting diversity, equity and inclusion, treating everyone fairly and equally, with respect for individualities. In 2021, these themes advanced even further within the Company with the launch of the Human Rights, Diversity and Inclusion Policy.

TRAINING DATA

GRI 404-1

Average hours of employee training by gender			
	2019	2020	2021
Male	41,07	21,28	24.15
Female	60.95	27.44	45.05
Average duration	46.43	22.95	29.91

Average hours of employee training by career level			
	2019	2020	2021
Specialists (professionals and analysts)	45.78	24.73	54.19
Management Level	46.66	32.23	66.39
Operational Level	57.23	23.37	29.58
Sales Level (Sales and Promotion)	10.02	4.77	6.55

*The total number of hours allocated to training was 237.43 for apprentices and 44.69 for interns.

DIVERSITY, EQUITY AND INCLUSION

GRI 103-2, 103-3 | 405

In 2021, the theme of Diversity, Equity, and Inclusion was further reinforced at the company, with the launch of the Human Rights, Diversity, and Inclusion Policy. In line with the Global Compact and the UN Guiding Principles for Business and Human Rights, the document reinforces responsibilities already assumed through the Compliance Policy, Code of Ethics and Sustainability Policy in the relations with employees, service providers and other stakeholders. Diversity, Equity and Inclusion are also topics covered by the Recruitment, Selection and Career, Compensation and Benefits Policies.

2021 Diversity Agenda included training, communication and awareness-raising actions on the main affirmative thematic dates, such as gender equality on Women's Day, Day for the Fight against Homophobia, LGBTQIA+ Pride Day, Black Awareness Day and Day for the Fight for People with Disability (PwD). An online Libras course and training for PxDs were also promoted in partnership with IEP (Portal Education Institute) in Fortaleza.

In 2021, the company spontaneously extended paternity leave to 15 days and started a registration update, aimed at obtaining self-statements on color and race. Several indicators started to be monitored, such as women and black people in leadership, inclusion of PwDs, and women's turnover after returning from maternity leave. Currently, women's share in leadership is 25% and 33.33% in our Board of Directors, and the chairperson of the board is a woman. These numbers stand out when compared to other industries of the same size.



Posters for campaigns and training on diversity and inclusion

Employees of the underrepresented groups, by career level (%)* GRI 405-1						
	2019		2020		2021	
	PwD	Blacks	PwD	Blacks	PwD	Blacks
Specialists (professionals and analysts)	0.4%	65.1%	0.4%	65.9%	0.7%	67.3%
Environmental	1.2%	59.2%	0.8%	59.3%	0.9%	60.7%
Operational Level	5.3%	74.6%	5.0%	75.4%	5.6%	76.1%
Sales Level (Sales and Promotion)	1.2%	68.0%	1.0%	68.8%	1.2%	69.6%
Total	3.8%	71.5%	3.6%	72.3%	4.2%	73.1%

*2019/2020 data in the table has been corrected, as interns are now excluded from the total number of employees, as required by GRI. GRI 102-48

PERFORMANCE MANAGEMENT

GRI 404-3

In 2021, performance assessments and formal feedback were carried out for 1,625 employees, including specialists, analysts, management professionals and executive officers. As compared to 2020, the percentage of professionals who received

regular performance reviews was flat. It is important to highlight that the Performance Management Model was revised during the year and performance assessment was implemented for the members of the Board of Directors and their advisory bodies, as well as

for the members of the Statutory Executive Office, in line with good market practices.

All members of the Executive Office were also evaluated, as has been the case since 2020.

Employees receiving performance assessments by career level (%)									
	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Specialists (professionals and analysts)	77.74%	78.89%	78.39%	76.78%	83.00%	80.20%	92.48%	90.65%	91.46%
Environmental	69.73%	75.90%	71.15%	75.21%	73.45%	74.77%	63.02%	74.17%	65.78%
Total	8.29%	13.17%	9.58%	8.98%	13.96%	10.34%	8.65%	14.98%	10.42%

OCCUPATIONAL HEALTH AND SAFETY

GRI 103-2, 103-3 | 403

Through the Industrial Management System Policy (SGI) we work on the preservation of physical integrity and the health of employees, prioritizing the reduction of work accidents and occupational noise and compliance with laws and other applicable standards. M. Dias Branco seeks to promote a preventionist culture, through changes in behavior to reduce accidents, ensure healthy environments, and improve the quality of life in the workplace.

GRI 403-1

In this sense, since 2014, we have adopted a proprietary

Occupational Health and Safety (OHS) management system called the Positivo Program. Its purpose is to foster a culture of health and safety, the promotion of safe practices and increased awareness of risks. It is also the basis for setting corporate goals (achieving a maximum frequency rate - TF of 0.5 and a severity rate - TG of 10.0 in the Company by 2022). The initiative is expected to cover all industrial units by 2022. In 2021, the frequency rate was 0.68 and severity rate was 13.53. GRI 403-9, 102-11

Performance and adherence to the program is monitored

through annual assessments of OHS Rating, carried out by an independent consultancy. All management systems are implemented based on recognized risk management standards and guidelines. ISO 45001 is implemented at Jaboatão dos Guararapes/PE Unit.

Our safety management includes:

Risk assessments: Work Permit Openings aim to identify risks and monitor safety actions planned and adopted by the area. Trained employees

Employee undergoing audiometric examination



and managers also carry out damage identification, which is presented in the Hazard, Damage, and Risk Survey (LPDR) spreadsheet and by Preliminary Risk Assessments (APR);

Frequency: risk and hazard mapping is carried out according to the implementation of the OSH Management system (Occupational Health and Safety). LPDR worksheets are reviewed every two years. APRs and Work Permit Openings are carried out continuously with the involvement of those responsible and the performers of the activities developed;

We have an active management of safe behavior in OHS involving all employees, including leadership, through a Management Committee

and three Subcommittees for Behavioral, Risk and Occurrence Management. These bodies meet monthly and act on a decision-making basis on OHS topic.

Regarding OSH training of employees, training is provided on the following topics: Safety in Electric Installations and Services (NR10); Transport and Handling of Materials (NR11); Safety when Working in Machinery and Equipment (NR12); Confined Space (NR33); Work at Heights (NR35); Training on Risk Work Permit (PTR); Safe Behavior Observer Training; First Aid Training; Training of the Emergency Brigade (NR-23); Training of Cipa Members; Safety Onboarding training (General safety procedures and preventive behavior for new employees); Training on Prevention and Care with Chemicals; Training

for Analysis, Investigation and Handling of Deviations, Work Incidents and Accidents; Training on Issuance of Health and Safety Alerts; Training and Guidance on Health and Safety Dialogues, with a minimum weekly frequency; Training on the use of Personal Protective Equipment (PPE) (NR06); Training on Functional Work Order (NR01); Defensive Driving Training; and other training carried out according to specific demands in each unit.

Aiming to promote employee health, 119 preventive actions were carried out at the units, focusing on topics such as: respiratory diseases; prevention and care against covid-19; mental health; preventing and combating deafness; healthy eating; physical activity; Yellow September; Pink October; Blue November; and Red December.

We also provide labor gymnastics in Eusébio/CE, Fortaleza/CE (wheat mill and special shortening and margarines), Maracanaú/CE, Natal/RN, Cabedelo/PB, Salvador/BA, Jaboatão dos Guararapes/PE, São Caetano do Sul/SP, and Lençóis Paulista/SP units. And, between the months of June and July, a vaccination campaign against H1N1 was carried out in five units, with a total of 1,555 doses.

Employees under the risk group for covid-19 were monitored and advised for a safe return. In May, we implemented the Health Check-in, an application that requires the employee to fill out a daily form to monitor his or her health status,

providing information to support decision making for pandemic prevention. A total of 4,898 medical evaluations were recorded, which aimed to monitor flu-like symptoms or reports of contact with people infected with covid-19. Guidance on proper conduct and health protocol to be followed was also given.

Mental health was also on the agenda in 2021, through psychological care and conversation rounds. Over 1,200 employees were sensitized on the subject and, between May and September alone, 540 consultations were held. All processes aimed at health and safety follow the General Data Protection Law, and comply with the standards of conduct provided for in the medical and nursing ethics code.

Health Check inApp home screen



Workers covered by the occupational health and safety management system

Number and percentage of workers*			
	2019	2020	2021
	Employees	Employees	Employees
Total number of individuals.	16,992	16,601	15,596
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines.	12,327	12,706	14,437
	73%	77%	93%
Individuals covered by an internally-audited occupational health and safety management system based on legal requirements and/or recognized standards/guidelines.	12,327	12,706	14,437
	73%	77%	93%
Individuals covered by an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines, audited or certified by a third-party.	12,327	12,706	14,437
	73%	77%	93%

*Currently, M. Dias Branco does not perform statistical controls regarding the coverage of the management system for outsourced employees

Personal protective equipment to minimize noise

Accidents that occurred in 2021 were due to situations related to GRI 403-9

- ✦ Machinery and Equipment – 37%;
- ✦ Tools with driving force or heating – 17%;
- ✦ Use of stairs (fixed and mobile), sidewalks, paths and floors – 13%;
- ✦ Transport vehicles (cars, bicycles and forklifts) – 4%;
- ✦ Chemicals and aerodisperse products – 5%;
- ✦ Miscellaneous risks (furniture, packaging, accessories, glassware, wood, etc.) – 24%.

Situations associated with more severe accidents were: hazards with contact points; conveyor edges; sharp edges; machinery and equipment pressing points;



improper handling and use of hand tools with driving force; use of various hand tools (wrenches, stilettos, hammers); hazards due to improper use of mobile ladders; hazards due to improper use of fixed ladders;

and hazards due to exposure to pressurized fluids of water and hot steam.

Work-related accidents <small>GRI 403-9</small>			
	2019	2020	2021
Number of hours worked	33,334,467.44	37,004,847.44	34,849,668.34
Number of fatalities resulting from work-related injuries	0	2	0
Fatality rate resulting from work-related injuries	0	0.01	0
Number of severe work-related injuries (excluding fatalities)	22	17	16
Severe work-related injury rate (excluding fatalities)	0.13	0.09	0.09
Number of work-related injuries recorded (including fatalities)	207	189	183
Rate of work-related injuries recorded (including fatalities)	1.24	1.02	1.05

*There are no records of CAT (Communication of Work Accident) reporting diseases characterized as occupational diseases. GRI 403-10

BENEFITS GRANTED TO EMPLOYEES GRI 401-2

In 2021, we conducted a review of the Profit Sharing Model (PLR), including an individual indicator linked to performance management and some improvements in the Benefits Package. Currently, the following benefits are offered to all employees:

- ✦ Life insurance;
- ✦ Health Care;
- ✦ Parental leaves (paternity and maternity);
- ✦ Dental plan;
- ✦ Meal voucher or meals in units' cafeteria
- ✦ Food vouchers;
- ✦ Christmas Basket with company products;
- ✦ Profit sharing program;
- ✦ Recognition for time of service;
- ✦ Gympass agreement (gyms and wellness benefit).

In partnership with Unimed Fortaleza plan operator, we have a clinical physician available at the Eusébio Unit, for care three times a week, without co-participation and by previous scheduling. In Fortaleza and in the manufacturing units in Jaboatão dos Guararapes/ PE, Rio de Janeiro/RJ, Salvador/ BA, and Bento Gonçalves/RS, Bradesco Seguros keeps a dental office with a dentist and an

dental assistant to facilitate the employees' access to the plan.

Also regarding employee health benefits, two programs were implemented via tele-service, in partnership with THB consulting:

- ✦ Mãe Primeiros Passos Program – Welcome Baby (Mother's First Steps): guides pregnant women on important care during pregnancy to identify high-risk pregnancies and reduce the rate of prematurity and maternal complications. When the baby is born, mother and child are welcomed to assist with the challenges during the first year of life, reinforce the importance of pediatric consultations, and breastfeeding. In 2021, 33 pregnant women participated in the program.
- ✦ Semper Bem Program (Always Well): monitors and guides patients with moderate

and high-grade chronic diseases, preventing low- and medium-risk beneficiaries from becoming high-risk. The program aims to reduce complications related to cardiovascular diseases and offer a welcoming channel. In 2021, 103 employees were monitored. GRI 403-3 | 403-6

In addition, we have agreements with institutions (offering discount to employees in products and services, such as drugstores, colleges, language courses, fitness centers, eyeglasses stores and schools. We extended to the managerial level a benefit that was previously intended specifically for officers, the Long-Term Incentive (ILP), and at the Salvador/BA Unit we provide disability assistance for employees' children.



Cafeteria at Eusébio/CE Unit

ENGAGEMENT CULTURE



With the attendance of representatives from several units, the Christmas celebration event is broadcast from Eusébio/CE to all over Brazil

Feed and inspire people turning dreams into reality

Is the purpose of M. Dias Branco

Aiming to nurture a respectful work environment, supportive to the achievement of results, the company is always open to listening to its employees through organizational climate surveys and focus groups. Thus, we were able to maintain an environment of dialogue and implement improvements in the corporate experience.

An important highlight of the year is the implementation of Workplace, Meta's corporate social network (formerly Facebook), which facilitated the dissemination of online campaigns, live broadcasts and publications for the teams. Now, all employees are able to access the Company's information on their cell phones and computers, interacting and posting their best practices.



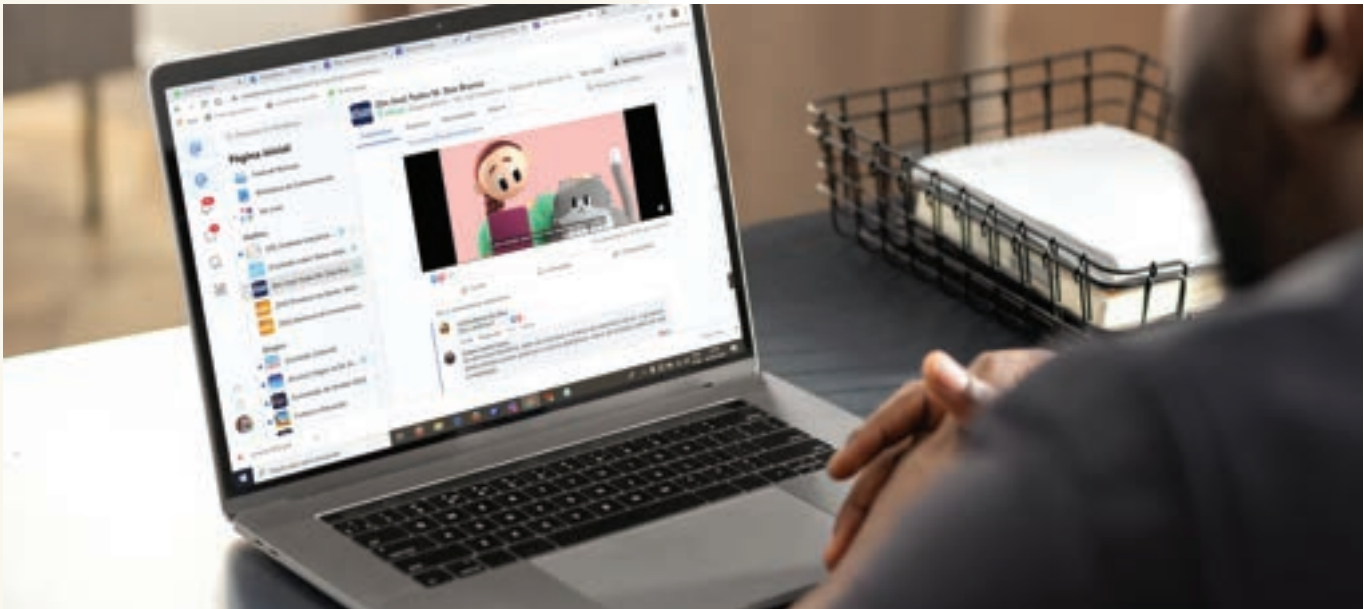
Honorees for time of service in the company receive special gifts

All employees received a Christmas basket with products from the main brands



The Company also seeks to strengthen the culture of recognition. To this end, two campaigns were created in 2021: “Mandou Bem!” (Great Job!), to encourage managers to highlight good performances on their team, and “Meu colega, minha inspiração” (My teammate, my inspiration), aimed at recognition among peers. During the year, the company also honored over 1,800 employees for their time of contribution, with the delivery of gifts and meetings with the executive office.

We have a calendar of campaigns and corporate events to strengthen our organizational culture, always aligning our communications with our corporate identity. Highlights include the Company's anniversary party and the Christmas Celebration, held at the head office and broadcast to all units in Brazil, which also included in-person activities.



Corporate social network screen, Workplace

Social and Relationship Capital

*We fulfill the dreams of new
talents that build the future*

Chapter references

SDG



IIRC Capitals



Related Principles of the Global Compact

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

8

Undertake initiatives to promote greater environmental responsibility.

