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**Toledo**  
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La Salle  
CEP 85.902-080  
+55 45 3277-0557

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**São Paulo**  
Avenida Engenheiro Luiz Carlos Berrini, 1748  
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**RS**  
**Cruz Alta**  
Rua Domingos Veríssimo, 210  
Sala 101  
CEP 98.010-110  
+55 55 3343-2890

**SC**  
**Itajaí**  
Rua Osvaldo Reis, 3281  
Sala 1109, Praia Brava  
CEP 88.306-773  
+55 47 3514-5675

**MT**  
**Sinop**  
Rua das Castanheiras, 1001  
Sala 505, Setor Comercial  
CEP 78.550-272  
+55 66 3515-0743

**Tangará da Serra**  
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**ARAÚZ**  
ADVOGADOS



**Annual Report**  
**2022**  
**Sustainability and ESG**

# The Report

We are a firm that, for more than two decades, has been exercising the Law in the Business, Agribusiness and Cooperativism niches. We have gone through many transformations that have been imposed on us by the market, politics and the economy over the years.

Since 2019, we have published our Annual Report, reporting on the institutional activity that supports the social mission of our law firm. All these transformations have always emphasized the relationship we have with our customers, partners and our employees: a close, active and honest relationship.

For the 2022 report, we are aware of the new paradigms of productive activities arising from globalization, the exercise of advocacy, the generation and fluidity of economic resources, the addition of value to sensitive topics, thus, we decided to bring to the public our commitment to Sustainability and ESG.

Such topics have always been and will be present in our professional practice and in our relationship with clients and partners, through the creativity of our partners and lawyers in a variety of administrative and judicial litigation situations and, especially, in generating business value in the projects and consultancies that we help to make eligible.

The themes related to the challenges and opportunities that surround the business activity of the agrindustrial complex and cooperativism are certainly within our DNA. The mastery of the material and procedural technique that safeguards the proper application of the Law is what guides us. In addition, the disruption and study of new topics and their application to our clients' businesses, safeguarding opportunities and mitigating risks, is our differential.

With our customers, sustainability and ESG topics are already a reality, whether in the preparation of Sustainability Reports, or in support of greenfield or brownfield projects, or even in the study of specific topics such as green credit, the carbon market, green operations carried out with Fiagro funding, labor situations, among others, be it in poultry, meat packing, grains and forestry chains, as well as industrialization, logistics and other players in the sector.

What we seek in this report is something beyond our technical legal capacity, it is related to our organizational culture, to Araúz Advogados as an institution, our responsibilities and our desire to remain competitive and compliant with the new directions of the market, growing sustainably.

**Enjoy your reading!**

# Table of Contents

<b>Introduction</b>	<b>06</b>
<b>Message from the CEO</b>	<b>10</b>
<b>Message from the Marketing Team</b>	<b>12</b>
<b>Company Profile</b>	<b>14</b>
<b>Araúz DNA</b>	<b>22</b>
<b>Araúz Agro DNA</b>	<b>36</b>
<b>ESG Commitment</b>	<b>44</b>
<b>Articles</b>	<b>56</b>
<b>Interviews</b>	<b>64</b>
<b>GRI Contents</b>	<b>68</b>



GRI 2-2, 2-3, 2-4, 2-5

# Introduction

To demonstrate our commitment to the ESG agenda, we released our Annual Report – the Sustainability and ESG Report – inspired by the guidelines of the Global Reporting Initiative (GRI), an international organization that supports companies, governments and other entities to understand and communicate their impacts on the environment, the economy and the people. We also correlate our reported actions with the Sustainable Development Goals (SDGs) of the United Nations (UN).

The document refers to our performance from January to December of 2022. We inform that this content has not been externally verified.

For questions, suggestions or comments on this report, please contact [contato@arauz.com.br](mailto:contato@arauz.com.br)



GRI1: Standards 2021

## Contemplated GRI principles



### Accuracy

All information presented is real and objective.



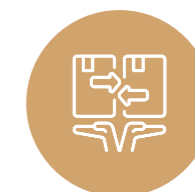
### Balance

The information presented is not overestimated.



### Clarity

The information is fluid, avoiding technical terms or jargons and, whenever possible, accompanied by images, figures and QR Codes with external links.



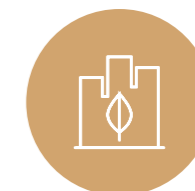
### Comparability

Whenever possible, the information is presented in a way that compares with that of previous years or with market indicators.



### Completeness

All information is reported in full, without data omissions.



### Context of Sustainability

All information is reported so the reader can understand Araúz Advogados' contributions to sustainable development, with the material topics related to the SDGs.



### Timeliness

All information refers to the 12-month period. If necessary, they will be updated at the appropriate time on our social networks and on the intranet portal.



### Verifiability

All information is archived, if there is any need for external examination by interested third parties.

GRI 2-24, 2-25, 3-1, 3-2

# Materiality

The material topics addressed in this report were defined based on the scenario of our segment of operation and the consequent positive and negative impacts for us and the society, on the strategic desires of our CEO and the Executive Board and the contributions of the Legal Coordinators and all employees who responded to the GPTW organizational climate survey and filled out the forms of our internal Contact Us and Complaint channels. They are as follows:



GRI 2-23, 2-28, 2-29

# Alignment with the SDGs

Since 2019, we have been signatories to the United Nations Global Compact. As we are attentive to our social mission in issues involving socio-environmental responsibility, we list the priority SDGs to consider in our actions and internal policies from 2022.



- ✓ Through training of employees.
- ✓ Through projects for the community.



- ✓ To use and prioritize the use of clean energy in our units.



- ✓ Through the acknowledgment of our employees.
- ✓ Through actions for the community.



- ✓ Through actions for the community.
- ✓ Through pro-bono advocacy.



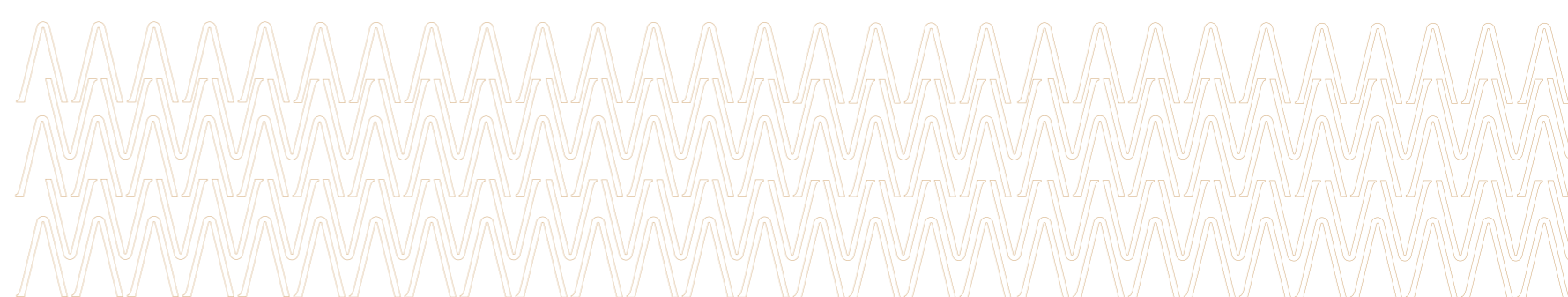
- ✓ Through the promotion of projects that involve donation of funds to help those in need.



- ✓ Through internal environmental education actions.



- ✓ Through our environmentally responsible initiatives.
- ✓ Through awareness lectures.



GRI 2-22

# Message from the CEO



Focus is the point of convergence of dissipated energy, according to the physical definitions of Galileo Galilei. Physics is a science in the making, as is the culture of a business organization, and so is Law in itself.

The business culture, composed of the business definition of the organization and its goals, although inorganic, is not inanimate, because it is made of people, beings that change and move.

The focus, in business culture, is to converge the energy of working capital to the ends of the established strategy. Who are we? Where do we want to go? What are we going to do for this end? And this is of great importance!

All these questions, in relation to our business, lead us to a simple answer about Araúz Advogados: "Inside the law. Out of the box". We are part of a growing team whose foundation was built 22 years ago.

Therefore, the only path that awaits our firm for the coming years is that of growth. This certainty is not unfounded, it comes from the culture we have been perfecting for all these years. In 2022, for another year, we had economic success, combined with our studied and joint actions, we invested in technology, automation of procedures, strengthening of our legal system, training in LGPD (Brazil's General Personal Data Protection Law), in short, we matured our team for the new issues that make up and influence the results of the organization.

Our focus for 2023 is to grow along with the Araúz culture, whose mission, vision and values have guided us throughout these 22 years, always in an honest and positive way, envisioning new achievements for us and for the virtuosity of the customers' business and its contributions for the whole society.

The guidelines of our law firm are and always will be guided by justice and professionalism, obeying all the criteria of social responsibility, legal responsibility, transparency and commitment to customers, and always striving for excellence in the services we provide.

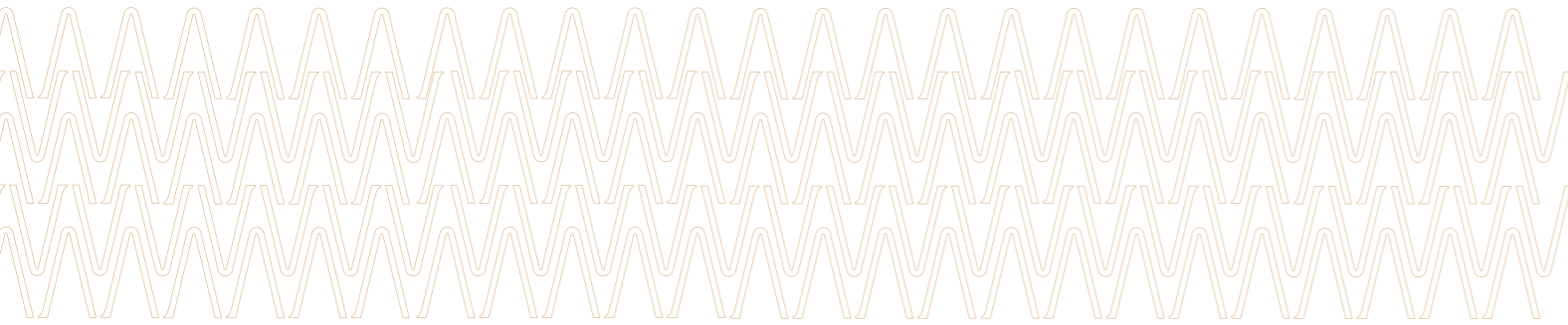
To this end, we follow the best governance standards, with the contribution of the Legal Coordinators and the Executive Board in strategic matters, who support the senior management, with the attribute of organizing the activities of Araúz Advogados, with the management of positive and negative impacts, for the economic health of the firm, the environment and the people, always with a single focus: to grow together!

