

2021 SUSTAINABILITY REPORT



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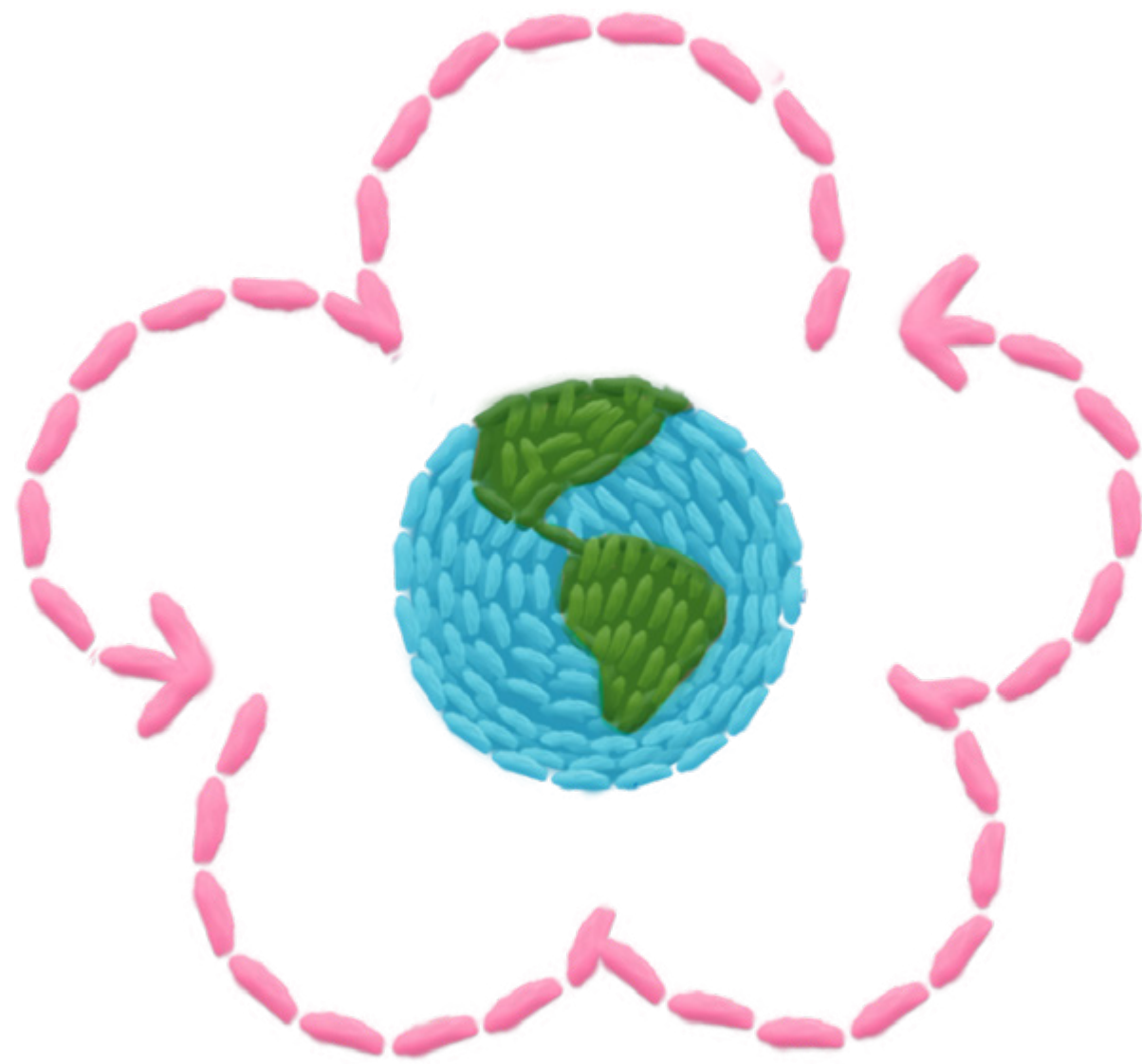


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FARM releases its second Sustainability Report, with the initiatives, results, and socio-environmental and governance indicators of the brand in Brazil and worldwide.



In 2021 we moved forward in all aspects of the Environmental, Social and Governance **(ESG) Agenda** and broadened our understanding about consolidating ourselves as a brand that grows hand-in-hand with sustainability, diversity, and equality.





Come to FARM world with us

This document follows the international guidelines of the IIRC (International Integrated Reporting Council) and was prepared in accordance with the GRI (Global Reporting Initiative Standards) Core option, a methodology for communicating the impact of business on relevant sustainability issues. GRI is an independent, international organization with excellence in content gathering and reporting strategies, in which companies transparently disclose their actions and take responsibility for the impact of their activities.

Our materiality matrix was reviewed this year as a result of acquisition changes involving the SOMA Group, which we integrate. The matrix addresses the most important sustainability topics for our stakeholders and relates to the GRI content (see the materiality matrix in the chapter "About the Report"). Throughout the Report, we discuss, assess, and present the indicators that make our materiality matrix tangible.

If you have any questions or suggestions about our Report, write to sustentabilidade@farmrio.com.br **GRI 102-53**

Enjoy your reading!

SUMMARY AND HIGHLIGHTS FARM BRAZIL

GRI 102-6, 102-7, 102-45

STORES

85 company-owned stores
in **21** states
+ **Federal District**
and **39** cities

more than **1,700**
multibrand
stores

PEOPLE

54% of the people
who work in the HR
and Diversity&Inclusion
teams are Black or
Indigenous.

70% of the fashion stylist
team is composed of
Black and/or Indigenous.

Out of **1,709**
employees **90%**
are female leaders.

100% of Brazilian
suppliers audited

98% of the supply
chain with ABVTEX
certification

NATURE

170,000 trees planted
by FARM Brazil

10,724 tons of carbon
offset

app. **\$18,880** invested
in the protection
of wild fauna

7 million liters
of water saved in the
production of jeans

21,9 tons of textile
scraps donated

More use of responsible
materials (2021):

Summer - 16% High Summer - 24%
Winter - 25% High Winter - 33%

INCOME

Gross revenue of \$6.2
million in 2021 (46%
versus 2019)

More than **5,3 million**
garments sold

Online sales grew **34%**
and represent **37%**
of sales

\$6.2 million in revenue
raised from live-
commerce (Lojix).

A total of **15 live sessions**
were streamed throughout
the year, with more than
1 million viewers.

*The conversion to USD was based on a rate of BRL 5,07

SUMMARY AND HIGHLIGHTS FARM GLOBAL

GRI 102-6, 102-7, 102-45



STORES

2 fixed and 2 temporary stores in the summer (between June and August) in California)

Present in **3 states and 3 cities** in the USA – New York, Miami and Los Angeles (temporary during summer)

Present in Europe with pop-up stores in **Paris**

4,295 wholesale points, including: Anthropologie, Nordstrom, Neiman Marcus, Saks, Le Bon Marché, KaDeWe, Liberty



NATURE

195,000 trees planted by FARM Global*

2,439 tons of CO₂ offset (carbon free shipping)

More use of responsible materials (2021):

Spring Summer - 27%

High Summer - 11%

Fall Winter - 19.46%

Resort - 29.94%

*Trees planted by FARM Global until November 2021. The December plantings will be accounted for in the 2022 balance sheet and report.



INCOME

Gross revenue of **\$53.4 million**, (185% bigger than in 2020)

The year of 2021 was remarkable for FARM in many ways. Our results and performance in Brazil and worldwide show us that we had a spectacular year. We will complete **25 years of activity in 2022 and will consolidate ourselves as a leading brand**, growing exponentially mainly from 2018 on. We faced the challenges of the COVID-19 pandemic with responsibility, innovation, and creativity and **closed 2021 exceeding app. \$197 million in gross sales, with app. \$177 million in Brazil and app. \$54 million in FARM Global.**

We built and conceptualized a brand. **We are in full expansion experiencing FARM's best moments since its creation.** We have three very powerful sale channels – **wholesale, retail and e-commerce** – and we manage them very well. Our strength on the internet got us through the critical period of street store closures in Brazil because of the pandemic. On the internet, we focus on increasing the customer base with a strategy that invests at the top of the funnel.

The SOMA Group has the SOMA Lab, which is specialized in digital technology to further innovation. With the online audience that FARM has, we are able to test products very quickly. We are developing this process. For example, the technology allows us to know, based on statistics, which pieces in a collection are going to be bestsellers.

Our launches are supported by a sophisticated algorithm. Further in the field of innovations, we are studying what the Metaverse can do for us. We are also looking into use of NFTs (Non-Fungible Tokens) and 3D. We have a lot of news that we are preparing for the next period.

Our editions of Lojix (live commerce) are a consolidated success. In 2021, we streamed 15 editions with 4-hour programs. It is very dynamic, with an audience of 50,000 viewers. Through this channel, we made 6.2 million in 2021. We doubled in size from 2018 to 2021. We are a young brand, with the capacity to attract new customers and to understand the changes taking place worldwide.

We stated in the 2020 Report that we want to be the largest sustainable fashion brand in the country. We have been progressing every year in this sense and we are a

benchmark in Brazil. Our understanding of sustainability is related to responsibility and values. We start from this ethical principle. Being sustainable means acting responsibly. Companies have the duty to contribute to a better future for humanity and the planet.

We faced a crisis in 2021 after the murder of our collaborator Katleen Romeu on June 8th in Lins de Vasconcelos on the northern side of Rio de Janeiro. Upon receiving the news, we initiated an action linked to the saleswoman's code so that the funds could be raised for the family. We got the timing and format wrong, and perhaps we experienced one of our most challenging moments as a brand. **It was from the lessons we learned from that event that we took it upon ourselves to speed up the process of broadening diversity and inclusion, started in 2019 when we created our first Committee on the topic.**

For seven days, we attentively listened to more than 800 collaborators in fourteen meetings. **From this process, we built a Diversity and Inclusion Acceleration Plan, anchored on by 5 pillars and objective goals, which have been impacting our organizational culture.**

In 2021, we also started an internal hiring program to expand the professional development of the people who work in our sales department. We increased the sustainability budget for that year so that part of it would be invested in social impact actions in peripheral territories in Rio de Janeiro and Brazil.

The People Pillar was strongly reinforced, and the HR team gained new people and also a Diversity and Inclusion area, assuming that these pillars would be at the center of FARM's strategic decisions.

You will be able to follow closely the results of the first six months of the Plan in this report and learn about the plans outlined for 2022.

FARM is a benchmark and a much-loved brand. With everything we have experienced in 2021, we know we can dream bigger in 2022. We also know that we can work to quickly increase the presence of women and Black people

in leadership positions as well as increase the presence of professionals who are part of groups that are socially underrepresented. The FARM that we are building is a responsible, ethical, conscious, people-focused, and global.



Kátia Barros
and Marcello Bastos

**"Farm
is living a
spectacular
moment"**

GRI 102-14

We proved in 2021 that FARM Global is indeed an avenue of growth for the SOMA Group, **perhaps one of the most important companies in the Group today**. We grew almost 200% between 2020 and 2021 and made a total amount of app. \$50 million in the year. We perform well in all channels: in our own stores, e-commerce, but particularly in department stores. We are very well positioned in renowned stores like Saks, Nordstrom and other stores located on 5th Avenue, in NY, with all the best global designer brands, but not limited to that. **We were a top performer brand in all department stores in 2021.**

Our internationalization process began in 2018 and we were very cautious about it, because Brazil didn't use to have a successful case of international expansion of clothing brands. FARM Global is this case. **We are now the biggest Brazilian brand in the USA.** We have consolidated our presence in the USA - where we have a lot to grow - and we are moving on to Europe.

We did not think that we would develop at such a rapid pace but we believed in it. It was a dream that came true quickly. When we understood that our growth curve was much higher and steeper than planned, we adapted to the challenge. Our clothes and prints are a way for Brazilian culture to break boundaries. This moves us because it is as if our pieces have the diplomatic role of spreading a joyful Brazil to several countries without, however, falling under the label of a tropical brand or prints.

In order to stand out in the internationalization process, we knew that we had to be excellent. FARM has the best printing process in the world and the expertise to apply these prints on the right products/items. Our creative team is fantastic. This is why our products are so desired. *We put the idea of dress in happiness together with nature lovers.* The clothes bring happiness and the people know that they are something good for the planet when they wear them because we aim to progressively reduce our environmental footprint. On top of it all, our products are brimming with energy and charm.

We ended the year of 2021 successfully. The year was very good from the general business standpoint and we also expanded our actions within the ESG Agenda.

Our commitment to reforestation is at the root of our presence in the USA through our partnership with One Tree Planted. Through the '1,000 Trees a Day, Every Day' Project, **FARM Global was responsible for planting 195,000 trees out of the more than 350,000 trees we planted in 2021.** This is a strong agenda in the world, which has a direct relationship with climate issues and gas emissions. We are a Carbon Neutral brand and this is a great achievement. Concerning diversity, FARM Global is aligned with FARM Brazil. We are committed to bringing people, diversity, and inclusion to the forefront of our decision-making, which is why we are committed to the goals of the Diversity and Inclusion Acceleration Plan. The coolest thing for us, in this sense, is that more than 80% of the FARM Global team is based in Brazil.

In the second half of 2021, we set in motion our bold move into Europe. We started with wholesale by negotiating with department stores. Our strategy was to look for partners who could offer our brand to a pre-qualified and credible audience. The difference is that in the US this market is more concentrated, while in Europe it is necessary to analyze each country individually. There are many similarities between the fashion market in the USA and in Europe. **The next big step will be to enter the Asian market, which we know will be totally different from everything else we have faced before.** We are going to start from scratch but with much more insight into the international market than in 2018.

Our goal is to keep accelerating, growing exponentially. In this challenge, we have three important fronts: to become System B certified; to increase the use of responsible raw materials; and to continue to fast-track diversity and inclusion in our team.

These are the strategic fronts we need to tackle in order to become a global brand that is desired and committed to sustainability.



"We want the whole world wearing our prints."