ENGAGEMENT AND RELATIONSHIP WITH STAKEHOLDERS

GRI 102-40, 102-42, 102-43, 102-44

Our relationship with stakeholders is developed on an ongoing basis. The concerns raised in relation to the topic are reflected in the material topics and guide this report. The main stakeholders and the channels through which they interact with the Company are:

Stakeholders	Main topics and concerns raised during engagements	Relationship channels
 Relations	Action plans in the context of the pandemic, growth strategy, investment plans, competitive environment and marketing and innovation investment strategy	Ethical Channel, Investor Relations website, IR institutional email, quarterly disclosures, social media (Youtube), live broadcastings and interviews for third-party channels, in addition to meetings with analysts, shareholders and investors.
 Employees	Recognition programs in various fields Health measures to prevent and support the fight against the new coronavirus. Remote work due to the pandemic context.	Ethical Channel, internal surveys, participation in social investment actions, brands' website, public and internal (Workplace) social media, interviews and meetings (Spokespersons), listening and therapeutic welcoming service, hotline implemented by the Health and Medicine area during covid-19 pandemic.
 Local Communities	Food donations, donations of financial resources for social projects, support for projects using tax incentives.	Ethical Channel, brands' website, public social media, corporate email, meetings at social investment actions and Customer Service.
 Customers and Consumers	Requests for product information, promotions, suggestions, compliments, claims regarding products and services.	Ethical Channel, Customer Center, brands' website and social media, investor relations channel.
 Suppliers	Commercial issues, supply risks and opportunities, meeting technical requirements, required documentation and action plans.	Ethical Channel, brands' and company's website, public social media, self-assessment questionnaires, meetings.
 Civil Society Organizations	Creation of jobs and income, fight against hunger and malnutrition, social investment, Compliance, transparency, campaign to support society during covid-19 pandemic.	Ethical Channel, Customer Center, meetings for monitoring social investment, brands' website and public social media.
 Press	Requests for information about the company and its products and journalistic interviews.	Ethical Channel, brands' website and public social media, meetings and interviews.
 Government	Survey of the regulatory impacts of nutrition labeling and whole grain food labeling, information on trans fats in processed foods, sodium reduction agreement, and inclusion of the expression "NEW FORMULA" on labeling, when applicable.	Ethical Channel, contacts due to social investments, Customer Service, brands' website and public social media.

We hold negotiations with 41 labor unions representing the categories in which we operate, covering 100% of our employees (except apprentices), through collective bargaining agreements to subsidize salary and benefit reviews. These negotiations always consider the external landscape and the specific business scenario. GRI 102-4

M. Dias Branco is also member of industry associations relevant to its market, such as: GRI 102-12, 102-13

Associação Brasileira de Indústria de Alimentação (Brazilian Association of Food Industry) (Abia): Abia's purpose is to develop the Brazilian food industry through dialogue, with respect for the consumer and in harmony with society.

Associação Brasileira das Indústrias de Biscoitos, Massas Alimentícias e Pães & Bolos Industrializados (Brazilian Association of Industrialized Crackers and Cookies, Pasta, Breads & Cakes Companies) (Abimapi): one of the largest food associations in the country, its mission is to strengthen the categories of cookies and crackers, noodles, bread and industrialized cake in the domestic and international scenarios.

We value management methodologies that consider the various stakeholders, with the definition of relevant material topics that impact sustainability practices. The guiding principles for management of the topic are



Spokespersons: Employees from different areas represent their colleagues in monthly meetings with HR

in line with the United Nations (UN) Global Compact, with the Guiding Principles on Business and Human Rights of the UN and with ISO 26000. In the following pages, we will detail the relationship with customers and consumers, investors, communities and suppliers.

GRI 103-2, 103-3, 413-1

Excellence in everything we do

Is a value for M. Dias Branco

RELATIONS WITH CUSTOMERS AND CONSUMERS

GRI 103-2, 103-3 | 416, 417

Our Customer Service (CS) remains committed to improvements in the quality of service provided to customers and consumers. The Company started using Zendesk platform, a market reference in CRM (Customer Relationship Management), integrating the means of communication offered by the Company in a single platform. Thus, we now have a centralized and automated service, with easy monitoring of registrations and occurrences.

Customer Service (CS) is available to consumers by phone, email, social media, corporate and our brands' websites. From interactions with consumers and customers, we generate reports that are shared with sectors such as Quality, Research & Development, Commercial, Marketing, Logistics and Production, for arranging the proper solutions. Aiming to promote access to information, our official website is 100% accessible in Brazilian Sign Language (Libras), a commitment to people with hearing impairments, through the virtual interpreter Maya.

In the year, no marketing, advertising, and promotion-related non-compliances were identified. We have not received any fines, penalties or warnings for non-compliance with laws or voluntary codes regarding health and safety impacts of products and services. As for the product's net weight, Inmetro identified 299 inconsistencies, which resulted in the payment of a fine.

GRI 416-2, 417-2, 417-3

Regulatory Affairs team is responsible for monitoring regulations and discussions regarding new food labeling legislation for the categories operated by M. Dias Branco. This monitoring is performed through the membership in Abia and Abimapi and with bodies such as the Agencia Nacional de Vigilância Sanitária (National Health Surveillance Agency) (Anvisa) and the Ministry of Agriculture, Livestock and Supply (Mapa). Laws are compiled according to the intensity of the discussions and the impacts for the company, and shared with the multidisciplinary team of the Nutrition WG, which carries out studies on the trends. All our products comply with Anvisa's Food Library labeling standards, updated in December

2021. Raw materials and formulas are checked to ensure that the label meets the legal requirements. These checks are made for products for domestic and international trade, and exported products are examined according to the legislation of the destination country. In 2021, we had labeling updates on applicable products, with the inclusion of the expression "New Formula" for products with a change in composition in compliance with Anvisa's Normative Instruction No. 67/20.

GRI 102-11, 417-1



Piraquê Iced Cookie

INVESTOR RELATIONS

In 2021, Investor Relations area made important changes to enhance the quality and transparency of information sharing with the market. As part of these changes, quarterly results disclosure meetings were replaced with live broadcasts on the Company's Investor Relations channel on YouTube. Executives intensified attendance in online events, providing increased visibility to strategic activities and opening space for Q&A sessions with investors.

We highlight the growth of individual investors, whose engagement is key for expanding the Company's shareholder base. We ended 2021 with over 90,000 investors in this category, up 14% compared to 2020. Aimed at generating value for shareholders and meeting the requirements of the Long Term Incentive Program, another milestone of the year was the launch of the company's share buyback program.

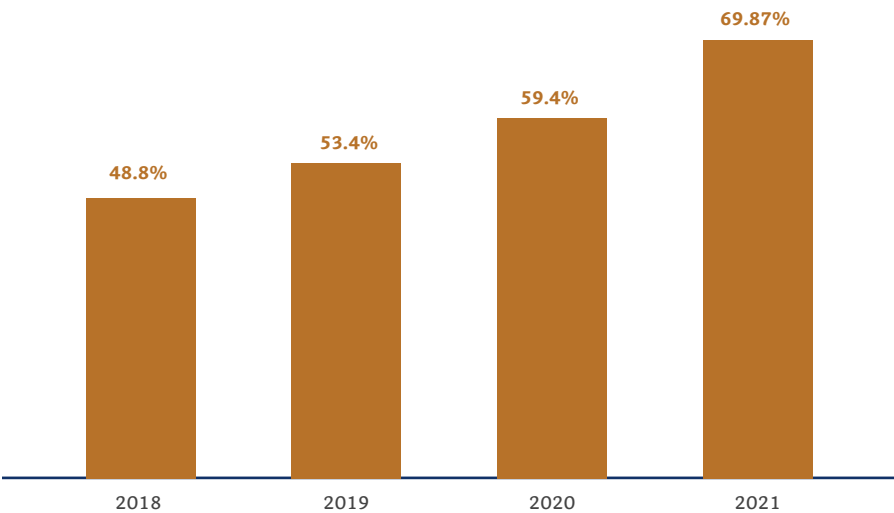
We remain recognized by the market as a sustainable company. For the 2nd consecutive year, M. Dias Branco was selected to join B3's Corporate Sustainability Index (ISE) portfolio. ISE is an important benchmark for investors interested in companies mindful of ESG practices. Also for the 2nd consecutive time, MSCI (Morgan Stanley Capital International), internationally recognized for publishing performance indices of the main stocks and stock exchanges in the world, granted



Vice President comments on results at the live broadcast for investors

Evolution of score of M. Dias Branco in ISE B3

In 2021, the Company joined ISE B3 portfolio, which brings together 46 shares of 40 companies from 15 sectors.



A rating for M. Dias Branco in its ESG assessment.

In addition, for the first time, we raised R\$ 811.6 million through Agribusiness Receivables Certificates (CRAs) classified as Green Bonds. Demand for

CRAs reached R\$ 2.3 billion. For the 4th consecutive year, Fitch Ratings agency reaffirmed the Company's credit risk rating with Long-Term National "AAA" Rating.

GRI 102-12

RELATIONS WITH LOCAL

The guiding principles for our relationship with communities are in line with the United Nations (UN) Global Compact and ISO 26000. This management is performed by the Sustainability area, with the support of Sustainability Ambassadors – volunteer employees who support the relationship with communities in various units – and the Community and Social Investment Working Group, dedicated to monitoring and enhancing the Company’s Private Social Investment.

GRI 413-2

The relationship with local communities is strengthened through dialogue with community leaders and institutions. Support to this public is provided by accompanying the institutions, food donations, allocation of financial resources, goods or equipment from the company's assets, and the development of social, cultural, environmental, sports, health and professionalization projects, via incentive laws or volunteer actions, with the participation of our professionals.

In 2021, we contributed to more than 150 institutions with donations, actions and projects. We support 100% of the communities surrounding the industrial units with product donations and 57.14% with local development projects. We also kept dialogue channels available for contact with the Sustainability team, including telephones, meetings, email,

visits, Customer Service and Ethical Channel. All demands, complaints, and requests are received, properly handled, and answered. GRI 413-1

The assessment of the results of engagements with communities was done through the ongoing monitoring of the supported institutions and by applying accountability forms, so as to identify the impacts caused by the Company. For the new Sustainability Agenda, until 2030, approved by the Board of Directors in 2022, we have the goal of reaching at least 150,000 people impacted by the Program for Promotion

of Entrepreneurship and Professionalization in the food sector in the surrounding communities.

We also offer the community the opportunity to visit our factory in Eusébio/CE. During the pandemic, educational guided tours, carried out via Projeto Escola, were adapted to the virtual format. Over 100 schools and 20,000 students were benefited, in addition to the Company's own employees, with informative materials, games and actions related to education, culture and sustainability.



Visit of the Sustainability Manager to a supported institution in Curitiba/PR

SOCIAL INVESTMENT

The Company's performance concerning Social Investment is aligned with the UN Sustainable Development Goals, mainly SDG 1 - No Poverty, SDG 2 - Zero Hunger and Sustainable Agriculture, SDG 3 - Good Health and Well-being, SDG 4 - Quality Education and SDG 10 - Reduced Inequalities. Among the various initiatives aimed at local and community engagement carried out in 2021, we highlight:

Volunteer Factory
M. Dias Branco's volunteer program that aims to inspire and transform lives through volunteer actions, encouraging the practice of citizenship and the spirit of social responsibility. The program was implemented in 2021 and carried out several initiatives, with employees volunteering in all actions: delivery of donations of products and toys, celebrating Children's Day; Event to clean up mangroves and plant seedlings, in reference to the World Cleanup Day; support to specific activities of the institution, such as participation in handicraft workshops; and organizational consulting services.

Emprega Mais
In partnership with Senai, the Company provided free training to the communities surrounding four units: two in Fortaleza/CE; in Salvador/BA and Jabotão dos Guararapes/PE. A total of 5 courses were offered and 75 people were trained in courses such as Industrial Electrician,



Volunteers collect 2.7 tons of waste in a beach cleaning action in Salvador/BA

Administrative Assistant, Production and Logistics.

Incentive to projects
Initiatives based on state incentives in the surroundings of three units were supported: two in Fortaleza/CE and one in Salvador/BA. Two projects were promoted via Culture Law (Memória Colonial do Ceará and Nossa Arte), and one via the Sports Law (Surf Cooperativo).

McHappy Day
We supported McHappy Day with the purchase of over 2,300 tickets, which were distributed in three communities around the industrial units: in Eusébio/CE, two in Fortaleza/CE and in Maracanaú/CE.

Todos à Mesa
Movement to combat food waste through the redistribution of surpluses and donation initiatives, in addition to encouraging discussions on how to expand the regulatory framework for donations. Since October, M. Dias Branco's Sustainability team has been meeting with the companies involved (iFood, Nestlé, Carrefour, Ação da Cidadania, Connecting Food,

among others) to discuss the topic and align actions.

Product donations
In 2021, the company made donations to more than 150 social institutions, assisting people in situations of social vulnerability. During the year, 4,309 tons of food were donated, benefiting people of all age groups in all regions of the country. Since the beginning of the pandemic, on an emergency and exceptional basis, the Company has intensified its food donations to fight hunger and the worsening the economic condition of the most vulnerable families. We carried out weekly and monthly monitoring of donations to maintain its social purpose and ensure the benefit for the supported communities.

“
More than 4.3 thousand tons of food donated

MAIN SOCIAL INITIATIVES PER UNIT



Maracanaú/CE

- Collection and donation of 130 toys and 135 kits of children's products for the children assisted by Fundação Terra on Children's Day, in addition to four hours of volunteer work to participate in the action.
- Donation of 12 tons of food, equivalent to R\$ 82,337.00, for two supported institutions.



Fortaleza/CE

- Wheat mill and shortening and special margarine plant
- Collection and donation of 400 toys and 500 kits of children's products for the children assisted by the Associação União de Jovens do Vicente Pinzon and by the Grupo de Apoio e Mensagem ao Adolescente Cearense, as well as six hours of volunteer work in a Children's Day action at the Associação União de Jovens do Vicente Pinzon.
 - Volunteer Factory: 12 volunteers and 44.5 hours of volunteer work to perform consulting services at Associação União de Jovens do Vicente Pinzon. Employees from Corporate Education, Internal Communication, and Strategy and Management teams participated in the initiative, sharing knowledge so that the institution can evolve in its management.
 - Donation of 1,200 McHappy Day tickets to Associação União de Jovens do Vicente Pinzon and Instituto Povo do Mar, which were distributed to the residents of the communities.
 - Emprega Mais: training, in partnership with Senai, of 12 residents of surrounding communities in the free course of Industrial Electrician.
 - Contribution to projects via state incentive: culture, with R\$ 80,000.00 for Memória Colonial do Ceará Project, and sports, with R\$ 40,000.00 for Surf Cooperativo project (Instituto Povo do Mar).
 - Donation of 420 tons of food, equivalent to R\$ 2,559,778.00, for 40 supported institutions.



Cabedelo/PB

- Donation of 150 kits of children's products for the children assisted by the Municipality of Cabedelo on Children's Day, in addition to 16.5 hours of volunteer work for participation in the action.
- Donation of 16 tons of food, equivalent to R\$ 100,267.00, for two supported institutions.



Queimados/RJ

- Donation of 60 kits of children's products for children assisted by José de Anastácio Rodrigues Municipal School on Children's Day.
- Donation of 79 tons of food, equivalent to R\$ 451,600.00, for two supported institutions.



Rio de Janeiro/RJ

- Collection and donation of 115 toys and donation of 100 kits of children's products to the children assisted by Associação dos Moradores of Licurgo Park, in addition to three hours of volunteer work for participation in a Children's Day action.
- Donation of 288 tons of food, equivalent to R\$ 1,944,048.00, for 15 supported institutions.

369 hours of volunteer work performed by 90 employees



Social project receives food donations

Eusébio/CE

- Collection and donation of 50 toys and 50 kits of children's products for the children assisted by Associação Comunitária dos Moradores da Pedra - Raio do Sol on Children's Day.
- Donation of 800 McHappy Day tickets to Associação Comunitária do Jaboti for distribution among the residents of the Community.
- Donation of 64 tons of food, equivalent to R\$ 391,578.00, for 9 supported institutions.

MAIN SOCIAL INITIATIVES PER UNIT



Bento Gonçalves/RS

- Collection and donation of 100 toys and 100 kits of children's products for the children assisted by Ação Social São Roque, in addition to eight hours of volunteer work in Children's Day action.
- Volunteer Factory: 13 volunteers and 30 hours of volunteer work to deliver products to Associação Bentogonçalvense de Convivência e Apoio à Infância e Juventude (Abraçaí).
- Donation of 229 tons of food, equivalent to R\$ 1,386,908.00 for four supported institutions.



ROLÂNDIA/PR

- Donation of 1 ton of food, equivalent of R\$ 2,278.00 to a supported institution.



São Caetano do Sul/SP

- Donation of 167 kits of children's products for children assisted by Associação de Pais e Amigos dos Excepcionais de São Caetano do Sul (APAE) in action held on Children's Day.
- Donation of 822 tons of food, equivalent to R\$ 5,094,965.00, for 10 supported institutions.



Lençóis Paulista/SP

- Donation of 35 kits of children's products for children assisted by Associação Amorada on Children's Day.
- Donation of 101 tons of food, equivalent to R\$ 615,800.00 for eight supported institutions.



Natal/RN

- Donation of 150 kits of children's products for children assisted by Casa do Menor Trabalhador de Natal in action held on Children's Day.
- Donation of 72 tons of food, equivalent to R\$ 422,405.00, for seven supported institutions.



