São Martinho

ANNUAL
SUSTAINABILITY REPORT
2023 / 2024

CONTENTS

INTRODUCTION

We hereby present to our stakeholders a summary of São Martinho S.A.'s strategic journey for the 2023/2024 crop year through the 13th edition of our *Annual Sustainability Report*. This document has been developed around our material topics, Sustainability Ambitions and our Strategic Planning fundamentals, to accurately and objectively portray the Company's investments, projects and results. **(GRI 2-1)**

Aligned with our published financial statements, in this report São Martinho has included both financial and non-financial indicators for the period from April 01, 2023 to March 31, 2024, which corresponds to our crop year, with the exception of certain specific indicators that have a reporting period of January 01, 2023 to December 31, 2023. The report is published annually, and regarding the financial reporting period, the interim, individual and consolidated accounting information is disclosed quarterly, while the individual and consolidated financial statements are published annually.

The data consolidated in these documents reports on the performance of our mills São Martinho (SP), Iracema (SP), Santa Cruz (SP) and Boa Vista (GO). This is the same basis of our financial statements - which follow Brazilian and international accounting practices (IFRS). **(GRI 2-2, 2-3)**

Any approach or restatements of information are duly described and signaled in the footnotes to the disclosures, when applicable. **(GRI 2-2, 2-4)**

These disclosures reference important standards and guidelines, from scope to metrics. Highlights include the latest version (2021) of the Global Reporting Initiative (GRI) Standards, including the GRI 13 Sector Standard, and the SASB Standards for the Biofuels and Agricultural Products sectors; the Integrated Reporting Framework of the IFRS Foundation; and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We emphasize these topics in the report's structure, along with São Martinho's strategy, investments, business model and corporate governance, integrated with risks, controls and compliance. We also present information on ongoing projects and updates on studies in the areas of agricultural and industrial innovation and the development of new businesses and products.

The Annual Sustainability Report also details the Company's progress and commitments indexed to the Sustainable Development Goals (SDGs) and the Ten Principles of the United Nations Global Compact.

If you have any queries about this report or would like to suggest improvements, please contact us by email **(GRI 2-3)**

sustentabilidade@saomartinho.com.br

HIGHLIGHTS

NET REVENUE
R$ 6.9 BN
IN NET REVENUE

CASH INCOME
R$ 1.40 BN
IN CASH INCOME

CRUSH RECORD:
23,066,695 TONS OF SUGARCANE

SCOPE 1 + 2 GHG EMISSIONS INTENSITY **REDUCTION** (KG CO_2 eq/TC) **OF 12.6%**

ANNOUNCEMENT OF THE NEW **BIOMETHANE** PLANT

OPERATION STARTS OF THE CORN AND CO-PRODUCTS ETHANOL PLANT

START OF OPERATIONS OF TWO PHOTOVOLTAIC PLANTS WITH AN ANNUAL GENERATION CAPACITY OF **2,750 MWH**

Great Place To Work. Certificada Mar/2023 - Mar/2024 BRASIL

CERTIFIED AS AN "EXCELLENT PLACE TO WORK" BY **GREAT PLACE TO WORK (GPTW)**

ISCC International Sustainability & Carbon Certification

ISCC EU AND ISCC CORSIA PLUS CERTIFICATION FOR SÃO MARTINHO AND SANTA CRUZ

MESSAGE FROM LEADERSHIP

(GRI 2-22)

The 2023/2024 crop year will be remembered for historic achievements and learnings for São Martinho. With a business model tuned into the challenges facing mankind, we are advancing in our strategy to spearhead the energy transition and the low-carbon economy in Brazil. We have achieved positive results in health and safety, innovation and business development, which vindicate the grounds of our Strategic Planning and reinforce our commitment to sustainability.

In terms of operational and financial performance, we ended the crop year with over 23 million tons of sugarcane processed, the largest harvest in São Martinho's history, posting net revenue of R$ 6.9 billion. Externally we benefited from a period of more stable climatic conditions—after two successive harvests impacted by extreme events and changes in rainfall patterns—and, internally, a virtuous cycle of technological and innovative advancements to increase productivity, raw material yield and the balance of our production mix.

The crop year saw our corn ethanol plant achieve and sustain full operational capacity, marking São Martinho's entry into a new market and generating fresh market intelligence and brand strength for the Company. In addition to growing our portfolio and client base, this plant was responsible for driving development in the region around the Boa Vista Mill, with 1,400 direct and indirect jobs and new partnerships with a range of raw material and service suppliers. Another standout project was the completion of the new Thermoelectric Power Plant (UTE) at the São Martinho Mill, which operates the world's largest sugarcane biomass fluidized bed boiler.

As we reap the benefits of these strategic investments, we continue looking forwards, betting on innovation to make São Martinho a leader in bioenergy solutions, helping it achieve the goals set out in the Paris Agreement while growing revenue. During the crop year, we unveiled our future biomethane plant at the Santa Cruz Mill (SP), which will produce by biodigesting vinasse, with a capacity of 15 million Nm^3 per crop year. In addition to ensuring broader participation in the sugarcane value chain, the R$ 250 million investment has the potential to avoid the emission of over 32,000 tons of greenhouse gases by producing biomethane as a replacement for natural gas, a fossil fuel. During the crop year, we initiated commercial partnerships, which will allow us to start operations with a major biomethane buyer, making our return on invested capital more predictable. This is complemented by the range of ESG and market certifications we maintained and expanded during 2023/2024: our mills remain certified to RenovaBio, Bonsucro and ISO 14001, and we achieved ISCC EU and ISCC CORSIA certifications, which attest to our compliance with sustainability criteria in reducing air transportation emissions.

CEO of São Martinho S.A., Fabio Venturelli

Another crucial achievement in the crop year aligned with our Sustainability Ambitions was the start-up of our first solar energy production operation, with the implementation of two solar plants, one in Iracemapólis (SP) and the other in Pradópolis (SP), with an annual generation capacity of 2,750 MWh.

These achievements make us immensely proud and are part of a genuine effort to keep São Martinho closely connected to sustainability. Throughout the year, we maintained our ESG governance practices, in which I and other leaders and members of the Board of Directors actively participate. Beyond our commercial and operational model and reflecting our history of connection with the land and communities, we believe in the premise of shared value and are increasingly guided by the idea that our growth is based on human value and the strength of relationships.

During the crop year, our SOU Program yielded excellent results, a cultural transformation in safety practices and employee behavior. We ended the year with our safety performance trending upwards, with our injury frequency rate dropping compared to 2022/2023. Our Strategic People Management advanced, enhancing our employee engagement and development actions. We also matured our compliance assurance and corporate risk monitoring tools, which improves our recognition in society for our integrity in relationships, processes and products. In the realm of innovation, we concluded 2023/2024 with R$ 120 million invested in proprietary projects and external alliances.

We remain mindful of the need to ensure a healthy and prosperous business through leverage control and enviable access to resources and financing, combined with robust business intelligence and clear mix and pricing strategies. We are mindful of the challenges in the sugar and energy markets, especially the need for public policies that drive the energy transition and ensure business competitiveness. We further believe that São Martinho is a key player in the new economy and that its success is also measured in terms of the environmental and social benefits it generates for stakeholders. Continuing this journey, we present our results for the 2023/2024 crop year in this report and thank everyone who accompanied us during this time.

Fabio Venturelli
Chief Executive Officer

OUR GROWTH IS BASED ON **HUMAN VALUE** AND THE **POWER OF RELATIONSHIPS**

REPORTING AND MATERIALITY

(GRI 3-1)

In its latest materiality review cycle, São Martinho conducted a broad consultation process based on the Double Materiality concept, combining the analysis of socio-environmental impact with an assessment of ESG effects on business and the financial risk horizon. The goal was to boost the connection between the Company's sustainability management and engagement with the financial market. The process was structured into four steps:

1 DEFINITION & IDENTIFICATION

This stage included analyzing sector documents, internal policies, market references and the incorporation of a taxonomy compiled by a specialized consultancy.

2 PRIORITIZATION

Various stakeholder groups (employees, suppliers, financial market agents, contract growers, clients, sector entities and the community) were identified and included in a consultation that comprised ten interviews with senior leadership, six responses from capital providers, and three working meetings with internal specialist managers. For socio-environmental materiality, there were three specific interviews with external experts, three with internal managers, and an online consultation with 1,055 participants.

3 ANALYSIS

This stage involved refining the long list of topics and the results of the prioritization process. The following variables were assessed: business impact, socio-environmental impact, magnitude, relevance, scope and consulted stakeholders.

4 VALIDATION

Lastly, the ten prioritized material topics underwent Sustainability governance and were approved by the Tactical Committee to ensure the alignment of operations and decision-making according to the Company's priorities and in line with the expectations of all stakeholders.

During the formulation of this edition, material topics were reaffirmed with validation from senior management and the sustainability governance committees. The priority topics were maintained, demonstrating our commitment to these issues and the continuity of operations, in line with our stance in the previous crop year.(GRI 3-2)

SÃO MARTINHO CONDUCTED A BROAD CONSULTATION BASED ON THE DOUBLE MATERIALITY CONCEPT

List of material topics
(GRI 3-2)

The ten material topics that speak to the pillars of our Sustainability Ambitions and the United Nations Sustainable Development Goals are:

1 Climate strategy and air quality
2 Biodiversity, ecosystems and land use
3 Water resource management
4 Supply chain management and traceability
5 Innovation and Technology
6 Occupational health and safety
7 Energy efficiency
8 People and diversity management
9 Waste management
10 Community engagement and local development

PUBLIC COMMITMENTS

(GRI 2-23, 3-3 MANAGEMENT OF MATERIAL TOPIC)

Our commitments are aligned with various internationally recognized intergovernmental instruments, such as the United Nations Global Compact, the United Nations Sustainable Development Goals (SDGs), International Labour Organization (ILO) Labor Standards, the United Nations Convention Against Corruption, the Task Force on Climate-related Financial Disclosures (TCFD), and the International Financial Reporting Standards (IFRS) issued by the IASB. These commitments also involve conducting due diligence, applying the precautionary principle, and respecting human rights as established by the Universal Declaration of Human Rights.

All policies were approved by the Board of Directors, the organization's highest level of governance, and applies equally to all company activities and its business relationships. They are communicated to employees, workers, partners and stakeholders through internal communications, social media, our website, institutional videos, annual reports and official documents.

UN GLOBAL COMPACT
We have participated since 2022 and submitted our first Communication on Progress (CoP) in 2023. We engage in Action Platforms to share knowledge and learnings with participating companies, reinforcing São Martinho's role in building and advancing a positive agenda for society.

Learn more here

UN WOMEN
We committed to the Women's Empowerment Principle in 2019 and are promoting related actions.

BRAZILIAN GHG PROTOCOL PROGRAM
We disclosed our carbon impact in the Public Emissions Registry and in 2023/2024 we obtained Gold seal for the fourth time, which attests to the quality and transparency of the Company's greenhouse gas emissions inventory.

CDP
In 2023, we responded to three questionnaires on the topics of Water Security, obtaining a B rating, Climate Change, with a B rating and Forests, reinforcing our commitment to managing these topics and their transparency.

2

IDENTITY

IN THIS CHAPTER

IDENTITY

One of the largest companies in Brazil's sugar and energy sector, São Martinho S.A. is a publicly traded company engaged in the production and marketing of sugar, ethanol, bioelectricity and products derived from sugarcane and corn, boasting 87 years of history. It has been listed on the Brazilian stock exchange's Novo Mercado (B3) since 2007, attesting to our high corporate governance standards. **(GRI 2-1)**

With four operational mills - three in São Paulo state (São Martinho, Santa Cruz and Iracema) and one in Goiás state (Boa Vista) - and administrative offices in Ribeirão Preto (SP), Pradópolis (SP), Américo Brasiliense (SP) and São Paulo (capital city), our value proposition is to provide food and renewable energy, aiding the transition towards a low-carbon economy. **(GRI 2-1)**

We have a unique logistics platform for product distribution, featuring excellent storage capacity and proximity to major highways and railways. Another distinguishing feature is our own railway line, which allows us to ship out our production effortlessly in real-time.

Our product portfolio serves clients and consumers in Brazil and the international market. With an unwavering commitment rooted in values such as ethics, integrity and respect for people and the environment, we have over 12,700 direct employees, a value chain comprising more than 3,000 goods and services suppliers, and over 2,500 sugarcane and corn producers.

70% of the sugarcane we process is sourced from 250,000 hectares of sugarcane fields on land that we either own or hold on lease or via partnerships. Our growers, whose produce abides by strict traceability, quality and compliance criteria, manage 100,000 hectares, providing the remaining 30%.

Our business model is based on productivity, efficiency, flexibility and innovation, leveraging a 100% mechanized green-cane harvesting system and investment in farm digitalization, biological control and environmental management. Aligned with our diversification strategy, we engage in research and development of new businesses and products, aiming for zero-waste and creating value from what would be considered waste, thereby promoting a circular economy.

In terms of new business ventures, it is worth highlighting the operations of the corn ethanol plant at the Boa Vista Mill, which marked São Martinho's entry into new bioenergy markets and products aimed at the industrial and animal feed sectors, such as corn oil and DDGS.

This entire structure is comprehensively underpinned by our commitment to the environmental, social and governance (ESG) agenda, which is a core plank of Our Way of Being.