**Carlos Araúz Filho**

**"The only path that awaits our firm for the coming years is that of growth".**

GRI 2-22, 2-24, 2-26

## Message from the Marketing team



For us humans, written, verbal and visual language is the guiding thread of assertive social communication. In the professional environment and in personal relationships, language, every day, becomes an essential and indispensable element to success. Today, in addition to mandatory compliance and good business practices, institutions need to communicate with their stakeholders.

And just any communication is not enough. It is necessary to communicate what the receiver seeks to hear. The market, partners, customers and also employees, and their desires, have a preponderant role in defining directions and business strategies today, as that is the meaning of stakeholder capitalism. And it could not be different when it comes to communication with lawyers and law firms.

The world has changed, the ESG & Sustainability agenda has been improved, we are seeking for strong responses to climate change, the fight against hunger and poverty, access to education, gender equity, respect for diversity in all its forms, compliance with criteria of transparency in governance and, in a way, the role of business organizations carries a pulsating social mission in relation to these topics.

At Araúz Advogados, we seek to guide our internal policy of promoting the standards of marketing management and the entire apparatus of legal aspects necessary for the legal operation, in line with the changes imposed by society, as we pay attention to the flow of information.

We are very proud of all our progress over the last few years, of our adherence to the United Nations Global Compact, of the projects coming from DNA Araúz, such as the Study Group, the creation of the Social Actions Committee, the relationship with the press and the recognition in best law firm rankings, which gives us security in communicating institutionally with our *stakeholders*.

This year, we want to innovate and take an important step in communicating the traditional Annual Report, 'based on the GRI standards – Global Reporting Initiative',

which is an important global benchmark for sustainability reporting.

For 2023, you can expect from Araúz Advogados and our Marketing and Institutional Communication area, that we will keep all eyes focused on disruption, trends and we will walk side by side with our Executive Board, Legal Coordinations and all other stakeholders, extracting the essence of our work, that has been solid for 22 years, to demonstrate to everyone that we can and want to go further.



**“We care about guiding our activities by aligning with the changes imposed by society and according to transparent governance criteria”**

**Rafaela Parra**



GRI 2-1, 2-6

# Company Profile

We are a law firm with experience and high professional knowledge, acting comprehensively in consultancy and litigation activities since 2000, in more than 30 areas of Law, acting sharply and close to the client, as we are attentive to the details and technical aspects of each activity we pursue. We offer all our clients personalized and safe services, focused on legal results through creative and intelligent solutions.

Headquartered in Curitiba, Paraná, we maintain a strategic position in units in Paraná (Toledo, Londrina, Maringá), Mato Grosso (Sinop and Tangará da Serra), São Paulo (capital), Rio Grande do Sul (Cruz Alta) and Santa Catarina (Itajaí). Our services and activities are aimed at serving companies and industries comprehensively, as well as, specifically, the economic sector of Agribusiness and Cooperativism, throughout Brazil – among companies listed on the “100 largest companies in Brazilian agribusiness in 2022” list by Forbes magazine.

We also have other noteworthy clients such as multinationals and large and medium-sized Brazilian companies in different business, industrial and service sectors, such as chemical, hospital, education, dental, trade, food, transportation and logistics, forestry, and electronics branches, among others.

Since 2011, we have also offered internationalized services to clients, through consistent performance abroad in strategic partnerships, case-by-case, with emphasis on three major areas: International Arbitrations; International Consulting; and Advisement for international lawsuits.



GRI 2-16, 2-23

# Mission, Vision and Values



## Mission

To provide excellent legal services, with rectitude, ethics and transparency, valuing the client's desires, through organization and alignment of expectations, transmitting security and commitment, always in search of the balance between individual goals and justice.



## Vision

To be a market reference in its operating branches of law and to be recognized as a serious and competent professional option, maintaining lasting relationships with clients, partners and employees, with goals on new fronts of action, aiming at the expansion of the firm.



## Values

To always guide our professional performance in conducts that express ethics, morality, honesty, citizenship and social values.

# Araúz in Numbers





# Our partners



**Carlos Araúz Filho, Carlos Eduardo Chemim, Clóvis Suplicy Wiedmer Filho, Danielle dos Santos Dalledone, Danielle Wardowski Cintra Martins, Edgar Kindermann Speck, Fernando José Breda Pessôa, Flávio Alexandre de Souza, Gabriel Placha, Guilherme Carramaschi de Araújo Cintra, Paulo Afonso de Souza Sant'Anna, Paulo Roberto Ribeiro Nalin, Paulo Roberto Stöberl, Rafaela Aiex Parra, Rodrigo Borba, Rodrigo Laynes Milla, Thiago Gardai Collodel.**

## GRI 2-1, 2 -6

### Areas of operation

- ✓ Administrative
- ✓ Agrarian
- ✓ Agribusiness
- ✓ Environmental and ESG
- ✓ Auditing Law
- ✓ Banking
- ✓ Civil
- ✓ Commercial
- ✓ Compliance
- ✓ Consumer
- ✓ Contracts
- ✓ Cooperative
- ✓ Business
- ✓ Mergers & Acquisitions - M&A
- ✓ Real Estate
- ✓ International
- ✓ Mediation and dispute resolution
- ✓ Succession planning
- ✓ Social security
- ✓ Intellectual property
- ✓ Court-supervised reorganization
- ✓ Restructuring of companies
- ✓ Regulation
- ✓ Insurance
- ✓ Corporate
- ✓ Agribusiness negotiable instruments
- ✓ Labor
- ✓ Tax

## GRI 2-28

### Associations

- ✓ Associação Comercial e Industrial de Cruz Alta
- ✓ CAMARB Câmara Brasileira de Arbitragem
- ✓ CESA Centro de Estudos das Sociedades de Advogados
- ✓ Comitê Brasileiro de Arbitragem (CBAr)
- ✓ Instituto Brasileiro de Direito Contratual (IBDCont)
- ✓ Instituto Brasileiro de Responsabilidade Civil (IBERC)
- ✓ Instituto de Direito Civil (IDCiv)
- ✓ Instituto dos Advogados de São Paulo (IASP)
- ✓ Instituto dos Advogados do Paraná (IAP)
- ✓ Instituto Luso-Brasileiro de Direito Comparado
- ✓ Ordem dos Advogados do Brasil (OAB)
- ✓ Sociedade Rural Brasileira
- ✓ Sociedade Rural do Paraná

GRI 2-1

# Our Branches

"Driven mainly by the services, industry and agriculture sectors, Maringá's economy was the fastest growing among the three largest cities in Paraná in 2022 (IBGE), showing the relevance and great potential of the city that for 9 years has been one of our subsidiaries."

**Janaina de Oliveira Lopes**  
**Maringá**



"With strong growth and several Agribusiness companies, the municipality of Sinop, in addition to the entire northern region of Mato Grosso, has several operation opportunities in the areas of Business Law, which is why our branch was established 4 years ago, with rapid growth."

**Carlos Eduardo Almeida**  
**Sinop**



"The State and City of São Paulo represent environments of numerous business opportunities in the most varied segments. For this reason, we have been installed in the city where the business is developed since 2018."

**Guilherme Garcia Basso**  
**São Paulo**



"Tangará da Serra is a prominent economic and social city in Mato Grosso. It has numerous meat packing plants, biofuel plants, thriving livestock and the advantage of being a commercial and medical center. Our branch has been strategically established in the city so that we can assist our customers."

**Rodrigo Campos Daher**  
**Tangará da Serra**

"Located in the central-west area of Mato Grosso, Tangará da Serra is 240 kilometers from the capital, Cuiabá, and is the 5th largest city in the state. It is on the list of the 100 richest municipalities in Brazilian agribusiness, according to a note released by the Ministry of Agriculture, Livestock in 2022."

**Guilherme Vidal Vieira**  
**Tangará da Serra**



"Araúz's headquarters in Santa Catarina is strategically located in the city of Itajaí, a region of the state that has been attracting a growing number of investors and companies due to the great logistics of the region, which has 4 large ports within a radius of 100 kilometers, in addition to the proximity to the main industrial, service and technology hubs of the state, such as the cities of Joinville, Jaraguá do Sul, Blumenau, as well as the capital Florianópolis."

**Edgar Kindermann Speck**  
**Itajaí**



"Recognized nationally as a center of agricultural production in Paraná and for having a great use for the service sector, Londrina is a city of opportunities for Business and Agribusiness Law, which is why our branch, established almost 14 years ago, develops its activities and has great results in these important economic sectors."

**Rafael Comar Alencar**  
**Londrina**



GRI 2-29



# DNA

In three years of existence, **DNA Araúz** maintains a strong and growing culture among employees in internal institutional development. See some initiatives linked to the program and their positive impacts.



## Client in focus

In 2022, the Credit Recovery sector team received a first place award from Sicredi in the 2021 credit recovery ranking in the states of Paraná, São Paulo and Rio de Janeiro. The "Best Systemic Law Practice" Trophy is a very important achievement, shared with all professionals who work for the client.

The coordinating partner of the Credit Recovery area, Edgar Speck, celebrated the achievement:

***"It is very gratifying to see the effort of the entire team being rewarded by the recognition of the client, to whom we can only thank for the trust."***

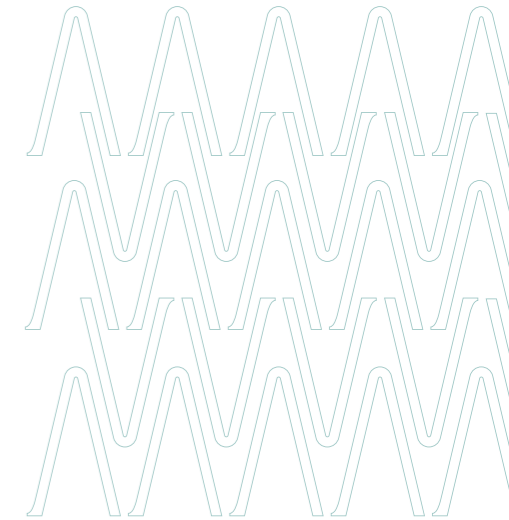


In line with our purpose of always being close to the client, the partner of the Environmental Law area, Rafaela Parra, was at the headquarters of Integrada Cooperativa Agroindustrial, in Londrina (PR), to deliver a copy of the book "Law Applied to Agribusiness" to the Legal Manager, Joaquim Henrique Reis.