Salvador/BA

- Collection and donation of 106 toys and 80 kits of children's products for the children assisted by Creche Escola Comunitária Alto dos Pontes on Children's Day, in addition to six hours of volunteer work for the celebration.
- Volunteer Factory: 28 volunteers and 98 hours of volunteer work to carry out mangrove cleaning work, in reference to the World Clean Up Day. 2.8 tons of waste were collected and the symbolic planting of seedlings from the native forest was arranged.
- Emprega Mais: training of 20 residents of the community surrounding the units in the Administrative Assistant and Production Assistant courses.
- Contribution to projects via state incentive: culture, with R\$ 400,000.00 to Nossa Arte project.
- Donation of 608 tons of food, equivalent to R\$ 3,590,045.00, for 14 supported institutions.



Jaboatão dos Guararapes/PE

- Collection and donation of 80 toys and 60 kits of children's products for the children assisted by Associação Missionária da Graça de Deus on Children's Day, in addition to 20 hours of volunteer work to participate in the commemorative action.
- Volunteer Factory: 11 volunteers, with 133 hours allocated, to perform relevant work to the institution in Movimento Pró-Criança.
- Emprega Mais: training of 40 residents of the community surrounding the units in the Administrative Assistant and Logistic Assistant courses.
- Donation of 711 tons of food, equivalent to R\$ 4,021,515.00, for 12 institutions supported.

Donations made by our distribution centers			
Unit	Donated Amount	Quantity in tons	Number of benefited organizations
Aracaju/SE	R\$ 270,329.32	45,535	1
Barras/PI	R\$ 675,011.39	107,607	2
Belém/PA	R\$ 802,585.90	143,544	1
Brasília/DF	R\$ 816,317.80	137.34	1
Contagem/MG	R\$ 348,802.33	45,059	3
Crato/CE	R\$ 122,113.13	19,195	3
Maceió/AL	R\$ 159,432.47	23,502	1
São José/SC	R\$ 277,601.02	47,393	1
São Luís/MA	R\$ 382,462.17	66,617	3
Teresina/PI	R\$ 618,155.00	94,175	6
Timon/MA	R\$ 268,522.41	55,552	2
Viana/ES	R\$ 284,164.69	47,178	1
Vitória da Conquista/BA	R\$ 363,415.74	52,815	3
Total	R\$ 5,388,913.37	748,172	28



Volunteer employee delivers product kit for children

“Over 26 million of products donated in all over Brazil

ACTION WITH SUPPLIERS

GRI 102-9



Shortening and margarine factory receives palm oil as input

“Publication of the Code of Conduct for Suppliers in 2021



Several areas of M. Dias Branco are involved in supplier management, among which we highlight: Supplies and Industrial Management System Both areas have policies and procedures that corroborate the commitments assumed by the Company in relation to sustainability. The procedures are regularly reviewed in order to keep alignment with market practices.

The Company uses a supplier management methodology based on specific criteria for each group and category. In 2021, improvements were implemented, such as the expansion of document analysis of new suppliers, review of supplier self-assessment forms to align with the Climate Change and Carbon Management theme and intensification of

qualification communications through our main internal communication channel – Workplace.

Our supply chain comprises suppliers from all regions of Brazil and abroad, distributed mainly in the categories Raw Materials, Wheat, Packaging, Industry & Energy, Logistics, Administrative & Commercial and Nutrition. In 2021, we worked with around 6,500 suppliers, representing annual expenditures of around R\$ 6.6 billion.

Also in 2021, we implemented the Suppliers Page, a website with information and materials targeted to this audience, in addition to providing direct contact with our Supplies area. We also published the Code of Conduct for Suppliers, with

the aim of setting guidelines and engaging this audience in building good ESG practices. The publication was released in the Company’s website and on the Suppliers Page, and was also directly sent by email by the Supplies area.

Suppliers from our current base have re-registered in the system through the Suppliers Page, and new suppliers are already starting their process on the Page, where they also sign the Code. Thus, we ensure the agreement between M. Dias Branco’s standard of activities and its commercial partners.

Natural Capital

Our dreams are born like a seed that we grow every day

Chapter references

SDG



IIRC Capitals



Related Principles of the Global Compact

- 7 Businesses should support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

ENVIRONMENTAL MANAGEMENT

GRI 103-1, 103-2, 103-3 | 307

Our environmental strategy focuses on minimizing environmental impacts stemming from our activities and combating climate change, guided by the concept of sustainable development and complying with applicable legal provisions. The Company is committed to the Sustainable Development Goals (SDGs) and the Principles of the Global Compact, with emphasis on 7 (preventive approaches to environmental challenges), 8 (initiatives to promote increased environmental responsibility), 9 (development and diffusion of environmentally friendly technologies) and 13 (urgent measures to combat climate change and its impacts).

We have a standardized management tool, focused on environmental demands and on monitoring developments, called Environmental Rating. We also have a qualified multidisciplinary team managing the topic at the units. In addition, the entire management system implemented complies with the requirements of ISO 14001, an internationally recognized standard that guides the best practices in Environmental Management. The Company also performs internal and external audits to assess compliance with legal requirements and the effectiveness of its management system. GRI 103-2, 103-3 | 307

In 2021, six non-compliances with environmental laws and regulations were recorded regarding:



Jabotão dos Guararapes/PE unit is ISO 14001 certified

- Two non-monetary notices requesting specific documents;
 - Notice of infraction with a fine for cutting vegetation, in excess of what was licensed during construction;
 - Notice for inappropriate waste disposal by a commercial partner (case still under investigation);
 - Debt notice for the environmental control and inspection fee - TCFA (case still under investigation);
 - Notice of infraction for failing to submit documentation (judged unfounded, as the company has proof of delivery).
- R\$ 47,761.89 were paid in fines related to environmental aspects. Considering the cases that are under investigation, the amount is R\$ 133,981.27. In the last three years, there have been no records filed through arbitration means. GRI 307-1

CLIMATE CHANGE

GRI 201-2

Climate change is a material topic that is part of the Sustainability Agenda established by M. Dias Branco.

In 2021, the Company achieved a B-rating in CDP ranking, with progress in all categories covered, evidencing its maturity in risk management related to the topic. In 2020, the Company's rating was D, and CDP requirements were also included into its Sustainability Policy. Management of climate risks was strategically analyzed to define actions focused on reducing and controlling risks considered in the matrix, as well as identifying opportunities based on the new climate scenario. Materiality analysis used as a reference considered the particularities of our segment, including physical and transition risks. Among the main climate risks identified by the Company, the following stand out:

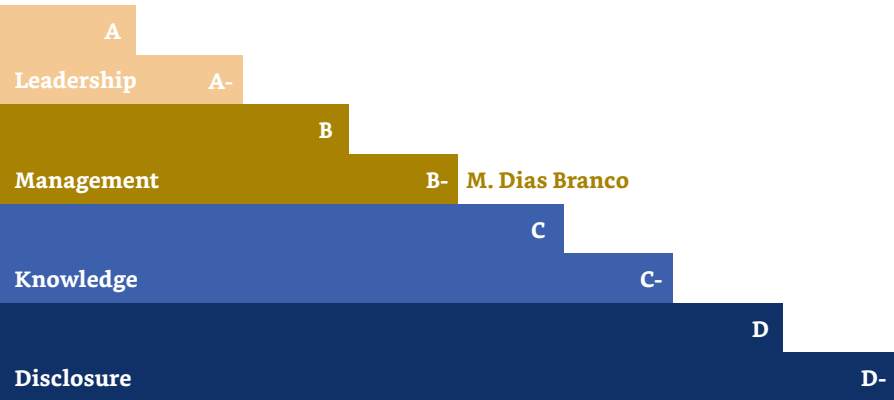
- Intensification of droughts and water scarcity, which can affect the supply chain, impact the price and availability of commodities;
- Intensification of rainfalls may result in physical damage to properties, machinery and equipment;
- Rising fuel and energy costs, including considering the implementation of carbon pricing initiatives.

In addition, during the year, Climate Change Working Group

(WG) defined climate change management guidelines and emission mitigation strategies relating to SDG 13 (Climate Action). It also completed the 1st stage of M. Dias Branco's Emissions Management System (GHG) implementation. Thus,

the Company intends to advance towards defining science-based targets (Science Based Targets Initiative).

Evolution of M. Dias Branco score at CLIMATE CDP



Source: Carbon Disclosure Project (CDP)



Solar energy panels in Eusébio/CE

The emissions inventory reported in this report is based on 2020 data, as 2021 data are still in the consolidation phase and will be submitted in the next report. We adopted the methodology of Brazilian GHG Protocol Program for scope 1, 2, and 3, and the result is considered as the base year for monitoring the organization's progress regarding greenhouse gas emissions. The diagnosis was audited by a third party, performed by BVQI. Scope 3 emissions represent 94.5% of the total emissions inventory.

Some highlights and inventory results:

- 1. 3.2% increase in absolute Scope 1 emissions (tCO₂e/year).
- 2. 7.9% reduction in specific scope 1 emissions (kgCO₂e/t from products sold). Respectively 78.35 kgCO₂e/t from products sold in 2020 and 85.11 kg CO₂e/t from products sold in 2019;
- 3. 16.3% reduction in absolute emissions from the acquisition of electricity - referring to scope 2 (tCO₂e/year);
- 4. 4.2% reduction in specific scope 2 emissions (kgCO₂e/t from products sold). Respectively 13.15 kgCO₂e/t from products sold in 2020 and 13.72 kg CO₂e/t from products sold in 2019;

Direct greenhouse gas emissions (tCO ₂ equivalent) <small>GRI 305-1</small>			
	2018	2019	2020*
Stationary combustion	130,694	113,893	122,260
Mobile combustion	12,546	10,515	11,546
Fugitive emissions	23,240	19,807	21,789
Agricultural activities	0	17	8
Effluents	0	6,563	190
Total gross CO ₂ emissions	166,481	150,797	155,795

¹Data for 2020 including Piraquê units.

Indirect emissions from the energy acquisition (tCO ₂ equivalent) <small>GRI 305-2</small>			
	2018	2019	2020*
	22,178	24,314	26,130

¹Data for 2020 including Piraquê units. The increase in 2020 reflects the inclusion of emissions related to steam sales in the inventory.

Other greenhouse gas emissions (tCO ₂ equivalent) <small>GRI 305-1</small>	
	2020
Purchased goods and services	2,329,066.23
Capital goods	12,193.61
Activities related to energy and fuels not included in scopes 1 and 2	40,890.90
Transport and distribution – upstream	705,117.81
Waste produced in operations	6,920.78
Business trips	1,436.95
Employee commuting	4,413.40
Transport and distribution – downstream	319.11
Use of goods and services sold	36,457.99
Processing of products sold after the end of their useful life	12,500.66
Total	3,149,317.42

*Since 2021, M. Dias has been considering scope 2 emissions based on the purchasing choice methodology.



Battery powered forklifts

Biogenic CO ₂ emissions (tCO ₂ equivalent) <small>GRI 305-3</small>		
2018 ¹	2019 ¹	2020
NA	NA	96,372.59

¹ M. Dias Branco started calculating scope 3 emissions as of 2020.

Intensity of greenhouse gas emissions <small>GRI 305-4</small>			
	2018	2019	2020*
Total GHG emissions - scopes 1 and 2 (tCO ₂ equivalent)	188,650	175,109	181,925.44
Ton of food ²	2,636,792	2,645,792	3,034,650
Intensity of greenhouse gas emissions (scopes 1 and 2)	0.072	0.066	0.060
Total GHG emissions - scope 3 (tCO2 equivalent)	NA	NA	3,149,317.42
Intensity of greenhouse gas emissions (scope 3)	NA	NA	1.04

² Tons of food produced for the purpose of calculating the intensity of emissions include flour and wheat bran produced.

ENERGY AND EMISSIONS GRI 103-2, 103-3 |302 e 305

The adoption of a clean and sustainable energy matrix is key to achieve significant results related to action against climate change. In this sense, in 2021, the Energy WG advanced in the development of a Corporate Energy Efficiency Policy. It also conducted studies on energy self-production for industry and prepared diagnoses on the Company’s energy matrix

and the possible use of clean energy. Currently, 12% of M. Dias Branco’s energy matrix is renewable, with the goal of reaching 67% by 2024.

Other WG activity was the definition of priority indicators for the Company related to SDG 7 (Clean and Affordable Energy). Four teams were created in manufacturing units to implement operational improvements associated with energy reduction. Among the

initiatives, the replacement of 43 combustion-powered forklifts with lithium-ion forklifts stands out, providing savings of 2,522 tons of CO₂ in emissions.

Regarding energy consumption, energy intensity, considering energy consumption within the organization, showed a reduction when compared to the previous year's result.

Consumption of fuels from non-renewable sources ¹ (GJ) <small>GRI 302-3</small>			
	2019	2020 ²	2021
Natural Gas	1,902,970.00	2,381,240.14	2,
LPG	27,139.00	36,865.76	32,900.49
Diesel	751.00	903.43	-
Gasoline	-	-	-
Total	1,930,860.00	2,419,009.33	2,250,277.08
Energy consumed ¹ (GJ) <small>GRI 302-3</small>			
	2019	2020	2021
Electricity	1,070,000.00	1,220,710.62	1,171,048.11
Heating	-	-	-
Cooling	-	-	-
Steam	-	-	-
Total	1,070,000.00	1,220,710.62	1,171,048.11
Energy sold ¹ (GJ) <small>GRI 302-3</small>			
	2019	2020	2021
Electricity	28,650.24	17,291.20	28,825.06
Heating	-	-	-
Cooling	-	-	-
Steam	-	-	-
Total	28,650.24	17,291.20	28,825.06
Total energy consumed ¹ (GJ) <small>GRI 302-3</small>			
	2019	2020	2021
Fuels from non-renewable sources	1,930,860.00	2,419,009.33	2,250,277.08
Fuels from renewable sources	-	-	-
Energy consumed	1,070,000.00	1,220,710.62	1,171,048.11
Energy sold	28,650.24	17,291.20	28,825.06
Total	2,972,209.76	3,622,428.75	3,392,500.13
Energy intensity ¹ (GJ/ton of food) <small>GRI 302-3</small>			
	2019	2020	2021
Ton of food	2,316,858.53	2,648,179.16	2,606,103.66
Energy intensity (within the organization)	1.28	1.37	1.30

¹As of 2021, data include Piraguê units. This time, fuels considered refer to processes of manufacturing units, excluding fleet consumption. Occasional sales of energy purchased on the free market were not reported at this time. For the purposes of calculating energy intensity, tons of food produced exclude wheat flour and bran, only clean wheat.

^{two}2020 data has been corrected to the GJ measurement unit as compared to data reported in the previous report. GRI 102-48

WATER AND EFFLUENTSGRI 103-2, 103-3 | 303

The Company's management of water resources and effluents aims to ensure that all areas involved take ownership of relevant environmental aspects – and are committed to achieving goals –, minimize impacts and pay attention to current legislation. Through an Industrial Management System (SGI) policy, M. Dias Branco sets strategic goals to significantly reduce water consumption at the units.

These goals are proposed and monitored by the Company's Executive Office on an annual basis, under the assumption of sustaining good results. Water consumption is one of the performance and bonus indicators for the environment team and the Corporate Quality, Safety and Environment Management (QSMA). Among other initiatives carried out in the year, we highlight the implementation of water consumption indicators focused on critical Brazilian regions, for mapping possible risks of shortages.

Our performance is in line with SDG 6 (Clean Water and Sanitation), with the definition of priority indicators in 2021. Some of the activities developed include: the reuse of air conditioning water, rainwater, and treated effluents; the use of semi-automatic faucets and double-flow flushing; joint efforts to identify possible leakage points and solve them; and campaigns to

raise awareness about waste reduction. Other aspects considered by the Company in the management of water resources include: GRI 303-1, 303-2

- Water withdrawal: water, used as raw material, in the processes of heating and cooling, cleaning of machines and utensils, comes from rainwater sources, concessionaires, water trucks (third parties) and artesian wells. For classifying the water-stressed operation areas, M. Dias Branco uses a materiality study performed by a company hired in 2019.
- Discharge: the water that is not added to the product is transformed into a gaseous effluent that is discharged into the atmosphere, or into a liquid effluent destined for our own treatment or by third parties. The impacts caused by the consumption, generation and discharge of

effluents are assessed using a proprietary methodology that follows the precepts of ISO 14001. After identifying impacts, monitoring and actions are defined. M. Dias Branco complies with all legal standards related to the quality of effluent discharge, both at the federal, state and municipal levels.

- Involvement of stakeholders: the Company carries out employee raising-awareness campaigns and communication actions with stakeholders external sources, reporting results related to water and its management. Company members are active in River Basin Committees, contributing to the proposition of public policies and following up on monitoring carried out by the relevant agencies.