MISSION

Deliver renewable energy, food and other products that create value for humanity

VISION

To be a globally leading agribusiness player for value creation, process efficiency, innovation and sustainability

VALUES

- Integrity and ethics

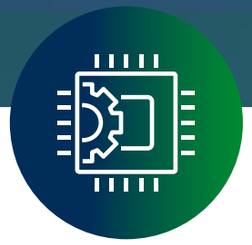
- Respect for people and the environment

PILLARS »»

SAFETY AND SECURITY

PEOPLE AND RELATIONSHIPS

Partners and suppliers, customers, shareholders, employees and communities



TECHNOLOGY

SUSTAINABILITY

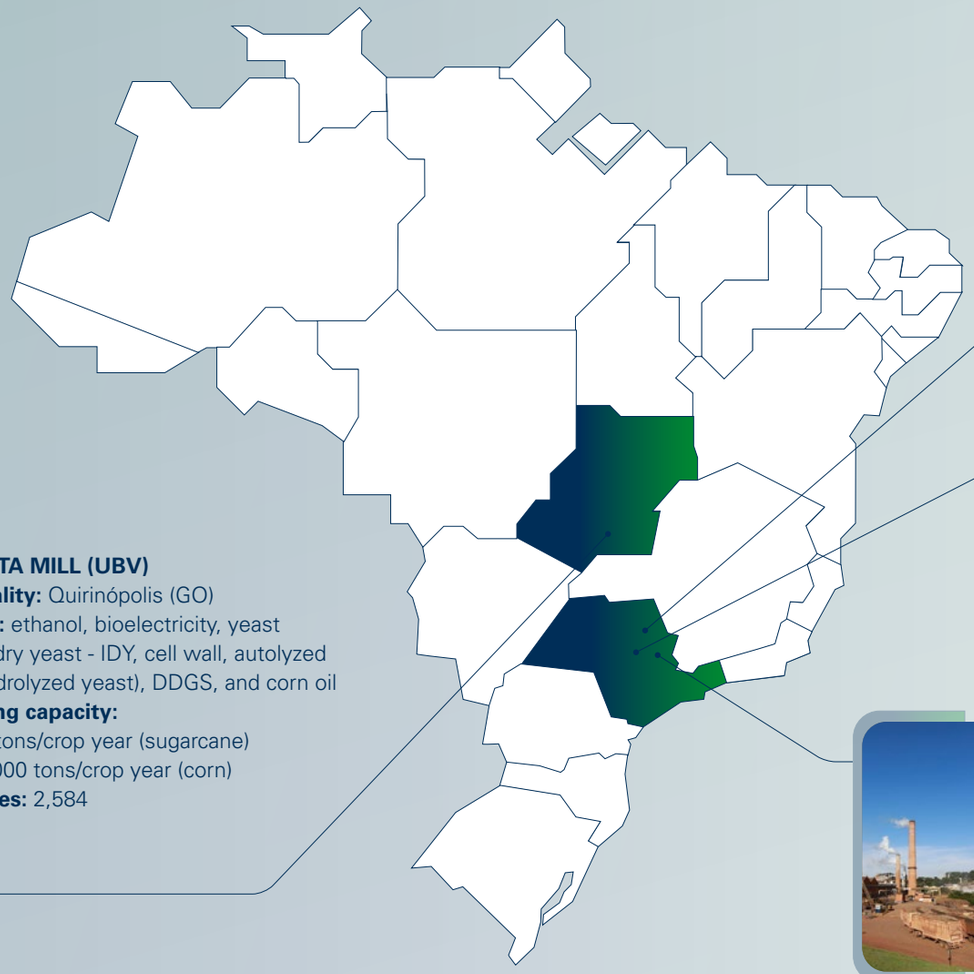
VALUE CREATION

GROWTH

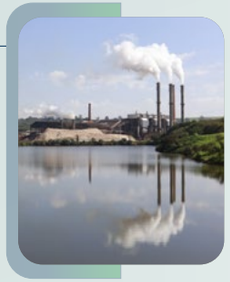
UNITS AND PORTFOLIO

(GRI 2-6)

OUR **FOUR MILL** OPERATIONS ARE LOCATED IN THE STATES OF SÃO PAULO AND GOIÁS

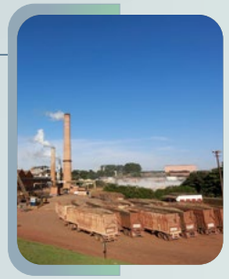


SÃO MARTINHO MILL (USM)
Municipality: Pradópolis (SP)
Products: sugar, ethanol, bioelectricity and inactive dry yeast (IDY)
Processing capacity: 10.5 million metric tons/crop year (sugarcane)
Employees: 4,644



SANTA CRUZ MILL (USC)
Municipality: Américo Brasiliense (SP)
Products: sugar, ethanol, bioelectricity, and yeast (cell wall, autolyzed yeast, hydrolyzed yeast, and extract)
Processing capacity:
5.5 million metric tons/crop year (sugarcane)
Employees: 3,454

BOA VISTA MILL (UBV)
Municipality: Quirinópolis (GO)
Products: ethanol, bioelectricity, yeast (inactive dry yeast - IDY, cell wall, autolyzed yeast, hydrolyzed yeast), DDGS, and corn oil
Processing capacity:
5 million tons/crop year (sugarcane) and 500,000 tons/crop year (corn)
Employees: 2,584



IRACEMA MILL (UIR)
Municipality: Iracemápolis (SP)
Products: sugar, ethanol and bioelectricity
Processing capacity:
3.5 million metric tons/crop year (sugarcane)
Employees: 2,036

BUSINESS **MODEL**

INPUTS

FINANCIAL CAPITAL
- Capital market - Green CRAs and Debentures
- Financing with financial institutions - BNDES, IFC, FINEP, among others

MANUFACTURED CAPITAL
- 4 mills – Iracema, São Martinho, Santa Cruz, Boa Vista and administrative offices
- Storage capacity for 780,000 metric tons of sugar and 740,000 m³ of ethanol
- Internal railway line, to carry production to Port of Santos (SP)
- 100% mechanized harvesting

INTELLECTUAL CAPITAL
- Field and Mill Operations Centers (COA and COI) to monitor operation in real time
- Research and Development Partnerships
- Culture of Innovation and Continuous Improvement

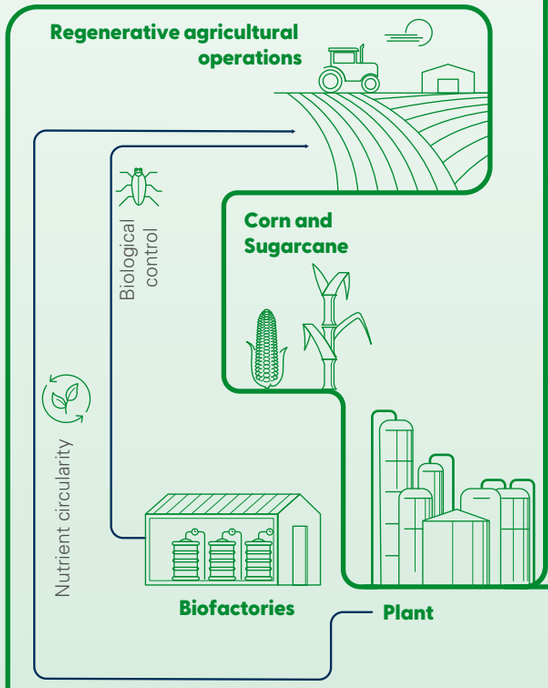
HUMAN CAPITAL
- 12,705 direct employees, 36 trainees, 437 apprentices, and 25 interns, in addition to 552 contractors
- Professional Development and Strategic People Management Programs
- SOU Seguro Program (Occupational Health and Safety)

SOCIAL CAPITAL
- Clients, suppliers, producers, communities, financial market agents, institutions and associations
- Relationship with over 3,000 suppliers of goods and services and 1,000 sugarcane and corn growers
- Engagement panels with communities

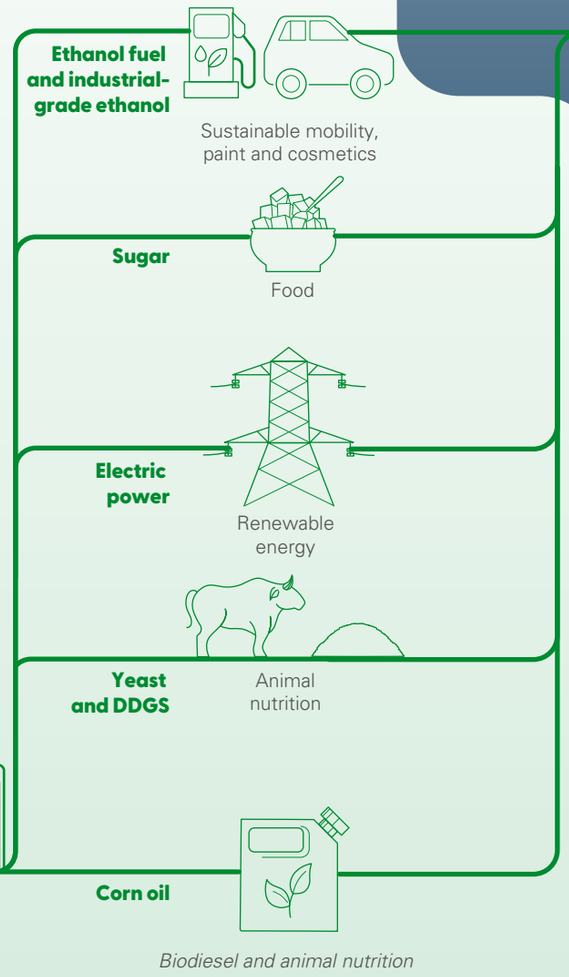
NATURAL CAPITAL
- Soil, sugarcane, corn, water, biodiversity and natural nutrients, among others
- Crop production on 70% of own land

BUSINESS ACTIVITIES

"Deliver renewable energy, food and other products that create value for humanity"



OUTPUTS



RESULTS

FINANCIAL CAPITAL
- An investment-grade rating from S&P, cash income of R$ 1.40 billion and Adjusted Ebitda of R$ 3.07 billion
- Long-term Sustainable growth
- Positive dividend payment history

MANUFACTURED CAPITAL
- High processing, production and export capacity: Crushing of 23,066,695 t of cane and 390,720 t of corn
- Production of 1,468,278 of sugar and 947,968 m³ of Ethanol
- Exporting 707,796 MWh of renewable electricity

INTELLECTUAL CAPITAL
- 138,359 hours of professional development training for employees
- ISCC EU and ISCC CORSIA PLUS certification achieved for São Martinho and Santa Cruz
- Curating and supporting startups

HUMAN CAPITAL
- Recognized for market research in People Management - GPTW
- Reduction in accident frequency rates (0.93)

SOCIAL CAPITAL
- Main employer in its geographies
- 389 people trained in professional development activities offered to communities
- Development and training of raw material suppliers on good production practices and socio-environmental standards

NATURAL CAPITAL
- 95% of areas certified by socio-environmental standards (RenovaBio)
- 100% renewably sourced electricity consumed
- 85% of pest control achieved through biological control
- Reuse of 99% of industrial waste, returning as biofertilizers for agricultural production
- Supply of renewable energy (ethanol and bioelectricity) to Brazil's energy matrix
- Biodiversity protection - Bee Project and Wildlife Sighting

PILLARS ▶ **SECURITY** • **PEOPLE AND RELATIONSHIPS** • **TECHNOLOGY** • **SUSTAINABILITY** • **GROWTH** • **VALUE CREATION**

SUSTAINABILITY AMBITIONS

(GRI 2-12, 2-17, 2-22, 2-24, 2-25)

Endorsed by the Board of Directors, our Sustainability Ambitions are aligned with the Company's Strategic Planning and stakeholder expectations. Based on solid ESG governance, with a dedicated management team and governance spanning various committees (Tactical, Executive, Executive Board through to the Board of Directors) and with the participation of senior management from various Company departments, we have been monitoring the execution of priority projects to achieve our objectives and commitments. **(GRI 2-13, TCFD. 1.B)**

In terms of socio-environmental certifications, we have maintained labels such as RenovaBio, Bonsucro and ISO 14001, and have achieved ISCC EU and ISCC CORSIA PLUS certifications (read more about certifications **Products, Market and Customers**), testifying to our progress in helping change the energy matrix. Other steps in this journey in recent years include the Company's adherence to the Ten Principles of the United Nations Global Compact and the attainment of Gold Status from the Brazilian GHG Protocol Program for the fourth consecutive year, reinforcing our commitment to transparency, measurement and control of our air emissions. We also maintain transparency by disclosing our sustainability indicators on São Martinho's institutional website.

The Sustainability Ambitions are broken down into projects and indicators to measure our progress in three priority pillars of action, as shown on the right. These pillars speak to São Martinho's material topics described in the following pages.