GRI 102-14

Fábio Barreto
FARM Global CEO

FROM RIO TO THE WORLD





It is with great joy and pride that **FARM celebrates its 25th anniversary in 2022.** We were born in 1997 in a small booth at the Babilônia Hype Fair in Rio de Janeiro. From the very beginning we knew that aesthetic strength was what made all the difference in our items. **We have come a long way with challenges and many achievements.** Lightness, color, art, passion, poetry, people, and nature are part of our style. FARM is desired, is loved, is a lifestyle!

When we joined Animale in 2010 and then created **SOMA Group in 2014, we became stronger in governance,** processes, and market strategies. The power of aesthetics has been aligned with the force of planning. **GRI 102-1, 102-2**

Our creative and cheerful style wins more people over every day. Our clothes enchant and touch the hearts of millions.

We grow each year, and we are taking our prints to more places in several corners of Brazil and the world.

In Brazil, we are present in 21 states and the Federal District, in 39 cities, with a total of 85 stores. We have two fixed stores of our own in the United States (New York and Miami) and two temporary ones in California. We also have branches in important department stores. Through the partnerships with department stores, we have reached Europe and gained Paris. **GRI 102-3, 102-4, 102-6**

We are one of the founding brands of the SOMA Group, which is a publicly traded company in the Novo Mercado listing segment of B3 S.A. - Brazil, Stock Exchange, Over-the-Counter. Our business is focused on the manufacture and sale of apparel and accessories. **GRI 102-2, 102-5**



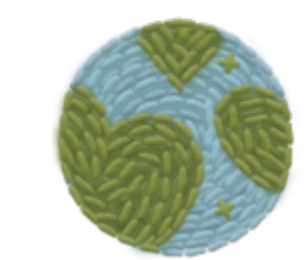
THE STRENGTH OF FARM GLOBAL

FARM's expansion began in 2018, with our desire to capture new markets and mark the world with creativity and joy. In a little less than 4 years, FARM Global is experiencing exponential growth, and now has a gross revenue that represents 6.4% of the total amount among the brands that integrate SOMA Group.

In 2021 we grew 200%, consolidated ourselves and definitely reached Europe. **FARM Global's expansion is anchored on 5 strategic pillars:**



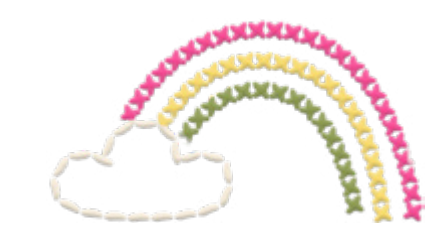
POSITIONING AND
UNIQUE VALUE
PROPOSAL



PRODUCTS
TARGETED
AT THE
INTERNATIONAL



MARKET
MULTI-CHANNEL
APPROACH



DISSEMINATION
FOCUSED ON
TARGETED
AUDIENCE



AGILE AND
DEDICATED
STRUCTURE

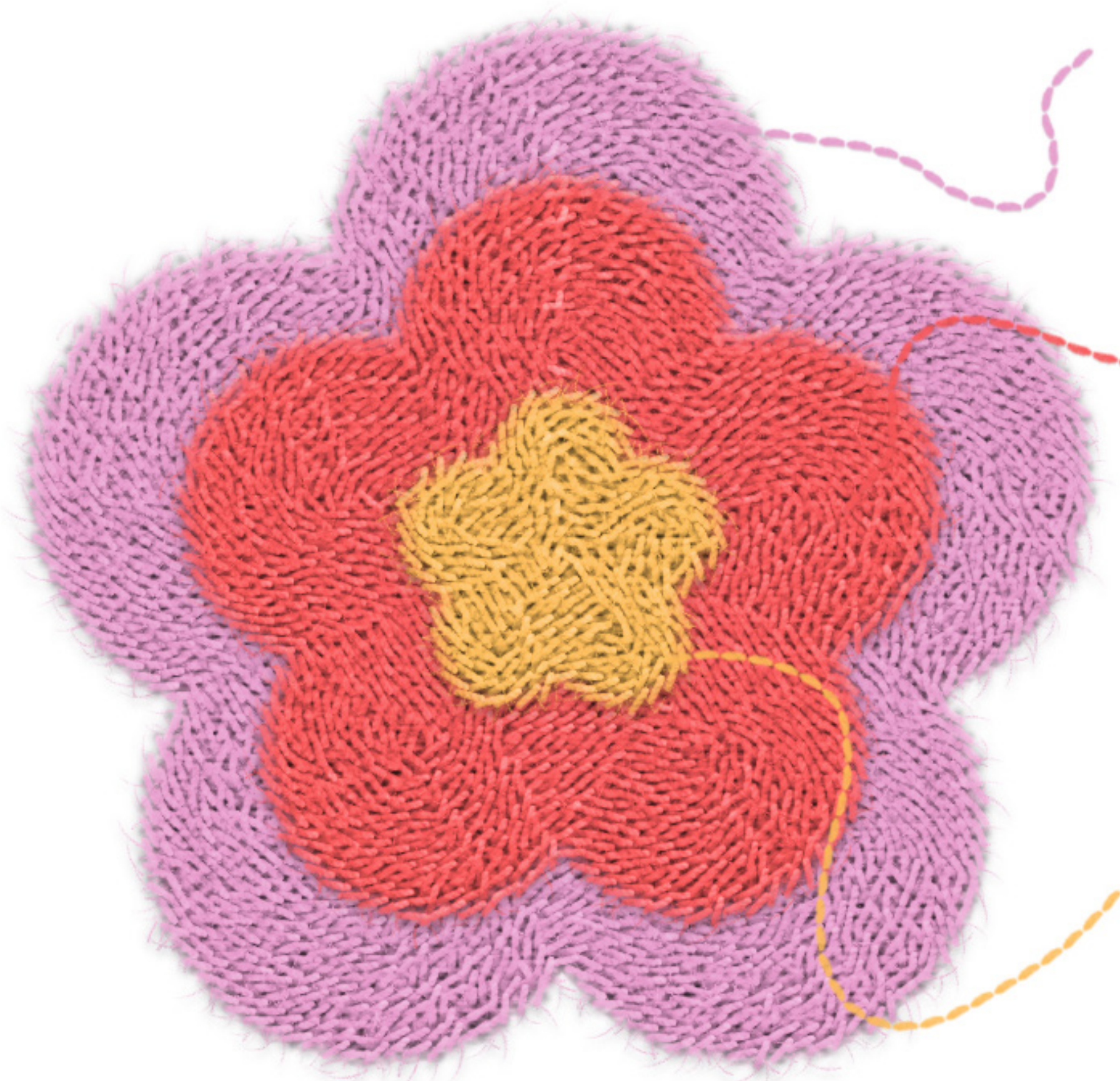
FARM'S PURPOSE

GRI 102-16

FARM's purpose: Our understanding of value and how we create impact with our brand was defined based on the **Golden Circle** concept, a method to think, act and communicate in a way that inspires and engages people and businesses.

This method was disseminated by **UK** author **Simon Sinek**, who summarizes the idea in the following sentence:

"People don't buy what you do; they buy why you do it."



WHAT DO WE DO?

(our product)
Style, art, and culture.

HOW?

(what strategies do we use to achieve our mission)
Valuing what is ours:
Rio de Janeiro lifestyle and the Brazilian way. Thrilling the world with our colorful and careful attention to details.

WHY?

(the cause that moves us)
We believe that self-love changes the world.

AN IMPACT BUSINESS MODEL



2021 registered positive results in all economic and financial data for FARM Brazil and FARM Global.

We managed to overcome the drawbacks and fluctuations that presented themselves during the peak of the pandemic in 2020. We went through 2021 reaping the fruits of the previous year's lessons. We adapted ourselves to working home office and achieved excellence in e-commerce.

OUR ORGANIZATIONAL STRUCTURE

GRI 102-18

board of directors

The SOMA Group's Board of Directors defines the overall business policies, the long-term strategy, and works with our executive board. It consists of seven members elected for two-year terms at our shareholders' meeting.

Fabio Hering
Chairman of the Board of Directors

Marcelo Sapir
Deputy Chairman of the Board of Directors

Roberto Luiz
Jatahy Gonçalves Board Member

Marcello Bastos
Board Member

Haroldo Luiz Rodrigues Filho
Board Member

Rachel de Oliveira Maia
Independent Board Member

Maria Laura Tarnow
Independent Board Member

Igor Chalhub de Abreu Lima
Independent Board Member

Edison Ticle de Andrade Melo e Souza Filho
Independent Board Member

risk, audit and finance committee

The purpose of this committee is to provide support to the Board of Directors. It is responsible for issuing opinions on the hiring and dismissal of independent auditors, financial statements, and interim financial information, assessing and monitoring risk exposure, as well as assessing, monitoring and recommending improvements to the Company's internal policies.

Edison Ticle de Andrade Melo e Souza Filho
Committee Coordinator

Mauro Moreira

Marcelo Sapir

executive board

FARM's executive board manages general business and is in charge of making decisions except those that fall under the scope of the shareholders or the board of directors.

Marcello Bastos
Founding partner of FARM

Katia Barros
Founding partner of FARM

Marília Paiva

Patrícia Mendes

Cristina Luchetti

Flavia Miranda

Nelson Camargo

Gabriel Oliveira

Tatiana Viana

board of directors

risk, audit and finance committee

executive board



FABIO HERING



MARCEL SAPIR



ROBERTO LUIZ
JATAHY GONÇALVES



EDISON TICLE DE
ANDRADE MELO E
SOUZA FILHO



MAURO MOREIRA



MARCELLO BASTOS



KATIA BARROS



MARCELLO BASTOS



HAROLDO LUIZ
RODRIGUES FILHO



MARCEL SAPIR



PATRÍCIA MENDES



CRISTINA LUCHETTI



FLAVIA MIRANDA

independent advisors



RACHEL DE
OLIVEIRA MAIA



IGOR CHALHUB
DE ABREU LIMA



MARIA LAURA
TARNOW



EDISON TICLE DE
ANDRADE MELO E
SOUZA FILHO



NELSON CAMARGO



GABRIEL OLIVEIRA



TATIANA VIANA



MARÍLIA PAIVA



FEMININE POWER

We have a Women on Board seal

The SOMA Group has the Women on Board (WOB) seal, an independent initiative supported by UN Women. The seal recognizes, values, and disseminates the existence of corporate environments with the presence of women on boards of directors or advisory boards. The seal is awarded to companies that have **at least two (2) permanent female directors on their staff.**

GRI 102-12



Commitment to mitigating risk

FARM follows procedures defined by law to **avoid or mitigate any possible risks in its operations that could be, even minimally, harmful to the environment, people and communities.** The SOMA Group has a Risk Management Policy and a Risk Committee composed of senior directors specialized in different skills and it encourages the preventive management of socio-environmental risks based the COSO model and ISO 31.000 methodology. This methodology is reviewed at least once a year. **We also monitor risks related to ethics, corruption, and compliance.**

GRI 102-11, 103-2, 103-3 | 205

WE ARE IN

GRI 102-12, 102-13

The United Nations Fashion Industry Charter for Climate Action

commitment to Business Ambition 1.5°C, from textile and fashion companies to achieve net-zero emissions by 2050.

Science-Based Targets

FIRJAN (State Industry Federation of Rio de Janeiro)

The SOMA Group has a representative in the Social Responsibility Council of the entity.

Women on Board

Seal given to companies with at least two women on the board of directors or decision-making.

Equity is Priority (Gender)

an initiative of the Global Compact Network Brazil, which brings together companies committed to promoting equity.

Great Place To Work (GPTW)

We were awarded with the seal, which is part of our journey to become one of the 100 best companies to work for in Brazil.

Corporate Council for Social Responsibility

formed by the State Industry Federation of Rio de Janeiro.

Brazilian Textile Retail Association (ABVTEX)

We are signatories of the entity.

InPacto

National Pact for the Eradication of Slave Labor.

Colabora Moda Sustentável

multi-sector platform to promote more responsible fashion.



The SOMA Group became a signatory to the United Nations (UN) Global Compact in February 2021 and is already aligned with the 10 principles of 2030 Agenda

RESPONSIBILITY IN OUR CHAIN

GRI 103-2, 103-3 | 408, 409, 412, 414

As a brand committed to ethics, we want to ensure fair, ethical, and safe practices in our supply chain, which we see as an extension of our operations. **We are signatories of the Global Compact since 2021 and of ABVTEX since 2018, so 98% of our suppliers and 90% of local subcontractors have this certification.**

Our entire chain undergoes unannounced audits at least every four months to mitigate risks regarding human rights violations, fair working conditions, and non-compliance with laws, by means of social audits performed by third-party partners. **100% of the suppliers and subcontractors are audited in Brazil.** GRI 412-1

We do not tolerate the use of child labor, compulsory labor or any disrespect to human rights at any point in our value chain. This condition is underlined in the contractual clauses. No case of child labor or compulsory labor or any disrespect to human rights was identified in 2021 GRI 408-1, 409-1

At FARM, 100% of the suppliers are selected based on the social criteria defined by the company in the compliance checklist. Documents ensuring social compliance are checked at the time of hiring.

FARM, as part of the SOMA Group, is constantly concerned with maintaining an efficient, robust and sustainable production chain to meet the needs of customers and our planet. In 2021, we had 143 product and resale suppliers. We spent more than \$49.9 million app. with these suppliers, a total of more than 10 million meters in fabric purchases, with 75% of this volume in printed raw materials and more than 85% in organic fibers. GRI 102-9

Our production of raw materials is made up of suppliers located in Brazil and abroad, of which 87% are local. In clothing and accessory production, we also rely on suppliers and subcontractors located in Brazil and abroad, generating more than **15,000 indirect jobs and summing \$3.7 million in salaries.** Our chain is worldwide but most of it is located in Brazil, more precisely in the southeast region. GRI 102-9



PROCUREMENT PRACTICES

GRI 103-2, 103-3 | 204

Our procurement practices are guided by the SOMA Group's compliance and sourcing areas through an Internal Sourcing Policy, drafted in 2021. **We are committed to dealing exclusively with the ABVTEX-certified chain.**

We use two criteria for the procurement and use of products: availability in the local market and the exchange rate. In general, local producers have the competitive edge because they can offer shorter lead times and a lower carbon emission impact.