Joaquim Henrique Reis (Integrada) and Rafaela Parra (Araúz)

**"We seek to be close to our clients through initiatives such as face-to-face contact, technical visits and maintenance of constant feedback"**



To stay close to our clients was one of the main goals achieved by the Succession Planning team in 2022. Much more than planning family succession and implementing Corporate Governance and Compliance practices for these clients, our team experienced the daily reality of family businesses, receiving positive feedback for excellent service and performance.

The coordinating partner Rodrigo Milla participated in the visit



The Labor Sector of Araúz Advogados made a technical visit to the Agroindustrial Complex of Cooperativa C. Vale, located in the city of Palotina (PR), with the purpose of deepening our knowledge about the client's production process, aiming for the alignment with the strategies of action in labor suits sponsored by the firm. The visit included a guided tour of the Poultry Slaughterhouse, the Fish Slaughterhouse, and ended with a visit to the Thermoprocessing Industry. With the monitoring of the supervisors of the production lines, as well as the legal department, it was possible to observe not only the constant evolution of the production processes, but also the technological investment made by the client.

During the visit, lawyers Aline Bueno Antunes, Carlos Chemin, Graziella de Miranda Cabral da Rosa, Jaime Cirino Gonçalves Neto and the Labor Sector Coordinator, Thiago Collodel.

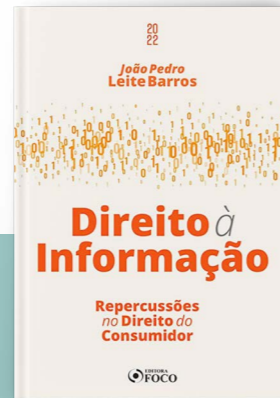


# Publications



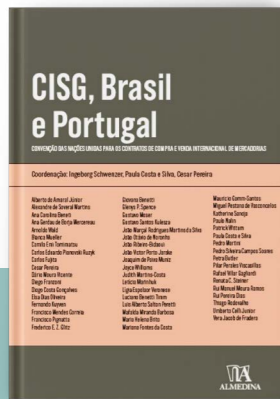
## Agribusiness, Sustainability and Foreign Trade Law

Participation of Rafaela



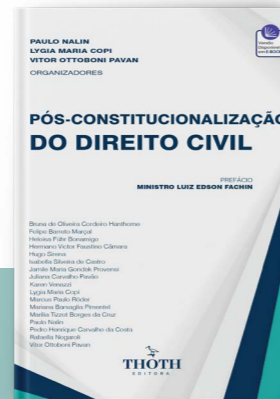
## Right to information. Repercussions in Consumer Law.

João Pedro Leite Barros



## CISG, Brazil and Portugal

Participation of Paulo Nalin



## Post-Constitutionalization of Civil Law

Paulo Nalin

# Events

Throughout 2022, our lawyers participated as speakers at numerous events promoted by the Judicial Branch, class entities and universities. Check out the highlights:



## Rafaela Parra, at TJPR's 2nd Congress of Law and Agribusiness



## Fernando Breda and Paulo Nalin, at UFPR's V Symposium on Arbitration and Commercial Law



## Paulo Sant'Anna, at Sicredi's 8th legal meeting



## Gabriel Placha, at OAB-PR's IV Paraná Congress of Banking Law

## Media



**Valor**  
ECONÔMICO

Which Legal Scenario deserves attention in 2023 for agribusiness?

**Rafaela Parra**



**ZOBORU AL**

What is ESG and why agribusiness should be aware of the concept

**Rafaela Parra (interview)**



**AGRO LINK**

Physical Rural Product Certificate Credit CPR is not subject to court-supervised reorganization

**Paulo Sant'Anna**



**AGRO LINK**

STF decision recognises Paris Agreement as human rights treaty

**Rafaela Parra and Amanda Stringari**



**AGRO LINK**

Small rural properties and Burden of proof of family strength

**Fabio Santos Rodrigues**



**GAZETA DO POVO**

STF decision may jeopardize the payment of debts filed

**Lasnine Wolski Scholze and Gustavo Henrique Galon Fernandes**



**mundo logística**

Should drivers of large trucks receive premium for dangerous work?

**Felipe Paixão Tainski**



**Consultor Jurídico**  
conjur.com.br

Uniform precedents to notify debtor with fiduciary sale

**Edgar Speck**



**segs**

Susep's new standard for compliance with ESG criteria goes into effect on the next day 1

**Rafaela Parra and Manoela Barnack**



**JBR**

Meet Rafaela Aiex Parra, the lawyer who became a reference in Brazilian agribusiness

**Rafaela Parra (interview)**



**Valor**  
ECONÔMICO

How to avoid greenwashing and generate an ESG value strategy in agribusiness?

**Rafaela Parra**



**REDETV**

Teacher humiliates student during lecture.

**Rafaela Parra**



**AGRO LINK**

What has changed in the payment of employees working from home

**Tiago Duarte Silva**



**Valor**  
ECONÔMICO

ESG Radar: new mandatory issues for agriculture and fishing reports

**Rafaela Parra (interview)**



**REVISTA LIDE**

Burnout Syndrome and the new classification as a work-related disease

**Nathiely Thomazini Vicente**



**Consultor Jurídico**  
conjur.com.br

Procedural legal business can give more effectiveness to credit recovery

**Lasnine Wolski Scholze and Gustavo Henrique Galon Fernandes**



**Valor**  
ECONÔMICO

Law firms start investing in carbon credits

**Rafaela Parra**



**AGRO LINK**

New COVID-19 prevention measures at the workplace

**Rafaela Castanho Vieira**

# Rankings

## Institutional Awards



Recognized as one of the most admired firms in the Southern region of Brazil



Recognized in the "General Corporate TAX" category



Recognized in the Corporate/ M&A category



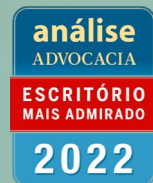
Recognized in the General Business Law Paraná category



Recognized in the Large-Scale Credit Recovery and Dispute Resolution: South areas.



Recognized in the region of "Curitiba, Brazil"

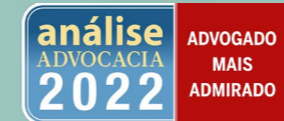


Recognized in the Specialties: Agrarian, Environmental, Corporate, Civil, Labor and in the Economic Sectors: Food, beverages and tobacco, oil and gas and transportation and logistics, with emphasis on the performance in Paraná.



Recognition in the Agribusiness sector, with emphasis on corporate affairs, Joint Ventures, M&A, Tax Law, Labor and Environmental Compliance.

## Individual Awards



**Clóvis Suplicy**

- Civil
- Transportation and Logistics
- State of Paraná



**Thiago Collodel**

- Labor
- Transportation and Logistics
- Food and beverage
- State of Paraná



**Danielle W. Cintra Martins**

- Environmental
- State of Paraná
- Transportation and Logistics



**Rafaela Parra**

- Environmental
- State of Paraná



**Carlos Araúz Filho**  
 “a great lawyer”, recognized for his expertise in dealing with highly complex matters and high-value mandates for domestic and foreign clients in corporate matters, especially in the agribusiness sector.



**Gabriel Placha**  
 “extraordinary professional, with innovative arguments on tax credit”



**Gabriel Placha**



**Rodrigo Borba**

Highly Regarded na prática de TAX Controversy



**Danielle W. Cintra Martins**  
 • Administrative law



**Carlos Araúz Filho**  
 • Agriculture & Rural Affairs



**Edgar Speck**



**Marco Juliano Felizardo**



**Rafael Comar Alencar**

Highly Recommended Large-Scale Credit Recovery



**Fernando Breda**



**Paulo Nalin**

Valuable Practice Dispute Resolution: South



**Carlos Araúz Filho**

- Agribusiness
- M&A
- Corporate
- Tax



**Rafaela Parra**

- Environmental



**Fernando Breda**

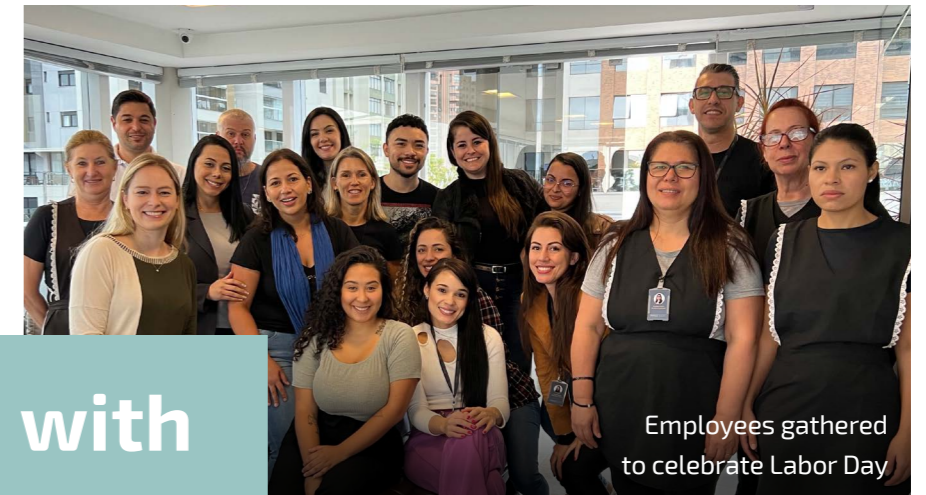
- Arbitration
- International Contracts



# Podcast

In 2022 we undertook a new project, the Araúz Podcast. On our 22nd anniversary, we did not lose our innovative spirit and launched the first episode, featuring a chat with our longest working lawyer in our firm, partner Clóvis Suplicy. And for the launch we produced a gift for all employees as an incentive to listen to the interviews that were broadcasted on Spotify and Youtube: a personalized JBL soundbox!

Partner Rafaela Parra led the conversation with guests on topics such as career, evolution of law, agribusiness, carbon market, agricultural commodities, capital markets and investments. Check out the interviews in full by accessing the QR codes:



Employees gathered to celebrate Labor Day

# Breakfast with CLT employees

In celebration of **Labor Day**, we invited all employees to have breakfast at the headquarters in Curitiba. The result was a relaxed meeting and a lot of chatting.