Our Executive Board, Board of Directors and Audit Committee are kept abreast of risks through the corporate risk matrix, reviewed quarterly, which includes monitoring socio-environmental risks such as climate variations and the fulfillment of Sustainability Ambitions. **(TCFD. 1.A, GRI 2-13)**

The Board of Directors is formally and directly responsible for factoring climate considerations into strategic decision-making. The Business Plan, annual budget, corporate risk matrix and the structure of the Executive Sustainability Committee form our climate governance foundations. The latter consists of the following members: Vice President, CFO and Investor Relations Officer, Legal, GRC and Institutional Relations Officer, and Human Resources and Health & Safety Officer. **(TCFD. 1.B)**

This committee has the role of monitoring, directing and resolving sustainability actions, ensuring they align with the Company's ambitions and best governance practices. **(TCFD. 1.B)**

In the management sphere, Sustainability Tactical Committee different areas (health and safety, environment, GRC, human and organizational development) to enforce the application of principles and directives. **(TCFD. 1.B)**

PILLARS OF **ACTION**

ESG **PRINCIPLES**

Innovation & efficiency:
Actively contribute to reducing global climate impacts by supplying clean, renewable electricity and using natural resources efficiently in our operations

- Renewable energy
- Climate change
- Waste
- Water

Value chain:
Urge our raw-material and goods-and-services value chain to implement socially and environmentally responsible practices

- Forest restoration
- Traceable raw materials
- Supplier development

Social Transformation
Foster inclusion and diversity through education and professional training, bringing about a social transformation in our communities.

- Social transformation through education
- People management

MATERIAL **TOPICS**

(GRI 3-2)

OUR MATERIAL TOPICS

Material topics (GRI 3-2)	Energy efficiency	Climate strategy and air quality
Pillars	Innovation & Efficiency	Innovation & Efficiency
Our approach (GRI 3-3)	Continuously spurring the development of good agricultural practices and the marketing of solutions based on various renewable energy sources, stimulating the value chain and the formation of partnerships	Managing greenhouse gas emissions from our operations, in particular those generated by deforestation in our value chain - which contravenes this practice, and burning fossil fuels in our operations. Managing (physical and transition) negative risks (threats) and positive risks (opportunities) related to climate change. Efficiency gains in energy consumption and equipment used, by fostering innovation.
Related disclosures	GRI 302 – Energy	GRI 201 – Economic Performance GRI 305 - Emissions GRI Sector – Topics 13.1 and 13.2 SASB-FB-AG-110
Related SDGs	7.2, 7.3, 9.4, 11.6 and 13.2	7.2, 7.3, 9.4, 11.6, 13.2

Material topics (GRI 3-2)	Waste management	Water resource stewardship	Innovation and technology	Biodiversity, ecosystems and land use
Pillars	Innovation & Efficiency	Innovation & Efficiency	Innovation & Efficiency	Value chain
Our approach (GRI 3-3)	Harnessing technology and advanced management to reduce the production of waste, ensure waste materials are compliantly disposed of, and increasingly capture value from waste, thereby stimulating the circular economy.	Water resource stewardship to support continued water availability in the areas where we operate; Managing impacts from our operations caused by water consumption.	Investing in technological innovation and development to enhance our ability to adapt to new market trends and developments, and updating our business model.	Degraded areas rehabilitation, research projects and conservation/maintenance of springs/water resources and riparian forests. Giving a platform to actions mitigating environmental impacts, risk factors and environmental preservation projects to ensure transparency and engage value chain stakeholders in good practices.
Related disclosures	GRI 306 – Waste GRI Sector – Topic 13.8	GRI 303 - Water and Wastewater GRI Sector – Topic 13.7	Own disclosures	GRI 304 – Biodiversity GRI Sector – Topics 13.3; 13.4; 13.5 and 13.6 SASB-FB-AG-440
Related SDGs	12.2, 12.4,12.5,12.6,12.a	6.1, 6.3, 6.4, 6.6, 6b	9.4, 9.5, 12.2, 12a	15.1, 15.5, 15.b

Material topics
(GRI 3-2)

Pillars

Supply chain management and traceability

Value chain

Our approach
(GRI 3-3)

Requiring, managing and enforcing high standards of supplier quality, including social and environmental requirements in procuring goods and services. Improving identification and traceability processes for the raw materials we source. Focus on engaging, including and empowering stakeholders in the value chain.

Related disclosures

GRI 204 - Purchasing Practices
GRI 308 – Supplier Environmental Screening
GRI 408 – Child Labor
GRI 409 – Forced or Compulsory Labor
GRI 414 – Supplier Social Screening
GRI Sector – Topics 13.16; 13.17 and 13.23
SASB-FB-AG-430, SASB-RR-BI-430

Related SDGs

8.7, 8.8; 12.3, 12.4,12.6

Occupational health and safety

Value chain

Our approach
(GRI 3-3)

Fostering employee wellness and health by managing the workplace in a way that supports the mental and physical health and integrity of our employees, contractors and their families.

Related disclosures

GRI 403 - Occupational Health and Safety
GRI 410 - Safety Practices
GRI Sector – Topic 13.19

Related SDGs

3.4, 3.8, 3.9; 8.8

People management and diversity

Social transformation

Our approach
(GRI 3-3)

Robust employer branding strategy focused on attracting, nurturing and engaging talents. Generating training and employment opportunities in the organization's geographies. Development of the topic Diversity at the Company.

Related disclosures

GRI Sector – Topics 13.15; 13.18
GRI 201 – Economic Performance
GRI 202 – Market Presence
GRI 401 – Employment
GRI 402 – Labor/Management Relations
GRI 404 – Training and Education
GRI 405 – Diversity and Equal Opportunity
GRI 406 – Non-Discrimination
GRI 407 – Freedom of Association and Collective Bargaining

Related SDGs

4.4; 5.5

Community engagement and local development

Social transformation

Our approach
(GRI 3-3)

Strengthening communication channels and management of socio-environmental impacts in surrounding communities in accordance with the São Martinho Sustainability Ambitions.

Related disclosures

GRI Sector – Topics 13.12; 13.14 and 13.22
GRI 203 – Indirect Economic Impacts
GRI 411 - Rights of Indigenous Peoples
GRI 413 - Local Communities

Related SDGs

10.1, 10.2, 10.7

PRODUCTS, MARKET AND CLIENTS

GRI 2-6

São Martinho maintains disciplined relationships with clients, governed by the Code of Ethics and Professional Conduct. Our customer list includes companies across Brazil and in 32 other countries on four continents.

In the 2023/2024 crop year, with the start of operations at the corn ethanol plant at the Boa Vista Mill (GO), we entered new markets by selling non-commodity products. This portfolio expansion brought new challenges in client prospecting and branding and in the interaction between the commercial and operations departments and the work related to corn origination. Adaptations were also made to the Integrated Management System, which now includes new quality specifications for end customers and a technical after-sales service.

The period was also marked by volatility, with ethanol prices falling without a corresponding increase in market demand and dollar prices, along with the competitiveness challenges of bioenergy in the Brazilian market. In contrast, the net revenue from sugar sales increased during the period due to higher prices. We remain attentive to the significant competitive advantage of having flexible agro-industrial units that can adapt to the most suitable mix for generating results.

OUR CUSTOMER LIST INCLUDES COMPANIES ACROSS BRAZIL AND IN **32 OTHER COUNTRIES** ON **FOUR CONTINENTS**

OUR **PRODUCTS**

Sugar

We produce different types of sugar, including white, VHP and VVHP, which cater to both food industries and processors for refining.

Ethanol

Our portfolio consists of hydrous ethanol, used as direct fuel; anhydrous ethanol, mixed with gasoline as an additive; and industrial ethanol, primarily used in the production of paints, cosmetics and alcoholic beverages.

Bioelectricity

Sugarcane bagasse, a byproduct from the crushing process, is fully re-utilized to produce clean electric power. We generate energy for our mills, thereby avoiding the use of fossil fuels, with the surplus being sold.

Yeast

Produced as inactive dry yeast (IDY) and in various forms (such as cell wall, autolyzed yeast, hydrolyzed yeast, and extract), our yeast products serve the animal nutrition sector.

SMartLiO

Corn oil

SMartLiO is a versatile product, a direct substitute for soybean oil, and a source of energy for animal nutrition. The product also has applications in industry, used in the production of biofuels, paint manufacturing and chemical industries.

SMartDDG

DDGS (Dried Distillers Grains with Solubles)

Recommended for use in animal nutrition, this can form the diet of ruminants, pigs, horses, birds, fish and pets. This is a protein-rich product, with high digestibility and a low moisture percentage.

DECARBONIZATION CREDITS

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC)

In the 2023/2024 crop year, we sold 934,450 decarbonization credits (CBIOs). Aligned with the transportation sector's decarbonization goals set out in the National Biofuels Policy (RenovaBio), this operation accounted for 1.1% of our revenue, compared to 1.2% in the previous crop year.

Our four mills hold RenovaBio certification, enabling the issuance of CBIOs as carbon credits for their contribution to reducing greenhouse gas emissions.

Percentage of sugarcane volume purchased and certified by internationally recognized product chain tracking standards (RenovaBio)[1] (GRI 13.23.3)

Iracema Mill

2022/2023 | 63.4%

2023/2024 | 93.0%

São Martinho Mill

2022/2023 | 70.7%

2023/2024 | 93.0%

Boa Vista Mill

2022/2023 | 87.9%

2023/2024 | 90.0%

Santa Cruz Mill

2022/2023 | 26.2%

2023/2024 | 58.0%

1. The value is calculated by dividing the amount of sugarcane acquired from producers and certified by RenovaBio by the total amount of sugarcane acquired from producers.

CERTIFICATIONS

During the crop year, we maintained Bonsucro and RenovaBio certifications at all four mills and ISO 14001 (environmental management system) certification at the three mills located in São Paulo state. The Boa Vista Mill focused efforts on starting up the new corn plant operation and expanding the RenovaBio certification scope, postponing the ISO 14001 certification to the next crop year.

At the Boa Vista Mill, we are committed to expanding the certification of corn cultivation areas under the RenovaBio program, similar to what we already do with sugarcane. During the RenovaBio recertification process scheduled for 2024, we also aim to significantly increase the number of suppliers certified with primary data. Besides demonstrating the eligibility of the area through active CAR and the absence of vegetation clearance, this means that suppliers will also provide detailed information about the consumption of fertilizers, soil amendments, fuels and electricity in their operations. This data will allow for more accurate calculations of CO_2 eq. emissions in these suppliers' sugarcane production. **(GRI 13.23.4)**

We achieved ISCC EU and ISCC CORSIA PLUS certification for the São Martinho and Santa Cruz mills, signaling increased maturity in our Sustainability Management System and preparing us to provide traceable ethanol for the sustainable jet fuel.

The São Martinho, Boa Vista and Santa Cruz mills process dry yeast from sugarcane and the entire volume is certified by the GMP + FSA (Feed Safety Assurance) standards, which set our requisites to guarantee the safety of products intended for animal feed. **(GRI 13.10.4)**

The other certifications already present in our history, namely ISO 9001, Kosher, Halal, I-REC, Green Energy, *Etanol mais Verde* ("Greener Ethanol"), LCFS-CARB, and Renewable Fuel Standard (RFS2) - EPA, were all maintained.

To view the certificates, please **visit our website**

Bonsucro

International certification against the Bonsucro Production Standard and Chain of Custody Standard.

Green Energy Label/Certification

This certification is awarded to facilities generating electricity from renewable sources

LCFS (Low Carbon Fuel Standard) - CARB

Registration at the California Air Resources Board to market ethanol in the state of California

Halal

Certification that our food products are manufactured in accordance with Islamic dietary laws

ISO 17025

Competence of testing and calibration laboratories

RenovaBio

Certification that our biofuels are produced efficiently using a lifecycle assessment approach

I-REC

International certification that the electricity we produce is renewably sourced

GMP+ FSA

Food Safety Management System for animal nutrition

ISO 9001

Quality Management Systems

ISCC EU and ISCC CORSIA PLUS

ISCC EU demonstrates compliance with environmental, social, traceability and greenhouse gas emission reduction criteria compared to fossil fuel equivalents. ISCC CORSIA PLUS demonstrates compliance with the sustainability criteria of CORSIA-eligible fuels for reducing CO_2 emissions from international flights

Etanol mais Verde ("Greener Ethanol")

A memorandum of intent to implement best practices in sustainability in the sugar and energy industry in São Paulo State

RFS2 Renewable Fuel Standard - EPA

Registration with the US Environmental Protection Agency to market ethanol in the U.S.

Kosher

Certification that our products are compliant with Orthodox Jewish dietary laws

ISO 14001

Environmental Management Systems

PRODUCT QUALITY AND SAFETY

100% of our products destined for the food industry and the animal nutrition market undergo **consumer safety assessments**

To ensure the quality and safety of our products, we have control and monitoring actions throughout the Company's value chain, from the sourcing of raw materials to product delivery. At São Martinho, 100% of the products made for the food industry and animal nutrition undergo consumer safety impact assessments, identifying potential health risks and ensuring they are properly mitigated. These assessments are not limited to analyzing the ingredients used but also include evaluating the production processes, packaging and storage. Manufacturing facilities are subject to stringent quality controls and regular inspections to ensure compliance with good manufacturing practice guidelines. **(GRI 416-1)**

Before being supplied, all batches undergo laboratory analyses to ensure they meet customer requirements and legal and regulatory standards.

Our Quality and Food Safety Policy provides guidelines on this topic, compliance with applicable legislation, customer requirements, and the continuous improvement of the management system. Process control and good manufacturing practices are part of our routine, along with engagement and training actions for our employees.

We follow good manufacturing practices in respect of food safety impacts. These criteria guide the development of a Hazard Analysis and Critical Control Points (HACCP) plan, aimed at eliminating or reducing chemical, physical and biological hazards to acceptable levels.