The orders are generated for the procurement area through a system. We work with PLM (Product Lifecycle Management), a proprietary system that shows us where each part is and allows us to track the entire production cycle. This also helps us with compliance management. The process has been automated since 2020 and we have increased quality and shortened delivery times. The area's performance is linked to bonuses for employees (up to 20% of salary) and for senior management.

We use a hybrid model, with in-house production and procurement of finished products, to ensure

the supply of material. We have three types of suppliers: those for raw materials and services, the clothing factories that perform stages of the production process - both within their own production model - and those that supply us with ready-made products, sourcing.

Having this array of supply possibilities is one of our strategies to mitigate any risk related to the supply or price of raw materials and to give us the flexibility to find the best products with specialized suppliers.

Procurement budget spent with local suppliers* (in million) GRI 204-1			
FARM	2019	2020	2021
BUDGET FOR SUPPLIERS (BRL)	207	245	255
AMOUNT SPENT WITH LOCAL SUPPLIERS (BRL)	169	178	196
% OF BUDGET SPENT WITH LOCAL SUPPLIERS	81.64%	72.65%	86.71%

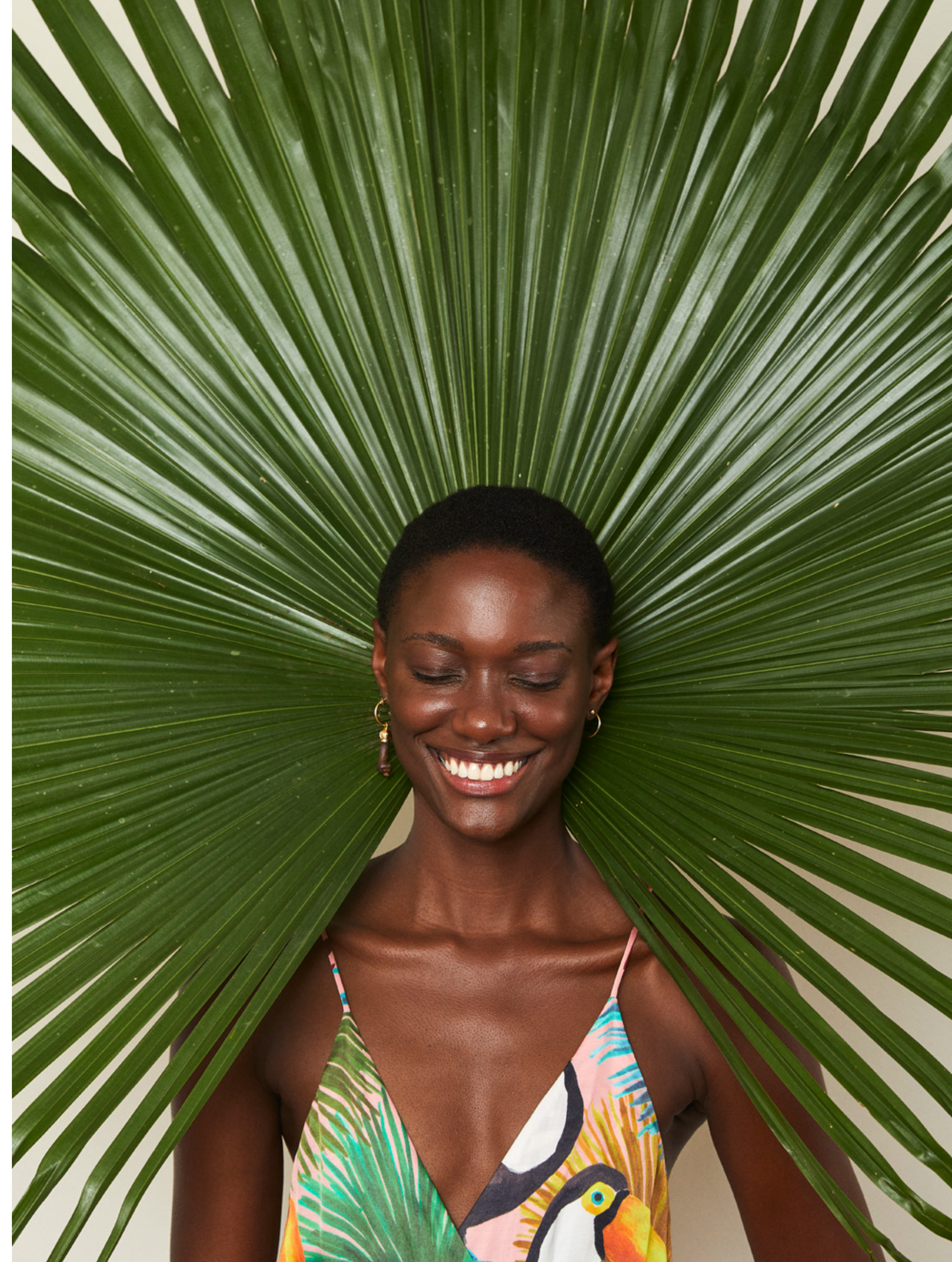
WE DO NOT TOLERATE **DISCRIMINATION**

GRI 103-2, 103-3 | 406

Our Code of Ethics and Conduct was revised in 2021 to consolidate the position of the SOMA Group and FARM against any kind of discrimination and with a chapter dedicated to this topic.

Our Sustainability Policy created in 2021 also lays out a specific point about diversity in Fashion + Fairness.

The **Group's Ethics Channel** is available to all employees, suppliers, customers, and business partners. The reports received by the Ethics Channel are managed by the Ethics Committee and its subcommittees, composed of multidisciplinary teams, which have vast experience in handling such reports.



PILLARS



PEOPLE WHO
SHINE AND MAKE
HISTORY



NATURE: INSPIRATION
AND RESPONSIBILITY



CIRCULARITY:
WHERE EVERYTHING IS
VALUABLE



CULTURE:
ENCHANTING
BRAZILIANISMS





PEOPLE WHO SHINE AND MAKE HISTORY

FARM went through a major change in 2021. The HR area has scaled up, became more central, and started to transversally analyze all the brand's actions. The HR area has also created a **'Diversity and Inclusion'** area.

In July 2021 we approved an Action Plan to Accelerate Diversity and Inclusion in the brand based on **5 major public commitments**. Short-, medium- and long-term targets were set for each of these goals.

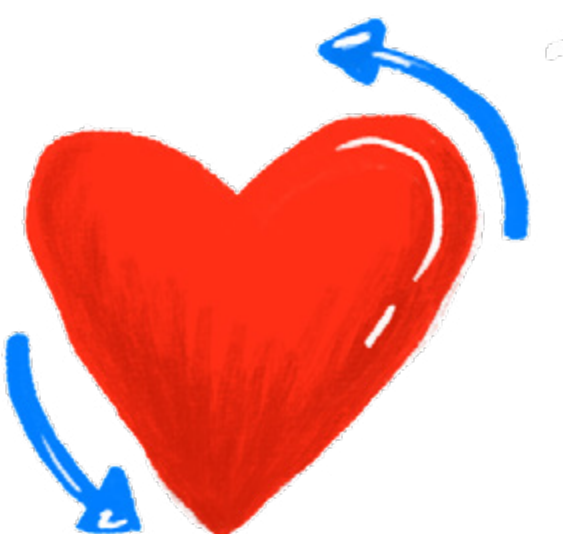


With this Plan, FARM has made a strong commitment to diversity and inclusion. We fight discrimination and respect and value diversity among all employees, clients, suppliers, and other audiences that reach the company.



transform

FARM's culture through diversity and inclusion by placing these issues at the center of decisions.



restructure

the HR area area by broadening the scope on diversity.



include and accelerate

the careers of Black and Indigenous people at all levels of the company.



broaden and deepen

teachings about diversity & inclusion.



invest

actively in social responsibility actions in Rio de Janeiro.

MAIN RESULTS AND ADVANCES

54%

of the members of the Diversity & Inclusion are of **Black and/or Indigenous** origin



We hired **two black heads of departments:** **Diego Francisco** for Marketing and **Andrezza Cruz** for the Diversity & Inclusion team

50%

of the 2021 **sustainability budget** was earmarked for actions in Rio de Janeiro

70%

of the members of the stylist team are of **Black and/or Indigenous** origin

44.5%

of the open positions were filled with people of **Black and/or Indigenous** origin

74%

of our team engaged with the Census

- After the transformation of the HR area, **the team tripled in size, and now has 24 people**
- **We doubled the 2021 sustainability budget**
- The results of the self-assessment for the ethnic-racial Census conducted in 2021 showed that: **20% of our leaders self declare as Black and/or Indigenous, and 12.5% are from minority groups, such as people with disabilities**
- We have designed a **zero tolerance** policy for racism in our stores and office
- We restructured the **Affinity Groups**
- We created a **Diversity Forum** (with the Diversity & Inclusion team and consulting firms), which meets weekly to discuss policies and brainstorm actions for the area.

FARM has made a lot of progress towards becoming a more diverse team since 2019 after the creation of racial and LGBTQIA+ equality and diversity committees. However, in 2021 we have taken a leap towards **ensuring an environment where individuals can express themselves in a natural way.**

The three pillars that supports all of FARM's actions in this regard are:

learn

Set up training and working groups (WG) to offer training to the entire FARM Team.

respect

Identify harmful behavior and create flows for immediate action so they do not happen again. This includes changes in processes and reinforced leadership training.

host

Have space for coexistence with diversity. To open positions exclusively for minority groups and initiatives that have intentionality.



The revolution in People, Management, Diversity, and Inclusion was made by hundreds of hands. FARM actively listened to more than 800 people to understand how the brand could progress even further in diversity and inclusion.

At the same time, we made a move to look inward to build a diverse FARM by reviewing our priorities. FARM's commitment is to build authentic, creative teams that are a reflection of different cultures, backgrounds, classes. For this reason, FARM has placed itself as a listener in order to learn from the collaborators.

The response of FARM's 2021 engagement survey was collected from 78% of FARM Global, 74% of FARM Brazil Corporate, and 43% of FARM Brazil Stores.

In 2021 we became certified, together with the SOMA Group, as a Great Place to Work. The following tables include a detailed breakdown of the FARM team - of our people.



employees by type of employment contract and gender* <div>GRI 102-8</div>									
CONTRACT TYPE	2019			2020			2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
PERMANENT	42	1,079	1,121	72	1,431	1,503	125	1,704	1,829
TEMPORARY	0	334	334	4	397	401	13	549	561
TOTAL	42	1,413	1,455	76	1,828	1,904	138	2,253	2,391

employees by employment type GRI 102-8									
JOB TYPE	2019			2020			2021		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
FULL TIME	36	1,380	1,416	66	1,798	1864	121	2,189	2,310
PART TIME	6	33	39	10	30	48	17	64	81
TOTAL	42	1,413	1,455	76	1,828	1,904	138	2,253	2,391

employment by employment contract and region GRI 102-8						
	NO	NE	CO	SE	SUL	TOTAL
	2019	2019	2019	2019	2019	2019
PREDETERMINED PERIOD OF TIME	30	138	76	771	106	1,121
UNDETERMINED PERIOD OF TIME	9	40	25	227	33	334
TOTAL	39	178	101	998	139	1,455
	2020	2020	2020	2020	2020	2020
	2020	2020	2020	2020	2020	2020
PREDETERMINED PERIOD OF TIME	45	211	108	997	142	1,503
UNDETERMINED PERIOD OF TIME	17	55	48	250	31	401
TOTAL	62	266	156	1,247	173	1,904
	2021	2021	2021	2021	2021	2021
	2021	2021	2021	2021	2021	2021
PREDETERMINED PERIOD OF TIME	45	213	106	1,288	177	1,829
UNDETERMINED PERIOD OF TIME	22	82	64	348	46	562
TOTAL	67	295	170	1,636	223	2,391

At Farm, there are seasonal variations in the year-end period, more precisely in November and December because of Black Friday and Christmas, respectively.

ACHIEVEMENTS FOR A MORE **EQUITABLE DIVERSITY & INCLUSION** TEAM

GRI 103-2, 103-3 | 405

Diversity and inclusion are daily practices here at FARM. We take the issue seriously and are dedicated to ensuring that everything we do contributes in some way to increasing and celebrating diversity on our team.

In 2021, the SOMA Group created the Sustainability Policy, which addresses the topic Diversity, Equity, and Inclusion, which we share. It is based on the pillars of more beautiful, ethical, cleaner and fairer fashion. Our next step in 2022 is to kick off our Diversity Policy. In order to achieve the results we want to see in our daily lives, we have put in place specific programs in partnership with the SOMA Group.

Program for professionals with disabilities

↘ Through a partnership with Egalité, a company focused on the inclusion of people with disabilities, the SOMA Group has trained and qualified its team under this aspect. In all, more than 480 minutes of training were given to the HR team, leaders, senior management and employees.

↘ In addition, content pills were emailed to all employees throughout the second half of 2021. Lastly, the material was published as an e-book and placed on our in-house knowledge platform.

Sponsorship of the InluidPCD Fair

↘ The SOMA Group sponsored InluidPCD, the largest online job fair for people with disabilities. A total of over than 10,000 people registered and the fair's website was accessed over 25,000 times.

Para Athletes

↘ Project for training retired para athletes. The proposal is prepare the para athletes for the job market by giving them guidance on areas of corporate performance. They also take part in workshops about becoming lecturers and mentors. The team is currently made up of 56 parathletes in partnership with the Benjamin Constant Institute, Vasco da Gama Club, Carlos Augusto Bittencourt Institute (Incab), and the Association to Bring People with Disabilities Together.

↘ This project debuted in 2021 and continues in 2022, when we will train mentors and speakers to help us in the mission of empowering our in-house team.