Eusébio/CE Unit features a rainwater harvesting system

Total volume of water abstracted in all areas and water-stressed areas, by source (ML)* GRI 303-3						
	2019		2020		2021	
Source	All areas	Water-stressed areas	All areas	Water-stressed areas	All areas	Water-stressed areas
Surface water (total)	0	0	0	0	62.15	62.15
Groundwater (total)	534.12	502.14	575.54	549.98	534.97	508.86
Sea water (total)	0	0	0	0	0	0
Produced water (total)	0	0	0	0	0	0
Third-party water (total)	527.78	348.27	527.71	311.63	498.17	303.15
Rainwater (total)	175.80	167.14	173.50	151.40	186.49	177.38
Total	1,238.70	1,017.55	1,274.75	1,023.01	1,281.77	1,051.54

*Indicator comprises all manufacturing units.

Total water discharged in all areas and water-stressed areas, broken down by the following sources (ML), if applicable GRI 303-4						
	2019		2020		2021	
Source	All areas	Stressed areas	All areas	Stressed areas	All areas	Stressed areas
Surface water	139.46	129.85	216.84	202.41	174.81	158.24
Groundwater	0	0	0	0	0	0
Sea water	0	0	0	0	0	0
Water sent to third parties	278.8	267.48	412.49	367.09	243.43	214.78

*The amount of water disposed the result from the sum of the volumes of effluents effectively leaving manufacturing units for final disposal. The lower result for 2021 is due to a few factors: equalization of the calculation method, considering only effluent volumes disposed outside the units. Volumes of effluents recycled in-house are not included in the calculation. In 2021, due to the hibernation of the Vegetable Unit in Madureira/RJ, the volume of effluent disposed was reduced.

Water consumption (ML) GRI 303-5						
	2019		2020		2021	
	All areas	Stressed areas	All areas	Stressed areas	All areas	Stressed areas
	1,228.19	1,015.70	1,280.74	1,041.10	1,199.07	980.58

*Water consumption refers to the volume actually consumed in production and support activities of the manufacturing units.

WASTE GRI 103-2, 103-3|306

The Company's Solid Waste Management Plan (PGRS) is in line with applicable laws and considers environmental sustainability. It aims to reduce the generation of solid waste and its disposal in a more sustainable way, fostered by the Zero Landfill Project. I Through the initiative, solid waste, after produced, goes to sorting and, then, to its destinations: co-processing, composting, recycling or re-refining. In defining treatments, M. Dias Branco follows the classification criteria, considering the most appropriate practices in terms of environment and sustainability, in compliance with the applicable laws.

Currently, Jaboaão dos Guararapes/PE unit operates with 100% of its waste disposed of in a sustainable way. Two other industrial units are close to reaching the mark of 100% waste treatment: Shortening and Special Margarines, in Fortaleza/CE, and São Caetano do Sul/SP, both with a current recycling rate of 98.2%. We are developing a plan to implement the project in other factories.

With regard to waste management, targets and indicators are set considering the SGI Policy and the environmental impacts classified as significant under the methodology for identifying environmental aspects.

Goals for reducing waste generation and increasing recycling are proposed on an

Management of waste for recycling



annual basis by the company's Board of Directors, based on the assumption of sustaining the good results. Waste recycling index is one of the performance and bonus indicators for the environment team and the Corporate Corporate

Environment Management. In 2021, 36,345.57 tons of waste were proced, down 26% as compared to the previous year.

GRI 306-2

Production and reuse/recycling of waste			
	2019	2020	2021
Total waste produced	38,116.00	49,595.60	36,345.57
Total waste forwarded to reuse and recycling operations	34,738.00	40,010.90	32,852.21
% of waste forwarded to reuse and recycling operations	91.1%	80.7%	90.4%

Total waste generated, by type (t) <small>GRI 306-3</small>		
	2019	2020
Category	Type	Qty. produced (t)
Miscellaneous lamps	Hazardous	4.55
Led lamps	Non-hazardous	0.11
Sludge	Non-hazardous	947.41
Used lubricating oil and similar	Hazardous	18.95
Paper and cardboard	Non-hazardous	2,666.11
Plastics	Non-hazardous	2,511.05
Frying waste	Non-hazardous	9.06
Construction waste	Non-hazardous	450.98
Construction waste	Hazardous	24.16
Wood waste	Non-hazardous	2,756.85
Pruning waste	Non-hazardous	138.54
Restaurant waste	Non-hazardous	710.02
Health care waste	Hazardous	0.45
Non-recyclable waste	Non-hazardous	2,479.25
Organic process waste	Non-hazardous	15,693.14
Miscellaneous hazardous waste	Hazardous	89.17
Tire scrap	Non-hazardous	8.18
Electronic scrap	Non-hazardous	0.61
Cooling gas container	Hazardous	0.37
Ferrous and non-ferrous scrap	Non-hazardous	548.41
Battery scrap	Hazardous	2.82
Glassware	Non-hazardous	3.50
Solvents and paints	Hazardous	26.63
Non-compliant, expired products	Non-hazardous	1,598.60
Non-compliant, expired products	Hazardous	19.28
Grease trap, WTP grease	Non-hazardous	3,032.36
Plastic containers	Non-hazardous	126.84
Plastic containers	Hazardous	15.76
Refinery waste soil	Non-hazardous	2,211.41
Cafeteria fat, molds, noodles, wafer, F1 and F2 ingredient system and DC	Non-hazardous	23.66
Wet dough (organic)	Non-hazardous	97.37
Plastic bag with grease	Non-hazardous	129.82
Rubber scrap	Non-hazardous	0.17

In 2021, 32,852.21 tons of waste were forwarded to recycling and reuse operations. In 2019, this amount was 34,738 tons and, in 2020, 40,010.90 tons. In 2021, 3,493.36 tons of waste were sent for final disposal. This group of waste is mainly composed of non-recyclable waste, non-compliant or expired products, construction, health services and restaurants waste. In 2019, the total waste destined for final disposal was 3,378 tons, and 5,584.70 in 2020. Compared to 2020 cycle, there was a reduction of approximately 38% in the volume of this type of destination.

“
38% reduction
in volume
of waste
sent for disposal

Total waste not destined for final disposal, by recovery operation, in metric tons in 2021 (t) <small>GRI 306-4</small>			
Recovery operation	Non-hazardous	Hazardous	Total
Preparation for reuse	411.00	0.0	411.00
Recycling	32,268.21	172.99	32,441.20
Total	32,679.21	172.99	32,852.20

*All recovery operations are performed outside the organization.

Total waste destined for final disposal, by recovery operation, in metric tons in 2021 (t) <small>GRI 306-5</small>			
Destination	Hazardous	Non-hazardous	Total
Landfilling	25.40	3,465.04	3,490.44
Incineration without energy recovery	2.92	0.0	2.92
Total	28.32	3,465.04	3,493.36

*All destinations are performed outside the organization.



Waste composting contributes to the Zero Landfill Program

PACKAGINGGRI 103-2, 103-3 |301

Since 2017, the Packaging Working Group focuses its actions on three major fronts: reducing plastic consumption, particularly flexible films; acquisition of kraft cardboard boxes from raw material stemming from managed forests or made with 100% recycled material; and use of secondary packaging with recycled materials, such as baling films. The main goals of the WG and its progress in 2021 were:

- 1.2% reduction in total plastic consumption by 2021: in

the year, we closed the goal with an accumulated plastic reduction of 1.48%, avoiding the consumption of 1,093.35 tons between 2017 and 2021.

- Use 100% of the volume of cardboard and paperboard boxes made from recycled material and/or kraft (virgin) from raw material extracted from managed forests. In addition, communication is made in our packaging boxes, by placing stamps of the responsible forest management brand.

- Introducing baling films with 100% recycled material: this year we consumed 525,618 kg of post-consumer recycled baling films, representing 59% of the Company's volume.

The WG relies on the participation of different areas: Research & Development, Supplies, Environment, Marketing, Sustainability and Communication. Results are monitored by the Sustainability Management through quantitative indicators.

Materials used in production and packagingGRI 301-1						
Material	Used in final product or packaging	Renewable/ non-renewable source	Unit of measurement	2019	2020	2021
Flexible films (laminated, metallized laminate and monolayer)	Packaging	Non-renewable Source	Tons	12,467.208	16,570.312	12,391.865
Rigid packaging	Packaging	Non-renewable Source	Unit	76,910,761	86,025,625	110,509,826
Paper Packaging (recycled, kraft and semi-kraft)	Packaging	Renewable source	Unit	112,809,528	125,287,429	113,087,016

*Mills are not included in the calculation in this indicator.

Percentage of raw materials or recycled materials used in the manufacturing of products and servicesGRI 301-2			
Material	2019	2020	2021
Flexible films (laminated, metallized laminate and monolayer) - tons	0.0	0.0	0.0
Rigid packaging - units	0.0	0.0	0.0
Paper packaging (recycled, kraft and semi-kraft) - units	NA	NA	87.78
Baling film	10.36	13.78	52.76



Serra das Almas Nature Reserve in Crateús/CE

BIODIVERSITYGRI 103-2, 103-3 |304

We have a methodology for identifying and assessing environmental aspects and impacts - called LAIA, derived from our industrial operations. The main aspects of operations that could generate impacts on biodiversity are related to leakage of materials (e.g., raw materials and ingredients) and emergency situations, such as fire and explosion.

For impacts classified as relevant, operational controls are in place to mitigate the damage caused. Currently, we carry out actions for the conservation and sustainable use of biodiversity in Serra das Almas Natural Reserve in Crateús/CE, Environmental Preservation Area (APA) in Salvador/BA, and in a conservation area recently acquired in Farroupilha/RS. GRI 304-1

Serra das Almas Nature Reserve (Crateús/CE – 8 km²)

In 2021, we adopted 800 hectares (previously 50) of Serra das Almas Natural Reserve, expanding our partnership with Associação Caatinga, a

non-profit, non-governmental organization that has been working for 22 years in the conservation of land, forests and waters of the caatinga.

This is the largest Private Reserve of Natural Heritage in Ceará. Covering 6,3 hectares, it is recognized by Unesco for housing representative biodiversity of the Caatinga. Located between Crateús/CE and Buriti dos Montes/PI, the reserve shelters 45 species of mammals, 33 types of amphibians, 323 species of plants and 237 different examples of birds. In addition to the fauna and flora typical of the semiarid region, there are six ecological trails, auditorium, interactive exhibitions, leisure activities and lodging facilities. The reserve is open for visitations.

Environmental Preservation Area - Aratu Bay (Salvador/BA - 0.07 km²)

APA is under a continuous process of recovery, enrichment and conservation of its biodiversity. In 2021, 651 seedlings of different species were planted. The preservation actions implemented by the

Environment team at Salvador/BA Unit were approved by the environmental inspection technicians of the Department of Development and Urbanism (Sedur), an agency linked to the Municipal Government.

Três Cascatas dos Três Rios (Farroupilha/RS – 0.121 km²)

The property was accepted by the relevant environmental agency as an environmental compensation area. Every year we conduct aerial monitoring to track its preservation. In 2021, a 0.0129 km² displacement occurred due to a landslide that damaged the adjacent highway. However, the forest regeneration in the area can already be seen. The remaining area of the property has full vegetation cover. All actions adopted in the area are in compliance with Law 11.428/2006, which provides for the use and protection of native vegetation in the Atlantic Forest biome.

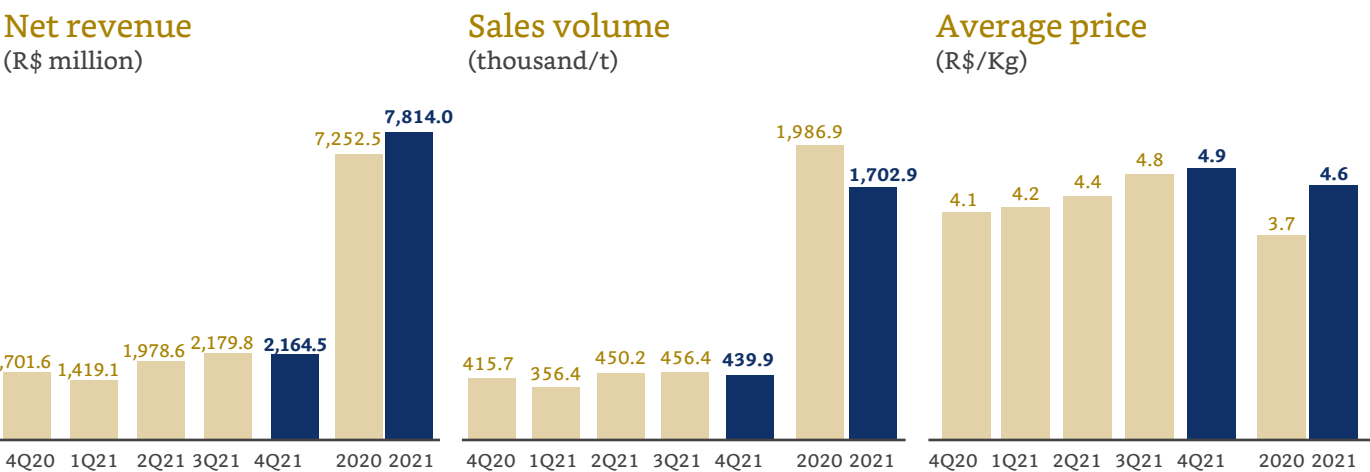
Financial Capital

Dream, do, grow



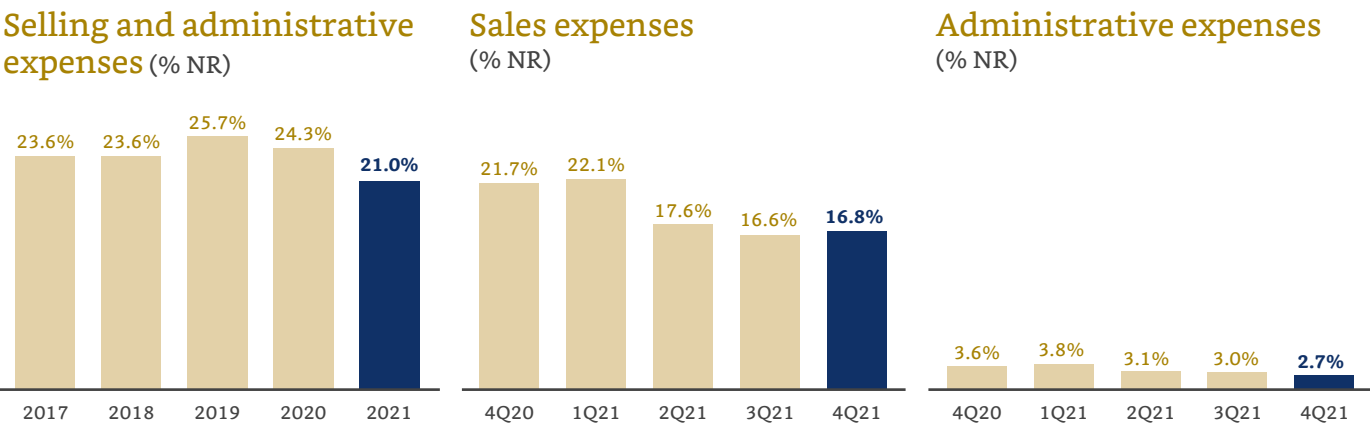
ECONOMIC AND FINANCIAL PERFORMANCE GRI 103-2, 103-3 | 201

M. Dias Branco achieved R\$ 7.8 billion net revenue in 2021, higher than R\$ 7.3 billion recorded in 2020, with 25.8% increase in average price in the period, while sales volume declined 14.3%, after the strong increase in demand experienced during social isolation in 2020.

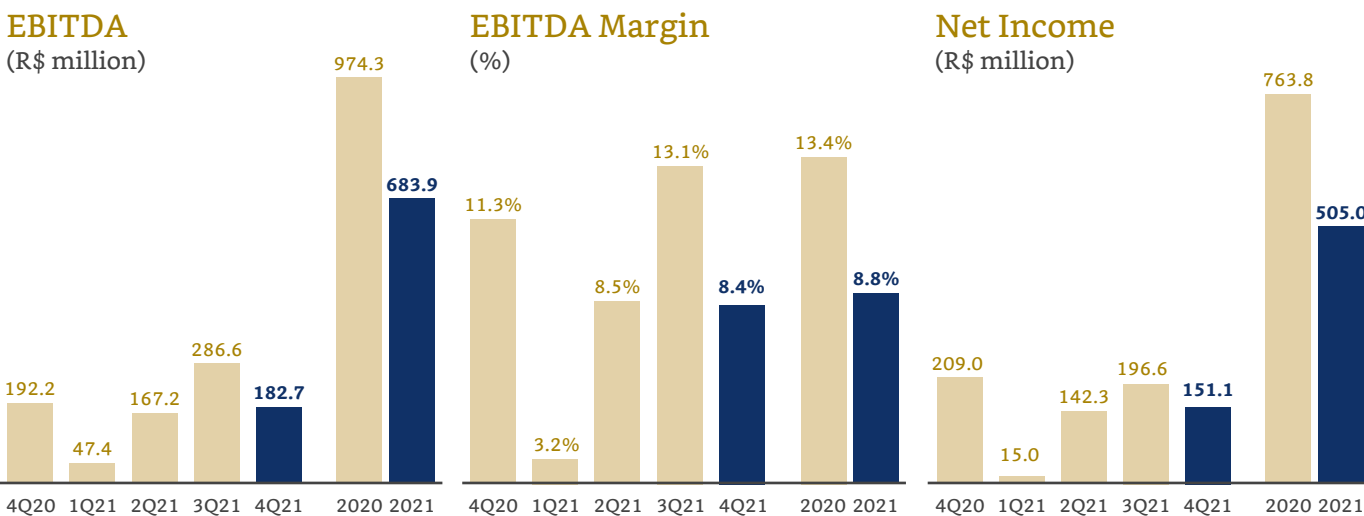


In line with the strategy of profitable growth and under a scenario of unfavorable exchange rate effects and high prices of commodities, the Company focused its efforts throughout the year on launching higher value-added products and repricing, in addition to capturing productivity gains.