The criteria also inform the manufacturing of animal nutrition products, ensuring the health and well-being of both animals and consumers. During the reporting period, there were no recorded instances of non-compliance with laws or voluntary codes related to health and safety impacts resulting from the Company's products and services. **(GRI 416-2)**

We maintain a logistics structure with approved suppliers for the safe transportation of ethanol from our mills to the port. Unlike sugar, this fuel is still predominantly transported by road. It is worth noting the Company's ability to bring together these partners and develop innovative solutions to improve performance, productivity and efficiency. In this crop year, efforts were made to professionalize the transportation of products out of the corn ethanol plant in Goiás. Regarding our logistics partners, all transportation companies working for São Martinho (both in Goiás and São Paulo) undergo a rigorous approval process before contracting. Following the start-up of operations at the corn plant, in Goiás we worked to help regional transportation companies adapt to the quality and safety standards required by São Martinho. There was a positive market movement, including the acquisition of dump trucks by partners, resulting in performance and productivity gains and better fuel efficiency, for example.

INNOVATION AND TECHNOLOGY

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC)

Innovation processes play a fundamental role in socioeconomic and technological progress, continually seeking new solutions and approaches that create positive impacts in various areas for society.

As a priority approach within the Company's Strategic Planning Pillar, São Martinho's innovation activities aim to drive the adoption of new technologies that add value to operations, increase productivity and open up new business opportunities.

In connectivity, we have been seeking solutions that bring offices closer to the field, allowing us to continue striving for operational excellence. All of this is supported by a computerized innovation management system. Digitalization enables us to view integrated opportunities by areas of interest and decision-making, facilitating the direction of ESG and material topics, and the direct engagement of senior leadership through the Strategic and Tactical committees.

The Company uses committees and forums, including Operational Excellence Groups (OEGs), to involve stakeholders from various sites in discussing and mitigating risks in innovation projects.

In the 2023/2024 crop year, we invested R$ 120 million in innovation, demonstrating our constant effort to innovate and improve our operations.

We have a portfolio of projects related to business diversification, utilizing renewable carbon from sugarcane and/or corn in new products, maximizing the value of co-products, maximizing synergies with current businesses, and intensifying efforts to foster the circular economy. See below examples of these initiatives.

R$ 120
million invested in innovation

KEY INITIATIVES

BIOMETHANE PLANT

In a R$ 250 million investment in the energy sector, the new plant, stemming from São Martinho's innovation funnel, will be constructed at the Santa Cruz mill (SP) and will produce renewable natural gas by biodigesting vinasse. Scheduled to start operations in 2025, the plant will produce approximately 15 million m³ of biomethane per crop year. By being used instead of conventional natural gas, São Martinho's biomethane has the potential to avoid the emission of up to 32,000 tons of greenhouse gases, equivalent to 91,000 truck trips between the cities of São Paulo and Rio de Janeiro per year, or 250 trips per day.

R$ 250
million invested in the energy sector

NEW THERMAL POWER PLANT (UTE)

This project aimed to increase electricity generation through the burning of sugarcane bagasse - a process already carried out at São Martinho Mill, the world's largest sugarcane processor. Boasting certifications such as the Green Energy Seal and I-REC, which attest to the renewable origin of the electricity generated, the new UTE is expected to export an estimated 210 GWh of energy per harvest, using the same amount of bagasse currently consumed.

I-REC STANDARD

ENERGIA VERDE

Green Energy Seal and I-REC, which attest to the renewable origin of the electricity generated

SOLAR PLANTS

We have initiated the first operation of photovoltaic solar energy production for self-consumption in our mills. The project includes two plants, one at the Iracema mill and another at São Martinho, which together yield a generation capacity of 2.75 GWh.

GENERATION CAPACITY OF 2.75 GWh

SAF - SUSTAINABLE AVIATION FUEL

We have embarked on the journey to the new sustainable aviation fuel (SAF) market. During this harvest, we achieved ISCC CORSIA PLUS certification for two units (São Martinho and Santa Cruz). This certification demonstrates compliance with the sustainability criteria of CORSIA, a program related to the reduction of CO_2 emissions from international air transportation.

ISCC International Sustainability & Carbon Certification

We achieved ISCC CORSIA PLUS certification during the harvest

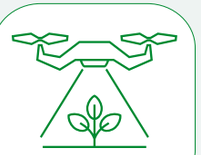
KEY INITIATIVES

SMART FARMING

Seeking to expand the coverage and digitization of the Company's agricultural and milling processes, since 2021 we have forged partnerships for the 5G Smart Farming project, which aimed to roll out 5G (3.5 GHz band) at the São Martinho Mill. In the previous crop year we implemented 5G telecommunications infrastructure in partnership with the operator TIM, providing a 5G signal for the mill's entire industrial plant, for the Agricultural Maintenance Center (CMA), for sugarcane fields and for the São Martinho Innovation Center. We have also developed our Digital Platform and the São Martinho agro-industrial Datalake. This technology is already being deployed, resulting in better performance in field operations, such as lower diesel consumption during harvesting operations, fire monitoring and improved working conditions through monitoring conducted from the Agricultural Operations Center (COA) at all four mills.

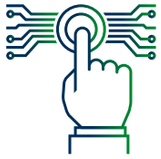
5G

Technology used in monitoring conducted from the Agricultural Operations Center



INNOVATION CENTER

Located at the São Martinho Mill, our Innovation Center spans Agricultural and Industrial Technology, Innovation, IT, Continuous Improvement, Environment and Sustainability. Running on a 5G network, the center has been instrumental in the initial development of digital products. In the 2023/2024 crop year, we organized an event at the Innovation Center to discuss the implications of using 5G technology in the sector. We also partnered with Qualcomm, a leading US hardware (chipsets) maker that believes everything and everyone should be intelligently connected. This partnership is evaluating the use of 5G technology to enhance agro-industrial processes support by Artificial Intelligence.



Digital solutions focused on productivity, operational efficiency, safety and sustainability

INNOVATION AMBASSADORS

Innovation ambassadors play a crucial role in cementing the culture of innovation across various São Martinho departments, reinforcing employees' entrepreneurial mindsets and driving the continuous pursuit of innovation.

INTELLECTUAL PROPERTY

This denotes the legal rights that result from intellectual activities in the industrial, scientific, literary and artistic fields. These rights stoke innovation by protecting individuals and companies' creations. At São Martinho, we have intensified our analysis of the expertise generated from innovative projects to better define the applicable protection strategy. We currently have seven patents awarded by the National Institute of Industrial Property (INPI), spanning Agricultural and Industrial areas. We have filed three more patents in the past year, still subject to confidentiality, as a result of this intensified work.

INPI INSTITUTO NACIONAL DA PROPRIEDADE INDUSTRIAL

We have seven patents awarded by INPI, spanning Agricultural and Industrial areas

KEY INITIATIVES

CUBO AGRO

In 2023 the innovation hub we co-founded completed two years of activities, and continued to foster the technological development of agribusiness start-ups in Brazil and Latin America. This is achieved by linking agtechs, large companies, investment funds and other agents in the innovation ecosystem. More than 220 employees participated in Cubo Agro activities in the crop year. Notably, these individuals established over 150 connections in dozens of events and discussion groups. In these discussion groups alone, more than 200 employees were exposed to trends and perspectives outside the sector to broaden their views on innovation.

More than 150 connections in dozens of events and discussion groups

ENERGY INTEGRATION OF THE CORN PLANT

(GRI 3-3 ENERGY EFFICIENCY)

The pioneering project introduces a new concept of energy efficiency, based on the integration of steam and energy generation. The corn plant operates solely with bagasse resulting from processed sugarcane. We will consequently offer more ethanol to the Brazilian energy matrix, without the need for additional biomass to produce it.

Integration of steam and energy generation for both plants at the Boa Vista Mill

DIGITAL TWIN

A significant step in agro-industrial digitization, the implementation of the Digital Twin at the Corporate Industrial Operations Center (COI) allowed for the online simulation of processes conducted at the four plants. This enables the sharing of best practices and testing new routes for input efficiency and productivity. The technology has already been deployed in the 2022/2024 crop year and also in the data-structuring project in the corn production chain, in order to automate operational excellence and continuous improvement routines.

Technology for operational excellence

AUTONOMY PROCESS

Implementing advanced controls and closed loops to stabilize processes, increase efficiency and productivity and reduce interventions. This technology provides a global view for optimization and stability. The implementation began in 2021 in the Santa Cruz Mill's ethanol production and is expanding to other facilities, such as the corn plant operation. This is a significant stride in the Company's evolution, focusing on Industry 4.0.

Advanced controls to increase efficiency as we move towards industry 4.0

RESEARCH INCENTIVE

Created in partnership with the São Paulo State Research Funding Foundation (Fapesp) and the São Paulo State University (Unesp), the Center for Sugarcane Pest Control Research (Cepenfito) supports research into innovative and sustainable technologies in agricultural systems. This includes the biological control of insects, fungi, bacteria and weeds that impair sugarcane productivity. Cepenfito maintains partnerships with universities such as USP and Unesp and research institutions like the Brazilian Agricultural Research Corporation (Embrapa) and the Sugarcane Technology Center (CTC).

In the crop year, we also collaborated with research institutes to develop new sugarcane varieties with promising genetic potential to ensure a varied and promising collection, unrivaled in the sector.

5S is a tool for reducing waste and cultivating safe and productive workplaces

CONTINUOUS IMPROVEMENT

As part of our continuous improvement endeavors in the 2023/2024 crop year, we continued to control impacts and achieve productivity and cost gains through leaner, streamlined and more agile models. We accordingly carried out several such projects, including 12 Kaizen projects and 19 methodological supports, generating around 430 improvement actions. The objectives were diverse, encompassing operational opportunities as well as administrative, management and governance issues. This included projects aimed at including professionals with disabilities, strategic planning for the Company's digital transformation process, and lessons learned from the production start-up at the corn ethanol plant, both in the interaction between sales and operations and in processes related to corn origination.

We continued the 5S safety and productivity program, aiming to complete the implementation of agro-industry projects at the four mills by March 2025.

The challenge for the mills is to maintain the initiatives that generated safety and process improvement and to advance the scores of each department according to the five senses. 5S also seeks to increasingly embed layout adjustments and to apply the tool to safety and the environment, to reduce hazards, threats and potential environmental impacts.

In 2023, we started a recognition process for functions making the best 5S progress. As part of this initiative, a trophy was offered to recognize and encourage employees to ensure the area progresses, keeping it clean, organized, productive and safe. This trophy is mobile and remains in the area until the next evaluation cycle.

After two years of learning, routine management is being reviewed to simplify and expand its application in other Company processes.

Initiatives are underway in field and milling processes (69 processes have already had daily routine management implemented). This process yielded level meetings, a meaningful significant gain which gave the operation a platform. These meetings allowed operators to critically analyze their shift's performance and report progress and challenges to leadership. Other benefits of the Routine Management process include standardization, empowerment and operational autonomy, with leaders taking on a coaching role, passing on technical concepts for day-to-day activities.

Routine management has been instilled into the operation of Excellence Spaces. By holding daily meetings in these spaces, the operators discuss safety, review achieved results, enhance their operational know-how, and closely monitor the indicators that contribute to their process outcomes.

In 2023, the excellence meetings were initiated—monthly meetings where the board discusses the Company's priority indicators to define improvement actions to ensure the maintenance and achievement of results. Various topics are discussed at these meetings, providing a systemic view of the Company, including sustainability index, health and safety, innovation, people management, continuous improvement and S&OP.

In the 2023/2024 crop year, São Martinho intensified its participation in events such as the Lean Summit, the largest Lean event. São Martinho was a speaker at this event, sharing insights from its journey. We made the finals of the Kaizen Awards thanks to a project on increasing yeast productivity. This is a prestigious recognition of the effectiveness of the Boa Vista Mill's project.

ONE OF OUR PROJECTS WAS A FINALIST FOR THE **KAIZEN AWARD**

THE EXCELLENCE SPACE INITIATIVE HAS A SIGNIFICANT **FOCUS ON SAFETY**

3

MANAGEMENT AND STRATEGIC VISION

MANAGEMENT AND STRATEGIC **VISION**

Aligned with its Strategic Plan for the decade 2021-2030, São Martinho strives to leverage market opportunities in the decarbonization of the economy and the business's competitive advantages. In this process of portfolio diversification, the Company invests in innovation and new businesses, while making headways in new areas related to biofuels and other forms of renewable energy. These actions are conducted with awareness of the threats and opportunities involved and an approach that includes sharing value with stakeholders.

SÃO MARTINHO AIMS TO LEVERAGE **MARKET OPPORTUNITIES** UNDER THE **DECARBONIZATION OF THE ECONOMY** AND THE BUSINESS'S COMPETITIVE ADVANTAGES

Throughout the season, senior management continued to monitor the strategic objectives outlined in the Strategic Plan, focusing on renewable and sustainable energy, innovation in new businesses and processes, and growth supported by the organization's solid financial position.

In addition to exploring bioenergy fronts and expanding the portfolio by entering the animal nutrition market in this period, we also opened up a new action front with the approval of investment for the construction of a new biomethane plant at the Santa Cruz Mill (SP). For this initiative, the Company relies on financing from the National Bank for Economic and Social Development (BNDES) – under the BNDES Climate Fund program and the Renewable Energies subprogram – and the Brazilian Funding Agency for Studies and Projects (Finep) – which operates under the auspices of the Ministry of Science, Technology, and Innovations (MCTI). Biomethane brings great opportunities for the Company: through this new business, we will have access to markets where low-carbon intensity is a requirement.