*"Araúz values its employees with small gestures that brighten our daily lives, on labor day a wonderful breakfast was held, we were all welcomed and had a pleasant morning with our get-together." Isaias P. da Silva*



Loris Maestri, Duane Gonçalves, Rodrigo Cury, Manoela Barnack, Rafaela Parra, Demétrio Romaniewicz, Thiago Collodel, Murilo Mariano da Silva, Fernando Luz.

# Study group

For the third year, the Study Group was successful. The weekly meetings resulted in good discussions and advances on key themes for our development. The photo reveals the celebration for the closure of another year of studies.

*"Another chance for us to stay out of the box. To know the solutions from other points of view, with the same focus on the supremacy of the client's interests, is what makes us stand out in the market. A complete success!" Fernando Luz*

GRI 2-29

## DNA Agro Araúz

Since 2002, we have been practicing law in the economic sector of agribusiness and cooperativism. In 2004, our first full service contract with a large cooperative in the State of Paraná was signed. Since then, many agribusiness clients have been incorporated into services and administrative and legal consultancy and litigation solutions.

Strategically, our branches were established in agro-industrial centers, where we needed to be close to clients. In more than 20 years, we have evolved and professionalized our firm with the demands of agribusiness. We are at the forefront to act in new contractual forms and new businesses among the players in the sector. Our entry into agribusiness is solid; we have professionals that are specialized, trained and knowledgeable of the technical aspects that involve the activities of "before", "during" and "after" the gate.



"Araúz believed in the **potential of agribusiness** and looked mainly at the interior of the country"

Therefore, we participate in large operations, such as advising on joint ventures, brownfield and greenfield operations, ESG reports, complex business contracts, as well as corporate and M&A structures, which have exceeded 1.5 billion in operations over the years.

According to partner Clóvis Suplicy, who in 2022 celebrates 20 years at our firm, "since the beginning of its history, the Araúz firm believed in the potential of agribusiness and, looking mainly at the interior of the country, established solid partnerships that last until the present date, allowing a constant exchange of knowledge that converge to the improvement of one of the most important sectors of the national economy and which is currently responsible for feeding more than 1 billion people worldwide".

## Book "Law Applied to Agribusiness"

We and our professionals in agribusiness are also present in the educational sphere, in academic production and in teaching activities.

In this context, the book "Law Applied to Agribusiness", organized by partner Rafaela Aiex Parra, was launched in its 3rd edition. The work brings together articles signed by more than 100 authors, in 1,738 pages (with hardcover and e-book versions) and is intended for rural entrepreneurs, members of the Government, undergraduate and postgraduate students and other participants in the agro-industrial chain.

With great pride, **12 of our professionals** contributed as authors and co-authors in the book, with 22 chapters.



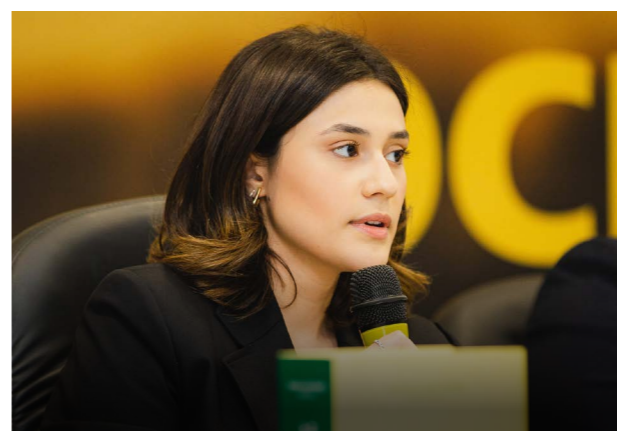
"The purpose of the book is to contextualize fundamental arguments for the practice of law in agribusiness, given the current challenges and assumptions such as food security, environmental preservation and leadership in the economy of Brazil", says Rafaela.

Authors	Title of the article	Page
Carlos Araúz Filho	Agribusiness Law: The elements for the emergence of an independent legal branch	179
Rafaela Aiex Parra		
Paulo Roberto Stöberl	Cooperative Law and Agribusiness	271
Guilherme Basso	International trade practices in Agribusiness	285
Rafaela Aiex Parra	Reflections on globalization and consumption patterns	343
Guilherme Vidal Vieira	Fundamental right to food	365
Rafaela Aiex Parra	The challenges of Brazilian Agribusiness in feeding the world: Notes on liberalism and republicanism in the scope of sustainability	383
Rafaela Aiex Parra	Influences of International Law on Brazilian Agribusiness	413
Felipe Emanuel Pacheco Jensen		
Rafaela Aiex Parra	ESG in Agribusiness and the role of green bonds and the carbon market as a response to the Green Swan	471
Loris El Hadi Maestri		
Rafaela Aiex Parra	The social and environmental responsibility of financial institutions and their auxiliary attribution to the fulfillment of the environmental mission by agrarian properties	555
Rafaela Aiex Parra	Decision of the Federal Supreme Court and the constitutionality of the Forest Code	683
Rafaela Aiex Parra	The challenges of the environmental reserve quota as an instrument for the monetization of the environment and the search for sustainable development: A legal analysis	701
Rafaela Aiex Parra	Non-subsistence of the Notice of Environmental Violation after acquittal in a Criminal Action involving the same facts	751
Rafaela Aiex Parra	How good practice rules and corporate legal compliance contribute to economic balance and social inclusion	819
Guilherme Vidal Vieira	Corporate Governance and Agribusiness	825
Rafaela Aiex Parra	Rural lease agreement: Important points	1.119
Rafaela Aiex Parra	The limitation of public order in the face of private autonomy in legal transactions from rural lease agreements and environmental and economic interfaces	1.135
Guilherme Vidal Vieira	Interest and fines on financial CPR (Rural Product Certificate): legal or illegal?	1.339
Rafaela Aiex Parra	Investment funds in agro-industrial chains (FIAGRO) and the promotion of Agribusiness	1.399
Carlos Araúz Filho	Agribusiness in debate: The necessary regulation of private financing in the grain market	1.425
Rafaela Aiex Parra		
Gabriel Placha	Calculation basis of Funrural and Senar in vertical integration in cooperatives	1.497
Rafaela Aiex Parra	Funrural: Social security, tax and traction aspects of the social mission of rural property	1.529
Danielle Dalledone		
Danielle W. Cintra Martins	The General Law for the Protection of Personal Data and the Agribusiness sector	1.661
Carolina Pinto Coelho		



The launch took place in events at the Brazilian Rural Society (SRB), in São Paulo (SP), at Ocepar, in Curitiba (PR), and at the Rural Society of Paraná (SRP), in Londrina (PR).

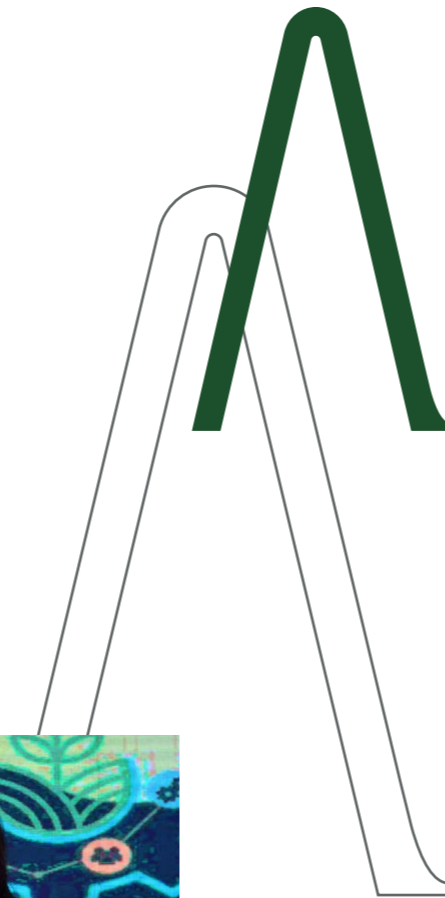
# Check out the photos from the events:



## IV Cycle of Lectures on Environmental Law and Agribusiness

Held during the Londrina Expo in April 2022, the event had as the central theme of "ESG applied to Agribusiness". Partner Rafaela Parra was the organizer and speaker of the event, along with guests **Ricardo Barros**, General Counsel of Adama, and **Ana Lucia Almeida**, Sustainability Coordinator of Integrada Cooperativa Agroindustrial.

Most of the lawyers of the Londrina branch attended the event, honoring the lectures offered and adding knowledge for practical application in their daily work.



## VIII Sindiviapar Meeting

An important and traditional event in the poultry sector took place in Medianeira, at the headquarters of Cooperativa LAR, in western Paraná. Partners Flávio de Souza and Thiago Collodel were present at the event, and they accompanied all the technical programming and were side by side with the clients of the sector, representing our firm, which was the sponsor of the event.

## I Araúz Cavalcade

Our lawyers in the Labor Law sector and active partners in the agribusiness sector joined partner Rafaela Parra for the 1st Araúz Cavalcade, which took place in São Luiz do Purunã, in the beautiful landscape of canyons, general fields and araucaria forests, the tree that is a symbol of the state of Paraná. After the morning of interaction with nature, the participants were invited to eat an authentic ground rib at Campestri Purunã and enjoyed the wine produced by Vinícola Araucária as a special edition for Araúz Advogados.



GRI 2-22

# ESG Commitment

Since the creation of DNA Araúz, an internal development program that aims to establish a culture of corporate responsibility, seeking the integration of human capital to the company's values and principles, involving best practices, training and improvement of our qualities and differentials, the theme of ESG has been gaining strength. In 2022 our Marketing sector, in the context of directing and supporting other areas and the General Management, strengthened the sustainability pillars in our business.



## Environmental

GRI 302-4

### Solar Panels

In 2022, following the commitment and the internal sustainability policy, we started the project for our own solar energy production. The initiative involved, through a specialized company (Latitude Solar), the acquisition of photovoltaic systems, the evaluation of the area for installation, an engineering project, the execution of the work and the approval of Companhia Paranaense de Energia – Copel. Partner Thiago Collodel, the head of the Infrastructure sector, reported that the project was completed in September 2022, which then allowed the office to generate renewable solar energy, providing sustainability and energy efficiency for all society.

Since the completion of the project, we have already produced 1.47 MWh, corresponding to the equivalent of 80.51 trees planted, 0.59 tons of coal saved and 0.85 tons of CO2 prevention released into the atmosphere, according to data from Solarman Smart.