2021 was marked by structural reductions in sales and administrative expenses, as a result of the successful execution of productivity and efficiency programs, carried out through Multiplier Program in 2020 and the organizational redesign in 2021.



As a result, the Company recorded R\$ 683.9 million EBITDA (-29.8% versus 2020), with 8.8% EBITDA margin (-4.6 p.p. versus 2020) and R\$ 505.0 million net income (-33.9% versus 2020). The decline versus 2020 is due to the increase in commodity prices in US dollars, the Brazilian real depreciation, the drop in volumes and non-recurring tax credits that had a higher positive impact on the result in 2020.



With operating cash generation at R\$ 959.7 million in 2021 (+41.3% versus 2020), the Company ended the period with R\$ 1.6 billion in cash and gross debt of R\$ 1.8 billion, resulting in a leverage (net debt-to-EBITDA in the last 12 months) of 0.2x. A highlight was the AAA Stable Outlook Rating reaffirmed by Fitch for the 4th consecutive year.



ECONOMIC AND FINANCIAL PERFORMANCE

GRI 103-2, 103-3 | 201

The main indicators of consolidated results for 2021 compared to 2020 are shown below, including Latinex's results as of November 2021, when the completion of the acquisition was announced to the market, reaffirming M. Dias Branco's commitment to long-term value creation for its shareholders.

NET REVENUE

Net revenue grew 7.7% year-over-year, influenced by a 25.8% increase in average prices, which offset a 14.3% drop in volumes sold. As for volumes, it is important to highlight the tougher comparative basis due to the atypical and temporary increase in demand in 2020.

Consistent investments in marketing and attention to market trends are part of the strategy to strengthen the Company's brands. In 2021, several actions were carried out on Vitarella, Piraquê, Adria and Richester brands, focusing on digital and *out-of-home* media.

Highlight for investments in Piraquê's nationalization campaign and in Vitarella "Cream Cracker 7 layers #1" and "Delicitá Cristal" campaigns, in addition to *merchandising* at BBB21. "A vida acontece nos detalhes", by Adria, "Criações Originais" and "Comida di Buteco", by Piraquê, and "Chocowafer", by Richester, are other examples of relevant campaigns that took place throughout 2021.

Cookies and crackers

Net revenue of cookies and crackers increased 7.0% in 2021 versus 2020, as a result of the 18.3% average price increase and 9.6% drop in volume sold.

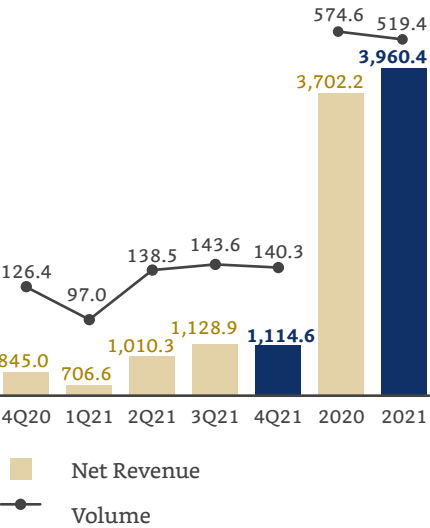
The drop in volumes occurred mainly in the Northeast and Southeast regions and in the water and salt/cream cracker and maria and maisena categories.

On the other hand, it is worth mentioning the increase in sales of iced products, mainly

in the Northeast and Southeast regions, and of filled cookies and crackers abroad, in line with the Company's strategy of launching high value-added products and increasing exports.

Cookies and crackers

Net revenues (R\$ million) and Net volume (thousand tons)



Product line	2021			2020			Change		
	Net revenue*	Weight	Average price	Net revenue	Weight	Average price	Net revenue	Weight	Average price
Cookies and crackers	3,960.4	519.4	7.62	3,702.2	574.6	6.44	7.0%	-9.6%	18.3%
Pasta	1,713.5	373.0	4.59	1,687.9	451.1	3.74	1.5%	-17.3%	22.7%
Flours and Brans	1,425.6	708.8	2.01	1,297.0	855.3	1.52	9.9%	-17.1%	32.2%
Margarine and shortening	545.7	85.8	6.36	420.6	90.1	4.67	29.7%	-4.8%	36.2%
Other product lines**	168.8	15.9	10.62	144.8	15.8	9.16	16.6%	0.6%	15.9%
Total	7,814.0	1,702.9	4.59	7,252.5	1,986.9	3.65	7.7%	-14.3%	25.8%

* Net revenue in R\$ million, weight in thousand tons, net of returns and net average price in R\$/kg.
** Cakes, snacks, cake mix, refreshments, packaged toasts, healthy products, sauces and seasoning



Promoter organizes shelves

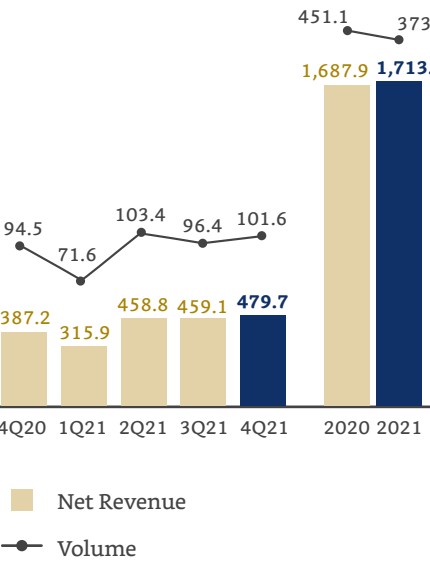
Pasta

For pasta, net revenue recorded 1.5% growth in 2021 versus 2020, as average prices increased 22.7%, offsetting the 17.3% decline in volumes.

It is worth noting that pasta sales in 2020 were heavily impacted by increased consumption at home due to the closing of bars and restaurants caused by social isolation due to the pandemic. Thus, pasta sales decreased as compared to this period, especially in the Northeast and Southeast regions and exports.

Pasta

Net revenue (R\$ million) and Net volume (thousand tons)



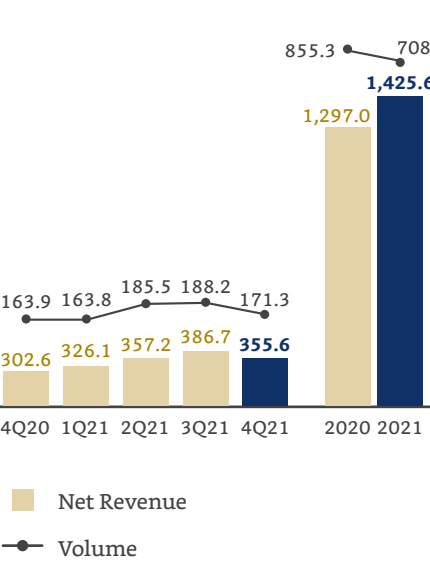
Flours and brans

In 2021, net revenue from flours and brans recorded 9.9% growth versus 2020, as average prices increased 32.2%, offsetting the 17.1% decline in volumes.

The decline is seen for both industrial and domestic flours, but industrial flours experienced a heavier impact, especially in Northeast region.

Flours and brans

Net revenue (R\$ million) and Net volume (thousand tons)



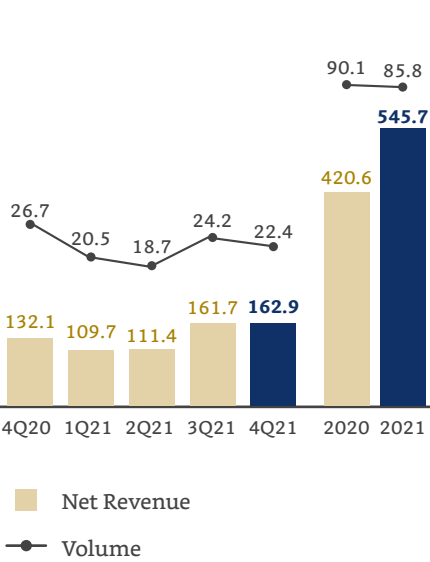
Margarine and shortening

Net revenue from margarine and shortening in 2021 was 29.7% higher versus 2020, with a 36.2% increase in average prices and 4.8% drop in volumes.

Vole decline was due to the drop in the domestic subcategory, which was partially offset by the increase in volumes in industrial subcategory in the Defense and Exports region.

Margarine and shortening

Net revenue (R\$ million) and Net volume (thousand tons)



ECONOMIC AND FINANCIAL PERFORMANCE

GRI 103-2, 103-3 | 201

COSTS

In 2021, the cost of goods sold showed 14.9% growth versus 2020, representing 77.4% of net revenue for the period (72.6% in 2020).

The 4.8 p.p. increase in COGS representation on net revenue in 2021 versus 2020 was a result of the following factors:

- ↑ 31.5% increase in the average cost (R\$) of wheat consumed;
- ↑ 61.4% increase in the average cost (R\$) of oil consumed;
- ↑ 35.0% increase in the average cost (R\$) of sugar consumed;
- ↑ Lower dilution of fixed costs due to the 14.4% decrease in volumes produced;
- ↑ 10.1% Inflation in 2021 (4.5% in 2020)¹;



↓ Improved mix of volumes sold, especially cookies and crackers.

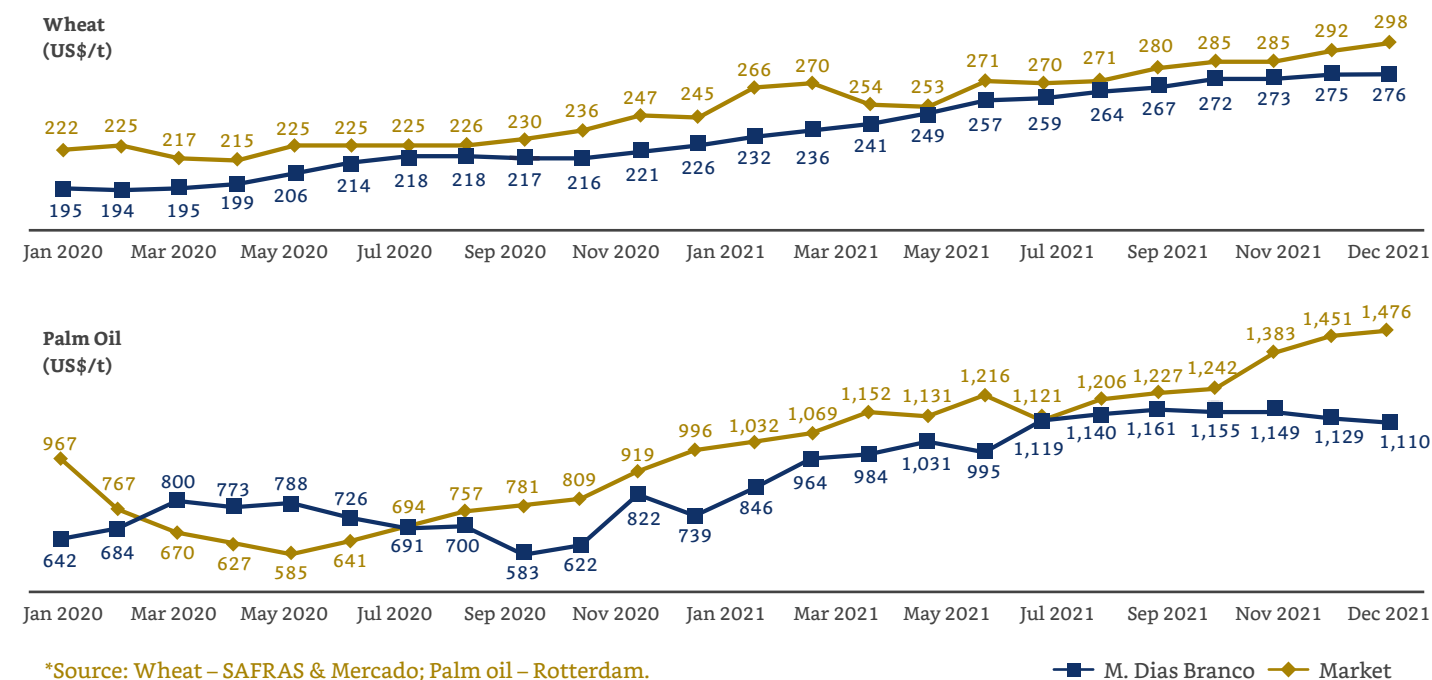
As for the impact of wheat and palm oil prices, the evolution of acquisition prices in M. Dias Branco's inventories and market prices for the periods from 2020 to 2021 is evident in the graphs on the next page.

¹Historical series is available at: ibge.gov.br/estatisticas/economicas/precos-e-custos/9256-indice-nacional-de-precos-ao-consumidor-amplio

Cost of goods sold (R\$ million)

	2021	% NR	2020	% NR	HA%	HA -% NR
Raw materials	4,171.5	53.4%	3,532.2	48.7%	18.1%	4.7 p.p.
Wheat	2,630.7	33.7%	2,371.1	32.7%	10.9%	1 p.p.
Oil	899.5	11.5%	588.1	8.1%	53.0%	3.4 p.p.
Sugar	225.2	2.9%	182.6	2.5%	23.3%	0.4 p.p.
Flour acquired from third parties	7.5	0.1%	16.3	0.2%	-54.0%	-0.1 p.p.
Shortening acquired from third parties	1.7	0.0%	2.9	0.0%	-41.4%	0 p.p.
Other inputs	406.9	5.2%	371.2	5.1%	9.6%	0.1 p.p.
Packaging	530.5	6.8%	478.3	6.6%	10.9%	0.2 p.p.
Labor	646.0	8.3%	623.6	8.6%	3.6%	-0.3 p.p.
General manufacturing costs	514.0	6.6%	452.6	6.2%	13.6%	0.4 p.p.
Depreciation and amortization	184.5	2.4%	176.6	2.4%	4.5%	0 p.p.
Cost of goods sold	1.5	0.0%	-	0.0%	n/a	0 p.p.
Total	6,048.0	77.4%	5,263.3	72.6%	14.9%	4.8 p.p.

Average acquisition price in M. Dias Branco Inventory x market prices



PRODUCTION AND CAPACITY UTILIZATION RATE

In 2021, production volume and level of capacity utilization were down 14.4% and 11.9 p.p., respectively.

It is worth noting that production was stepped up in 2020 in an effort to meet the growing demand seen in

the context of the onset of the pandemic. Thus, the drop is impacted by the strong demand, mainly between 2Q20 and 3Q20, which led to the reactivation of production lines and introduction of new shifts, resulting in a larger comparative base.

	Cookies and crackers		Pasta		Flours and Brans		Margarine and shortening		Other product lines**		Total	
Effective Production / production capacity*	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total Production	531.1	598.4	380.0	462.0	1,493.1	1,765.1	176.0	192.1	16.3	17.0	2,596.5	3,034.6
Total Production Capacity***	896.5	896.1	562.7	580.8	2,470.9	2,319.6	360.0	385.7	36.3	38.7	4,326.4	4,220.9
Capacity Utilization Level	59.2%	66.8%	67.5%	79.5%	60.4%	76.1%	48.9%	49.8%	44.9%	43.9%	60.0%	71.9%

*In thousand tons *Cakes, snacks, cake mix and packaged toast ***The total production capacity is the maximum yield that can be extracted from the equipment, considering reductions caused by the maintenance stops, setup time, cleaning of lines, restrictions on the maximum number of shifts allowed at the plants, etc.

VERTICAL INTEGRATION

The Company produces most part of its two main raw materials used for the production of its products. In 2021, 99.7% of all wheat flour and all vegetable shortening used in the production process were manufactured in-house (98.5% and 99.3% in 2020, respectively).

GROSS PROFIT

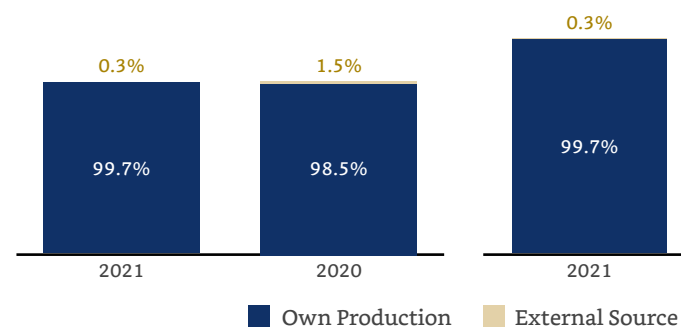
In 2021 versus 2020, gross profit in nominal amounts decreased 7.5% and gross margin retracted 4.6 pp, from 32.8% in 2020 to 28.2% in 2021. The drop reflects the rise in raw material prices in dollars, the 14.3% drop in volumes sold and the depreciation of Brazilian real against the dollar.