We remain attentive to market diversification opportunities and exploring new segments for the Company, such as the diffusion of renewable sources in international air transportation (read more on **p. 24**).

To advance these initiatives, we believe that innovation is a strategic asset, optimizing processes and increasing competitiveness in both national and international markets through technology, connectivity, agricultural studies and industrial excellence. We also apply an increasingly refined process for ideation and registering intellectual property.

GOVERNANCE

(GRI 2-1, 2-9, 2-10)

São Martinho S.A. has been a publicly traded company since 2007, listed in the highest governance segment of the Brazilian stock exchange (B3 S.A. - Brasil, Bolsa, Balcão), the Novo Mercado. As such, the Company is committed to complying with specific legislation and regulations, meeting capital market principles and adhering to best governance practices: transparency, integrity, accountability, sustainability and fairness.

The maturity of our governance and compliance with the Code of Best-Practice Corporate Governance issued by Brazilian Institute of Corporate Governance (IBGC) can be analyzed through the Governance Report (Practice & Explain), in which we fully meet 89% of the requirements, with 7% not applicable to the Company and 4% partially met.

The Company's governance structure consists of the Board of Directors, responsible for overall business guidance, based on economic, social, environmental and corporate governance factors. It includes four Advisory Committees to the Board of Directors that assist in decision-making, a Board of Executive Officers responsible for the direct management of business impacts and processes, and a permanent Oversight Board. Governance body members serve a renewable term of two years. The composition, operation and duties of each body are described in the Bylaws and respective Rules of Procedure, available on the IR and CVM website.

São Martinho has a GRC (Governance, Risks, Compliance and Internal Controls) function that supports decision-making, considering risks and high standards of integrity.

See our **Governance Newsletter** available on the website

Click here to view **the duties and the Rules of Procedure of our governance bodies**

Click here to learn more about **the composition of the governance bodies**

BOARD OF DIRECTORS

Composed of seven members elected at the Annual General Meeting, two of whom are independent, this is the Company's highest governance body. Members are selected for their qualifications, availability, impeccable reputation and diversity to address topics related to economic, environmental, social, and governance (ESG) issues, as per the Bylaws and Rules of Procedure, Law 6.404/76 and Novo Mercado Regulations. Note that the Chairman of the Board of Directors is not an executive officer. **(GRI 2-9, 2-10, 2-11)**

The Board's performance is reviewed during each term and can rely on the assistance of specialized external consultants. This process focuses on the board as a whole and includes questionnaires covering aspects such as composition, dynamics, culture, structure and processes. The results are presented to the People Management Committee and the Board. **(GRI 2-18)**

The Board holds regular monthly meetings and extraordinary meetings when necessary. It is tasked with establishing the Company's strategic guidelines, general policies and directives, and supervising the executive management of business, including fostering a culture of sustainability and monitoring actions through specialized committees. To maximize process effectiveness, the Board oversees process implementation, evaluates results, identifies opportunities for improvement and communicates results transparently, following the applicable regulations. **(GRI 2-12, 2-17, 2-18)**

THE BOARD IS RESPONSIBLE FOR **OVERALL BUSINESS GUIDANCE**, CONSIDERING ECONOMIC, SOCIAL, ENVIRONMENTAL AND GOVERNANCE ISSUES

ADVISORY COMMITTEES

Responsible for supporting the Board of Directors on specific topics and assisting in decision-making, the committees meet regularly to discuss and analyze matters within their purview. Meetings can also occur extraordinarily, at the request of any of its members or by the Board of Directors. São Martinho has four committees: Audit Committee, Financial Committee, People Management Committee and Technological Innovations Committee. **(GRI 2-9, 2-15)**

OVERSIGHT BOARD

An independent management body and independent auditors, its main responsibilities include overseeing management's activities, analyzing the Company's financial statements and forwarding their conclusions to the shareholders. Composed of three serving members and an equal number of alternates, elected by the General Meeting, the Oversight Board meets ordinarily every quarter. **(GRI 2-9)**

STATUTORY EXECUTIVE BOARD

(GRI 2-9)

Tasked with managing São Martinho's business and regular operations, based on economic, social, environmental and corporate governance factors and in accordance with the Corporate Bylaws and strategic guidelines set by the Board of Directors. There are currently 11 members, who meet monthly in regular sessions and hold extraordinary meetings as needed.

ETHICS AND COMPLIANCE

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC)

An ethical culture has always been part and parcel of São Martinho's journey, with Compliance responsible for instilling best compliance practices, supervising ethical issues and potential conflicts of interest, and safeguarding the Company's credibility and reputation through constant dialog with the Ethics and Compliance Committee. **(GRI 2-15)**

Compliance plays a crucial role in educating employees and contractors by implementing policies, procedures and training to bolster an ethical culture and ensure the Company complies with applicable laws and regulations.

The Code of ethics and other policies are available to all employees and executives. In addition to training, the primary areas of focus are: Whistleblowing hotline, prevention of corruption, fraud, and violations of the Code of Ethics and Professional Conduct, Third-Party Management and Monitoring Privacy and Personal Data Protection issues.

The function provides periodic reports to the Ethics Committee on the whistleblowing hotline and relevant ethics and compliance issues. Compliance matters are also reported semiannually to the Audit Committee and the Board of Directors. The Tactical GRC Committee is the forum where compliance, risk and governance issues (among other topics) are addressed and discussed with all plant managers and officers. **(GRI 2-16, 2-25)**

A risk management methodology is applied to add an additional layer of protection (learn more in **Risk Management** and the infograph on **p. 38**). One hundred percent of our operations are subject to audits to assess risks related to corruption, conflicts of interest, fraud, misconduct, abuse among others. **(GRI 205-1)**

The Company provides continuous online training on Ethics and Compliance, Related-Party Transactions, and the Brazilian General Data Protection Regulation (BR GDPR) for employees, conducted by the Governance, Risk, and Compliance (GRC) practice. Ethics and Compliance training is mandatory and includes an assessment. All training can be accessed through a learning platform available for mobile use, allowing employees the flexibility to complete courses at their convenience. **(GRI 2-24, 2-25, 205-2)**

In the 2023-2024 crop year, the Compliance Track training, which includes the Code of Ethics and Compliance Principles, embraced over 11,000 employees and was also offered to contractors.

Learn more about our Code of Ethics and Policies **here**

Personal Data Protection and Privacy Channel: **privacidade@saomartinho.com.br**

ETHICS HOTLINE GRI 2-25, 2-26

Compliance is responsible for preventing, detecting, and monitoring non-compliance issues and is supported by the Ethics Hotline. This Hotline is run by an external and independent firm, which forwards the matters to Compliance for internal investigation. It ensures anonymity, confidentiality and non-reprisals for whistleblowers.

The reports have four types of classification: complaint, concern, occupational health and vehicular health (SSO), and compliments/inquiry/suggestion. This is also a tool for stakeholders to express dissatisfaction or provide additional information in their reports. In the 2023/2024 crop year, the whistleblowing hotline recorded 403 reports, of which 271 were resolved by 03/31/2024, while the remaining were under investigation at the time of this report's publication.

The information and data from the hotline are reported quarterly to the Ethics Committee and semiannually to the Board of Directors and Audit Committee.

Stakeholder involvement in this process is evaluated through analytical reports from the ethics hotline, legal proceedings and community engagement, enabling the continuous improvement of remediation processes. The organization maintains an active feedback system to inform complainants about the progress and resolution of their complaints.

SERVICE CHANNELS

Website
Click here

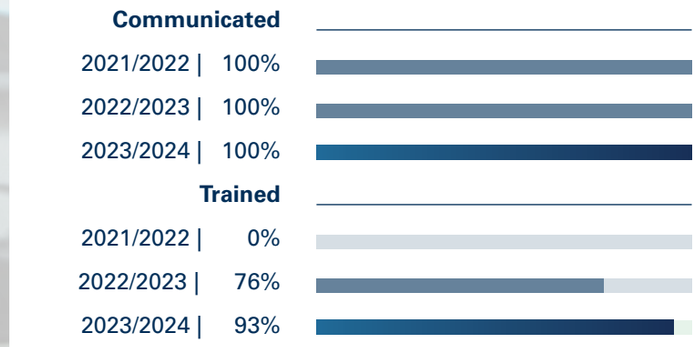
Tel.
0800-777-3131 (toll free)

E-mail
etica@saomartinho.com.br

Intranet
Click here

THE DATA FROM THE ETHICS HOTLINE IS REPORTED TO THE **ETHICS COMMITTEE** AND **GOVERNANCE BODIES**

Employees who have received communications and training on anti-corruption procedures[1]
GRI 205-2



[1] The Company offers training such as the Compliance Track, which addresses ethical and integrity issues, and provides access to the Code of Ethics and Professional Conduct, the Anti-Corruption Policy, and the Policy on Related-Party Transactions and Conflicts of Interest. These resources are accessible to all employees via the intranet and the Company's website, **available here.**

INSTITUTIONAL AND GOVERNMENT RELATIONS: MONITORING THE REGULATORY ENVIRONMENT

(GRI 2-29)

The Institutional, Governmental, and Regulatory Relations function at São Martinho closely monitors the country's legislative and regulatory agenda to identify changes that may directly or indirectly affect the Company's activities and strategy.

The main monitoring topics include the country's energy transition agenda, legislative projects such as the Regulated Carbon Market and the Future Fuel Program, which pave the way to consolidate biofuel as an essential product for the country's decarbonization and represent business opportunities for the Company, as well as the Tax Reform and all its regulations.

Active membership of associations and representative entities of the sectors where our main business fronts are located is the foundation of our relationship with society and the three branches of government to defend our interests in the political, governmental and regulatory environment. In this context, the participation in the following entities and associations deserves special mention. (GRI 2-28, 2-29)

Brazilian Bioinnovation Association (ABBI)

Brazilian Biogas Association (Abiogás)

Brazilian Association of Listed Companies (Abrasca)

Brazilian Association for Research & Development at Innovative Companies (Anpei)

Sugarcane and Bioenergy Industry Association (Unica)

Goiás State Ethanol Industry Union (Sifaeg)

RISK MANAGEMENT

(TCFD. 3.A, 3.B, 3.C, GRI 201-2, GRI 2-25)

33

GENERAL, TACTICAL AND STRATEGIC RISKS

With proactive management aimed at business longevity and continuity, our Risk Management Policy follows the principles and guidelines of ISO 31000. This structure allows us to act strategically and in alignment with the best practices of our sector.

By adopting this structured and systematic approach, we can anticipate and manage challenges that may impact our objectives, strengthening our resilience and ability to create and protect value over time.

The responsibility for risk management, including ESG issues, lies with all employees, following the guidelines set by the Risk department, with the risk matrix and control effectiveness reported periodically to the Executive Board and the Board of Directors. The process is coordinated by the Risk department. **(GRI 2-12, 2-13)**

The constant access of senior leadership to risk management mechanisms ensures the matrix is always up-to-date, highlighting the risk management culture and the leaders' responsibility in this process.

Every three years, or due to changes in the Company's situation, the Risk department may review the corporate risk matrix to keep it updated, with the support and deliberation of senior management. In the 2023/2024 crop year, the Risk Matrix was reviewed due to the corn ethanol plant starting operations.

The current risk matrix includes 33 mapped corporate risks, of which eight are strategic: changes in sales prices, interest rates, exchange rates, and inputs; environmental damage; personnel shortages; lack of raw material; failure in field processes; failure in milling processes; cyber risks; and regulatory changes. Strategic risks are reported monthly to the Executive Board and the Board of Directors, along with high and very high-level tactical risks, for awareness and approval of proposed actions to align the risk level with the Company's risk appetite. Other tactical risks are reported quarterly. **(GRI 2-16)**

The risk management process is the responsibility of managers and covers the stages of providing context, identifying, analyzing and addressing risks, with clear policies and procedures to define roles and responsibilities (learn about the practical process applied to fire risk in the infograph on p. 38).

In its Corporate Risk Matrix, São Martinho includes the risk associated with "Non-compliance with ESG ambitions," demonstrating its attention and commitment to embedding climate and environmental, social, and governance (ESG) considerations into its operations and business strategy.

São Martinho uses a 5x5 risk matrix. This tool determines the likelihood of a risk occurring relative to the potential impact should it indeed materialize. This allows the Company to clearly view risk levels to support decision-making. **(TCFD.2.A)**

After analyzing the inherent probability and impact, effectiveness tests of the existing controls associated with the causes and impacts are conducted, resulting in the residual risk matrix, following a progressive scale (very low, low, medium, high, or very high). Limits, criteria, and exposure are defined in joint forums with departments and approved by senior leadership. **(TCFD.2.A)**

During the season, we conducted training on corporate resilience, covering emergency, crisis and business continuity. We are working with the departments to hone this culture. The launch of the Risk Management Manual is worth mentioning, which facilitates integration with other Company departments, including the Integrated Management System (SGI), allows for a systemic assessment of risks. The function relies on technologies to support managers in risk management, providing timely and reliable information for decision-making. **(GRI 2-25)**

RISK MANAGEMENT INTEGRATES WITH OTHER MANAGEMENT PROCESSES, PROMOTING SYNERGY AND STANDARDIZATION

OUR RISK CATEGORIES

FINANCIAL AND MARKET
Risks derived from economic changes, macroeconomic events, prices of sold products, inputs, interest rates and exchange rates.