Nossas instalações passaram a contar com painéis solares

GRI 305-5

### Carbon Negative Seal

For the second consecutive year, we obtained the certification of Ecooar, an innovative platform for voluntary GHG compensation, with online public audit, due to our contribution to the protection of biodiversity, the protection of springs, the capture of Greenhouse Gases (GHG) and the environmental education through the preservation of forests and native species. The difference from the seal obtained in 2022 is due to the fact that our compensation, this time, was negative. "We offset CO2 in addition to the total amount emitted by the office at its headquarters and branches. There were 195 trees planted and 27,690 kg of CO2 retained from the environment", explains Rafaela Parra, the partner responsible for Marketing and Communication.

Year	Type of offsets	Quantity of planted trees	CO2 retained in kg
2021/2022	Parcial	66	8580
2022/2023	Negativa	195	27690



To read the article published in the newspaper **Valor Econômico**

GRI 2-29, 203-1, 203-2, 413-1

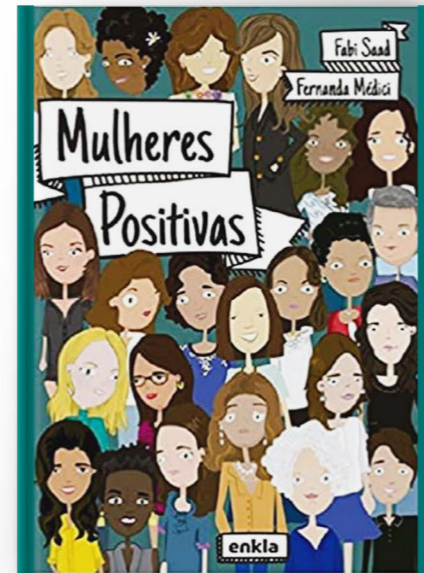
## Social Positive Women

In 2021, on International Women's Day, we welcomed businesswoman Fabi Saad for a workshop on "Women's Leadership". From the meeting came the idea of acquiring copies of the book "Positive Women" for donation to women in situations of vulnerability due to their social condition, class, color, sexual orientation or from domestic violence.

In 2022 we acquired 200 copies for donation of the book which tells stories of women who made their work an instrument of positive social impact. As we did not want it to be a simple donation, we organized events on the subject, with lectures from our lawyers.

The project, led by partner Rafaela Parra, had the participation of lawyers from the firm to bring the message to institutions that do social work in favor of vulnerable women, in cities where we have branches.

Our lawyers gave lectures on the evolution of Women's Law and the current scenario of legislation and the impact on women. Check out the testimonies of the participating lawyers:



"The event gathered 130 people and was part of the Breast Cancer Awareness Month campaign of the municipality of Maringá, which was held in partnership with "Projeto Panela Solidária" of the Adventist Church of Jardim Alvorada. So we also talked about the rights of women with cancer."

**Janaína de Oliveira Lopes**, lawyer Labor Sector – Maringá (PR)

"Participating in the Positive Women Project was beyond my expectations. It is important to highlight the receptivity of the entire Female Therapeutic Community – Cotefem, who welcomed us with open arms and with great affection for the event."

**Letícia da Rosa de A. Ramos**, lawyer Credit Recovery Sector – Cruz Alta (RS)

"The event was part of the Breast Cancer Awareness Month campaign of the municipality of Toledo and was held in partnership with the USF (Unidade de Saúde da Família - "Family Health Unit") of Jardim Panorama. The event, which was initially planned for 20 people, reached a total of 54 women."

**Aline Bueno Antunes**, lawyer Labor Sector – Toledo (PR)

## Teto Project

Teto is an organization present in Latin America and the Caribbean that seeks to overcome the situation of poverty in which millions of people in precarious communities live, through the joint action of its residents and young volunteers. In 2022, we were partners in this initiative by fully funding the construction of a housing unit. The coolest thing about it is that ten collaborators executed the work voluntarily, donating their time on two weekends to build and paint a house for a family in extreme poverty. See below the testimony of two collaborators who participated in the project:



"Participation in the Teto Project was an inexplicable life experience. It was very exciting to see the union and participation of co-workers with the purpose of doing good to another family, in a very intense weekend! No doubt the firm played a key role to make this all happen."

**Manoela N. Barnack**,  
advogada do Setor de Contratos

"TETO took me out of my comfort zone, made me re-signify the word team, brought me a lot of self-knowledge, made me discover weaknesses and qualities I didn't know I had, and encouraged me to do things I never thought I could do, with that I found that many of my limitations existed only inside my head."

**Thayla Mirian dos Santos**,  
Analista Jurídica do Setor de Direito Civil



## Social actions committee

Given the engagement of employees to social projects that happened throughout 2022, we felt the need to institutionalize actions. In November, based on our social responsibility pillar, we created the Araúz DNA Social Actions Committee. This group, coordinated by HR Manager Paulo Neto, is formed by our employees and its mission is to promote social actions in favor of underserved communities and to help people in situations of social vulnerability. In the first action, already in December, more than 1,400 toys (new and used in good condition) were collected with a focus on Christmas. The Londrina and Toledo units also joined the campaign and contributed substantially. In addition to Christmas donations, there was also a contribution to the victims of Santa Catarina through the donation of more than 20 basic food baskets. For 2023, the intention is to maintain periodic meetings and to continue with social contributions through campaigns and actions.

More than **1.400** toys were collected



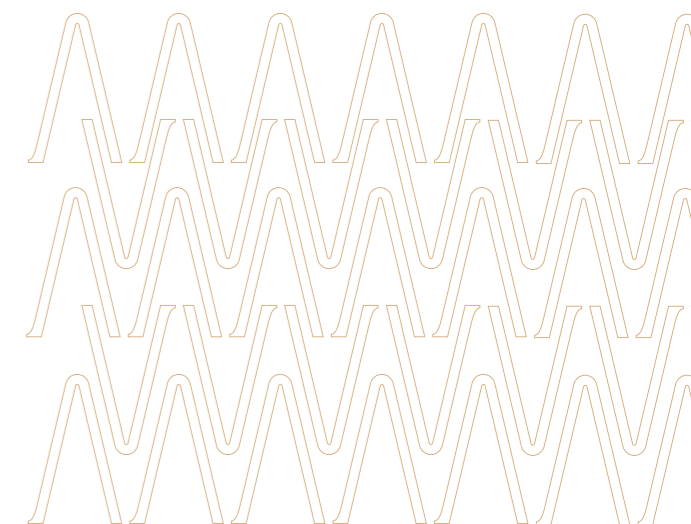
## Festa Julina

As a good agro firm, all of our units held June/July celebrations. For our headquarters' 2022 Festa Julina, held in Curitiba (PR), the ticket for each employee was 2kg of food. Therefore, in addition to all the food and fun, our "arraia" had great contributions, thanks to the collaboration of everyone in the campaign.

Approximately 240kg of non-perishable food was collected and delivered to the São Vicente de Paulo Asylum in Curitiba. It is a non-profit institution, a national reference in the care and promotion of quality of life and in the rescue of the dignity of elderly people. Our collaborators Ana Paula Tottene and Natália Motta were on site representing our entire team!

# 240kg

of donated non-perishable food



"The social action for the donation of toys showed that Araúz & Advogados Associados exceeds its engagement for the excellent services provided within the law. It is able to join forces and concentrate energies to make a difference in society, optimizing the skills of its employees to a level outside the box."

**Fernando Luz, advogado** – Administrative Law



"For me, this action was more of a solidarity act of love for others. It made me reflect, understand different realities, believe in a purpose, and, in addition to the joy motivated by being able to help, it showed that when we join forces, we can go further."

**Eliziane Lara** – Financial Sector

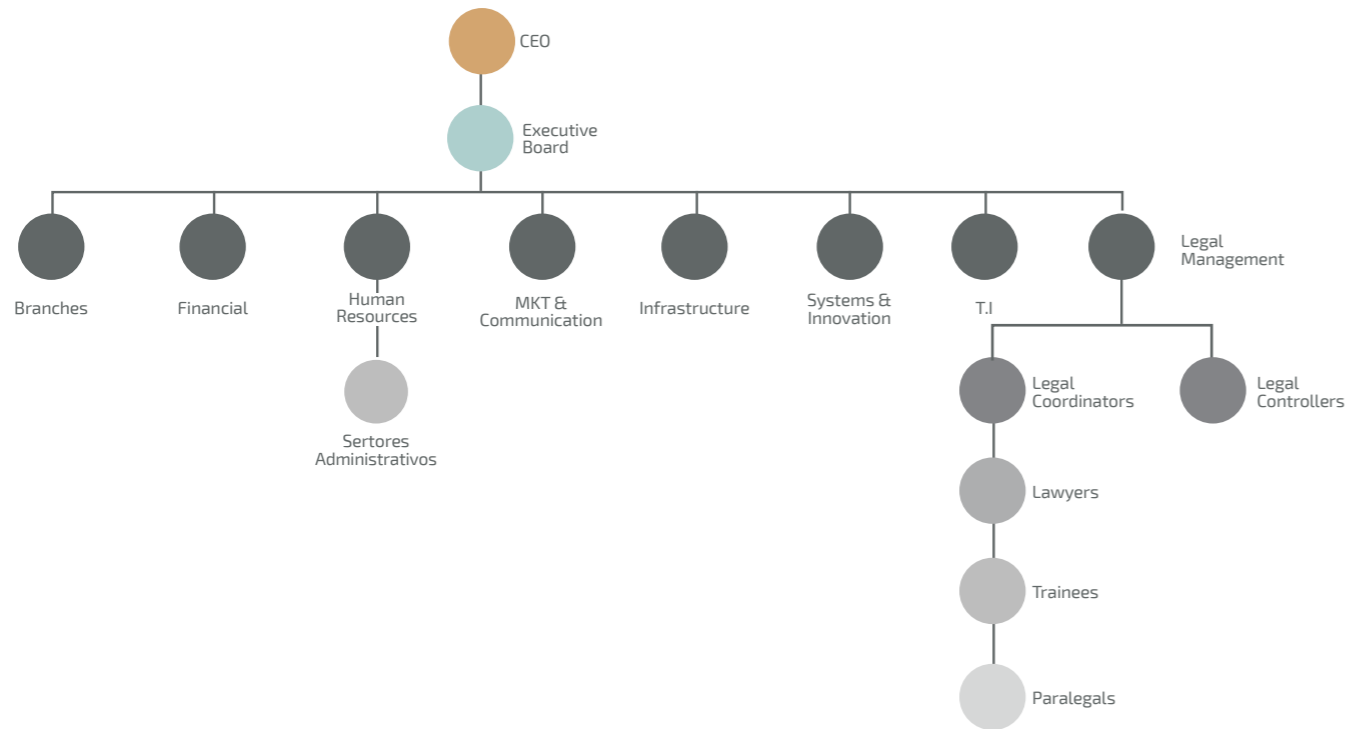




GRI 2-7, 2-8, 2-9, 2-16, 2-26, 2-29, 404-2

# Governance

## Organizational Chart



Araúz Advogados has a long-term strategic vision, which will take shape in tactical and operational projects throughout 2023 and for the coming years. We want to unfold the vision into action plans for short and medium-term results, and turn the plans and goals into real actions.