Gender equality

↘ We were awarded the Women on Board Seal for having two women board members - Maria Laura Tarnow and Rachel Maia.

↘ We have signed the UN's Equity is a Priority commitment, through which we have pledged to have 50% women in top leadership positions by 2030.

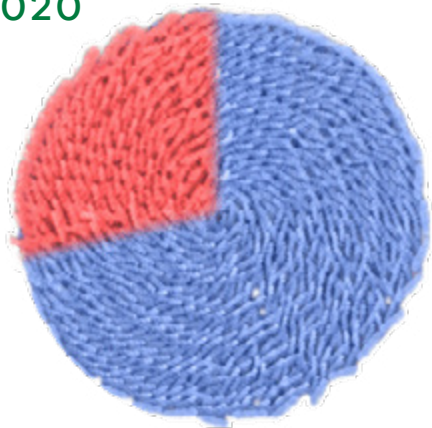
↘ We introduced the topic of diversity, equity and inclusion in our Supply Chain through training. We have also held training sessions on the subject with the Sourcing and Compliance teams.

↘ Ethnic-Racial Census - we will conduct the SOMA Group Census in early 2021 and the first integrated SOMA + Cia. Hering Census will take place in 2022.

↘ In 2021, We updated the Code of Ethics and Conduct of the SOMA Group and broadened the dissemination of our Reporting Channel.

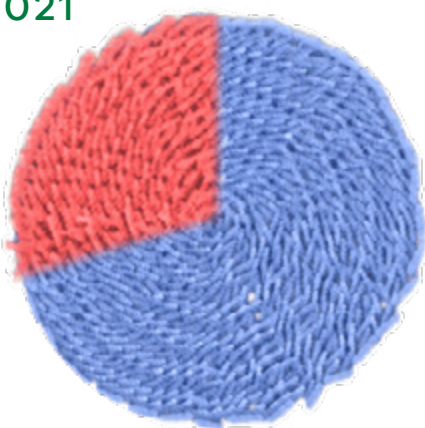
individuals within the organization's governance bodies by gender (%) **GRI 405-1**

2020



71.43 MEN
28.57 WOMEN

2021



70 MEN
30 WOMEN

individuals within the organization's governance bodies by age (%)*

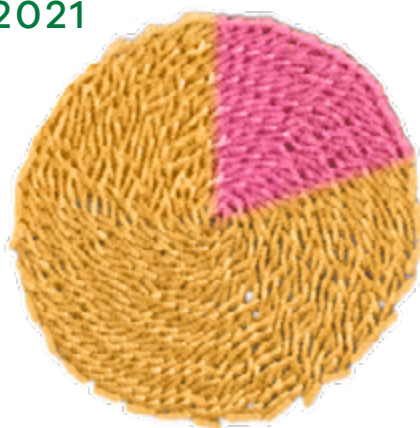
*REFLECTS THE CURRENT BACKGROUND

2020



71.00 OVER 50
29.00 FROM 30 TO 50
0.00 UNDER 30

2021



80.00 OVER 50
20.00 FROM 30 TO 50
0.00 UNDER 30

At FARM we have one Blackrepresentative (10%) in the governance bodies

ratio between the basic salary earned by women and men by job category **GRI 405-2**

POSITION	2021		
	MEN	WOMEN	MEN X WOMEN
BOARD OF DIRECTORS	0.94	1.06	1.13
EXECUTIVE MANAGEMENT	1.03	0.98	0.95
MANAGEMENT	1.08	0.97	0.90
ANALYST	1.07	0.96	0.90
OPERATIONAL	1.15	0.96	0.93

Note:
The calculation of the mathematical ratio by gender is done by dividing pay by salary and the women X men ratio is reached by dividing the results of the mathematical ratio.

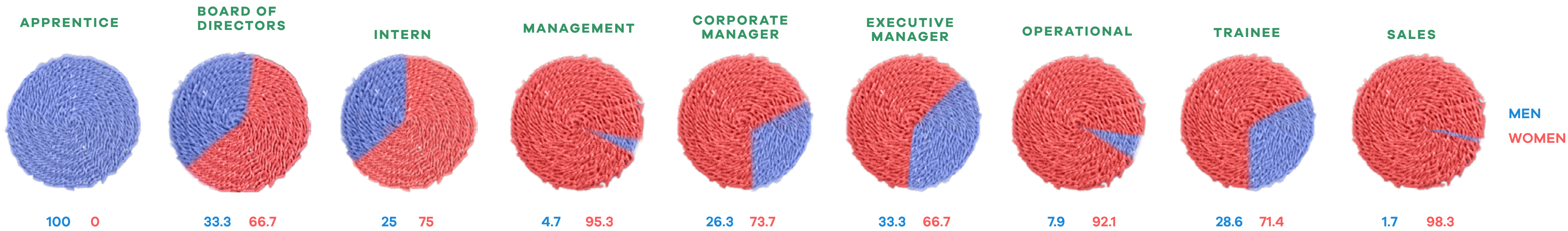
Salespeople receive remuneration based on sales commission and are, therefore, not differentiated in the table. The category's minimum wage is defined by the union for the sector and location tof the operation.



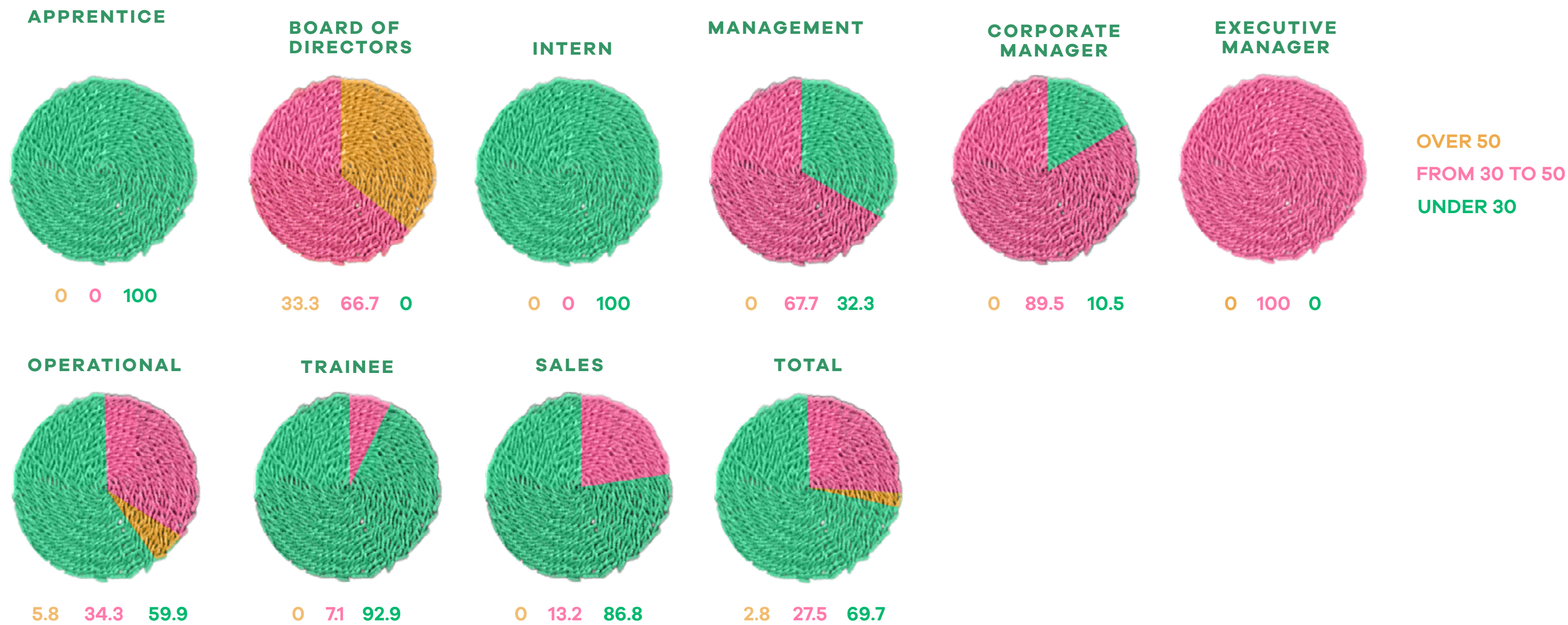
maternity/paternity leave GRI 401-3		
TYPE	2021	
	MEN	WOMEN
EMPLOYEES WHO WERE ENTITLED TO TAKE A LEAVE	100	1,609
EMPLOYEES WHO TOOK THE LEAVE	0	58
EMPLOYEES WHO RETURNED TO WORK, WITHIN THE REPORTING PERIOD, AFTER THE END OF THEIR LEAVE	0	48*
EMPLOYEES WHO RETURNED TO WORK AFTER THEIR LEAVE AND ARE STILL EMPLOYED 12 MONTHS AFTER THEIR RETURN	0	0
RETURN RATE	-	82.7%
RETAINMENT RATE	-	0

Note:
*10 employees were still on leave during the period the data was collected.

employees In 2021 by job category and gender (%) GRI 405-1



employees in 2021 by job category and age (%) GRI 405-1



TRAINING AND QUALIFICATION PROGRAMS

GRI 103-2, 103-3 | 401, 404

Since 2021, the SOMA Group has a people management tool that integrates programs, such as trainee, and initiatives (such as the Talent Retention Program) to ease access to information and the management of our people. To train and develop talents, the Group has an online training platform called "Mais Saber" (More Knowledge), also used by FARM for development. It offers more than 220 courses and more than 20 learning tracks. The platform's content is divided into topics, such as: leadership, sustainability, business, diversity, health, and others.

In addition to these online trainings, FARM's operational team conducted in-person training based on an annual schedule. It encompasses several topics: How to Delegate, How to Work on Communication, How to Give Feedback, and others.

We prioritized Diversity and Inclusion Lessons in 2021 but we went further. We held 10 meetings, with 20 hours of content, reaching all the heads of departments and 300 new employees. For these actions, we have a partnership with the Identidades do Brasil (ID Br) Institute and Mezcla Diversidade. These actions were carried out 100% internally, with the D&I team. Employee training on human rights policies or procedures was not conducted in 2021.

One of the high points of the teaching program was ensuring that the entire FARM leadership, about 260 people, took **the basic and advanced Cycle on Diversity and Inclusion**. There were 10 meetings in total, in which the topic was approached from the standpoint of history; practical issues; the UN Global Compact; and the SDGs. So **100% of FARM's leadership is engaged** in these areas. By 2022 we will have reached 100% of our collaborators through these processes of literacy for diversity. The Basic Cycle classes started in March 2022.

Another highlight was the creation of an orientation program for newcomers to FARM. Between July and December, four Diversity Orientation meetings were held.

hired employees, by age in 2021 GRI 401-1		
	NUMBER OF EMPLOYEES	%
UNDER 30	1,327	80.70
BETWEEN 30 AND 50	374	54.90
OVER 50	32	48.50
TOTAL	1,733	72.50

hired employees, by gender in 2021 GRI 401-1		
	NUMBER OF EMPLOYEES	%
MEN	151	109.40
WOMEN	1,582	70.20
TOTAL	1,733	72.50

hired employees, by region in 2021 GRI 401-1		
	NUMBER OF EMPLOYEES	%
NORTH	22	45.80
NORTHEAST	181	57.60
MIDWEST	123	72.40
SOUTHEAST	1,184	72.50
SOUTH	223	99.10
TOTAL	1,733	72.50

employees who left the company, by age in 2021 GRI 401-1		
	NUMBER OF EMPLOYEES	%
UNDER 30	950	57.80
BETWEEN 30 AND 50	322	47.30
OVER 50	0	0.00
TOTAL	1,272	53.20

employees who left the company, by gender in 2021 GRI 401-1		
	NUMBER OF EMPLOYEES	%
MEN	70	50.70
WOMEN	1,202	53.40
TOTAL	1,272	53.20

employees who left the company, by region in 2021 GRI 401-1		
	NUMBER OF EMPLOYEES	%
NORTH	17	35.40
NORTHEAST	138	43.90
MIDWEST	117	68.80
SOUTHEAST	806	49.30
SOUTH	194	86.20
TOTAL	1,272	53.20

Note: The assets were accounted for in the last month of the year. The numbers of fired employees were calculated over the whole year of 2021.

CAREER ENHANCEMENT AND TRANSITION

GRI 404-1

The SOMA Group, including FARM, has a training program for Operational Leadership (*Somando com Líderes*) with accessible language to optimize management qualities. All the meetings are held in person.

We also developed *Conectando SOMA*, to learn how the Group's areas work, and to offer online training for the Group's employees - Corporate, Atelier, and *Pavuna* Corporate.

We also have the Leader of the Future, a one-week immersion program aimed at boosting the technical and behavioral knowledge of the Leadership.

We do not offer career transition assistance programs for continued employability and end-of-career management due to retirement or termination of employment.

hours of training by gender 2021 GRI 404-1

	EMPLOYEE TOTAL	HOURS OF TRAINING	AVERAGE HOURS OF TRAINING
MEN	138	99	0.7
WOMEN	2,253	3,534	1.5
TOTAL	2,391	3,634	1.5

hours of training by job category 2021 GRI 404-1

	EMPLOYEE TOTAL	HOURS OF TRAINING	AVERAGE HOURS OF TRAINING
BOARD OF DIRECTORS	9	2	0.3
EXECUTIVE MANAGEMENT	3	8	2.6
MANAGEMENT	127	284	2.2
VENDOR	1,071	1,894	1.7
OPERATIONAL	1,067	473	0.44
TOTAL	2,277	2,998	1.3

hours of training by job category 2021 GRI 404-1

	EMPLOYEE TOTAL	HOURS OF TRAINING	AVERAGE HOURS OF TRAINING
APPRENTICES	13	0	0
INTERNS	68	57	0.8
TRAINEES	14	19	1.3
TOTAL	95	76	0.8

Note: corporate management is not included

OCCUPATIONAL HEALTH AND SAFETY

GRI 103-2, 103-3 | 403

The SOMA Group and FARM abide by the regulatory standards in force in Brazil. Periodic inspections are carried out with the completion of a check-list to look for any noncompliances. All discrepancies are reported to the top management periodically with the objective of solving any flaws and noncompliances.