OPERATING EXPENSES

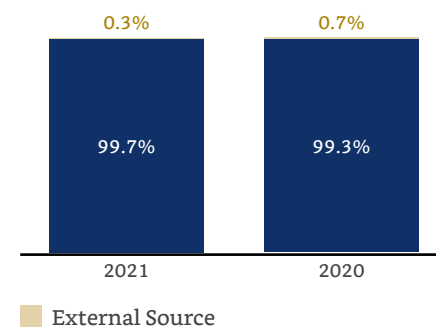
Comparing 2021 versus 2020, operating expenses showed 8.0% growht in absolute terms. However, selling and administrative expenses decreased 7.1% and 4.6% respectively, with lower representation on net revenue, evidencing the effectiveness of the gains from Multiplique project and short-term initiatives presented in early 2021.

Additionally, we recorded a favorable non-recurrent result of R\$ 87.5 million (R\$ 73.4 million

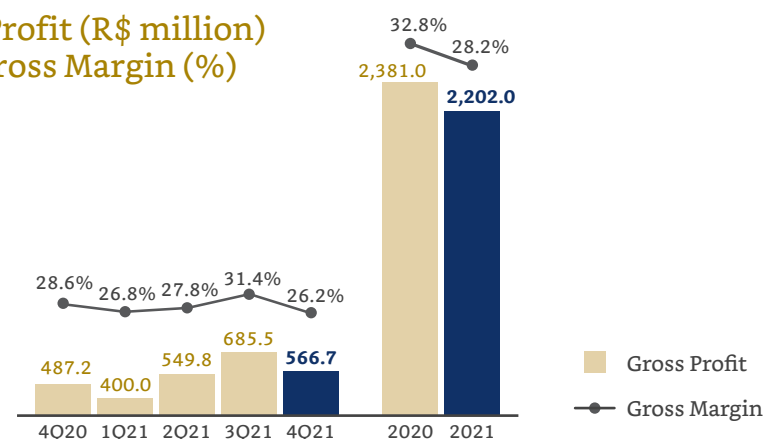
Wheat flour



Shortening



Gros Profit (R\$ million) and Gross Margin (%)



Operating Expenses (R\$ million)

	2021	% NR	2020	% NR	HA%	HA -% NR
Sales*	1,400.9	17.9%	1,508.6	20.8%	-7.1%	-2.9 p.p.
General and Administrative	242.8	3.1%	254.4	3.5%	-4.6%	-0.4 p.p.
Donations	27.1	0.3%	22.2	0.3%	22.1%	0 p.p.
Tax	30.8	0.4%	32.0	0.4%	-3.8%	0 p.p.
Depreciation and amortization	102.4	1.3%	83.1	1.1%	23.2%	0.2 p.p.
Other oper. exp./ (rev.)	10.3	-0.1%	(239.4)	-3.3%	-95.7%	-3.4 p.p.
Total	1,793.7	23.0%	1,660.9	22.9%	8.0%	0.1 p.p.

*Salaries and benefits, freight and other marketing, sales force and logistics expenses. Note: In the Statement of Profit or Loss, depreciation and amortization expenses were included in the respective selling and administrative expenses, and tax expenses were added to other net expenses (revenues). For more information, see Note 29 of the financial statements for the year ended December 31, 2021.



New brands in M. Dias Branco portfolio

of income with extemporaneous tax credits, R\$ 9.9 million with adjustment of the acquisition value of Piraquê, and R\$ 4.2 million with other recoveries) and R\$ 47.9 million of non-recurring expenses (R\$ 41.5 million with restructuring, R\$ 3.5 million with covid-19 expenses and R\$ 2.9 million with Latinex).

In 2020, R\$ 348.5 million in revenue from extemporaneous tax credits and R\$ 44.4 million in non-recurring expenses were recognized, influencing the change between 2020 and 2021.

TAX INCENTIVES (ICMS)

GRI 201-4

Tax incentives (ICMS) are transferred to the result in compliance with CPC 07 and IAS 20 – Government Subsidies. Most of them are calculated based on the amount of ICMS computed in the production cost, and allocated in the Fiscal Year Income Statement, below the cost of goods sold. In 2021, the amount recognized by the

Company was R\$ 436 million (R\$ 391.8 million in 2020).

As of March 2021, the Company was also entitled to Fundopem (Fundo Operação Empresa do Estado do Rio Grande do Sul), a partnership instrument aimed at promoting the social and economic development of the State of Rio Grande do Sul. Thus, in 2021, the amount of R\$ 5.8 million was recognized in other operating income.

FINANCIAL RESULT

In 2021, the Company recorded a negative financial result in

the amount of R\$ 19.8 million, versus a positive result of R\$ 81 million in 2020.

The change was mainly influenced by the increase in financial expenses with interest and inflation adjustment on debentures issued in 1Q21, in addition to the drop in financial revenues with the lower inflation adjustment on extemporaneous credits, in contrast to the increase in income from financial investments, as a result of the hike in CDI.

Financial Results (R\$ million)

	2021	2020	HA%
Financial revenues	166.4	182.3	-8.7%
Financial expenses	(186.1)	(92.5)	n/a
FX Variation	(52.4)	(168.6)	-68.9%
Losses / gains on derivatives	63.7	172.7	-63.1%
Changes in fair value of financial instruments	(11.4)	(12.9)	-11.6%
Total	19.8%	81.0	-124.4%

EBITDA AND NET INCOME

The Company ended 2021 with R\$ 683.9 million EBITDA (8.8% of net revenue), a 29.8% decline as compared to 2020. Net income decreased 33.9%, reaching R\$ 505 million in 2021.

The result was impacted by the increase in commodity prices in US dollars, depreciation of Brazilian real, drop in volumes, and non-recurring effects, as already highlighted. In total non-

recurring effects, R\$ 19.9 million were recognized in 2021 versus R\$ 276.3 million in 2020, both

related to the recognition of tax credits.

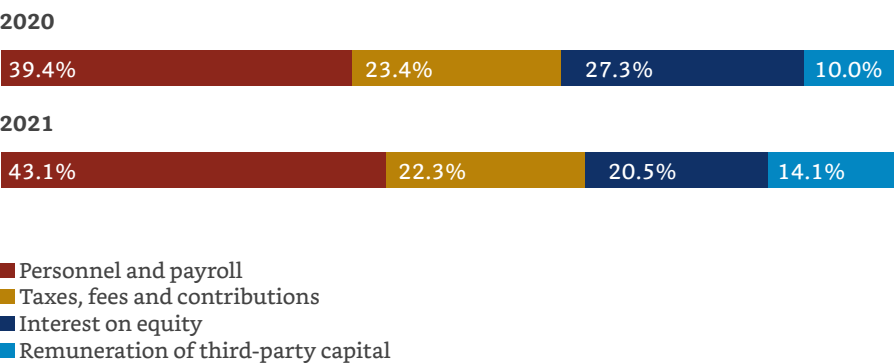
EBITDA Reconciliation (R\$ million)

	2021	2020	Change
Net Income	505.0	763.8	-33.9%
Income tax and social contribution	125.8	64.6	n/a
irpj Incentive	(2.0)	(32.8)	-93.9%
Financial revenues	(280.2)	(335.2)	-16.4%
Financial expenses	300.0	254.2	18.0%
Depreciation and amortization on cogs	184.5	176.6	4.5%
Depreciation and amortization on expenses	102.4	83.1	23.2%
EBITDA	683.9	974.3	-29.8%
EBITDA Margin	8.8%	13.4%	-4.6 p.p.

ADDED VALUE

In 2021, the wealth produced by the Company was R\$ 2.5 billion. The amount allocated to personnel and payroll totaled R\$ 1.1 billion, representing the most significant portion, followed by taxes, fees and contributions in the amount of R\$ 550.0 million, interest on equity of R\$ 505.0 million and remuneration of third-party capital of R\$ 348 million. The distribution is shown in the graph:

Distribution of value added



CAPITALIZATION, DEBT AND CASH

The Company closed 2021 with gross debt of R\$ 1.8 billion (R\$ 1.6 billion in 2020) and cash and cash equivalents of R\$ 1.6 billion (R\$ 1.2 billion in 2020), resulting in a leverage (net debt-to-EBITDA LTM) of 0.2x (0.4x in 2020).

Of note is the Company's 3rd issue of simple debentures, on

March 15, 2021, which were used as guarantee for the issuance of CRAs (Agribusiness Receivables Certificates), in the total amount of R\$ 811.6 million. The first and second series debentures are entitled to semi-annual payment of conventional Interest of 3.7992% p.a. and 4.1369% p.a., respectively, based on 252 business days, in addition to adjustment by IPCA (adjustment only together with amortization).

Proceeds raised are intended to promote and encourage sustainable agriculture at the Company's suppliers, ensuring the continuous improvement of the food and nutritional safety of the products offered to consumers. On December 31, 2021, the value of the debentures was represented by an amount of R\$ 811.7 million, net of the balance to be amortized of transaction costs in the amount of R\$ 41.3 million.

Thus, the Company ended 2021 with a debt-to-asset ratio of 16.6%, 0.3 p.p. higher as compared to the final position in 2020, influenced by the 11.2% increase in total debt, in contrast to the 9.5% asset growth, with the increase in cash and the acquisition of Latinex. It is worth mentioning the decrease in net debt, from

R\$ 350.7 million in 2020 to R\$ 140.4 million in 2021, as the increase in cash and cash equivalents was higher than the increase in indebtedness. Leverage (net debt-to-EBITDA for the last 12 months) was 0.2x (0.4x in 2020), indicating the Company's ability to settle its debts in the short term. In 2021, net cash generated from

operating activities amounted to R\$ 959.7 million, and the net flow of financing was R\$ 16.1 million. This change was mainly influenced by the issuance of debentures, as opposed to the payment of financing in the period, contributing to the result of cash and equivalents recorded:

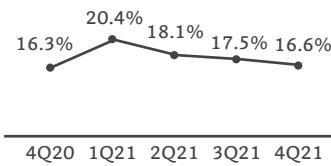
Capitalization (in R\$ million)

	2021	2020	Change
Cash	1,555.9	1,213.0	28.3%
Short-term financial investments	16.6	16.4	1.2%
Long-term financial investments	2.1	3.3	-36.4%
Total debt	(1,767.5)	(1,589.1)	11.2%
(-) Short-term	(116.0)	(776.1)	-85.1%
(-) Long-term	(1,651.5)	(813.0)	N/a
Financial instruments receivable (payable)	52.5	5.7	N/a
(=) Net cash (net debt)	(140.4)	(350.7)	-60.0%
Shareholder's equity	7,032.4	6,645.6	5.8%
Capitalization	8,799.9	8,234.7	6.9%

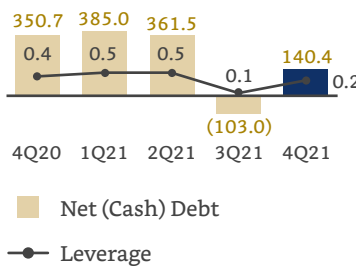
Financial indicators

	2021	2020	Change
Net Cash (Debt) / EBITDA (last 12 months)	(0.2)	(0.4)	-50.0%
Net Cash (Debt) / PL	-2.0%	-5.3%	-3.3 p.p.
Debt / total assets	16.6%	16.3%	3.3 p.p.

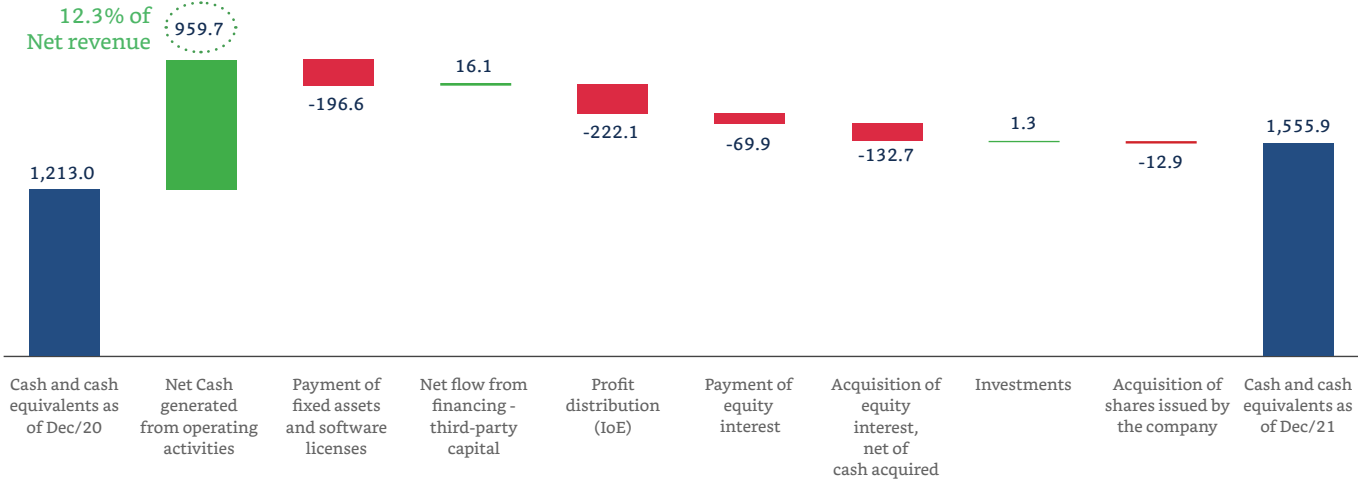
Debt-to-asset ratio (%)



Net (Cash) debt (R\$ million) and leverage



R\$ million



INVESTMENTS

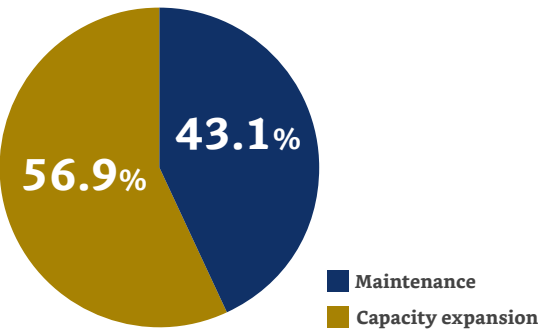
Investments amounted to R\$ 208.1 million in 2021 (R\$ 221.8 million as of 2020), distributed between expansion and maintenance. The following stand out: (i) acquisition of equipment for the units in Bento Gonçalves/RS, Eusébio/CE and São Caetano do Sul/SP; (ii) adjustments to DCs in Rio de Janeiro/RJ for storage of inputs and packaging; and (iii) systems for managing production and information security at Eusébio/CE Unit.

The Company maintains investments in subsidiaries, whose transactions and details are listed in Note 10 to the financial statements for the year ended December 31, 2021.

Investments (R\$ million)

	2021	2020	Change
Facilities	23.1	26.4	-12.5%
Machinery and equipment	95.9	121.0	-20.7%
Civil works	41.6	43.5	-4.4%
Vehicles	0.1	0.3	-66.7%
Computers and peripherals	6.7	4.0	67.5%
Furniture and fixtures	6.0	8.8	-31.8%
Land plots	-	3.8	-100.0%
Software licenses	33.0	12.1	n/a
Other	1.7	1.9	-10.5%
Total	208.1	221.8	-6.2%

2021 Investments
R\$ 208.1 million



SHAREHOLDER REMUNERATION

The Company's bylaws set forth the distribution of a minimum dividend of 25% of the net income for the year, adjusted pursuant to art. 202 of Law No. 6.404/1976, as well as the possibility of crediting shareholders in the form of interest on equity, in compliance with the limits established by law. Interest on equity shall always be ascribed to the mandatory dividend.

The shareholder remuneration policy, approved in 2020, provides for a target percentage of sixty percent (60%) of the adjusted net income related to the reference year and frequency of five payments per year, four of them with a fixed amount of R\$ 0.05 per share and the fifth referring to the residual value, after approval by the Shareholders' Meeting, which will resolve on the financial statements for the reference year.

For the year ended December 31, 2021, the Company did not record a dividend distribution basis. However, it has paid the amount of R\$ 67.5 million as interest on equity against the reserve account for investment plans.