ENVIRONMENT
Environmental risks encompass natural disasters, pollution and other environmental impacts.

PEOPLE
Risks related to human resources management, such as recruitment, training, employee health and safety, and workplace well-being.

OPERATIONAL
Risks arising from failures in the Company's internal processes, including human errors, supply chain disruptions, and events that may interrupt normal operations.

LEGAL/REGULATORY
Legal and regulatory risks, such as litigation, non-compliance with laws and regulations, and contractual disputes, which can trigger legal penalties.

COMPLIANCE
Risks associated with non-compliance with industry standards and regulations, internal policies and codes of conduct.

THIRD PARTIES
Risks related to third parties, such as suppliers, service providers and other external partners, that may affect the Company's operations.

TECHNOLOGY
Risks related to cybersecurity, such as cyberattacks and failures in information technology infrastructure.

EMERGING
Risks resulting from changes in society, the environment and other domains, with potential substantial impacts on people, organizations and the economy.

Corporate and operational risk management

Follow the 4-step risk management process, based on ISO 31000, through a practical example: canefield fires

1 BACKGROUND

Scope: Agricultural - São Martinho Process Agricultural Services

Context: Stakeholders, internal and external factors, objectives, values, beliefs and others

Risk criteria: 5x5 matrix, probability and impact criteria and assessment tools

2 IDENTIFICATION

Hazards and risks that may impact achieving objectives

Event/Scenario: Fire in a cane field or permanent conservation area (APP - over 100 ha)

Corporate risk associated with cane field fire

Threats: Fire outbreaks

Causes: Lightning, lanterns, bonfires, low humidity, high temperatures, among others

Consequences: Possible financial, environmental and operational impacts and impacts on human life

RISK GOVERNANCE

1st Line (Managers): Responsible for risk management processes

2nd line (Back Areas): supports line 1 and connects strategy to management

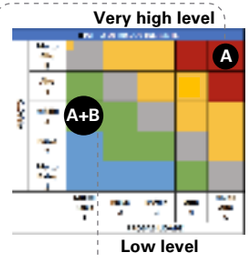
3rd line (Internal Audit): validates the risk management process within the company's departments

3 ANALYSIS AND ASSESSMENT (A)

Determining the risk level

Probability
- Frequency: infrequent or not at all
- Expectation: Imminent

Impact
- Financial: Moderate
- People: Very high
- Operation: Very high
- Image: Moderate
- Legal: Moderate
- Environment: High



CONTROLS (B)

Measures that modify the risk

Preventive
- Checklist for conditions and maintenance of firebreaks
- Monitoring tower

Controls effectiveness tests

Soil amendments
- Fire brigade trucks positioned at strategic points, 8 pump sets, equipment and training
- Emergency response plan (PAE) and
- Mutual emergency response plan (Merp)

Approximate cost: R$ 11 million

4 TREATMENT

Action Plan: Prepare procedures related to disclosing São Martinho's emergency response documents.
Term: 3 months

PROJECTS AND INVESTMENTS

In the 2023/2024 crop year we continued actions that prioritize innovation, capacity increases, digital transformation, diversification of energy sources and new revenue sources. From April 2023 to March 2024, our consolidated Capex reached R$ 2.5 billion.

See below a summary of the main investments made and approved.

BIOMETHANE PLANT

Where: Santa Cruz Mill (SP)
Investment planned by 2026:
R$ 250 million
Operational start-up: 2025
ESG Benefits: *a renewable fuel alternative capable of replacing fossil natural gas, effectively contributing to the energy transition. An example of a circular economy, it is produced by biodigesting vinasse, a byproduct of ethanol production, in a waste-to-value process that yield an energy source.*

CORN ETHANOL PLANT

Where: Boa Vista Mill (GO)
Total investment: R$ 740 million
Operational start-up: 2023
ESG benefits: *creation of about 1,400 direct and indirect jobs, the hiring of suppliers with priority given to local residents, and increasing the proportion of biofuels in Brazil's energy matrix. A pioneering project worldwide, introducing a new concept of energy efficiency, notably integrating steam and energy generation for both plants (corn and sugarcane) located at the mill.*

In numbers:
500,000 tons/crop year - processing capacity

210,000 m³ of ethanol/year

150,000 tons of DDGS/year

10,000 tons of corn oil/year

EXPANSION OF THERMAL POWER PLANT (UTE)

Where: São Martinho Mill (SP)
Total investment: R$ 330 million
Operational start-up: 2024 forecast
ESG Benefits: *up to 85,000 tons of greenhouse gas emissions will be avoided versus the emissions caused by generating energy from natural gas.*

In numbers:
177 GWh of energy exported annually

25-year contract term (starting in 2025)

INDUSTRY 4.0 AND DIGITAL TRANSFORMATION

To ensure business longevity, increase production and efficiency, improve working conditions, and enhance process safety, we are creating and developing digital platforms using technologies such as IoT, machine learning and Artificial Intelligence (AI). These tools form a new way to operate, manage and design industrial plants seamlessly.

Investment: R$ 23.1 million
Implementation completion: 2030
ESG Benefits: *Lower input consumption; development of employees through digitization; deployment of technologies in Brazil; improved productivity and efficiency, helping reduce natural resource, water and bagasse use, increasing boiler efficiency; energy production; and reducing maintenance through process stabilization.*

TWO-ROW HARVESTER

With 25% higher productivity compared to a single-row harvester, this equipment used in the mechanized sugarcane harvesting process lowers fuel consumption by up to 21%. In 2023/2024, we advanced the implementation plan for this technology and are currently in the funding phase. The equipment is the result of mixing innovation and agricultural technology. The machine was refined for over six years at São Martinho before its launch as a product in partnership with the supplier.

Investment: to be calculated from the 2024/2025 crop year.
Implementation completion: 2030.

ESG Benefits: *lowering diesel use brings environmental benefits by driving down greenhouse gas emissions. It also reduces the risk of soil compaction, as the harvester moves through one less sugarcane row.*

RESOURCES AND FINANCING

With an investment grade rating in the S&P Global Rating (BBB-/stable), São Martinho seeks to lengthen its debt profile, in addition to seeking to raise funds through specific facilities that businesses that adopt ESG, as is the case of the bioenergy chain.

We issued our first Agribusiness Receivables Certificates (CRA) in 2017, attesting to our leadership in the sector. In 2020, São Martinho secured green financing of R$ 942 million from BNDES for projects at the Boa Vista and São Martinho mills, including a corn ethanol plant and a new cogeneration plant.

In 2021, the Company made its Third Debentures Issuance with R$ 500 million in Infrastructure debentures that received a green label from NINT (formerly Sitawi). This issuance was used to finance the corn ethanol production plant at the Boa Vista Mill and operational improvements.

In March 2022, a new Infrastructure Debenture with a Green Label (second opinion) from S&P was issued, amounting to R$ 1.1 billion. This was directed towards the maintenance of sugarcane fields and mills, modernization of *biodiesel* production activities, inter-harvest maintenance, new equipment, investment in planting and crop treatments, environmental and legal expenses.

The issuance backed by Standard & Poor's is intended to finance sustainable development projects.

We have also planned an investment of R$ 250 million in biomethane production by 2026. Supported by BNDES and Finep, the project obtained financing with an average term of about eight years. It's also worth mentioning that we accessed the BNDES Climate Fund, a specific facility for supporting projects that reduce greenhouse gas emissions and adaptation to climate change. These initiatives reflect São Martinho's commitment to reducing greenhouse gas emissions and fostering a renewable carbon market, aligning with the goals of the Paris Agreement and Sustainable Development Goal (SDG) 7.

R$ 1.1 BILLION

in green infrastructure debentures issued in 2022

OPERATING AND FINANCIAL PERFORMANCE

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC)

Our financial discipline built over the years provides a solid foundation to withstand possible turbulence, as evidenced in the past two years. The 2023/2024 crop year was beset by international turmoil, including the ongoing war in Ukraine and the conflict between Israel and Palestine. There were also significant climatic variations and a drop in fuel prices. However, the anticipated increase in demand for ethanol did not materialize. These factors negatively impacted ethanol profitability.The control and efficiency measures were responsible for minimizing the impact on our earnings.

In the 2023/2024 crop year, we processed 23 million tons of sugarcane, an increase of 15.2% compared to the volume processed in the same period of the previous crop year.

The corn ethanol plant at the Boa Vista Mill (GO) entered operation in the first quarter of 2023/2024 and achieved an accumulated milling of 391,000 tons during the crop year. We expect to leverage milling to full capacity in the 2024/2025 crop year.

23

million metric tons of sugarcane processed, up 15.2% on the previous crop year

R$ 10.7

billion in assessed market cap

1,468,000

tons of sugar in the and 1,104,000 m³ of ethanol produced

In the crop year, approximately 1,468,000 tons of sugar were produced (+21.7%) and 948,000 cubic meters of cane ethanol (+5.5%), thanks to better sugarcane productivity and a higher sugar mix during the period. Corn processing contributed 156,000 m³ to the ethanol produced, along with an additional 100,000 tons of DDGS.

The combined operation of sugarcane and corn processing produced a total of 3,423,000 tons of ATR (+22.1%), of which 3,155,000 tons (+12.5%) came from sugarcane milling. The average ATR decreased by 2.4% due to the fact that the harvest period was extended until December and higher rainfall levels in the crop year.

Our market cap was R$ 10.7 billion, reflecting the positive perception of our business. Since 2019, we have held the Global Investment Grade rating from S&P, reinforcing confidence in our performance and financial solidity. The Adjusted EBITDA for the 2023/2024 crop year was R$ 3.1 billion, a decrease of 8.5% compared to the previous period. This reduction was primarily due to lower ethanol prices during the period.

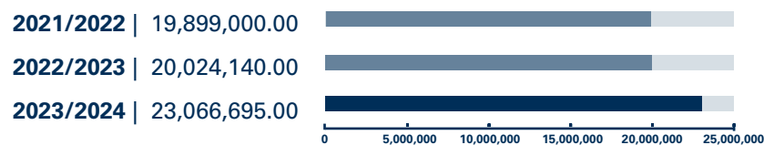
NET REVENUE INCREASED BY **4.2%** FROM THE PREVIOUS CROP YEAR TO **R$ 6.9 BILLION**

The result reflects a higher sales volume of sugar (+21.4%), in addition to higher prices (+14.2%). Operating cash flows (Ebitda - Capex) were R$ 1.9 billion in the crop year, 11.8% less than in 2022/2023.

Net debt at year end was R$ 3.3 billion as of March 2024, 5.5% less than in March 2023 driven by higher investment in expansion. Our net debt is 96.2% denominated in Reais and the remaining 3.8% in US dollars. Average maturities reflect recent debt-lengthening measures, with 83% of our debt now long term. Our net debt/Ebitda ratio has been maintained at managed levels, ending 2023/2024 at 1.08x, virtually unchanged on the 1.05x in the previous crop year.

PROCESSED SUGARCANE BY CROP YEAR (IN TONS)

SASB FB-AG-000.A



For further details on São Martinho's operational and financial performance, please see our consolidated financial statements, which follow the scope of this report and are available on our Investor Relations website.

See the Investor Relations website

Value creation and distribution[1] (GRI 201-1)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Revenue			
Gross sales of goods and products	6,100,700	6,814,471	7,234,082
Revenue relating to construction of Company assets	1,365,635	1,684,768	1,831,030
Reversal of the allowance for doubtful accounts[2]	-	-	14
Other revenue	12,817	8,705	15,018
	7,479,152	**8,507,944**	**9,080,144**
Inputs acquired from third parties			
Costs of goods sold	-1,189,790	-1,567,513	-2,055,256
Material, electricity, outsourced services and other operational expenses	-1,545,975	-2,040,986	-2,281,199
Loss of asset values[2]	-	-	-2,814
	-2,735,765	**-3,608,499**	**-4,339,269**
Gross added value	4,743,387	4,899,445	4,740,875
Depreciation and amortization	-779,652	-1,075,457	-1,141,214
Biological assets harvested	-846,612	-1,049,119	-1,207,230

Value creation and distribution[1] (GRI 201-1)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Net added value produced by the entity	3,117,123	2,774,869	2,392,431
Transferred value added			
Share of profit (loss) of equity-accounted investees	7,358	5,033	8,318
Finance revenue	718,855	697,920	675,241
Other	476,187	565,155	1,594,153
Added value to be distributed	4,319,523	4,042,977	4,670,143
Distribution of added value			
Payroll and related charges	975,817	1,062,848	1,246,980
Taxes, fees and contributions	662,473	376,880	522,190
Lenders	1,200,095	1,587,505	1,424,694
Dividends and interest on equity	135,000	255,000	155,000
Retained earnings for the year	1,345,868	760,744	1,321,279
Added value distributed	4,319,523	4,042,977	4,670,143

[1] The data is collected on an accrual basis, with national coverage.

[2] This category is not applicable for comparative periods, only for the 2023/2024 crop year.