Our Management motto can be summarized as follows:

- ⌘ We want to have direction, not losing flexibility and wasting opportunities.
- ⌘ We want to have coordination, without excessive focus, so as not to lose possibilities.
- ⌘ We want to have order, without attacking creativity and losing the ease of action.



"We want to be among the greats, meeting globalized demands and being a reference for traditional, ethical and creative legal action"

**Carlos Araúz Filho**



"Managing our stakeholders is on the radar, with the client at the heart of the strategy. Generating new business depends on the attunement between what we want for the future and what we do in the present."

**Flávio de Souza**



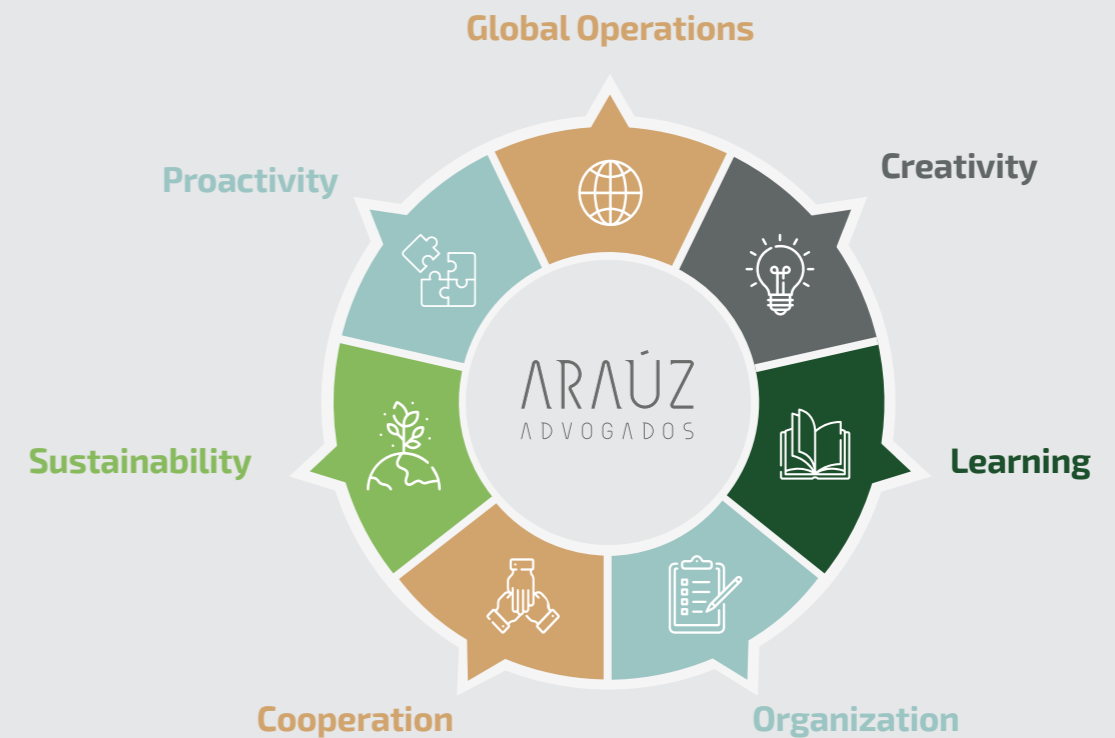
"Today we can no longer dissociate brand, culture and business. Our goal is to ensure that our audience – internal and external - understands our value proposition and our brand positioning within the scope of business Law and agribusiness."

**Rafaela Parra**



"Compliance emerges as a main element within law firms in order to achieve Corporate Governance based on good practices and this is our mission at Araúz, to ensure that we are doing what is right and what is appropriate for us and for our clients."

**Danielle W. Cintra Martins**



## HR Increase

In 2022, Araúz Advogados increased the Human Resources Management team within its structure, with the arrival of manager Paulo Neto and all of his experience in people management.

Our biggest challenge is to further reinforce a culture of human resources within Araúz Advogados. Three main pillars must be reinforced:

- Development of People;
- Compensation Program;
- Recruitment & Selection.

These initiatives meet the contribution of the firm's financial results and customer service with excellence. We see human capital as the driving force of our activity, so, year after year, we have evolved in our governance in order to professionalize processes and follow the best guidelines of good practices adopted by the market. In 2022, we hired a consultancy specialized in law firm management with deep technical knowledge and extensive practical experience to develop a Professional Development Plan project for legal professionals. The execution of the project will take place throughout 2023 and 2024, aiming to bring transparency and incentive to the establishment of a legal career at Araúz Advogados, and will be conducted internally by the Human Resources sector.



**“Paul points out that “people want to know how far they can go and how to get to that goal. We want to help them make that clearer and, more than that, encourage them to practice self-development”.**

## GRI 2-7, 405-1, 401-1 Professional staff

Total number of lawyers:

**93**

Number of trainees:

**26**

Total number of employees:

**177**

(lawyers, CLT employees, trainees and third parties)

### Admission

**Araúz Advogados:**  
58 employees  
(33 Female and 25 Male)

**Under 30:**  
18 Male + 24 Female

**Between 30 and 50:**  
7 Male + 9 Female

**Over 50:**

### Dismissals

**Araúz Advogados:**  
45 employees  
(31 Female and 14 Male)

**Under 30:**  
10 Male + 19 Female

**Between 30 and 50:**  
4 Male + 12 Female

**Over 50:**

Some employees were admitted as trainees, finished their contract (termination) and rejoined as CLT employees or lawyers. As there were movements in the system, we considered all cases as “admission” and “dismissals”.

## GPTW

For the third consecutive year, we are one of the best companies to work for. Through the responses of our employees to the Great Place Work – GPTW survey, we identified the quality of our work environment and organizational culture. In this way, we can make an internal evaluation of our points of improvement, which led us to the increase of the Human Resources Sector, the preparation of a Professional Development Plan and Leader Development Program and, on the other hand, reinforce our qualities, both as an area vision and as an organization as a whole.



believe that leadership is honest and ethical in the conduct of business



are proud to tell others they work at Araúz Advogados



stated that our clients rate our services and/or products as excellent



believe that our leaders are competent to run the business



said they received the necessary equipment and resources to carry out their work

# Kick off

In our annual meeting of guidance and strategy for the working year, we gathered all the employees of Curitiba in the Madalosso restaurant, and the employees of our branches were gathered remotely to hear the message of our partners. This is a way for us to engage our team and reap great results for the future, including in the alignment of relationships between the team and other stakeholders, such as clients, the government, business partners and suppliers.



## Articles

# Carbon market, a new commodity?



**Rafaela Parra**  
Environmental Law and ESG

**The Paris Agreement, which is a global agreement on climate change, is the main instrument for promoting the carbon market, with the purpose of defining a mechanism to reduce carbon emissions into the atmosphere, aiming at the reduction of local air pollution and of environmental degradation. The document sets a common goal of limiting the rise of global temperature to less than 2°C above pre-industrial levels and pursuing an increase of no more than 1.5°C. Brazil is part of the signatory countries and has self-determined goals on fronts such as forests, agribusiness, transport, energy and bioenergy.**

Article 6 of the Paris Agreement, regulated during COP26, allows countries to share their efforts to achieve their climate goals through international cooperation mechanisms as well as carbon credit trading and technology transfer mechanisms.

In Brazil, the carbon market can have a significant and positive impact on agribusiness. This is because, in agribusiness, the topic of 'climate change' can be explored in different spectrums, while agro-industrial activity, especially within the gate, is closely related to the exploitation of natural resources.

To give space to the carbon market in agribusiness activities is to adapt to the future, because the business organizations of the future will be ethical, socially responsible and green, or they will not be. In this context, on the other hand, seeing the environment in an unromanticized way, but as a scarce asset, is the key point for the adoption of a disruptive and assertive green economy in its greater sustainability goals for present and future generations.

We are still facing a voluntary market. In 2021, Bill No. 528/2021, which aims to establish the Brazilian Emission Reduction Market, was submitted. The main idea of the bill is not yet to define mandatory targets for offsetting gas emissions, but to regulate the purchase and sale of carbon credits in the country.

Another recent legislation is Federal Decree No. 11,075/2022, whose purpose is to define procedures for the elaboration of Sectoral Plans for Mitigating Climate Change and to create the National System for Reducing Greenhouse Gas Emissions.

The "carbon" issue was also regulated by the CVM through the "Regulatory Framework for Sustainable Investment Funds", which is an important advance, including in relation to the Renovabio Legislation, but, in the field of "carbon credit", as we have seen, there are still many points to be improved.

But today it is no longer an illusion to think of carbon as a future commodity to be produced by Brazilian agribusiness and marketed globally, notably because it has a strong guarantee, such as the Brazilian production of grains, animal protein, sugar, citrus and coffee, for example. It is up to agribusiness, the State and the Brazilian people to foster and control this natural wealth.



# The advancement of M&A operations in agribusiness



**Rodrigo Daher**  
New Businesses

The purpose of this article is to expose the main reasons that led to the increase in M&A (Mergers & Acquisitions) operations in Brazilian agribusiness. Without any intention to deepen the technical issues of the operation.

The vast majority of mergers and acquisitions are carried out by technology companies, most of which are service companies that facilitate the routine, saving time and money of rural producers and agribusiness entrepreneurs.

M&A operations in the agricultural resale sector are also very heated, seeking a verticalization, the agrochemical industries themselves are in a movement of acquiring agricultural resales, in addition to those acquired by larger competitors, or by investment funds, which have increasingly been interested in the sector. These distributors are becoming an important financing player for production, due to barter operations for the acquisition of inputs.

A recent study published by KPMG showed that in 2022 there were 105.2% more M&A operations compared to 2021. In recent years, the advance of Brazilian agribusiness is evident, as it is breaking records of productivity, job creation and revenue. This is due to the evolution of the chain as a whole, there are several factors responsible for this advance that brings such positive numbers.