CAPITAL MARKET

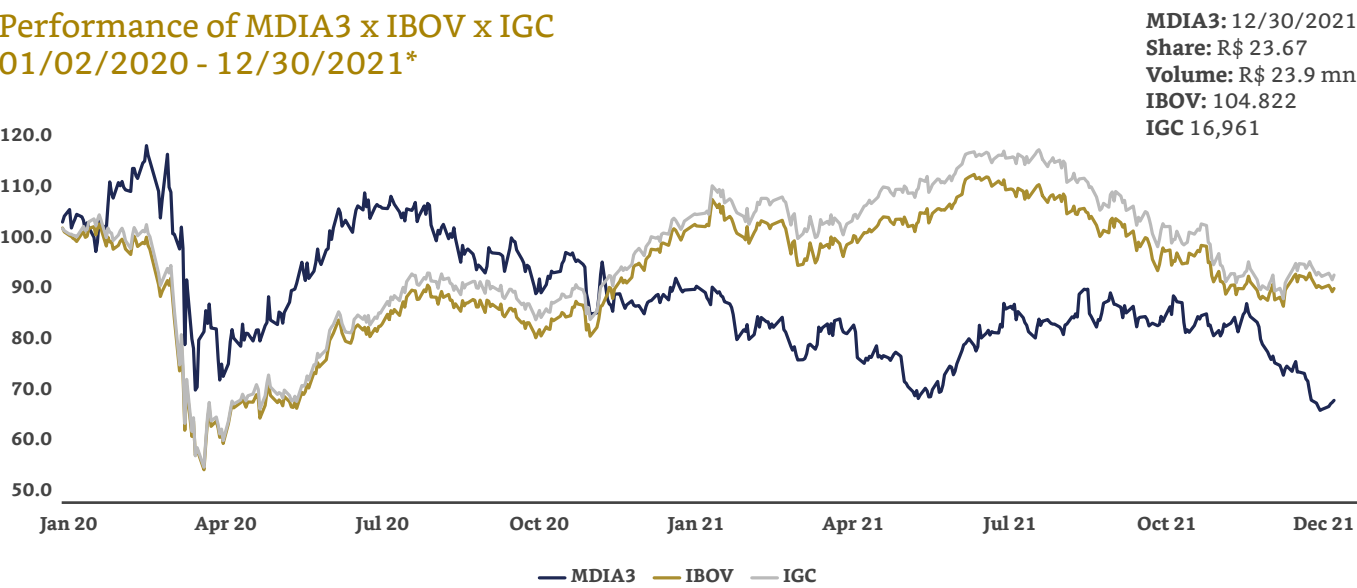
The Company's shares are traded in B3 (Brasil, Bolsa e Balcão), under MDIA3 ticker, listed in Novo Mercado segment. As of December 30, 2021, 82,401,851 shares were outstanding in the market, representing 24.3% of the total Company's capital, priced at R\$ 23.67 each, amounting to R\$ 1,950.1 million. The average daily trading volume of MDIA3 shares in 2021 reached 6,263 (7,037 in 2020) and the average daily traded value was R\$ 35.8 million (R\$ 45.7 million in 2020).

versus Ibovespa and the IGC in 2021.

M. Dias Branco is part of important indexes: ESI (Corporate Sustainability Index), Brazil Broad-Based Index B3 (IBrA), ICON (Consumption Index), IGC (Special Corporate Governance Index), IGC-NM (Corporate Governance Index - Novo Mercado), IGCT (Corporate Governance Trade Index), INDX (Industrial Index), ITAG (Special Tag Along Stock Index), SMLL (Small Cap Index).

The following chart shows the performance of MDIA3 share

Performance of MDIA3 x IBOV x IGC
01/02/2020 - 12/30/2021*



*IBOV is the most important indicator of the average performance of shares traded at B3. It comprises the shares with the highest volume traded in recent months. IGC is an indicator of the average performance of the prices of assets of companies in listed Novo Mercado or in Levels 1 or 2 of Corporate Governance of B3.



* In 2021, M. Dias Branco received an A rating (on an AAA-CCC scale) in MSCI ESG Ratings. More information available at: <https://ri.mdiasbranco.com.br/noticia/msci-esg-ratings/>

BALANCE SHEET

Years ended December 31 (in thousands of Brazilian reais).

Assets	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Current					
Cash and cash equivalents	6	1,554,804	1,212,873	1,555,864	1,213,007
Trade accounts receivable	7	1,431,094	959,907	1,438,991	960,058
Inventories	8	1,143,315	1,216,061	1,154,177	1,216,085
Taxes recoverable	9	127,132	354,655	127,919	354,661
Income tax and social contribution	9	71,224	44,232	71,224	44,232
Financial investments	18.c	16,566	16,413	16,566	16,413
Derivative financial instruments	18	49,765	23,794	51,079	23,794
Prepaid expenses		7,444	10,224	7,803	10,306
Other current assets		17,340	31,496	19,407	32,046
Total current assets		4,418,684	3,869,655	4,443,030	3,870,602
Non-current					
Long-term receivables					
Financial investments	18.c	2,058	3,306	2,058	3,306
Judicial deposits	23	233,582	263,819	233,807	263,827
Taxes recoverable	9	439,812	293,008	440,068	293,008
Derivative financial instruments	18	10,164	-	10,164	-
Assets from indemnities		59,827	53,626	59,827	53,626
Other non-current assets		4,635	4,832	4,645	4,829
		750,078	618,591	750,569	618,596
Investments	10	277,504	51,750	35,943	47,289
Investment Properties	11	56,119	54,613	56,119	54,613
Property, Plant & Equipment	12	3,402,810	3,416,539	3,417,997	3,419,394
Intangible assets	13	1,729,144	1,719,364	1,953,435	1,719,364
Total non-current assets		6,215,655	5,860,857	6,214,063	5,859,256
Total assets		10,634,339	9,730,512	10,657,093	9,729,858

The notes are an integral part of the financial statements.

Liabilities	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Current					
Suppliers	16	739,406	361,646	741,373	361,738
Financing and borrowings from financial institutions	17.1	67,217	743,764	74,500	743,764
Tax Financing	17.2	3,092	3,272	3,092	3,272
Direct financing	17.3	28,219	28,992	28,219	28,992
Debentures	17.4	10,215	-	10,215	-
Leases	14	52,809	41,109	52,809	41,109
Social and labor obligations	20	176,210	176,483	176,897	176,568
Tax liabilities	21	101,669	53,775	102,603	53,833
Income tax and social contribution	21	1,778	1,778	1,792	1,778
Government Subsidies	22	10,845	12,375	10,845	12,375
Derivative financial instruments	18	44	18,125	44	18,125
Additional	26.c	5	58,978	5	58,978
Other current liabilities	25	126,204	134,433	126,753	133,476
Total current liabilities		1,317,713	1,634,730	1,329,147	1,634,008
Non-current					
Financing and borrowings from financial institutions	17.1	596,346	618,395	607,238	618,395
Tax Financing	17.2	13,920	6,621	13,920	6,621
Direct financing	17.3	228,920	187,973	228,920	187,973
Debentures	17.4	801,494	-	801,494	-
Leases	14	192,985	153,881	192,985	153,881
Tax liabilities	21	-	-	784	-
Deferred Income tax and social contribution	24	197,255	226,601	195,357	226,601
Derivative financial instruments	18	8778	-	8,778	
Provision for civil, labor and tax risks	23	221,177	219,110	221,226	219,110
Other current non-liabilities	25	23,463	37,633	24,956	37,701
Total non-current liabilities		2,284,338	1,450,214	2,295,658	1,450,282
Shareholder's equity					
Share capital		2,597,656	2,567,941	2,597,656	2,567,941
Capital Reserves		33,425	27,595	33,425	27,595
Accumulated conversion adjustments		172	159	172	159
Equity valuation adjustments		41,550	(7,541)	41,550	(7,541)
Earnings reserves		4,408,223,	4,001,420	4,408,223,	4,001,420
(-) Treasury Shares		(48,738)	(39,576)	(48,738)	(39,576)
Additional dividends proposed		-	95,570	-	95,570
Total controlling shareholders' equity		7,032,288	6,645,568	7,032,288	6,645,568
Total Liabilities and shareholders' equity		10,634,339	9,730,512	10,657,093	9,729,858

The notes are an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS

Years ended December 31 (in thousands of Brazilian reais, except net earnings per share).

	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Net operating revenue	28	7,808,904	7,252,524	7,814,046	7,252,524
Cost of goods sold	29	(6,044,748)	(5,263,499)	(6,048,011)	(5,263,266)
Tax incentives (ICMS)	22	435,950	391,788	435,950	391,788
Gross Profit		2,200,106	2,380,813	2,201,985	2,381,046
Operating revenues (expenses)					
Sales expenses	29	(1,461,235)	(1,554,108)	(1,463,153)	(1,554,108)
Administrative expenses	29	(304,724)	(309,444)	(306,024)	(310,133)
Other operating revenues (expenses), net	30	(24,748)	202,767	(24,498)	203,342
Results before net financial revenues (expenses), equity income and taxes		409,399	720,028	408,310	720,147
Financial revenues	19	280,107	335,294	280,216	335,296
Financial expenses	19	(299,232)	(254,223)	(300,028)	(254,227)
Other net revenues (expenses)	19	(19,125)	81,071	(19,812)	81,069
Equity income	10	(12,672)	(5,575)	(11,346)	(5,584)
income before income tax and social contribution		377,602	795,524	377,152	795,632
Income tax and social contribution	24	127,384	(31,680)	127,834	(31,788)
Net income for the year		504,986	763,844	504,986	763,844
Result attributable to:					
Controlling shareholders		504,986	763,844	504,986	763,844
Earnings per common share - basic - R\$	31	1,48963	2,25323	1,48963	2,25323
Earnings per common share - diluted - R\$	31	1,49212	2,25606	1,49212	2,25606
Average number of shares (ex-treasury shares)		339,000,000	339,000,000	339,000,000	339,000,000
Average number of shares (common and restricted)		338,435,234	338,574,460	338,435,234	338,574,460

The notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Years ended December 31 (in thousands of Brazilian reais).

	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Net income for the year		504,986	763,844	504,986	763,844
Other comprehensive income to be reclassified to income for the year in subsequent periods:					
Gains (Losses) on cash flow hedge transactions	18	74,008	(11,053)	74,008	(11,053)
Tax effects on cash flow hedge transactions	18	(24,917)	3,512	(24,917)	3,512
Foreign exchange translation differences from international subsidiaries	10	13	38	13	38
		49,104	(7,503)	49,104	(7,503)
Total comprehensive income					
		554,090	756,341	554,090	756,341

The notes are an integral part of the financial statements.

STATEMENT OF CHANGE IN EQUITY PARENT COMPANY AND CONSOLIDATED

Years ended December 31 (in thousands of Brazilian reais).

Capital Reserves					Earnings reserves									
	Note	Share Capital	Options granted	Special reserve	Tax incentive reserve	Reserve reserve	Reserve for investment plan	Equity valuation adjustments	Accrued translation adjustments	(-) Treasury shares	Retained earnings	Additional dividends	Total Shareholders' Equity	
Balance as of December 31, 2019		2,508,400	9,814	16,529	1,214,635	308,459	1,928,920	-	121	-	-	48,075	6,034,953	
Capital Increase	26	59,541	-	-	(59,541)	-	-	-	-	-	-	-	-	
Net income for the year		-	-	-	-	-	-	-	-	-	763,844	-	763,844	
Other comprehensive income to be reclassified to income for the year in subsequent periods														
Gains (Losses) on cash flow hedge transactions		-	-	-	-	-	-	(7,541)	-	-	-	-	(7,541)	
Foreign exchange translation differences on foreign operations	10	-	-	-	-	-	-	-	38	-	-	-	38	
Total comprehensive income		-	-	-	-	-	-	(7,541)	38	-	763,844	-	756,341	
Transactions with shareholders, booked directly in shareholders' equity														
Acquisition of treasury shares	26	-	-	-	-	-	-	-	-	(43,836)	-	-	(43,836)	
Distributions to shareholders														
Additional dividends approval	26	-	-	-	-	-	-	-	-	-	-	(48,075)	(48,075)	
Mandatory minimum dividends	26	-	-	-	-	-	-	-	-	-	(58,974)	-	(58,974)	
Additional dividends proposed	26	-	-	-	-	-	-	-	-	-	(95,570)	95,570	-	
Recognition of shares granted	27	-	6,642	-	-	-	-	-	-	-	-	-	6,642	
Exercise of restricted stock option plan	27	-	(5,390)	-	-	-	(353)	-	-	4,260	-	-	(1,483)	
Other distributions of profit														
Legal reserve	26	-	-	-	-	12,415	-	-	-	-	(12,415)	-	-	
Tax incentive reserve - IRPJ	26	-	-	-	32,821	-	-	-	-	-	(32,821)	-	-	
Tax incentive reserve - ICMS	26	-	-	-	482,714	-	-	-	-	-	(482,714)	-	-	
Statutory reserve	26	-	-	-	-	-	81,350	-	-	-	(81,350)	-	-	
Balance as of December 31, 2020		2,567,941	11,066	16,529	1,670,629	320,874	2,009,917	(7,541)	159	(39,576)	-	95,570	6,645,568	
Capital Increase	26	29,715		-	(29,715)	-	-	-	-	-	-	-	-	
Net income for the year		-		-	-	-	-	-	-	-	504,986	-	504,986	
Other comprehensive income to be reclassified to income for the year in subsequent periods														
Gains (Losses) on cash flow hedge transactions		-	-	-	-	-	-	49,091	-	-	-	-	49,091	
Foreign exchange translation differences on foreign operations	10	-		-	-	-	-	-	13	-	-	-	13	
Total comprehensive income		-	-	-	-	-	-	49,091	13	-	504,986	-	554,090	
Transactions with shareholders, booked directly in shareholders' equity														
Acquisition of treasury shares	26	-	-	-	-	-	-	-	-	(12,850)	-	-	(12,850)	
Distributions to shareholders														
Additional dividends approval	26	-	-	-	-	-	-	-	-	-	-	(95,570)	(95,570)	
Interest on equity	26	-	-	-	-	-	(67,544)	-	-	-	-	-	(67,544)	
Recognition of shares granted	27	-	9,643	-	-	-	-	-	-	-	-	-	9,643	
Exercise of restricted stock option plan	27	-	(3,813)	-	-	-	(924)	-	-	3,688	-	-	(1,049)	
Other distributions of profit														
Tax incentive reserve - IRPJ	26	-	-	-	1,977	-	-	-	-	-	(1,977)	-	-	
Tax incentive reserve - ICMS	26	-	-	-	503,009	-	-	-	-	-	(503,009)	-	-	
Balance as of December 31, 2021		2,597,656	16,896	16,529	2,145,900	320,874	1,941,449	41,550	172	(48,738)	-	-	7,032,288	

The notes are an integral part of the financial statements.

STATEMENT OF CASH FLOW

Years ended December 31 (in thousands of Brazilian reais).

	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Cash flow from operating activities					
Net income before income tax and social contribution	24	377,602	795,524	377,152	795,632
Adjustments to reconcile net incomewith cash from operating activities					
Depreciation and amortization		286,796	259,707	286,909	259,707
Cost on sale of permanent assets		1,226	1,819	1,354	1,819
Equity income	10	12,672	5,575	11,346	5,584
Restatement of financing, debentures and exchange rate variations		171,431	218,627	171,747	218,627
Restatement of long-term financial investments		(22)	(96)	(22)	(96)
Tax credits and restatements		(219,789)	(533,951)	(219,789)	(533,951)
Restatement of judicial deposits	23	(5,539)	(4,244)	(5,539)	(4,244)
Provisions and restatements for civil, labor and tax risks/ other	23	36,540	32,666	36,540	32,666
Provision (reversal) of expenses/indemnity asset		(2,715)	20,314	(2,715)	20,314
Interest on leases	14	20,252	17,427	20,252	17,427
Recognition of shares granted		9,644	6,642	9,644	6,642
Provision (reversal) for estimated customer losses	7	1,019	22,952	(874)	22,952
Provision for it on financing		3,632	3,312	3,632	3,312
Provision of impairment loss of inventories	8	10,021	8,408	10,021	8,408
Estimated losses due to the impairment of taxes		-	779	-	779
(Gains) on derivative transaction agreements		(16,990)	(159,764)	(16,769)	(159,764)
Provision (reversal) for impairment of assets	12 And 13	852	(7,699)	852	(7,699)
Changes in assets and liabilities					
(Increase) in trade accounts receivable		(470,168)	(25,271)	(468,556)	(25,213)
(Increase) in inventories		(26,028)	(431,262)	(24,838)	(430,939)
(Increase) in financial investments		(153)	(21)	(153)	(21)
Decrease in taxes recoverable		421,203	309,648	421,622	309,644
(Increase) decrease in judicial deposits		35,776	(2,141)	35,779	(2,144)
(Increase) decrease in prepaid expenses		2,779	(2,487)	2,642	(2,518)
Decrease in assets from indemnities		9,116	8,009	9,116	8,009
(Increase) decrease in other assets		14,352	(10,634)	14,070	(10,590)
Increase in suppliers		377,760	212,426	373,965	212,694
(Decrease) in taxes and contributions		(6,369)	(18,192)	(7,036)	(18,236)
Increase (decrease) in social and labor obligations		(273)	9,139	(565)	9,140
Increase (decrease) in government subsidies		(1,531)	7,577	(1,531)	7,577
(Decrease) in provision for civil, labor and tax risks		(34,473)	(27,100)	(34,473)	(27,100)
Increase (decrease) in other liabilities		(36,050)	24,652	(36,311)	24,766

	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Interest paid		(83,812)	(56,911)	(84,225)	(56,911)
Fx variations paid		(40,006)	(122,749)	(40,006)	(122,749)
Income tax and social contributions paid		-	(17,649)	-	(17,829)
Receipts of funds by settlement of derivative transactions		116,484	133,338	116,484	133,338
Net cash generated from operating activities		963,201	678,370	959,725	679,033
Cash flows from investment activities					
Purchase of property, plant and equipment and intangible assets		(196,405)	(215,149)	(196,659)	(215,906)
Payment of debt from company acquisition		(69,934)	(22,947)	(69,934)	(22,947)
Acquisition of equity interest, net of cash acquired		(130,000)	-	(132,657)	-
Long-term financial investments		(2,050)	-	(2,050)	-
Redemption of long-term financial investments		3,317	557	3,317	557
Advance for capital subscription		(14,595)	(163)	-	-
Net cash (used) in investment activities		(409,667)	(237,702)	(397,983)	(238,296)
Cash flows from financing activities					
Interest on equity paid	17.5	(222,087)	(84,999)	(222,087)	(84,999)
Financing obtained		821,643	1,822,050	821,645	1,822,050
Acquisition of shares issued by the company	17.5	(12,850)	(43,836)	(12,850)	(43,836)
Payment of financing		(755,985)	(1,246,207)	(763,269)	(1,246,207)
Lease payments	14	(42,324)	(23,115)	(42,324)	(23,115)
Net cash generated (used) in financing activities		(211,603)	423,893	(218,885)	423,893
Statement of increase in cash and cash equivalents		341,931	864,561	342,857	864,630
At the beginning of the year		1,212,873	348,312	1,213,007	348,377
At the end of the year		1,554,804	1,212,873	1,555,864	1,213,007
Increase in cash and cash equivalents		341,931	864,561	342,857	864,630

The notes are an integral part of the financial statements.