We have legal documentation for hired employees, such as Service Orders, PPE delivery forms, preparation of standard procedures related to work at height, and others. During and after the integration, a risk assessment is performed for the activities. We have signed an agreement with a clinic that will perform the integrated management of Occupational Health and Safety as of mid 2022, with Risk Management Programs (RMP) included.

An Internal Commission for Workplace Accident Prevention (Cipa) is in place in the 330 offices and in the *Pavuna* office. The involvement of the workers in the development and implementation and assessment of the health and safety management system occurs through the Internal Commission for Accident Prevention and in accordance with NR5. FARM also has an active

Cipa with the term starting in December 2021, when nine employees are voted in by the workers and nine employees are appointed by the employer. **GRI 403-2, 403-4**

The possible impact of the activities are verified by Workplace Health and Safety, and the opportunities for improvement related to work processes are reported every two weeks to the leadership. Cipa holds monthly meetings in which opportunities for improvement are also signaled. **GRI 403-7**

The Health and Safety training took place through the following activities: Integration of new employees; Daily Safety Dialog; training about proper use of machinery and equipment, forklift operation, work-at-height platform operation, fire brigade training; Evacuation drill; Correct use of fire extinguishers; Correct use of fire hoses; Standardization regarding pallet stretch-wrapping and stacking; Safe Chat; Training on the exchange of batterywater and others. **GRI 403-5**

In 2021 we did not have a formal Occupational Health and Safety management system for employees or non-employees, FARM is

implementing a **Health and Safety Management System** by contracting the SOC management system. The contract is scheduled to begin in April 2022.

In 2021, FARM did not register any deaths, work accidents with serious consequences, work accidents with mandatory reporting neither with employees nor with workers who are not employees but whose workplace is controlled by the organization. This data was collected from the accident report of 2021. A total of 14,880 hours were worked in 2021 (SOMA Group), according to the institutional control spreadsheet that shows the number of hours worked. **GRI 403-9**

We offer health insurance (with co-participation) to our employees and, after the COVID-19 pandemic, we also offer online monitoring of suspected and confirmed cases This service is available via WhatsApp through "Enfermeira SOMA" (SOMA Nurse). **GRI 403-6**

A NEW HIRING POLICY

FARM enhanced and organized its internal recruitment process in 2021. Before posting a vacancy on the market, the job is first offered internally for a week. We have an internal Talent Bank, that includes a total of 2,559 people. Since we implemented this process, 48 people have been relocated internally to temporary and permanent hirings. We will always prioritize the diversity and inclusion aspect before making a choice.

To support our search for new talents, we use the Gupy recruitment and selection management platform, which allows us to efficiently manage the selection process by centralizing the candidates into a single place. We also always aim to improve our feedback so it becomes more personalized and adds value to the candidate.





PROXIMITY TO PEOPLE

GRI 102-43, 102-44*

We are always looking for ways to listen to our employees and their suggestions. We use the eNPS method to annually measure the loyalty and satisfaction of our contributors. In 2021, this methodology was applied quarterly, and we were able to observe an evolution in the favorability index from the first to the second quarter, from 22% to 50%, and a small retraction in the last quarter, with 48% favorability.

We also use the GPTW (Great Place To Work) methodology as our organizational climate survey and, through it, we are able to identify the employees' perception of the internal environment. As a result, pride and camaraderie were highlighted as our strengths and respect and impartiality as our weaknesses. We are now going to work on action plans to improve this!

After the tragedy that took the life of one of our collaborators in 2021, we faced an online reputation crisis caused by a tribute made to her. We then realized we had to map our internal audience to support more assertive decision-making. For this reason, we conducted a diversity census in September for FARM collaborators, with the participation of 74% of the team.

For customers, we conducted a brand survey, which showed that the customers want to see FARM display the beauty of Brazil to the world.

*None of these engagements were made specifically for the Annual Report process.

RELATIONSHIP WITH COMMUNITIES

FARM cares about the communities it interacts with or impacts somehow. Local communities are defined as the territories that are directly or indirectly influenced by our operations and that are within our strategy under the fairer fashion scope, which is based on the principle "of fostering economic inclusion and social welfare through the creation of jobs with decent, safe and inclusive working conditions, both inside the company and throughout its production chain." We also work towards preserving the culture and evaluation of the social, economic and environmental impacts. Preserving the traditional way of life as well as improving the surroundings of the units is one of the pillars of the SOMA Group and, therefore, FARM.



TRANSPARENCY IN THE LABELS

GRI 103-2, 103-3 | 417, 417-1

FARM manages the marketing and labeling topic through tools such as customer service channels, ombudsman office, Ethics Channel, and management methodologies. Our site also lists the raw materials used in every product under the FARM Brazil and the FARM Global brand. We inform which raw materials are sustainable, the percentage of such in the current collection in comparison to the previous ones, and the environmental and social impact of each. We also inform our consumers the percentage of the L and XL size clothes grid, with the intention of promoting reflections in fashion.

On our circularity page, we talk about the donations we make with the leftover fabric, and on a special sustainability page we give details about our reforestation project "1,000 trees a day, every day".

At FARM Global, product tags also carry information about responsible raw materials and information about tree planting.





NATURE: INSPIRATION AND RESPONSIBILITY

One of FARM's greatest inspirations is **Brazil's biodiversity**. We are committed to ensuring the conservation and regeneration of ecosystems precisely because it is at the core of our creative process. **We have responsibilities to the planet.** We have a responsibilities to mitigate the impact caused by the intensification of the greenhouse effect.





513,000 trees were planted by December 2021

GRI 304-3, 413-1

FARM has developed actions to improve its market practices and preserve the environment. Every new collection brings more new advances. In 2021 we will celebrate 513,000 trees planted by FARM and FARM Global in four biomes in Brazil.

In 2021, we were able to offset all of our CO2 emissions. We can now proudly say that **FARM is a Carbon Neutral brand.** The reforestation and regeneration of degraded areas has been

a FARM concern since 2018 but the **'1,000 trees a day, every day'** program rolled out in September 2020, leveraged this combined action of the brand in Brazil and FARM Global.

We ended the year of 2020 planting 140,000 trees. A total of app. \$392 million was invested in the program throughout the year. In 2021 we maintained the program, expanded

the partnerships, and reached new biomes.

In addition to the Atlantic Forest (80% of the planting) and the Amazon, we have started to reforest the Cerrado and Caatinga regions.



513k

trees planted

+200

species planted

Who are
our
partners?



300+

hectares recovered

(habitat for more than 2,000 woodland animals)

Through this program,
besides preserving
biodiversity
and regional cultures,
the local economy
is boosted and water
resources and air
quality are improved.



1,000 TREES A DAY, EVERY DAY



protected or restored areas **GRI 304-3**

	IDESAM	SOS MATA ATLÂNTICA	RENATURE/ SPVS	FARM US (OTP) + IPÊ	OTP (LEFTOVER FROM 2020)	ANTHOROLOGIE		TEDESCO ECOPARK	YAWANAWA	ANJOS DO SERTÃO	ASSOBIO		ONE TREE PLANTED (OTP) AMAZON		TOTAL
BIOME	Amazônia	Atlantic Forest	Atlantic Forest	Atlantic Forest	Atlantic Forest	Atlantic Forest	Amazon	Atlantic Forest	Amazon	Caatinga	Cerrado	Atlantic Forest	Peruvian and Brazilian Amazon	Brazilian Amazon	
NUMBER OF TREES PLANTED 2020	1,633	5,000	–	–	82,367	–	–	–	1,000	–	–	–	18,500	30,000	138,500
NUMBER OF TREES PLANTED 2021	2,994	7,692	19,000	90,000	80,000	13,000	12,000	300	5,000	1,600	11,002	122,412	–	–	365,000
TOTAL TREES PLANTED IN THE PARTNERSHIP	4,627	12,692	19,000	90,000	162,367	13,000	12,000	300	6,000	1,600	11,002	122,412	18,500	30,000	503,500
SIZE OF PROTECTED OR RECOVERED HABITAT AREA (KM²)	0.227 km2	0.07 km2	0.025 km2	0.45 km2	0.974 km2	0.15 km2		0.01 km2	0.036 km2	0.03 km2	0.800 km2		0.111 km2	0.180 km2	3,333 km2

Note: FARM maintains the remnants of native forest, where it mostly uses the agroforestry system methodology, which is a consortium of agricultural crops with tree species that can be used to restore forests and also produce food in an ecological way.

IS BRAZIL BIODIVERSITY

FARM's facilities do not directly impact biodiversity but the chain does. For this reason, the brand supports projects hinged on the preservation of fauna and flora with local and national impact. **GRI 304-2**

The Sustainability Policy of the SOMA Group speaks of the importance of preserving natural resources and habitats, culminating in the protection of biodiversity. Having this in mind, FARM's goals for 2022 are to continue increasing the amount of certified cotton and viscose in the collections, expanding its reforestation initiatives, and further encouraging the partnership with the Ampara Silvestre Institute and Vida Livre Institute.



OUR SPECIES:

ingá



mangueira



tamboril



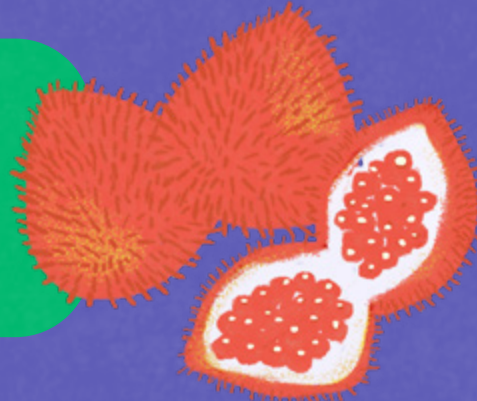
cocoa



jequitibá-branco



urucum



ipê-amarelo



jequitibá-vermelho



pitanga



fig tree



ipê-roxo



jatobá



palmeira-macauba



açaí





Vida Livre Institute

Since 2019, FARM has a partnership with the Vida Livre Institute, which develops wildlife rehabilitation and preservation projects.

In 2021, FARM donated \$5,448 from its window display products for actions such as the release of 20 maracanã macaws and the customization of the boxes used to set the animals free.



Ampara Silvestre

FARM has partnered with the NGO Ampara Silvestre to save endangered species since 2020 by championing reintroduction projects for the balance of biodiversity. In 2020, the partnership resulted in emergency aid during the Pantanal wildfires.

In 2021, the projects were: 1) Jaguar pop showcase (giveback of app. \$5,000 for 20 years veterinary care for 6 months); 2) jaguar night showcase (giveback of BRL 32,000, which guaranteed 6 months of veterinary care). The sum of the amounts for 2020 and 2021 is app. \$14,000.

WE ARE CARBON NEUTRAL

GRI 103-2, 103-3, 305

FARM is very committed to managing and offsetting greenhouse gas (GHG) emissions. **We strive for choices that are always guided by the eco-efficiency of processes and that boost the circular economy.** In 2021, FARM Rio developed several actions on the subject, among them, the preparation of its first Greenhouse Gas Inventory (GHG), better known as Carbon Inventory, for the year of 2020. We were the first brand in the SOMA Group to carry out the inventory of the Summer, High Summer, Winter, and High Winter 21 collections and, in the sequence, also be part of the complete SOMA Group inventory, **committing to offset all GHG emissions generated under the three scopes.**

FARM Rio, has enhanced and boosted its reforestation program "1,000 trees a day, every day", and the management of greenhouse gas emissions is carried out via offsets through restoration certification, deriving from the program's own plantations.

Restoration credits are the most environmentally beneficial type of carbon credit, **since besides removing CO2 from the atmosphere in the process of photosynthesis, trees also add several co-benefits to the region where they are planted, such as improved air, soil, and water quality, enhanced biodiversity, improved local economy and food, among many other benefits.**

In our Sustainability Report for 2020, the data included was only for FARM's summer collection. Now, for 2021, the inventory was complete for the brand and its processes, from raw material procurement to delivery to consumer.

EMISSIONS OF GREENHOUSE GASES (GHG) — 2020

Direct GRI 305-1

Transport of materials, products, waste, employees and passengers (Scope 1) - 164.43 tCO₂ equivalent

Indirect GE (Scope 2) GRI 305-2

2021 - 132.56 tCO₂ equivalent / **2020** - 34.09 tCO₂ equivalent

Other indirect GHG GRI 305-3

17,235.41 tCO₂ e - considering goods and services purchased, commuting (home to work); waste generated in operations; transport and distribution, and business travel).

Emissions intensity GRI 305-4

Total GHG emissions (tCO₂ equivalent) - 14,570.31 in tCO₂ and GHG emissions intensities - 0.0000559%, with the units of products sold as the specific measure chosen by FARM to calculate this index. All of the following gases were included in the calculation: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃.

Farm na Nuvem

We rolled out our first carbon-neutral store in 2021: Farm in the Cloud (*Farm na Nuvem*). A virtual 360 store to reinforce sustainability initiatives and anchor our presence in the digital market. It is the street store experience in an online environment. With curated pieces linked to the sustainability projects, the store that breathes nature is located in a house with green walls, rainwater catchment, and a bamboo facade, allowing air to circulate through all floors. In the virtual tour, we find details of regeneration projects such as "1,000 trees a day, every day" and the upcycling initiative, re-FARM, as well as learn more about important partners, such as the partnership with the Yawanawa artisans. Articles made with more responsibly sourced raw materials with various types of certification and water, energy and CO₂ savings in the production process are available for sale and purchases made at the online store will have their shipping offset through our reforestation projects.



WE EMITTED

13,162

tons of CO2 in 2020.

WE OFFSET

by planting and monitoring

64,706

native Brazilian
tree seedlings.