Our operations year on year SASB FB-AG-000.A, B and

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Production by harvest/principal crop (t) - Sugarcane	19,899,014	20,024,140	23,066,695
Number of processing facilities	4	4	4
Total land area under active production (ha)	195,542	196,673	199,071

Summary financials (R$ thousand)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year	Change (%)[1]
Net Revenue	5,764,670	6,643,463	6,922,302	4.2%
Adjusted Ebitda	3,141,952	3,355,541	3,070,147	-8.5%
Adjusted Ebitda Margin	54.50%	50.50%	44.4%	-6.1 p.p.
Adjusted Ebit	1,795,348	1,704,103	1,229,844	-27.8%
Adjusted Ebit Margin	31.10%	25.70%	17.8%	-7.9 p.p.
Copersucar Rights	415,476	475,761	1,213,646	155.1%
EBIT	1,939,241	1,193,612	1,786,621	49.7%
Net Income net of IFRS 16 effects	1,406,064	1,130,904	1,564,416	38.3%
Non-cash effect of IFRS 16 on Net Income	74,804	-115,160	-88,137	-23.50%
Net Income	1,480,868	1,015,744	1,476,279	45.3%
Cash Income	1,528,575	1,291,396	1,400,983	8.5%
Leverage (Net Debt/Ebitda)	0.93 x	1.05 x	1.08 x	n.m.

[1] Change in 2023/2024 Crop Year in relation to 2022/2023.

Revenue by product (%)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year	Change (%)[1]
Sugar	40.7	39.3	52.3	33.1%
Ethanol	51.9	52	39.0	-25.1%
Electricity	4	3	2.8	-7.7%
Yeast	0.8	0.9	0.9	-3.0%
Real estate	0.9	0.1	0.1	37.6%
CBIOs	0.6	1.2	1.1	-9.1%
Others	1.1	3.5	3.9	10.4%
	100	100	100	

[1] Change in 2023/2024 Crop Year in relation to 2022/2023.

Operational data	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year	Change (%)[1]
Processed Sugarcane ('000 t)	19,899	20,024	23,067	15.2%
Own ('000 t)	13,911	13,964	15,985	14.5%
Grower ('000 t)	5,988	6,060	7,082	16.9%
Yield in the period (t/ha)	71.8	70.9	84.8	19.7%
Average TRS (kg/t)	146.7	140	137	-2.4%
Production	**2021/2022 Crop Year**	**2022/2023 Crop Year**	**2023/2024 Crop Year**	**Change (%)[1]**
Sugar ('000 mt)	1,303	1,206	1,468	21.7%
Ethanol ('000 m^3)	913	899	948	5.5%
Electricity exports	760	755	708	-6.2%
TRS produced ('000 t)	2,920	2,804	3,155	12.5%
Sugar - ethanol mix	47% / 53%	45% - 55%	49% - 51%	-

[1] Change in 2023/2024 Crop Year in relation to 2022/2023.

See more about our financial performance on our Investor Relations *website*

4

HUMAN AND SOCIAL CAPITAL

IN THIS CHAPTER

HUMAN AND SOCIAL CAPITAL

GRI 2-29

We believe that human and social capital enable the success of our business model, reflecting the company's history and vocation. São Martinho views strengthening its relationships with our stakeholders, both internally and externally, to be a priority. Last crop year we developed our Social Responsibility Strategy, which uses the concept of Shared Value as a lever for growth.

Rooted in established market references, this strategy shaped the guidelines for the Company's relationships with employees, suppliers, business partners and the communities surrounding our facilities. Two work fronts were opened. One aims to structure governance and manage the Social Responsibility topics; the other seeks to address Social Transformation initiatives through Education, based on the related Sustainability Ambitions.

CSR activities are based on the Participatory Social Assessment, the Human Rights Impact Assessment (Disap/DDH), and the Inclusion Perception Evaluation Study.

A Participatory Social Assessment (Disap) was conducted, which allowed us to map challenges and opportunities in São Martinho's geographies. From this mapping, it was possible to define strategic axes and thematic lines in the Social Transformation through Education front for social investment in local communities. The goal of the Human Rights Assessment was to assess human-rights risks, identifying challenges and opportunities in the value chain. The Inclusion Perception Evaluation Study, in turn, allowed us to assess the current situation of the topic for a more strategic approach to make improvements in the workplace and enhance business performance.

We reaffirm our commitment to fostering the hiring of local labor, seeking to boost the economy in our geographies.

To contribute to the development of this workforce and the entire value chain, we have established initiatives to foster social transformation, employability and entrepreneurship in these localities. In the 2023/2024 crop year, projects such as Women's Qualification and Future Entrepreneurs stood out (read more on pages **62** and **114**). Another program set to begin in the next crop year is the training of local agents for social transformation. This program fosters the qualification of social organizations through autonomy and freedom of action, increasing the preparedness of agents in each community to better manage their community's needs.

WE STRENGTHEN BONDS WITH **OUR STAKEHOLDERS**, BOTH INTERNALLY AND EXTERNALLY

PEOPLE MANAGEMENT

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

Throughout our journey, we have built our reputation and culture on solid values that guide the professional conduct of our employees, focusing on talent, dedication, companionship, respect, opportunity and pride.

Regarding employees, our management model maintains guidelines associated with Strategic People Management (SPM), reporting to the Board of Directors. To value and attract talent, we have established a set of initiatives focused on attraction and selection, training, engagement, retention, career and succession, and organizational culture. We also direct efforts towards remuneration and benefits, and the diversity and inclusion agenda.

At the end of the crop year, our human capital consisted of

12,705 DIRECT EMPLOYEES,
36 TRAINEES,
437 APPRENTICES, AND
25 INTERNS, IN ADDITION TO
552 CONTRACTORS

The company's people management is based on the HR Master Plan, the Remuneration Policy, the Health and Safety Policy, and the Human Organizational Development (HOD) Policy. For the upcoming cycles, the company's main challenges are advancing the people strategy and continuous education.

The Company has received plaudits for its work in human capital development, highlighted by the Excellent Place to Work certification from GPTW – Great Place to Work, achieved in 2023, the first year São Martinho applied for the certification. This is a global consultancy firm that helps organizations get the best results through a culture of trust, high performance and innovation. The certification is obtained through an anonymous and confidential survey to ascertain the opinions of company's employees. The survey identifies the organization's strengths and opportunities for improvement.

STRATEGIC PEOPLE MANAGEMENT

(GRI 3-3 MANAGEMENT OF MATERIAL TOPIC)

The second cycle of the Company's HR Master Plan includes the Strategic People Management project, divided into three key areas: recognition, assessment and development. On the assessment front, the Company has implemented pilot assessment tools in the past two years. This includes a performance assessment process and a potential assessment process. The pilot assessed all Company managers and advisors.

In the 2023/2024 crop year, this tool was extended for use throughout the Company starting in the next cycle. The process will consequently be extended to approximately 5,000 employees, focusing mainly on all leadership levels. This will enable us to aim allocate our career development and progression initiatives more precisely, steering the prioritization of meritocracy.

We have scheduled communication actions throughout 2024 alongside some 20,000 hours of training (divided between in-person and online training through our learning platform), aimed at the Company's teams until the end of the next crop year. By strengthening the assessment front, we are driving the development and recognition fronts of the People Management Program.

Workforce by employment contract and region[1 2 3 4] GRI2-7

Region	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Definite term	Indefinite term	TOTAL	Definite term	Indefinite term	TOTAL	Definite term	Indefinite term	TOTAL
Midwest	270	2,265	2,535	202	2,313	2,515	205	2,378	2,583
Southeast	845	9,272	10,117	811	9,316	10,127	602	9,520	10,122
TOTAL	**1,115**	**11,537**	**12,652**	**1,013**	**11,629**	**12,642**	**807**	**11,898**	**12,705**

[1] This indicator does not include members of the Board, Executive Board, Third Parties, Apprentices, Interns and Trainees.

[2] We do not have employees in other regions of Brazil.

[3] There is a variation in the number of employees on fixed-term contracts, influenced by the crop year and the off-season cycle.

[4] The numbers were taken from the SAP Success Factors at the end of the crop year (March/24). The report includes the total number of active employees, and the data selected was for the period March 01 to 31, 2024.

Workforce by work category and gender[1, 2] GRI 2-8

	2022/2023 Crop Year			2023/2024 Crop Year		
	Men	Women	TOTAL	Men	Women	TOTAL
Apprentices	276	144	420	281	156	437
Interns	12	19	31	17	8	25
Trainees	28	13	41	21	15	36
Contractors[3]	342	72	414	481	71	552
TOTAL	**658**	**248**	**906**	**800**	**250**	**1,050**

[1] The numbers were extracted from the SAP Success Factors database at the end of the crop year (March/2024), and the contractor data was identified by Payroll. The report includes the total number of active workers, and the data selected was for the period March 01 to 31, 2024.

[2] Our headcount did not vary significantly.

[3] The Company's contractors, hired by Procurements, work in various fields including security, health, cleaning, maintenance and food services. They perform security patrols at our plants and gatehouses. In health, they conduct activities such as workplace exercises. In cleaning, they are responsible for the general cleaning of offices. In maintenance, they primarily work in boiler operations, always under the supervision of the Occupational Health and Safety (OHS) team. In food services, they work in site restaurants.

REMUNERATION POLICIES (GRI 2-19, 2-20)

The formulation of our remuneration policies involves a competitive market analysis and internal evaluations to maintain salary balance. Definitions are based on each position's score, compared with market benchmarks through external consultancy. At the General Meeting, shareholders exercise their voting rights on the proposed annual remuneration proposed for senior management. Based on the Final Analytical Voting Map of the 2023 Annual General Meeting, published on July 28, 2023 and available on our website, approximately 98% voted in favor of the annual global remuneration. The Shareholder Remuneration Policy is approved by the Board of Directors, in accordance with the responsibilities outlined in the Bylaws.

For senior leadership, there is a structure that combines fixed and variable remuneration. The compensation package includes the ICP (Short-Term Incentives), PPR for direct employees (CLT basis), bonuses for management-level employees, and the ILP, which offers long-term incentives and virtual stock options for executives. Attraction bonuses or incentive payments are not offered. Severance payments are made in accordance with current legislation. There is no clawback of bonuses and incentives. Future employee planning is covered by the Segundo Tempo ("Second Half") Program and Private Pension. We have also embedded an ESG-specific indicator into the bonus system.

There are short-term financial incentives for certain administrative and management-level employees indexed to the achievement of sustainability-related indicators, including climate issues. This is part of the bonus program, as defined in the Management Compensation Policy. The indicators are evaluated across five performance levels, with the last two levels (50% and 100%) deemed satisfactory, influencing the bonus composition. Each indicator must represent at least 5% of the total. Examples of indicators include progress in emissions avoided due to productivity and São Martinho's performance in capital market ESG indexes.

OUR INITIATIVES

PROFESSIONAL DEVELOPMENT
(GRI 404-2)

The Company has been forming a robust set of initiatives over the years to value, develop and train its employees and leadership. We support the professional development of employees with training and internal programs, scholarships for postgraduate courses, and a program to assist employees through career transitions, especially employees nearing retirement or dismissed unfairly.

Behavioral Awareness Program

This includes both theoretical and hands-on activities to instill our culture and build awareness about risks and the importance of sound decision-making for a safe workplace. In the 2023/2024 crop year, the training program entered its 25th edition, around an eight-hour schedule.

Agroindustrial Meeting

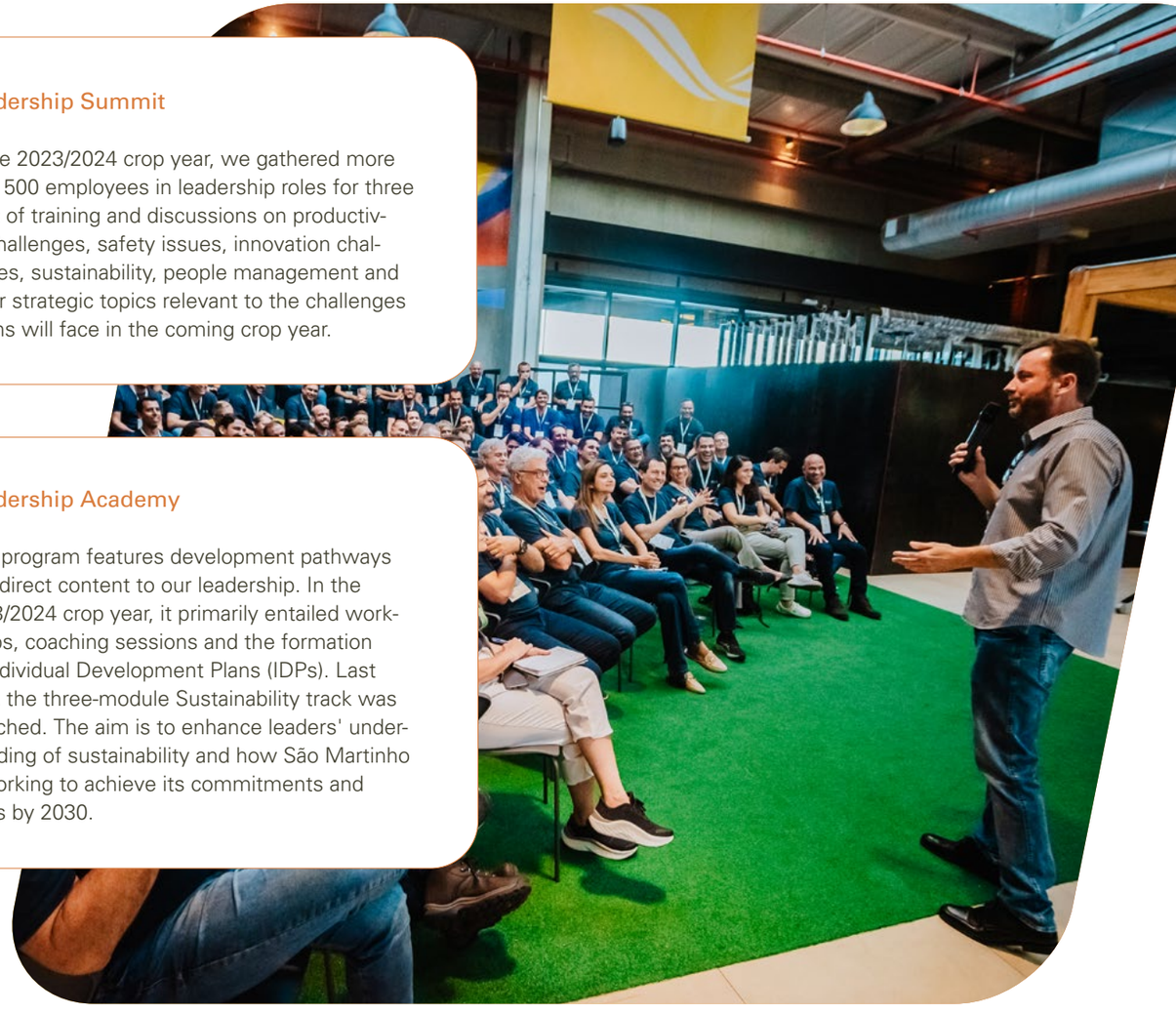
The primary objective of this meeting is to bring together senior leadership and the agroindustrial board to align priorities and strategies for the next crop year. Topics of discussion include safety, sustainability, governance, innovation and other relevant subjects.