STATEMENT OF VALUE ADDED (GRI 201-1)

Years ended December 31 (in thousands of Brazilian reais).

	Note	Parent Company		Consolidated	
		2021	2020	2021	2020
Revenues					
Sales of goods, products and services		8,872,620	8,239,164	8,879,415	8,239,164
Other revenues		195,536	380,209	196,078	380,812
Revenue relating to the construction of own assets		41,572	43,385	41,572	43,385
(Provision) reversal for estimated customer losses	7	1,019	(22,952)	874	(22,952)
		9,110,747	8,639,806	9,117,939	8,640,409
Inputs purchased from third parties					
Costs of products and goods sold and services rendered		(4,346,216)	(3,723,682)	(4,348,450)	(3,723,448)
Materials, energy, third-party services and others		(2,282,507)	(2,172,746)	(2,285,634)	(2,173,260)
Materials relating to the construction of own assets		(506)	(11,414)	(506)	(11,414)
		(6,629,229)	(5,907,842)	(6,634,590)	(5,908,122)
Gross value added		2,481,518	2,731,964	2,483,349	2,732,287
Retentions					
Depreciation and amortization		(286,796)	(259,707)	(286,909)	(259,707)
Net value added produced		2,194,722	2,472,257	2,196,440	2,472,580
Vale added received on transfer					
Equity Income	10	(12,672)	(5,575)	(11,346)	(5,584)
Financial revenues	19	280,107	335,294	280,216	335,296
Total value added to distribute					
		2,462,157	2,801,976	2,465,310	2,802,292
Distribution of value added					
Personnel and payroll		1,061,507	1,103,351	1,062,331	1,103,497
Direct compensation		686,449	709,473	686,923	709,586
Benefits		304,436	327,060	304,623	327,070
FGTS		70,622	66,818	70,785	66,841

	Parent Company		Consolidated	
	2021	2020	2021	2020
Taxes, fees and contributions				
Federal	197,260	283,910	197,446	284,018
State	338,719	356,171	339,913	356,213
Municipal	12,626	15,154	12,629	15,158
Remuneration of third-party capital				
Interest	299,232	254,223	300,028	254,227
Rents	47,827	25,323	47,977	25,335
Interest on equity				
Dividends and interest on equity	-	154,544	-	154,544
Retained earnings	504,986	609,300	504,986	609,300
	2,462,157	2,801,976	2,465,310	2,802,292

The notes are an integral part of the financial statements.

Letter of Assurance

To offer quality, innovative, healthy, nutritious, tasty food with competitive prices, providing well-being and happiness to people

LETTER OF ASSURANCE

GRI 102-56



KPMG Auditores Independentes Ltda.
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Relatório de asseguração limitada dos auditores independentes

Ao Conselho de Administração e Acionistas
M. Dias Branco S.A Indústria e Comércio de Alimentos
Eusébio - CE

Introdução

Fomos contratados pela M. Dias Branco S.A Indústria e Comércio de Alimentos ("M. Dias Branco" ou "Companhia") com o objetivo de aplicar procedimentos de asseguração limitada sobre as informações de sustentabilidade divulgadas no "Relatório Anual Integrado 2021" da M. Dias Branco ("Relatório") acompanhadas a esse relatório, relativas ao exercício findo em 31 de dezembro de 2021.

Responsabilidades da administração da M. Dias Branco

A administração da M. Dias Branco é responsável pela elaboração e apresentação de forma adequada das informações de sustentabilidade divulgadas no "Relatório Integrado 2021" de acordo com os Standards para Relato de Sustentabilidade da Global Reporting Initiative – GRI, com a Orientação CPC 09 – Relato Integrado (que tem correlação à Estrutura Conceitual Básica do Relato Integrado, elaborada pelo International Integrated Reporting Council – IIRC) e com os controles internos que ela determinou como necessários para permitir a elaboração dessas informações livres de distorção relevante, independentemente se causada por fraude ou erro.

Responsabilidade dos auditores independentes

Nossa responsabilidade é expressar conclusão sobre as informações divulgadas no Relatório, com base nos trabalhos de asseguração limitada conduzidos de acordo com o Comunicado Técnico (CT) 07/2012, aprovado pelo Conselho Federal de Contabilidade e elaborado tomando por base a NBC TO 3000 (Trabalhos de Asseguração Diferente de Auditoria e Revisão), emitida pelo Conselho Federal de Contabilidade - CFC, que é equivalente à norma internacional ISAE 3000, emitida pela Federação Internacional de Contadores, aplicáveis às informações não financeiras históricas. Essas normas requerem o cumprimento de exigências éticas, incluindo requisitos de independência e que o trabalho seja executado com o objetivo de obter segurança limitada de que as informações divulgadas no Relatório, tomadas em conjunto, estão livres de distorções relevantes.

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e não-membro do organismo global KPMG de Responsabilidade Independente Internacional da KPMG, International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a Swiss entity, which is a member of the KPMG network of independent member firms affiliated with the KPMG network of independent member firms.

1



Um trabalho de asseguração limitada conduzido de acordo com a NBC TO 3000 (ISAE 3000) consiste principalmente de indagações à administração da M. Dias Branco e outros profissionais da Companhia que estão envolvidos na elaboração das informações constantes no Relatório, assim como pela aplicação de procedimentos analíticos para obter evidências que nos possibilitem concluir na forma de asseguração limitada sobre as informações de sustentabilidade tomadas em conjunto. Um trabalho de asseguração limitada requer, também, a execução de procedimentos adicionais, quando o auditor independente toma conhecimento de assuntos que o levem a acreditar que as informações divulgadas no Relatório, tomadas em conjunto, podem apresentar distorções relevantes.

Os procedimentos selecionados basearam-se na nossa compreensão dos aspectos relativos à compilação, materialidade e apresentação das informações constantes no Relatório e de outras circunstâncias do trabalho e da nossa consideração sobre áreas e sobre os processos associados às informações materiais de sustentabilidade divulgadas no Relatório, em que distorções relevantes poderiam existir. Os procedimentos compreenderam:

planejamento dos trabalhos: consideração da materialidade dos aspectos para as atividades da M. Dias Branco, da relevância das informações divulgadas, do volume de informações quantitativas e qualitativas e dos sistemas operacionais e de controles internos que serviram de base para a elaboração do Relatório da M. Dias Branco. Esta análise definiu os indicadores a serem testados em detalhe;

- entendimento e análise das informações divulgadas em relação à forma de gestão dos aspectos materiais;
- análise dos processos para a elaboração do Relatório e da sua estrutura e conteúdo, com base nos Princípios de Conteúdo e Qualidade dos Standards para Relato de Sustentabilidade da Global Reporting Initiative - GRI (GRI - Standards) e com a Orientação CPC 09 – Relato Integrado (que tem correlação à Estrutura Conceitual Básica do Relato Integrado, elaborada pelo International Integrated Reporting Council – IIRC);
- avaliação dos indicadores não-financeiros amostrados:
 - entendimento da metodologia de cálculos e dos procedimentos para a compilação dos indicadores por meio de entrevistas com os gestores responsáveis pela elaboração das informações;
 - aplicação de procedimentos analíticos sobre as informações quantitativas e indagações sobre as informações qualitativas e sua correlação com os indicadores divulgados no Relatório;
 - análise de evidências que suportam as informações divulgadas;
- análise da razoabilidade das justificativas das omissões de indicadores de desempenho associados a aspectos e tópicos apontados como materiais na análise de materialidade da Companhia;
- confronto dos indicadores de natureza financeira com as demonstrações financeiras e/ou registros contábeis.

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2

Summary of GRI content

*From the dream of a Portuguese,
an authentically Brazilian
brand was born: M. Dias Branco*



SUMMARY OF GRI CONTENT

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
General content				
GRI 101: Fundamentals 2016				
	GRI 101 has no content			
Organizational profile				
GRI 102 General content 2016	102-1 Name of organization.	12		
	102-2 Activities, brands, products and services.	12		
	102-3 Location of the organization's headquarters.	12		
	102-4 Location of operations	12		
	102-5 Ownership and legal form	12		
	102-6 Markets Served	12		
	10271 Scale of the organization.	12		
	102-8 Information on employees and other workers	68		8, 10
	102-9 Supply chain	40, 95		
	102-10 Significant changes to the organization and supply chain.	20		
	102-11 - Precautionary principle or approach	Precautionary principle is adopted through the organization's risk management system. In addition, M. Dias Branco assesses, among other aspects, the use of chemical additives in food production and, in some cases, even if certain additives are allowed in Brazil, it also considers legislation from other countries.		
	102-12 - External initiatives.	26		
	102-13 Membership in associations	26, 85		
Strategy				
GRI 102 General content 2016	102-14 Statement from senior decision-maker	8		
Ethics and integrity				
GRI 102 General content 2016	102-16 Values, principles, standards and norms of behavior.	13		16
	102-17 Mechanisms for advice and concerns about ethics	26		
Governance				
GRI 102 General content 2016	102-18 - Governance structure	21		

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
General content				
Engagement of stakeholders				
GRI 102 General content 2016	102-40 List of stakeholder groups	84		
	102-41 Collective bargaining agreements	We held negotiations with 41 unions covering all employees (except apprentices), representing the categories in which we operate, by means of collective bargaining convention or agreement, always considering the external environment (inflation, Gross Domestic Product, country growth, unemployment level and minimum wage increase) as well as the specific business scenario (sales performance and budget compliance) to subsidize salary and benefit reviews.		
	102-42 Identifying and selecting stakeholders.	84		
	102-43 Approach to stakeholder engagement	84		
	102-44 Key topics and concerns raised	46, 84		
Reporting practice				
GRI 102 General content 2016	102-45 Entities included in the consolidated financial statements.	https://ri.mdiasbranco.com.br/informacoes-financeiras/demonstracoes-financeiras/		
	102-46 Defining report content and topic boundaries	6		
	102-47 List of material topics	42, 46		
	102-48 Restatements of information.	69, 74, 102		
	102-49 Changes in reporting	No changes		
	102-50 Reporting period	This report refers to fiscal year 2021		
	102-51 Date of most recent report	04/05/2021		
	102-52 Reporting cycle	Yearly		

SUMMARY OF
GRI CONTENT

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
General content				
Reporting practice				
GRI 102 General content 2016	102-53 Contact point for questions regarding the report	6		
	102-54 Claims of reporting in accordance with GRI Standards	This report has been prepared in accordance with the GRI Standards "Essential" core option		
	102-55 GRI content index	138		
	102-56 External assurance	136, 137, 138		
Economic performance				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components.	26, 110, 112, 114		
	103-3 Evaluation of management approach	112, 114, 116		
	201-1 Direct economic value generated and distributed	132	8, 9	
	201-2 Financial implications and other risks and opportunities due to climate change	99	13	
	201-4 Financial assistance received from government	119		
Anti-corruption				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components.	26		
	103-3 Evaluation of management approach	26		
	205-3 Confirmed incidentes of corruption and actions taken	27	16	
Materials				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components.	26, 108		
	103-3 Evaluation of management approach	108		

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
General content				
Materials				
GRI 301 Materials 2016	301-1 Materials used by weight or volume	108		8, 12
	301-2 Recycled input materials used	108		8, 12
Energy				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 100		
	103-3 Evaluation of management approach	101		
GRI 103 Management approach 2016	302-1 Energy consumption within the organization	102		7, 8, 12, 13
	302-3 - Energy Intensity	102		7, 8, 12, 13
Water and Effluents				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 103		
	103-3 Evaluation of management approach	103		
Water and Effluents				
GRI 303 Water and Efflu- ents 2019	303-1 Interactions with water as a shared resource	103		6, 12
	303-2 Management of water discharge-related impacts	103		6
	303-3 Water withdrawal	104		6, 8, 12
	303-4 Water discharge	104		6
	303-5 Water consumption	104		6
Biodiversity				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 108		6
	103-3 Evaluation of management approach	108		
	304-3 Habitats protected or restored	108		6, 14, 15

SUMMARY OF GRI CONTENT

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
General content				
Emissions				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 100		
	103-3 Evaluation of management approach	100		
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	100		3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	100		3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	101		3, 12, 13, 14, 15
	305-4 GHG emissions intensity	101		13, 14, 15
GRI 305 Emissions 2016	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		At this point, air emissions are managed by each unit and M. Dias Branco is working to consolidate the data.	3, 12, 14, 15
Waste				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 105		
	103-3 Evaluation of management approach	105		
	306-2 Management of significant waste-related impacts	105		3, 6, 12, 14, 15
	306-3 Waste generated	106		3, 6, 12, 14, 15
	306-4 Waste diverted from disposal	107		3, 11, 12
	306-4 Waste directed to disposal	107		3, 6, 11, 12, 14, 15

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
General content				
Environmental compliance				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 98		
	103-3 Evaluation of management approach	98		
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	98		16
Supplier environmental assessment				
Employment				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 69		
	103-3 Evaluation of management approach	69		
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	70, 71, 72		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	79		3, 5, 8
Occupational health and safety				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 75		
	103-3 Evaluation of management approach	75		
GRI 403 Occupational health and safety 2019	403-1 Occupational health and safety management system	75		8
	403-2 Hazard identification, risk assessment, and incident investigation	76		3, 8
	403-3 Occupational health services	77		3, 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	76		8, 16
	403-5 Worker training on occupational health and safety	76		8

SUMMARY OF GRI CONTENT

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
Supplier environmental assessment				
Occupational health and safety				
GRI 403 Occupational health and safety 2019	403-6 Promotion of worker health	77		3
	403-7 Prevention and mitigation of occupational health and safety impactsdirectly linked by business relationships	76		8
	403-8 - Workers covered by an occupational health and safety management system	77		8
	403-9 Work-related injuries	77		3, 8, 16
	403-10 Work-related ill health	77		3, 8, 16
Training and education				
GRI 103 Management approach 2016	Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 73		
	103-3 Evaluation of management approach	73		
GRI 103 Management approach 2016	404-1 Average hours of training per year per employee	73		4, 5, 8, 10
	404-3 Percentage of employees receiving regular performance and career development reviews	75		5, 8, 10
Diversity and Equal Opportunity				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 74		
	103-3 Evaluation of management approach	74		
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	22, 74		5, 8
Local communities				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 85		
	103-3 Evaluation of management approach	85		

GRI Standards	Content	Page/URL	Omission*	Sustainable Development Goals
Supplier environmental assessment				
Local communities				
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	85		
	413-2 Operations with significant actual and potential negative impacts on local communities	88		1, 2
Customer health and safety				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 86		
	103-3 - Evaluation of management approach.	86		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	86		16
	FP7 Percentage of total sales volume of consumer products, by product category, which contain increased nutritious ingredients, such as fibers, vitamins, minerals, phytochemical and functional food additives	62		2
Marketing and labeling				
GRI 103 Management approach 2016	103-1 Explanation on the material topic and its boundary	M. Dias Branco's materiality did not change when compared to 2020 reporting cycle. Material topics, related indicators, connections with 2030 agenda can be consulted in the previous report, on pages 45 to 47		
	103-2 The management approach and its components	26, 86		
	103-3 Evaluation of management approach	86		
GRI 417 Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	86		12
	417-2 Incidents of non-compliance concerning product and service information and labeling	86		16
	417-3 Incidents of non-compliance concerning marketing communications	86		16

*No relevant or mandatory data according to GRI and IIRC assumptions was omitted in this document.

2021 INTEGRATED ANNUAL REPORT

EDITION

M. Dias Branco Indústria e Comércio de Alimentos S.A.

GENERAL COORDINATION

People, Management and Sustainability Officer
Communication, Culture and Sustainability
Management

CONTENT

All internal areas whose initiatives
were reported in this report and
Report Comunicação Ltda

GRAPHIC DESIGN

Advance Comunicação

PHOTOS

Falcão Studio
Yago Albuquerque
Internal Files
iStock

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