WE HAVE

RESTORED

33.8

hectares of Atlantic Forest.



We are committed
to taking our carbon
emissions to

zero

for scopes 1 and 2
by 2030; and scope 3
by 2050.



HOW WE USE ENERGY

GRI 103-2, 103-3, 302

The SOMA Group uses the Climas software, through which our environmental, social, and governance performance is monitored and reported. The platform brings together data related to energy, water, resource, and input usage, along with other relevant data, the understanding of which helps organizations make their operations more efficient and responsible. We monitor our indicators monthly, among them those related to energy usage.

FARM made several commitments in 2021 aligned with the material topic Energy, since its business is directly related to reducing scope 2 emissions. One of the commitments undertaken is a membership in the UN Global Compact; adherence to science-based targets for controlling global

warming below 1.5 °C and annual reporting to the CDP, aligned with the practices of the Task Force on Climate-Related Financial Disclosures (TCFD).

We have set ourselves the goal of zeroing our scope 2 emissions and making our energy matrix 100% renewable by 2030. The goal = is to depend less and less on non-renewable sources for energy generation, potentiating the positive impact of technologies such as solar and wind.

Since 2020, we have encouraged the replacement of ordinary light bulbs with more efficient options at all our units. All the lamps that need to be changed are replaced with led lamps. We have taken a careful look at jeans,

one of the most used items in our productions. We include, in all our collections, products that use re-FARM jeans, which production process significantly reduces water consumption (47%) and energy consumption (48%) compared to the conventional way. FARM evaluates its management of the material topic Energy by means of monthly measurement systems performed using Climas, which maps and tracks the organization's energy consumption throughout the year.

energy intensity* <div>GRI 302-3</div>	
	2021
WITHIN THE ORGANIZATION - ELECTRICITY	3,157.46 GJ
TOTAL	0.000589

* Product units was the measure used to calculate energy intensity.

energy consumed (GJ) <div>GRI 302-1</div>		
	2020	2021
ELECTRICITY (TOTAL)	201.00	3,157.46*

* FARM BR + FARM Global

GREEN FRIDAY

In 2021, FARM held another edition of the Green Friday week. We have raised funds for environmental causes since 2018. In the 2018 edition, the funds were aimed at reforestation actions along with the organizations SOS Mata Atlântica and Idesam. In 2019, we collaborated with NGOs in ocean cleanup actions. In 2020 we will allocate funds for reforestation through the "1,000 trees a day, every day" program. In 2021, besides continuing to raise funds for reforestation by planting **banana, pineapple, and cashew trees through agroforestry systems**, we will also become 100% carbon neutral. Green Friday registered a growth, compared to 2020, of 7.5%, totaling a revenue of BRL 17 million.



2018

reforestation actions
with SOS Mata
Atlântica
and Idesam.

2019

actions to clean
up the oceans
together with
seven NGOs.

2020

reforestation
through 1,000
trees a day,
every day.



CIRCULARITY: WHERE EVERYTHING IS VALUABLE

GRI 103-2, 103-3, 306, 301-1, 301-3

One of FARM's main pillars - circularity - is part of our commitment to **create and produce responsible, sustainable and ethical fashion**. Our vision of circularity is intertwined with the following aspects: circular product design and processes, regeneration of nature, and use of natural resources. For this reason, we also favor lines that use fabrics in stock, on marketing products with less environmental impact, and on the reverse logistics of our pieces. In addition, we believe in upcycling pieces with defects, entering into partnerships that give life to clothes, lengthening their life cycle.

We have been enhancing our processes and partnerships to ensure circularity since 2016. Our partners in this challenge are Rede Asta, Oficina Muda, Re-roupa and Enjoei.



Our goal is to be zero landfill by 2030 and to implement and put in place Circular Economy programs by 2025 to increase the number of clothing that have their life cycle lengthened by 20%.

FROM 2017 TO 2021, THE NUMBERS FOR THE UPCYCLING RE-FARM LINE ARE:

08 collections launched

112 products

21,906 items produced



RESULTS OF THE PARTNERSHIPS:
In 2021, we invested more than \$7,800 in waste management in projects to implement selective collection and training with employees; in our innovation hub - Fashion Hub; through donations and projects such as Enjoei and Upcycling with Oficina Muda.





Oficina Muda

WHAT IT IS:
Multi-brand upcycling
fashion company.

BEGINNING OF THE PARTNERSHIP:
2016

RESULTS OF 2021:
13.4 tons in 2021 FARM, which generated
about \$165,300 last year, benefiting more
than 140 craftswomen.



re-FARM + re-Roupa

WHAT IT IS:

project that develops special collections from scrap clothing and trimmings.

BEGINNING OF THE PARTNERSHIP:

2017

RESULTS OF 2021:

Re-Roupa and the Baiana System launched in 2021 RE-MAR, a collection of clothing and accessories supported by FARM. A challenge that was conceptualized in the shed of a factory in Rio de Janeiro, materialized into unique pieces in a clothing factory in São Paulo, and came to life on the **Ilha de Itaparica**, the stage chosen to capture the images for the roll out of the actions that complemented this project.

In total, the RE-FARM project accounted for the renewal of 130,000 articles of clothing, an economy of over 7 million liters of water, a decrease of 210 tons of CO2 into the atmosphere, and savings of more than 133,000 kwh of energy.



Asta Network

WHAT IT IS:

Social business that transforms leftover fabric into raw material for artisans.

BEGINNING OF THE PARTNERSHIP:

2018

RESULTS OF 2021:

10 tons of fabric scraps were donated, benefiting more than 100 nano entrepreneurs from the Asta network.



Enjoei

WHAT IT IS:

Partnership with a platform for second hand goods, which encourages the use of products that are passed on, in a way to promote reverse logistics

BEGINNING OF THE PARTNERSHIP:
2018

RESULTS OF 2021:
1,770 pieces collected,
of which more than 50%
were sold within 60 days.



We are very proud of our re-FARM jeans

The re-FARM jeans (launched in August 2019) releases less carbon, less microplastics, requires less water and energy to produce. This is because biodegradable chemicals are used in the industrial wash through the Green Screen process (international certification).

The total impact of re-FARM jeans (compared to ordinary jeans) from its launch to the end of 2021 was as follows: In the production of 162,000 pieces, we used 6 million liters less water and saved 133,000 kWh of electricity.

THE MAIN ATTRIBUTES
OF RE-FARM JEANS ARE:

100% made in Brazil

Made with 100%
certified cotton

*Better Cotton Initiative.
For its production, we only
use biodegradable and certified chemicals.

HOW WE TREAT OUR OWN AND OTHER'S WASTES

103-2, 103-3 | 306, 306-2, 306-3

FARM progressed considerably in water management in 2021 by aligning its internal practices and its relationship with suppliers on this subject to the guidelines established both in the Sustainability Policy and in the Code of Ethics dedicated to suppliers, documents that are fully in accordance with the Solid Waste Policy.

Our waste is managed by an outsourced partner in tandem with the documentation related to the licensing of the activities verified by the legal sector. We understand that the chain has greatly contributed to waste generation in the fashion sector and we, therefore, ask suppliers to prioritize the reuse, renewal, and recycling of waste, always in line with environmentally appropriate final allocation to ensure the continuous improvement of eco-efficient processes.

This action is aligned with our commitment to become zero landfill by 2030 - our target for future actions and to increase the recognition of our responsibility in the search for less polluting solutions. To achieve the goal, we have implemented selective collection in all of FARM's support units in order to prioritize recycling and send to the landfill only what is strictly necessary. Through partnerships with waste picker co-ops, we are impacting not only the environment but supporting those who suffer from environmental racism by remunerating more than 60 families through the environmental service provided. For employees, we have developed and applied several training courses on the subject with the purpose of engaging everyone who works at the units.

The actions to step up the efficiency of waste management became more powerful through the partnership with Fashion Hub, an innovation hub that fosters solutions for the complex

problems of the fashion production chain. We chose two of the 10 companies enrolled to be our partners in developing commitments beyond the current laws.

Eurofios is a company dedicated to the production and marketing of recycled textile fibers, i.e., it collects fabric scraps from the fashion chain and transforms them into raw material for customers all over the world, either by producing new yarns, insulation materials or furniture filler, among others.

Âmago Têxtil has developed techniques in the laboratory that aim to transform cellulose fibers from fabrics into fuel or into a fertilizer rich in organic matter, which is what we call chemical recycling. Both developed a POC (Proof of Concept) that proves through indicators if the proposed solution has the potential to solve the problem. We created the SOMA Group Waste Center to boost the Group's textile waste management by sending our internally-generated scraps for recycling.

In 2021 we generated 20.71 tons of waste, 17.2% was reused, and the rest was sent to landfill. All the waste disposed of is not hazardous. The hazardous waste generated in the unit has characteristics and volumes similar to those of domestic generation such as batteries, light bulbs, and others. In 2021, 17.15 tons of non-hazardous waste went to landfills as final disposal. **GRI 306-5**

We have some projects to reduce our environmental impact by donating the scraps that are left over from the patterning process. We invest in projects we believe in to generate income, benefit, and empower people through our social responsibility during the pre-consumption stage. We donated a total of 21,901 tons of textile waste in 2021.



HOW WE TREAT OUR OWN AND OTHER'S WASTES

total waste not destined for final disposal per recovery operation in metric tons (t) in 2021 GRI 306-4

NON-HAZARDOUS WASTE	WITHIN THE ORGANIZATION / ONSITE	OUTSIDE THE ORGANIZATION / OFFSITE	TOTAL
TEXTILE SCRAPS*	21.901	-	21.901
PAPER AND CARDBOARD	3.56	-	3.56
TOTAL WASTE NOT DESTINED FOR FINAL DISPOSAL	25.46	-	25.46

total waste generated, by breakdown (t) in 2021 GRI 306-3



CATEGORY	TYPE	AMOUNT GENERATED (T)
RECYCLABLES	non-hazardous	3.56
NON-RECYCLABLES	non-hazardous	17.15
TOTAL		20.71

*Allocation of textile scraps for partner projects: Rede Asta – 10.0 t; Banco de tecidos– 8.9 t; Mulheres independentes da Providência (MIP)- 0.12 t; Projeto Sankofa - 0.15 t; Catsapa - 0.013 t; Mestre Zénóbio - 0.015 t; Andrea- 2.013 t ; Crioula Criativa– 0.09 t; Pitta – 0.2 t; Fundação Angélica Goulart – 0.1 t; Salgueiro – 0.3 t

STEP BY STEP

GRI 306-1






We monitor how waste is generated in the entire production chain of the SOMA Group and its respective environmental impact:

STEP	CHAIN	TYPE OF WASTE	IMPACTS	SOMA MITIGATION
 THREAD PRODUCTION	UPSTREAM	<p>Fabric of vegetable origin (such as cotton and viscose): waste due to the input not being fully used.</p> <p>Chemically-sourced fabric: greenhouse gas emissions (e.g. methane gas often not used in the process).</p>	<p>Textile may contain traces of pesticides that contaminate soil and groundwater.</p> <p>Energy expenditure and carbon dioxide (CO2) emission in manufacturing.</p>	<p>Flax can be 100% used (the plant is also used in the food industry). Leather pieces use the waste of cattle-breeding farms and, when traced and treated correctly, generate minimum waste.</p> <p>Inclusion of raw materials in scope 3 of the emissions inventory, fostering the monitoring of materials that come from non-renewable sources, thus enabling their neutralization.</p>
 WEAVING / KNITTING	UPSTREAM	<p>Gases from the combustion process.</p>	<p>Energy consumption, which usually originates from combustion, a process that generates heat and can lead to a reduction in local air quality and intensification of the concentration of gases in the atmosphere, which may aggravate global warming.</p>	<p>Inclusion of raw materials in scope 3 of the emissions inventory, fostering the monitoring of materials that come from non-renewable sources, thus enabling their neutralization.</p>
 DYEING AND PRINTING	UPSTREAM	<p>Effluents and chemicals.</p>	<p>Risk of water and soil pollution due to disposal of large volumes of wastewater.</p>	<p>Reduce water usage by consuming responsibly and seeking suppliers that have good water management practices, mainly in water-scarce areas.</p>
 PATTERNING	INTERNAL	<p>Fabric rolls, pilot garments, paper and plastic.</p>	<p>Economic impact due to leftover fabric rolls.</p> <p>Negative interference in logistics by inefficient storage of scraps.</p>	<p>Donate rolls to support the business of small artisans. See more about these initiatives on page 58.</p>
 CUTTING	INTERNAL	<p>Textile scraps, roll, paper, and plastic ends</p>	<p>Little use of scraps leads to overcrowding of landfills and possible contamination of soil and groundwater.</p>	<p>Donation of roll ends and reuse of scraps to create new collections. Launch of a challenge to use scraps in the Fashion Hub. See more about these initiatives on page 61.</p>

STEP BY STEP

GRI 306-1

We monitor how waste is generated in the entire production chain of the SOMA Group and its respective environmental impact:

STEP	CHAIN	TYPE OF WASTE	IMPACTS	SOMA MITIGATION
<div>SEWING</div> 	DOWNSTREAM	Fabric trimmings, fabric scraps, substandard clothing, needles, and machine oil.	Environmental: waste through the extraction of virgin material for use in the production of trims and fabrics that end up not being used in the production; filling of landfills and possible contamination of soil and groundwater.	The traceability of the chain's waste is one of the environmental topics that is on the SOMA Group's radar. In 2022, we intend to start mapping waste management at suppliers, making them aware of the good practices adopted internally as well.
 <div>SALES</div>	UPSTREAM	Paper and plastic packaging; Substandard clothing.	Improper disposal of plastic waste, and dispersion of harmful microplastics.	The SOMA Group avoids using plastic in the packaging that reaches end customers and is conducting studies to develop more responsible packaging In shopping mall stores and in e-commerce, the cardboard is reused internally and, when it is no longer usable, it is sent to recycling or landfill. Substandard clothing is sent to the Muda Workshop, which is in charge of upcycling it.
 <div>USE</div>	UPSTREAM	Microfibers.	Energy waste in the washing and ironing process. During the cleaning process of synthetic pieces, microfibers are released into bodies of water. <u>To see more about raw materials, go to page 65.</u>	Educational initiatives through labeling about the best way to care for the garments, both for use and for final disposal.
 <div>DISPOSAL</div>	INTERNAL	Post-consumer clothing.	At the end of their life, a large part of the clothing is sent to dumps and landfills and may also end up in the sea. The impact on sea life is brutal especially when speaking of pieces composed of polymer-based fabrics.	Secondhand actions like Enjoei and Animale Vintage are responsible for extending the life cycle of the pieces. <u>See more about these initiatives on page 59.</u>
<div>ADMINISTRATION</div> 	INTERNAL	<p>Household waste: generated in all stages of the process.</p> <p>—</p> <p>Recyclable waste: generated in all stages of the process.</p> <p>—</p> <p>Hazardous waste: generated in all stages of the process.</p>	<p>Landfill dumping, as well as soil and sea contamination.</p> <p>—</p> <p>Considerable use of energy for processing.</p> <p>—</p> <p>These are harmful to the environment due to the amount of heavy metals and toxic substances.</p>	<p>Manage waste in order to reduce its generation.</p> <p>—</p> <p>Work with waste picker co-ops.</p> <p><u>See more about the initiative on page 61.</u></p> <p>—</p> <p>Correct allocation.</p>

MATERIALS WE USE

GRI 103-2, 103-3 | 301

FARM is still in the early days of developing standard management for our materials. We have a Quality Control Team to carry out a strict assessment of aspects such as solidity, shrinkage, and dyeing, in addition to the analysis of technical lab specs from supplier companies.