## I highlight the following:

### 1. Worldwide increase in food demand:

The growing world population, the need to increase food production and the concern for the cultivation of food in a sustainable way, has attracted investments and opportunities for the sector, with business expansion throughout the production chain. It is important to remember that Brazil is the country with the greatest potential to meet this need in the coming years.

## 2. Technology:

Technology has been a key force in advancing agriculture, enabling farmers to increase efficiency and production. Thanks to technology, it was possible to increase production without increasing the planting area. Technology has enabled an area to produce "more with less". In addition, Brazil currently has more than 1,000 agtechs, which are technology companies focused on agribusiness that offer solutions within the entire production chain, from "before to after the gate".

## 3. Sustainability:

Growing concerns about environmental and social issues has led to an increase in the demand for sustainable solutions in agribusiness, including regenerative agriculture, organic food production and biodiversity conservation. Companies that lead the way in sustainability are often the target of acquisitions. An example is the accelerated growth of the use of bio-based materials, aiming at a cultivation that degrades the environment less and less, in accordance with a market that is increasingly selective and concerned with environmental and social issues.

Still with regard to sustainability, we can say that its role has an increasing impact on M&A operations, and it is important that companies consider some criteria when evaluating and communicating about sustainability.

There is a relevant risk assessment in the operation and ESG criteria are increasingly considered and included in M&A due diligence processes, with the purpose of identifying environmental, social and governance issues that may have an impact on the company's value. In addition to the value that can be affected, care is needed when communicating with stakeholders. ESG issues have become increasingly important to investors, customers and suppliers, and need to be considered in communication strategies during and after an M&A.

It is important to note that, despite the strength of the sector, both buyers and sellers are motivated by objective criteria when they choose to acquire or sell a company.

## From the buyer's side, I highlight:

- a. Growth: the acquisition of another company can allow the buyer to expand their customer base, increase their market share, and gain access to new markets or technologies.
- b. Synergies: the buyer can seek synergies, such as combining operations, eliminating redundancies and achieving economies of scale.
- c. Diversification: the acquisition may allow the buyer to diversify its business base while minimizing the risk associated with a single sector or market.
- d. Access to resources: the acquisition can enable the buyer to acquire important resources such as brands, assets, and technologies.

## From the seller:

- a. Liquidity: selling a company can provide the seller with a strategic exit and a source of funds for other investments or projects.
- b. Valuation: the seller can aim to maximize the value of their company by selling it, taking advantage of the demand of buyers interested in the company or sector.
- c. Competition: the seller may aim to avoid future competition from another d. company or a potentially hostile buyer.
- e. Succession: when there is no natural successor prepared to take over the management of the company, so as not to end the operation, one can opt for the sale.

With the advancement of Brazilian agribusiness, due to world demand and Brazil's ability to be the main country to meet this need, the trend is for an increasing interest in companies in the sector, and consequently, an increase in M&A operations in agribusiness.

# Tax prospects for agribusiness in 2023



**Gabriel Placha**  
Tax Litigation

Once Brazil's presidential elections in 2022 are defined and the Federal Government's transition team is installed (Law No. 10,609/2002), it is necessary to make a brief reflection on the tax perspectives for the year of 2023.

One of the most relevant issues to be faced by the elected Government will undoubtedly be the Tax Reform, which has been underway in the National Congress since 2019, without much significant progress.

In fact, there are two Constitutional Amendment Proposals: **(1) PEC 45/2019**, initiated by Deputy Baleia Rossi (MDB/SP), based on the study developed by Economist Bernard Appy, and; **(2) PEC 110/2019**, which, although collectively proposed by the Senate, is led by Senator Davi Alcolumbre (DEM/AP), being a reproduction of the proposal presented by Deputy Luiz Carlos Hauly, author of PEC 293/2004.

It is noteworthy, moreover, that Araúz Advogados promoted an event on 02/06/2020 to discuss with the creators of the aforementioned PECs about the effects of the Tax Reform for Agribusiness, with the presence of former Minister Roberto Rodrigues.

Currently, the fact that the creator of PEC 45/2019, the Economist Bernard Appy, has been appointed to hold the position of Extraordinary Secretary of Tax Reform of the Ministry of Finance is very



**Rodrigo Borba**  
Tax Non-contentious

relevant. Therefore, there is a high probability that its guidelines will be even more prominent among the parliamentarians who will examine the proposals for Tax Reform.

Through PEC 45/2019, there will be the creation, by Supplementary Law, of the Tax on Goods and Services - IBS to replace IPI, PIS, COFINS, ICMS and ISSQN. The IBS shall be non-cumulative, generating credits for offsetting debts, in the various circulation operations of the production chain, focusing on all goods and services, including the exploitation of tangible and intangible goods and rights, and the leasing of goods, in domestic market and import operations, except export operations. The rates will be uniform in each federative entity, and may differ per unit, provided that it is applicable in the same way to all goods and services consumed therein. These rates will be defined by the law of each federative entity.

The distribution of tax revenues for each federative entity will be defined from "sub rates" and the transition to full implementation will take ten years.

However, PEC 45/2019 does not allow the granting of tax benefits or special regimes, which, in addition to other discussion points, should be the aspect that will impact the most on Brazilian Agribusiness.

This is because the food and commodity production chain has several tax incentives and benefits, such as presumed ICMS, PIS and COFINS credits, which are absolutely necessary to neutralize the effects of cumulative taxation. Otherwise, there is cascade taxation, an effect that burdens the final consumer.

It is worth noting that Brazilian Agribusiness is driven, for the most part, by the small individual rural producer who carries out its activity under a family economy regime, and the acquisition of its production does not generate PIS and COFINS credits for the acquiring agribusiness. Therefore, agribusinesses bear the cumulative effect of taxation, increasing the cost of production, except in acquisitions of legal entities, which weakens the small producer. That is why Article 8 of Law No. 10,925/2004 grants "presumed credits" of PIS and COFINS, allowing the effects of cascade taxation to be annulled in this production chain.

In addition to this, there are other tax benefits and similar special regimes, which aim to strengthen the chain as a whole, contributing so that the small rural producer can carry out its activity and commercialize its production, generating income and wealth for the countryside, allowing Brazilian Agribusiness to produce competitive and quality food, increasing jobs and collection, bringing affordable products to the national and foreign final consumer, ensuring food security with sustainability.

In this scenario, the Tax Reform must consider the social and economic vocation of the country, so that there is a strengthening of the productive sector, including Agribusiness, so that there is sustainable development.

On the other hand, the year of 2023 reserves the expectation that several decisions will be made regarding tax issues relevant to Agribusiness.

This is the case of the responsibility of the purchaser for the retention of Funrural in the acquisitions of rural production of an individual producer. Although in 2017 Funrural was adjudicated as constitutional since the publication of Law No. 10,256/2001, at the end of 2022 the STF understood the unconstitutionality of the acquirer withholding the contribution of the individual's rural production.

However, in 2023 the STF must analyze the validity of this decision on withholding, since the vote of retired Minister Marco Aurélio would have been cast without going into the merits of the matter. Thus, there is the possibility that another Minister will have to speak, which may change the result of the 2022 decision, considering that the vote was 6x5 due to the unconstitutionality of the withholding obligation by the acquirer.

Any change will have a significant impact on agribusinesses, due to the administrative and judicial discussion about the launches of Funrural, made based on the obligation to withhold the contribution by the acquirer and its responsibility for the collection of amounts that were not discounted from producers.

The year of 2023 will continue to be eventful...



# The evolution of Business Law



**Danielle W. Cintra Martins**  
Administrative Law

In my law degree, in the early 2000s, we studied Commercial Law as an autonomous subject, which addressed the figure of the merchant, the obligations that were common to them, credit securities, bankruptcy, among other topics, relevant to acts of merchandise.

The Brazilian Commercial Code (Federal Law 556/1850) dealt with acts of merchandise, defined by regulatory norm (Federal Decree 737/1850), which was interpreted extensively by the national doctrine and jurisprudence, to cover the new forms of exploitation of economic activity.

Over time, the concept of a company went beyond merely commercial activities and the typical act of commerce, evolving into a "Business Law" that focuses on the figure of the entrepreneur, the one who exercises economic activities, to whom the

Federal Constitution grants freedom, regardless of authorization from public entities. The 2002 Civil Code revoked articles of the Commercial Code and established the Business Law, naming as an entrepreneur "those who professionally exercise economic activities organized for the production or circulation of goods or services (art. 966).

Business Law was also complemented by sparse rules to reduce bureaucracy for small economic agents and individual companies, reinforcing free initiative and the free exercise of economic activity by the very recent Federal Law 13,874/2019.

The range of action of Business Law is not limited to the opening of companies, merger of companies, dissolution of companies and recovery of companies that are going through financial crises, nor to contracts and commercial relations. The business performance

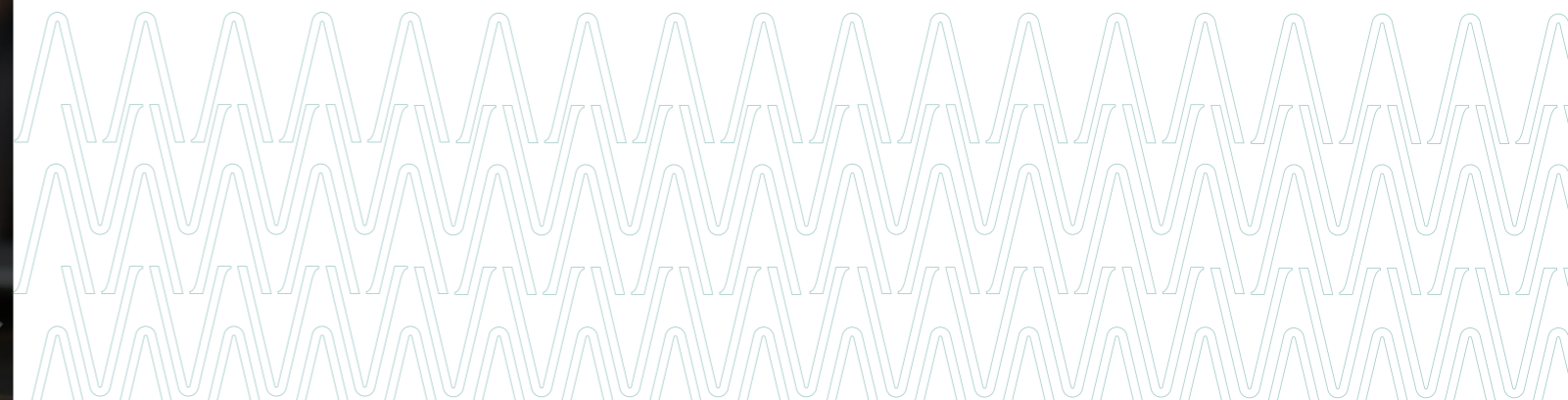
involves particularities that demand different specialties of law, especially because companies face challenges of all kinds, from logistical difficulties to fiscal, contractual and insurance costs, and even the prevention and repair of civil and consumer damages.