In regard to the material we use to produce our clothes, we use the Pareto methodology, i.e., the analysis performed by sourcing covers 81% of the total. In 2021, we will invite participants in our chain, who have the certification to complete a raw material form, to map the materials used to make our clothes. Since the certification record of raw material purchase is still done manually by sourcing, the data collection process is gradual.

Among our acquisitions of raw materials from renewable sources, cotton is a natural fiber of plant origin that is widely used by FARM Brazil. In 2021, the purchase of certified cotton represented 17% of all analyzed raw material purchased. Only about 5% of the raw material derives from a non-renewable source, referring to petroleum-based fibers such as polyester.

In 2021, 92% of our total polyamide purchases were analyzed and 68% of that volume (58,222 meters) was AmniSoulEco* certified. Additionally, 8% of the polyamide purchased was Oeko-Tex certified, which guarantees that the chemicals involved in the process are not harmful, either to humans or the planet. As far as suppliers of finished product are concerned, we have little knowledge of their practices; the development of sustainable collections or pieces is usually originated by initiative of the brand or person interested in this topic. Finished product data was not identified in 2021 but represents only 23% of the total volume of articles sold.


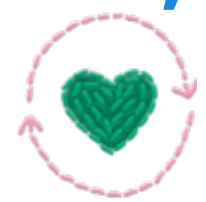





As for our packaging, we use certified materials. The e-commerce boxes, which represent a large part of the packaging that reaches the consumer, are FSC certified.

*Developed by Rhodia, the polyamide used has accelerated biodegradability, decomposing in about 3 years when disposed of correctly (conventional polyamide takes about 400 years to decompose).



NEW AGAIN

GRI 301-1, 301-3

- Paper and cardboard (renewable source) - 1,235,649  tons
- 22% RENEWED (271,842 tons) in 2021 through a partnership with  Eu Reciclo
- Of the  5,536,841 pieces of clothing produced in 2021, 82,976 pieces were processed and 63,841 pieces were renewed,  which is equivalent to 77% renewed pieces.
- Out of 30,867 meters of scrap fabric  in 2021, 1,573 meters was used in RE-FARM lab collections , which is equivalent to 5.1% of recovered  textile scraps.



CULTURE: ENCHANTING BRAZILIANISMS

FARM means enchantment and Brazilian culture. 25 years ago we conceptualized a brand that understands that the act of dressing is an act of love and art. **We seek to familiarize ourselves with the most diverse cultural manifestations in Brazil, supporting and making partnerships in the four corners of the country.** We respect and learn from local knowledge. We create shared value.

Local artists, artisans, models, and suppliers are partners on our journey and in the inspiration that brightens our creative flare. We are very proud of these partnerships and the projects we support.





Our hearts beat stronger with the Yawanawa People

GRI 413-1

This beautiful and long-lasting partnership has connected Rio de Janeiro to Rio Gregório (Acre) since 2017. Every year, our bond with the Yawanawa grows stronger. We support the structuring of their artisan chain, we have contributed with editions of the Mariri cultural festival, and invested in the digital inclusion of seven villages. The Yawanawa reserve covers almost 200 hectares, where about one thousand people live in over eight villages.

In 2021, FARM's major investment in Yawanawa lands was directed at strengthening the Yawanawa Life Plan through the creation of five more agro-forests that helped ensure the autonomy and food security of the Yawanawa people. This project is linked to our "1,000 trees a day, every day" project, through which we planted another 5,000 trees in the recovery of Yawanawa clearings, for a total of 7,000 trees planted on Indigenous Land. In addition, we continue to support the Yawanawa culture by sponsoring the Mariri Festival, which brings all the people together in a week of meetings and celebrations.

Our wish for 2022 is for our followers to see our five-year partnership with the Yawanawa people and the journey involved in the processes of creating pieces and products, as well as to ensure that we are engaged internally in this cause and are committed to establishing a genuine and responsible communication.

NUMBERS IN THE SPOTLIGHT

- + 160  craftswomen impacted
- + 3,223 articles  produced 
- + \$198,000 in direct  income generation
- + \$43,400 in local  investments
- + 7,000  trees planted



Moda BR Indigenous collab

The Moda BR Indigenous collab is an organization of Indigenous professionals and activists who work in the fashion world. In 2021, FARM partnered to work on reflections about Indigenous Visibility day held on April 19. **Together we prepared the launch of the showcase "Digital Amazon", which included a fashion editorial and two videos.**

We put into practice the reflections we had discussed with the group: **the importance of including indigenous bodies and minds in the fashion creation processes,** and the need to bring plurality to what we produce. The editorial was 100% developed by the collab in partnership with FARM. **All the members invited to the team and the professionals involved in the pieces are Indigenous.**

Lab UniPreta Project

In 2021, FARM began a partnership that promises to be long and beautiful. We are fully supporting the proposal for the creation of the UniPreta Lab, together with Oyá Institute from Salvador.

The Lab UniPreta Learning and Development Project seeks to **champion the collective organization processes of the Pirajá community** in Salvador, based on the diversity of artistic languages, art-education, and solidarity economy.

The Lab UniPreta proposal is to create a venture formed by young artists linked to the Oyá Institute for the **co-creation of a series of textile objects**, as well as the **exhibition of the products** and their circulation in **local and international art, design, and fashion**.

Sankofa Project, for streamlined fashion

In 2021, FARM donated 223 meters of textiles to the Sankofa Project created by the collab **Vetor Afro-Indígena na Moda (VAMO)** and **Projetos na Moda**, at the **São Paulo Fashion Week (SPFW)**. The project works as a brand incubator.

During SPFW, Sakofa showcased new labels on the runways: **Ateliê Mão de Mãe, Meninos Rei, Naya Violeta, Santa Resistencia, Az Marias, Mile Las, and TA Studios**.



Smiley, joy and good vibes.

We started a partnership with Smiley in 2021, **sharing our good vibes and love for the sun.** We placed our prints on pants, overalls, skirts, dresses, t-shirts, sweatshirts, windbreakers, jumpsuits, hats, and bags. In return, we **donated \$27,972 to Smile Train, a leading organization for the treatment of cleft lip and palate.** The donation was used to pay for 177 reconstructive surgeries.

COMMITMENTS TO THE FUTURE

Sustainability



FARM is a brand that believes in the future. We take on our challenges and are happy to meet our goals. Here is what we have strategically outlined on our main fronts for 2022:

- Continue the FARM carbon neutral project, offsetting all greenhouse gas emissions mapped in the inventories through carbon credits from monitoring the reforestation project "1,000 trees a day, every day".
- Expand the percentage of responsible raw material for the next collections.
- Achieve Net-Zero in Scope 1 and 2 emissions by 2030 and Scope 3 emissions by 2050.
- Optimize all of FARM's waste management.
- Expand the reforestation project "1,000 trees a day, every day" to new biomes and reach 1 million trees planted by 2022.
- Achieve Zero Landfill by 2030, bringing scalable solutions to the textile recycling of 100% of cloth scraps and other recyclable waste.
- Increase our circularity actions by structuring the process of donating raw materials from past collections.

HR + Diversity & Inclusion team



→ Prioritize the hiring of leaders belonging to minority groups.

→ Create a new format and calendar for internal teaching actions, encompassing all the FARM teams.

→ Follow the development and structuring of the new affinity groups: racial-ethnic, LGBTQIA+, women, and people with disabilities.

→ Create a consequence management policy with the objective of making more transparent our way of acting in situations that violate laws, values, code of ethics, and work rules.

→ Monitor the next steps of the so-called re-FARM CRIA, our first social responsibility project, which aims to strengthen young peripheral powerhouses in the city of Rio de Janeiro and throughout Brazil.

→ To have at least 50% women in top leadership positions by 2030 based on the commitment we made when we signed the Equality and Priority charter: Gender, of the UN.



ABOUT THE REPORT

MATERIALITY

Our first materiality matrix was built between 2020 and 2021 and was the starting point for our first Sustainability Report, with 2020 as the base year. We reported the GRI contents referring to the material topics of the SOMA Group and also brought information about relevant topics that were pointed out by the stakeholders directly in relation to FARM.

With the merger of the SOMA Group and Cia. Hering in 2021, a new materiality matrix was made for the entire Group, with the support of an external consulting firm. Internal and external documents were analyzed, as well as market and sector reports to build a list of potentially relevant topics for the combined businesses of the companies. This list was presented to the various stakeholders of the Group and Cia. Hering.

We conducted 10 interviews with the top leadership of SOMA and Cia. Hering and two with external experts. In addition, by means of an online questionnaire, we received a response regarding the list of topics from 3,717 stakeholders, including employees, customers and suppliers, third sector organizations, financial market agents, and Hering franchisees. **GRI 102-40, 102-42**

After the answers were received, a new materiality matrix was put together, taking into consideration the topics on the list according to the impact they produce or may produce on the business and those prioritized by the stakeholders. The result was a matrix with 12 material topics approved by the Board of Directors and the company's top management. **GRI 102-46**

During the materiality process, FARM customers pointed out two other important topics, in addition to those already considered for the SOMA Group, that were considered for the brand as priority topics: Biodiversity & Ecosystem and Privacy & Data Security.

MATERIAL TOPIC **GRI 103-1, 102-47**

SOCIAL RESPONSIBILITY

TRANSPARENCY IN THE RELATIONSHIP WITH CUSTOMERS

DIVERSITY, FAIRNESS AND INCLUSION

ETHICS, INTEGRITY AND COMPLIANCE

HEALTH AND WELLBEING

ATTRACTING, DEVELOPING AND RETAINING EMPLOYEES

FOOD QUALITY AND SAFETY

RESPECT FOR HUMAN RIGHTS;

TEXTILE AND NONTEXTILE WASTE MANAGEMENT

LOWER IMPACT PRODUCT

CLIMATE CHANGES

SUPPLY CHAIN MANAGEMENT AND ENGAGEMENT

BIODIVERSITY AND ECOSYSTEM

PRIVACY AND DATA PROTECTION

WHY IS IT IMPORTANT?

Strive for positive impact on the environment and society through responsible investment, philanthropy, and corporate citizenship. Use the power of influence to further causes that are important to the Group.

Provide the customer with relevant information about the processes that led to the design of the product they are purchasing. Transparency and good communication throughout the customer's journey.

Increase respect to diversity inside and outside the organization, be it of gender, race, religion, age, sexual orientation, and others, in a transversal way to all positions and in relationships with third parties. Offer different sizes for different body shapes.

Transparency, compliance with regulations, laws, and anti-corruption practices throughout the value chain, assurance of ethical attributes in organizational processes, and fighting anti-competitive practices and kickbacks.

Ensuring the well-being and health of the worker through the management of the organizational environment, valuing the mental and physical health of the collaborators and their families.

Alignment of expectations by managers and subordinates, transparency in the career plan, and the offer of training resources to reduce turnover and increase the retention of skilled workers.

Durability and quality that matches the sales price. Quality standardization. Use of chemicals that can affect the user and the environment.

Ensure processes that discourage and address cases of human rights violations, both internally and externally, such as in the value chain. Enable decent life conditions in all parts of the chain.

Think about waste generation from product creation to post-consumption. Separate and properly allocate the waste generated so less of it ends up in landfills.

Assessment of impacts throughout the life cycle of products to reduce the ecological footprint. Establish processes to ensure efficient use of resources, recyclability, lower impact raw materials, and care for animal welfare.

Measure and reduce GHG emissions in the value chain. Generational ethics, concern for future generations. Increasing relevance for the capital market. Use power of influence to drive the fashion industry toward less polluting practices.








Ensure good labor and environmental practices. Adherence to the values of the SOMA Group throughout the supply chain.













Encourage the protection of species, especially those at risk of extinction. When it comes to fauna and flora, the company aims to mitigate the impact of the product's life cycle, from the manufacture of the raw material, which uses pesticides and agrottoxins, to the end of the product's life, which tends to be discarded and not reused.







The purpose of this management is, above all, to fully respect and care for the rights of the holders. We manage data subject privacy based on LGPD by mapping and documenting all activities and the data lifecycle, in other words, where and what data goes through the company, from input to disposal. We have also created a series of internal and external policies to make our practices more visible so that data subjects have a clearer picture of how we handle their data and how they can exercise their rights under the LGPD.