Logistics difficulties arise from several factors, such as the absence of infrastructure in the most different modalities; predominance of road transport at the expense of rail and waterway transport; precarious conditions and lack of road safety; limited extension of the railway network throughout the national territory; lack of port and waterway infrastructure, in addition to dredging problems and precarious land access to waterway transport. The need for investments in infrastructure is evident, either to improve the operation of each of the modalities, or to implement the appropriate connection between them, ensuring the adequate flow of products that circulate internally and for export purposes.

The labor, environmental and regulatory challenges derive from the adequate administrative and judicial interpretation of the current rules, and many of them are sparse and of an infralegal nature, even leading to the need to amend the Law of Introduction to Brazilian Law, which from Federal Law 13,655/2018 established that the administrative, controlling and judicial spheres must not decide based on abstract values and must consider the practical consequences of their decisions. There is also no lack of tax constraints, considering the high tax burden, the constant legislative amendments and the new interpretations given by the Courts.

Business Law must, therefore, be seen in a broad sense, under a multidisciplinary view, which passes in a relevant way through the incorporation of companies (Corporate Law), but goes hand in hand with other branches of law, such as Labor Law, which will regulate the relationship between entrepreneurs and their employees; Tax Law, regarding the company's tax obligations and tax planning; Environmental Law, regarding respect for the sustainable and balanced environment; Administrative and Regulatory Law, regarding compliance with sanitary, logistical and customs rules, in addition to specific rules for activities subject to regulatory agencies, such as health operators, concessionaires providing public services; among other areas, not less important, such as Civil Liability, Consumerist; Contractual, Bankruptcy and Reorganization, Credit Recovery, Intellectual Property, Corporate Governance, Arbitration and International Law for relations that affect the national territory.

The challenge of the practice of business law is precisely to find the link between all these autonomous areas of law in favor of the business activity developed by clients, connecting businesses, partners and opportunities. And it is not a question of being a generalist lawyer, but rather of being an expert lawyer, who is able to understand the client's need and the link between the different branches of law, in the search for related solutions, aiming at economic, social, sustainable growth, as well as the perpetuity and longevity of companies.



GRI 2-29

# Interviews



**Jaime Basso**

President of Cooperativa  
Sicredi Vale do Piquiri

***“We are always optimistic about agribusiness. Brazil has a vocation for the production of food for the world (...)”***



## 1 How do you see the future changes in the financial market in the face of globalization and the political future in the country?

**A:** I strongly believe in cooperativism as an alternative in the financial market, being a junction of the economic and the social. We are going through many changes between the traditional and the digital financial system: this intermediate option offered by cooperativism strengthens the local economy, which is preponderant for the generation of unemployment and income, improving people's quality of life. Cooperatives are "prosumer" companies, that is, they produce what they consume. We live in societies of savers and credit-taking people/companies. The associates themselves form the financial reserves, resulting in funding for the investment in the associates' own activities. We can say that it is a modern business model and an excellent alternative in the financial market. I also understand that the future of Brazil depends on all Brazilians who work in agriculture, businesspeople, entrepreneurs, workers, service providers and the organized entities that make the economy happen. It is up to the federal, state and municipal governments to be facilitators, and not to hinder. In this way, the Brazilian economy will be strengthened.

## 2 What is the role of credit unions in the agricultural supply chain?

**A:** Most credit unions in the Sicredi System originated in rural areas, in partnership with agricultural cooperatives. The opening of cooperatives to the urban environment allowed greater leverage of resources and made cooperatives play a key role in the agribusiness sector. Currently the Sicredi System is the second institution in volume of rural credit resources. The proximity to the agribusiness public and understanding the needs of rural producers to better serve makes cooperatives have a very important role in the supply of credit for the costing and investment in agribusiness.

## 3 What is your opinion on the confrontation, by Brazilian agribusiness, of current challenges, such as climate change and the volatility of input prices?

**A:** I understand that this has been the great challenge and at this point the focus on sustainability has to be a priority, with the development of technologies that add to the economic, social and environmental areas. We have our sustainability policy in the cooperative and in the Sicredi system, and this has provided us the leverage of external resources to increase technology, with cost reduction, and to finance the diversification of rural activities, improving the income of the agricultural sector.

## 4 For 2023, are you optimistic that agribusiness will reach new markets, trade partnerships and good economic performance?

**A:** We are always optimistic about agribusiness. Brazil has a vocation to produce food for the world and we are increasingly adding value to rural products, such as transforming soybeans and corn into animal protein. This movement has to be more publicized and understood by society. With agribusiness producing and adding value, we will be contributing to the construction of a more prosperous society. Each Real (BRL) invested in the diversification of rural activity generates a wealth of 2.45 reais – an income that is kept for the improvement of price and income for the producer, generates jobs in the countryside and in the industry, trade and service sectors, strengthening the society as a whole. Sicredi is focused on this business model, promoting local development. We also think that this is how we will make an increasingly strong economy. Starting in the small community and becoming attractive to people from the big urban regions, they are returning to the interior of the country, attracted by the employment opportunities and quality of life. We are already observing this movement in many regions of Brazil and this is the path to economic development.





**Renato Breia**  
Economist, founding partner of  
Nord Research

**“Investing efficiently is critical to achieving goals, and is related to the discipline of saving”**

**1 How do you evaluate the impact of the fiscal and monetary policy of the elected government, given the rumors of the measures to be adopted?**

Since being elected, the government has highlighted that it will bring policies of higher spending, and this is a concern, as we know that the reality of the Brazilian public apparatus cannot include any more expenditures. With no signs of fiscal austerity and responsibility over the spending ceiling, medium-term interest rates have sharp rises, culminating in economic contraction. We remain attentive to the new fiscal framework and how the government will address the need for policies that do not point to increased inflation, but rather to control and economic growth.

**2 What is your opinion on what will be the economic situation in Brazil for 2023? Do you believe that the scenario of high interest rates will continue?**

Yes, we should have higher interest rates for longer, considering the expansionist policy of the government, which values spending, and not reformist measures. Taking into account that we already have interest rates at very high levels, there are no expectations of higher highs for 2023; however, we hope that inflation begins to decrease, which could give us signs of a low Selic. As we have seen, the credit market has charged even more expensive rates for the financing of companies, in view of the current scenario, a fact that delays the economic development of the country.

**3 For you, what is the ripple effect in relation to the devaluation of the Real against the dollar in the financial market and in the capital market?**

If we look at the performance of the exchange rate in the last 24 months, the Real has devalued little in the period – despite the oscillations. However, the fact that we have the highest real interest rate in the world contributes to the Real not depreciating so much against the American currency. If we continue with prospects of economic deterioration, surely our currency will suffer against the dollar in the medium term.

**4 Considering the protection of assets, do you believe that it is time to invest in dollars? How can Brazilians do this effectively?**

At Nord, we continue to recommend that people have part of their equity in dollars and we see the level of R\$5.00 attractive for the purchase of dollarized assets. There are several ways to do this, from buying funds that replicate American assets at Brazilian brokers to ways to send dollar remittances for investment directly abroad. Nord customers with values from 300 thousand USD have access to the offshore structure, which has tax benefits and successions with regard to investments abroad. I reinforce that, more than setting the exchange rate, it is important to create savings in dollar and to protect the equity accumulated during a lifetime.

**5 How does your profession enable investors to plan and protect their assets for years to come?**

At Nord, we serve people in the most varied moments of life, whether in the accumulation, preservation or enjoyment phase. Our goal is to ensure that the different goals are achieved throughout life. Drawing the customer's profile, understanding their savings capacity and current assets, in order to put together the best plan, are part of our work. Investing efficiently is fundamental to achieving goals and is related to the discipline of saving. On our side, we value the perpetuation of equity and the best possible fiscal and succession optimization. For this, we make use of the best investment platforms inside and outside the country.



# GRI Contents Summary

Statement of use: Araúz & Advogados Associados S/S reported the information cited in this GRI content summary for the reporting period: 01/01/2022 to 12/31/2022 based on the GRI Standards.

## GRI 1 used: GRI 1: Standards 2021

GRI Standard	Contents	Page	SDG Global Pact
<b>GRI 2</b>	<b>GRI 2: General Disclosures 2021</b>		
<b>Reporting practices</b>			
2-1	Organizational details	14; 19; 20; 21	
2-2	Entities included in the organization's sustainability reporting	06	
2-3	Reporting period, frequency and contact point	06	
2-4	Restatements of information	06	
2-5	External assurance	06	
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	14; 19	
2-7	Employees	16; 50-55	
2-8	Workers who are not employees	50-55	
<b>Governance</b>			
2-9	Governance structure and composition	50-55	
2-16	Communication of critical concerns	15; 50-55	
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	10; 12, 44	
2-23	Policy commitments	09; 15	
2-24	Embedding policy commitments	08; 12	
2-25	Processes to remediate negative impacts	08	
2-26	Mechanisms for seeking advice and raising concerns	12; 50-55	
2-28	Membership associations	09; 19	
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	09; 22-43; 46-55; 64-67	12 13
<b>GRI 3</b>	<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	08	
3-2	List of material topics	08	

GRI Standard	Contents	Page	SDG Global Pact
<b>Thematic Standards</b>			
<b>GRI 203: Indirect Economic Impacts 2016</b>			
203-1	Infrastructure investments and service support	46	4 8 10 11
203-2	Significant indirect economic impacts	46-49	4 8 10 11
<b>GRI 302: Energy 2016</b>			
302-4	Reduction of energy consumption	45	7
<b>GRI 304: Biodiversity 2016</b>			
304-3	Habitats protected or restored	45	13
<b>GRI 305: Emissions 2016</b>			
305-5	Reduction of GHG emissions	45	13
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	53	
<b>GRI 404: Training and Education 2016</b>			
404-2	Programs for upgrading employee skills and transition assistance programs	50-55	4
<b>GRI 405: Diversity and equal opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	53	8
<b>GRI 413: Local Communities 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	46-49	4 8 10 11

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