GRI STANDARDS CONTENT INDEX









GRI 102-55









general content						
	GRI 101: 2016 FOUNDATIONS	GRI 101 has no content				
organizational profile						
GRI STANDARDS		CONTENTS		PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
	GRI 102: GENERAL CONTENT 2016	102-1	Name of the organization		None.	-
		102-2	Activities, brands, products and services	12	None.	-
		102-3	Location of headquarters	12	None.	-
		102-4	Location of operations	12	None.	-
		102-5	Ownership and legal form	12	None.	-
		102-6	Markets served	6, 12	None.	-
		102-7	Scale of the organization	6	None.	-
		102-8	Information on employees and other workers	30	None.	8, 10
		102-9	Supplier chain	22	None.	-
		102-10	Significant changes to the organization and its supply chain	None.	None.	-
		102-11	Precautionary principle or approach	20	None.	-
		102-12	External Initiatives	19, 21	None.	-
		102-13	Participation in associations	21	None.	-
STRATEGY						
	GRI 102: GENERAL CONTENT 2016	102-14	Statement from senior decision-maker	8	None.	-
ETHICS AND INTEGRITY						
	GRI 102: GENERAL CONTENT 2016	102-16	Values, principles, standards and codes of behavior	14	None.	16
GOVERNANCE						
	GRI 102: GENERAL CONTENT 2016	102-18	Governance structure	17	None.	-
STAKEHOLDER ENGAGEMENT						
	GRI 102: CONTEÚDOS GERAIS 2016	102-40	List of stakeholder groups	78	None.	-
		102-41	Collective bargaining agreements	100% of Employees are covered by collective bargaining agreements.	None.	8
		102-42	Identifying and selecting stakeholders	78	None.	-
		102-43	Approach to stakeholder engagement	39	None.	-
		102-44	Key topics and concerns raised	39	None.	-
REPORTING PRACTICES						
	GRI 102: CONTEÚDOS GERAIS 2016	102-45	Entities included in the consolidated financial statements	FARM and FARM Global.	None.	-
		102-46	Defining report content and topic boundaries	78	None.	-
		102-47	List of material topics	78	None.	-
		102-48	Restatement of information	None.	None.	-
		102-49	Changes in reporting	None.	None.	-
		102-50	Reporting period	January 1 to December 31, 2021.	None.	-
		102-51	Date of most recent report	2020.	None.	-
		102-52	Reporting Cycle	Annual.	None.	-
		102-53	Contact point for questions regarding the report	5	None.	-
		102-54	Claims of reporting in accordance with the GRI Standards	This report has been drawn up in accordance with the GRI Standards "Core" option.	None.	-
		102-55	GRI Content Index	79	None.	-
		102-56	External assurance	None.	None.	-

material topics						
GRI STANDARDS		CONTENTS		PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
ANTI-CORRUPTION						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	23	None.	-
		103-3	Evaluation of the management approach	23	None.	-
	GRI 204: PROCUREMENT PRACTICES 2016	204-1	Ratio of expenses with local suppliers	23		8
PROCUREMENT PRACTICES						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	23	None.	-
		103-3	Evaluation of the management approach	23	None.	-
	GRI 205: ANTI-CORRUPTION 2016	205-1	Operations assessed for risks related to corruption	Corruption-related risk assessments are made in a corporate fashion, and 100% of the employees are adherent to the SOMA Group's Code of Ethics. No significant corruption-related risks were detected in 2021.	None.	16
		205-2	Communication and training on anti-corruption policies and procedures	Communication or training about anti-corruption policies and procedures was not conducted in 2021.	None.	16
		205-3	Confirmed incidents of corruption and actions taken	No cases of corruption were filed in 2021.	None.	16
MATERIALS						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	65	None.	-
		103-3	Evaluation of the management approach	65	None.	-
	GRI 301: MATERIALS 2016	301-1	Materials used, by weight or volume	66	None.	8.12
		301-2	Raw or recycled materials used	FARM Brasil did not purchase raw materials or recycled materials in 2021.	None.	8.12
		301-3	Reclaimed products and their packaging materials	66	None.	8.12
ENERGY						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	52	None.	-
		103-3	Evaluation of the management approach	52	None.	-
	GRI 302: ENERGY 2016	302-1	Energy consumption within the organization	52	None.	7, 8, 12, 13
		302-3	Energy Intensity	52	None.	7, 8, 12, 13
BIODIVERSITY						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	76	None.	-
		103-2	The management approach and its components	46	None.	-
		103-3	Evaluation of the management approach	46	None.	-
	GRI 304: BIODIVERSITY 2016	304-2	Significant impacts of activities, products and services on biodiversity	46	None.	-
		304-3	Habitats protected or restored	43,45	None.	-
EMISSIONS						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	50	None.	-
		103-3	Evaluation of the management approach	50	None.	-
	GRI 305: EMISSIONS 2016	305-1	Direct GHG emissions (Scope 1)	50	None.	-
		305-2	Indirect GHG emissions (Scope 2)	50	None.	-
		305-3	Other indirect GHG emissions (Scope 3)	50	None.	-
		305-4	Intensity of GHG emissions	50	None.	13, 14, 15

material topics						
GRI STANDARDS		CONTENTS		PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
WASTE						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	61	None.	-
		103-3	Evaluation of the management approach	61	None.	-
	GRI 306: WASTE 2021	306-1	Waste generation and significant waste-related impacts	63, 64, 65	None.	3, 6, 11, 12
		306-2	Management of significant waste-related impacts	61	None.	3, 6, 11, 12
		306-3	Waste generated	62	None.	3, 6, 12, 14, 15
		306-4	Waste not destined for final disposal	62	None.	3, 6, 12, 14, 15
		306-5	Waste destined for final disposal	61	None.	3, 11, 12
ENVIRONMENTAL ASSESSMENT OF SUPPLIERS						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78		
		103-2	The management approach and its components	-	Information not avail- able - knowledge and mapping of environ- mental vulnerabil- ities in the chain has started and should be complet- ed by the end of 2022.	-
		103-3	Evaluation of the management approach	-	Information not avail- able - knowledge and mapping of environ- mental vulnerabil- ities in the chain has started and should be complet- ed by the end of 2022.	-
	GRI 308: ENVIRONMENTAL ASSESSMENT OF SUPPLIERS 2016	308-1	New suppliers screened with basis on environmental criteria	-	Not Applicable. FARM does not select suppliers based on environmental criteria.	-
		308-2	Negative environmental impacts in the supply chain and actions taken	-	Not Applicable. FARM does not select suppliers based on environmental criteria.	-
EMPLOYMENT						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	35	None.	-
		103-3	Evaluation of the management approach	35	None.	-
	GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	35	None.	5, 8, 10
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	FARM has the following standardized benefits for all operating units: Meal and food vouchers; Transport vouchers; Medical and dental care; Maternity leave; Discount on the group's brands; Gympass; Van from the workplace to the nearest subway.	None.	3, 5, 8
		401-3	Parental Leave	33	None.	5, 8

material topics						
GRI STANDARDS		CONTENTS		PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
OCCUPATIONAL HEALTH AND SAFETY						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	37	None.	-
		103-3	Evaluation of the management approach	37	None.	-
	GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2019	403-1	Occupational health and safety management system	37	Information not available for 2021 - FARM is implementing a Health and Safety Management System by contracting a SOC management system. The contract is scheduled to begin in April 2022.	8
		403-2	Hazard identification, risk assessment and incident investigation	37	None.	3, 8
		403-3	Occupational health services	The information related to the workers' health is kept confidential among the professionals trained in the area of occupational health and occupational health clinics. Exchanges of information about patients occur only under medical confidentiality.	None.	3, 8
		403-4	Worker participation, consultation, and communication on occupational health and safety	37	None.	8, 16
		403-5	Training for workers in occupational health and safety and safety	37	None.	8
		403-6	Promotion of worker health	37	None.	3
		403-7	Prevention and mitigation of impacts on the health and safety of the work directly tied to business relationships	37	None.	8
		403-8	Workers covered by an occupational health and safety management system	In 2021 we did not have a formal Occupational Health and Safety management system for employees or non-employees, FARM is implementing a Health and Safety Management System by contracting the SOC management system. The contract is scheduled to begin in April 2022.	None.	8
		403-9	Work accidents	37		3, 8, 16
		403-10	Work-related illnesses	-	Information not available.	3, 8, 16
TRAINING AND EDUCATION						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	35	None.	-
		103-3	Evaluation of the management approach	35	None.	-
	GRI 404: CAPACITY BUILDING AND EDUCATION 2016	404-1	Average hours of training per year, per employee	36	None.	4, 5, 8, 10
		404-2	Programs for upgrading employee skills and transition assistance programs	36	None.	8
		404-3	Percentage of employees receiving regular performance and career development assessments	100% of employees received regular performance and career development reviews in 2021.	None.	5, 8, 10
DIVERSITY						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	31	None.	-
		103-3	Evaluation of the management approach	31	None.	-
	GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity in governance bodies and employees	32 , 34	None.	5, 8
		405-2	Ratio of basic salary and remuneration earned by women to men	32	None.	5, 8, 10

material topics						
GRI STANDARDS		CONTENTS		PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
NON-DISCRIMINATION						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	24	None.	-
		103-3	Evaluation of the management approach	24	None.	-
	GRI 406: NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken	-	In 2021, we restructured our compliance and ethics management. We have reviewed our Code of Ethics and Conduct, the organization and breakdown of the committees - including the themed committees, our consequence management policy, optimizing our deal flow, making our Compliance sector management more robust, so we can present in the next reports more accurate indicators that reflect the Group's governance.	5, 8
CHILD LABOR						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	22	None.	-
		103-3	Evaluation of the management approach	22	None.	-
	GRI 408: CHILD LABOR 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	22	None.	8, 16
FORCED OR COMPULSORY LABOR						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	22	None.	-
		103-3	Evaluation of the management approach	22	None.	-
	GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1	Operations and suppliers at significant risk of forced or compulsory labor	22	None.	8
HUMAN RIGHTS						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78		
		103-2	The management approach and its components	22		-
		103-3	Evaluation of the management approach	22		
		412-1	Operations subject to human rights or human rights impact assessments	22	None.	-
	GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-2	Employee training on human rights policies or procedures	-	Information not available. Employee training on human rights policies or procedures was not conducted in 2021.	-
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	Confidential.	-

material topics						
GRI STANDARD		CONTENTS		PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
LOCAL COMMUNITIES						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	40	None.	-
		103-3	Evaluation of the management approach	40	None.	-
	GRI 413: LOCAL COMMUNITIES 2016	413-1	Operations with local community engagement, impact assessments and development programs	43 FARM has committees and processes that engage extensively with the local community including vulnerable groups.	None.	-
		413-2	Operations with significant actual and potential negative – impacts on local communities	68	Information not available - Impact not measured.	1.2
SOCIAL ASSESSMENT						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	22	None.	-
		103-3	Evaluation of the management approach	22	None.	-
	GRI 414: SOCIAL ASSESSMENT OF SUPPLIERS 2016	414-1	New suppliers selected based on social criteria	At FARM 100% of suppliers are selected based on the social criteria defined by the company in the compliance checklist. Documents ensuring social compliance are requested at the time of hiring.	None.	5, 8, 16
		414-2	Negative social impacts in the supply chain and actions taken	-	Information not availabe.	5, 8, 16
MARKETING AND LABELING						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	41	None.	-
		103-3	Evaluation of the management approach	41	None.	-
	GRI 417: MARKETING AND LABELING 2016	417-1	Requirements for product and service information and labeling	41	None.	12
		417-2	Cases of noncompliance regarding product and service information and labeling.	For both FARM Rio and FARM Global, there were no cases of non-compliance with laws and voluntary codes during the reported period.	None.	16
		417-3	CasosCases of non-compliance regarding marketing communication	-	None.	16
CUSTOMER PRIVACY						
	GRI 103: MANAGEMENT APPROACH 2016	103-1	Explanation of the material topic and its boundary	78	None.	-
		103-2	The management approach and its components	The FARM and the SOMA Group are committed to ensuring the confidentiality of personal information provided by customers in their registration and history with the group.	None.	-
		103-3	Evaluation of the management approach	-	None.	-
	GRI 418: CUSTOMER PRIVACY	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No lawsuits by regulatory or inspection agencies about claims of this nature were registered in 2021. A lawsuit was filed by a holder of personal data regarding a violation of privacy but it was dismissed as unfounded and the case is awaiting filing.	None.	-

SASB APPAREL, ACCESSORIES AND FOOTWEAR

ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN	SASB CG-AA-430a.1 Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement 2 SASB CG-AA-430a.2 Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) Assessment or an equivalent environmental data assessment.
WORKING CONDITIONS IN THE SUPPLY CHAIN	SASB CG-AA-430b.1 Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that were audited for a code of work conduct, (3) percentage of total audits conducted by a third-party auditor SASB CG-AA- 430b.2 Rate of priority non-compliance and rate of associated corrective action for code of work conduct of suppliers.
RAW MATERIAL SUPPLY	SASB CG-AA-440a.2 Percentage of raw materials certified by a third party to an environmental and/or social sustainability standard, by standard.

SUSTAINABLE DEVELOPMENT GOALS

- 1. NO POVERTY
- 2. ZERO HUNGER AND SUSTAINABLE AGRICULTURE
- 3. GOOD HEALTH AND WELLBEING
- 4. QUALITY EDUCATION
- 5. GENDER EQUALITY
- 6. CLEAN WATER AND SANITATION
- 7. AFFORDABLE AND CLEAN ENERGY
- 8. DECENT WORK AND ECONOMIC GROWTH
- 9. INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10. REDUCED INEQUALITIES
- 11. SUSTAINABLE CITIES AND COMMUNITIES
- 12. RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13. CLIMATE ACTION
- 14. LIFE BELLOW WATER
- 15. LIFE ON LAND
- 16. PEACE, JUSTICE, AND STRONG INSTITUTIONS
- 17. PARTNERSHIPS FOR THE GOALS

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**Thanks for being on this
colorful journey with us**

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