Leadership Summit

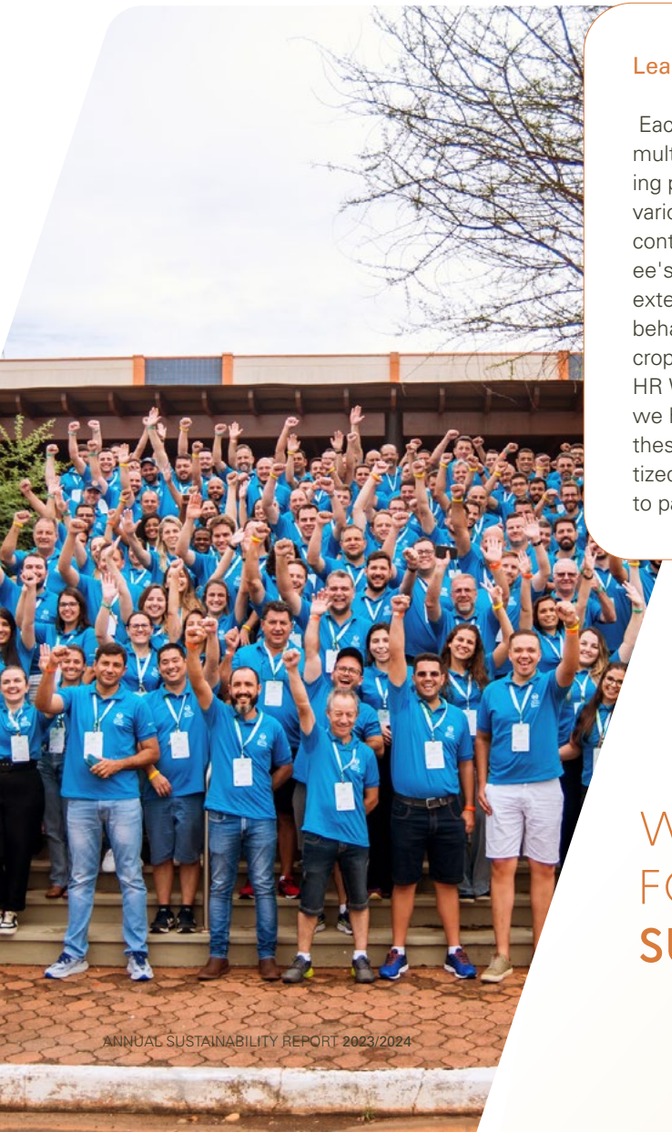
In the 2023/2024 crop year, we gathered more than 500 employees in leadership roles for three days of training and discussions on productivity challenges, safety issues, innovation challenges, sustainability, people management and other strategic topics relevant to the challenges teams will face in the coming crop year.

Leadership Academy

This program features development pathways that direct content to our leadership. In the 2023/2024 crop year, it primarily entailed workshops, coaching sessions and the formation of Individual Development Plans (IDPs). Last year, the three-module Sustainability track was launched. The aim is to enhance leaders' understanding of sustainability and how São Martinho is working to achieve its commitments and goals by 2030.



OUR INITIATIVES



Learning Platform

Each year, this tool solidifies its multiplicative and value-creating potential. The platform offers various learning pathways and content that boost each employee's development, serving as an extensive source of technical and behavioral expertise. In the last crop year, Technology Week and HR Week were memorable events we hosted. Through the platform, these Weeks were democratized, enabling more employees to participate.

Trainee Program

In the 2023/2024 crop year, we built our largest program with 16,000 applicants and 49 selected trainees. During a 12-month period the trainees underwent four development pathways: Behavior and Culture, Personal Development, Health and Safety and Business Development. We also visited universities around our facilities and participated in fairs to promote São Martinho's culture and programs to these groups, as part of the Company's employer branding campaign.

Internship Program

Provides an initial touchpoint with the Company's culture in different training areas, with 25 participants in the crop year.

Values in Action Program

The initiative resumed in the 2023/2024 crop year to nurture and prepare internal talent for future challenges, meet business needs, and groom successors for strategic positions within the Company. The 18-month program comprises modules on behavioral development, technical skills and business knowledge, along with tracking participants' progress and presenting a project to complete the program.

Projovem and Projovem Apprentice

These programs focus on preparing young people for their first job, combining theory at Associação de Amparo e Proteção ao Menor (AAPM) in Pradópolis with practical experience at the Company for Projovem Apprentice participants, fulfilling affirmative representation legislation.

Segundo Tempo program ("Second Half")

This program prepares employees for the end of their careers, supporting on retirement or termination of employment contracts.

WE HAVE ROBUST INITIATIVES FOR **VALUING, TRAINING** AND **SUPPORTING EMPLOYEES**

OUR INITIATIVES

Senai Apprentice

In collaboration with Senai, this program focuses on technical development and market readiness, with theoretical and practical activities.

Agricultural Maintenance Program

In partnership with Senai, this program trains employees in the maintenance of agricultural implements.

Executive Board Development

Meetings to form executive teams, foster strategy sharing, hone personal skills, strengthen organizational culture and discuss specific area topics. These are conducted with HR support and, when necessary, specialized consultancy firms.

Technical Training

Training programs to nurture specific technical skills for employee functions, often in partnership with specialized consultancy firms.

Training on Standards

Mandatory training defined by regulatory standards, essential for certifying employees in their roles.

On-Demand Training

Focused on developing specific skills, this training can be provided by external consultancy firms.

Scholarships

Reinforcing our belief that education is an important means of social transformation and employee development, the scholarship program offers financial support for employees pursuing undergraduate, postgraduate or specialized studies, aiming for development for future positions or enhancement of skills in fields the Company needs.

DIVERSITY, EQUITY AND INCLUSION

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC)

Our focus on diversity and inclusion encompasses initiatives for defending Human Rights, addressing cases of non-compliance and hires in a way that increasingly broadens the variety of profiles, perspectives and skills within the Company.

We established guidelines through the Code of Ethics and Professional Conduct and the Social Responsibility Policy to combat harassment and discrimination. Our compliance management structures lends support to this fight, not only for internal stakeholders but also for our partners, suppliers and all participants in the supply chain. Suspected deviations from these standards can be reported via our Ethical Hotline (read more about the Ethical Hotline in **Ethics and Compliance**). In 2023, we logged a single case of discrimination, in which the Company issued a formal warning to the employee involved after an investigation found the complaint was substantiated. In 2022, there were two cases of discrimination recorded through our whistleblowing channel. **(GRI 406-1)**

São Martinho conducted a detailed assessment and opinion survey on Inclusion, entailing 18 interviews with senior and mid-level leadership, alongside an opinion perception survey aimed at 147 employees from different levels. This study identified the need for education on Diversity and Inclusion and highlighted minority groups that require priority attention, such as People with Disabilities and Women.

In the 2023/2024 crop year, we created an awareness agenda for the inclusion of people with disabilities. Among the internal initiatives, we worked on identifying suitable job positions for people with disabilities to fill these vacancies. São Martinho has a Judicial Agreement with the Ministry of Labor Prosecutor's Department, signed on December 09, 2020, whereby it undertook to meet the 5% legal quota by December 01, 2024, and to make structural and procedural adaptations to ensure accessibility by May 2025. In the 2023/2024 crop year, our action plan led us to achieve 81% of the agreement's target in December 2023, surpassing the 75% expected in the commitment.

Women are another key focus for our diversity, equity and inclusion initiatives. The main initiative for women's inclusion is part of the Social Transformation through Education pillar. This is the Women's Qualification project, undertaken in our geographies (read more in **Community Relations and Local Development**).

In 2010 we introduced extended maternity leave at our mills of 180 days, also extending paternity leave from five to 15 days.

HEALTH AND SAFETY

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC)

One of São Martinho's material topics, occupational Health and Safety management is based on protocols and processes that identify risks and ensure operational safety. Additionally, this approach encompasses quality of life and physical integrity issues for our employees and includes engagement actions to foster a safety culture. To strengthen this safety culture, we apply a behavioral risk assessment for safety during the selection process, allowing us to tailor training for new employees.

We have an OHS system with 13 elements/pillars. The approach addresses topics such as training, contractor management, vehicle safety, behavior, risk analysis, controls, inspections and leadership. Risk mapping and identification are conducted every 12 months or as needed following accidents. All employees are involved and/or represented in the process of building the system and its guidelines. **(GRI 403-1, 403-4)**

São Martinho maintains three formal Occupational Health and Safety (OHS) committees to ensure an effective management system: Strategic Committee (comprised of senior executives), Tactical Committee (composed of Agricultural, Industrial, Administrative Managers, the OHS Manager, Coordinators and Safety Consultants) and Operational Committee (includes Officers, Managers, Process Managers, and OHS and Operations Coordinators). These committees ensure the proper representation of all employees and workers. Meetings are held monthly, with extraordinary meetings as needed. **(GRI 403-4)**

During the reporting period, all identified risks were adequately addressed or eliminated, preventing occurrences of occupational diseases. As in 2022, in 2023, the Company did not record any cases of occupational diseases or deaths resulting from these among our employees and workers. **(GRI 403-10)**

A complete review of our root cause accident assessment system and its communication took place, including leadership training. In the 2023/2024 crop year, we progressed in studies to certify our operations to ISO 45000. Analyses should begin in 2025. **(GRI 403-1)**

To keep the focus on safety topics and raise awareness among teams, we conduct awareness campaigns and events with the support of the Internal Accident Prevention Committee (CIPA) and the Rural Accident Prevention Committee (CIPATR). A further Company safety initiative was creating the Excellence Space, where teams can analyze procedures and plan risk activities. Every day during the work shift, teams gather at the Excellence Space to reflect on and plan their activities. This involves identifying risks and the necessary tools and controls to be implemented. The aim is to prevent accidents and make the process safer through a critical and preventive analysis that lends itself to the identification of process improvements.

In addition to preventing accidents, we maintain an initiative through the Operational Control Center (COA), using cameras for preventive fleet monitoring, such as evaluating driving profiles. The goal is to reduce risk exposure.

Employees are entitled to refuse to perform work if they identify any serious, imminent risk, without facing reprisals. The same safety rules apply to contractors, with clear procedures on how to report incidents. These activities follow a contractor management manual that establishes mandatory documents, rules and procedures for work at the Company's facilities. All contractors undergo an induction process where they are given instructions on the risks associated with their activities, applicable control measures, emergency procedures, and the proper use of risk management tools, ensuring their tasks are performed with absolute safety. **(GRI 403-2, 403-7)**

ALL **CONTRACTORS** UNDERGO AN **INDUCTION PROCESS** WHERE THEY ARE GIVEN **INSTRUCTIONS ON THE RISKS** ASSOCIATED WITH THEIR ACTIVITIES

Reports can be made through the Ethical Hotline

SOU PROGRAM

In the 2023/2024 crop year, the SOU Program, which encompasses efforts to consolidate a safe and healthy workplace, spearheaded actions in four risk management fronts: Leadership and Governance, Operational Discipline, Risk Perception and Change Management, and Maintenance and Integrity.

Key initiatives included intensifying risk factor training for leaders, ambassadors and operations, reaching 13,000 employees in behavioral awareness. Another highlight of 2023/2024 was the ambassadors trained in the previous crop year to disseminate safety concepts and procedures to all employees.

Other in-person training sessions cover topics such as emergency brigades, first aid, work procedures, risk analysis and authorizations for critical and special tasks.

Contractors are required to present training certificates during the induction process. The frequency of these programs is defined according to regulatory standards. **(GRI 403-5)**

During the crop year, we also carried out leadership development actions. The training activities focused on safety practices through the DNA and SOS Programs, which conducted workshops, coaching sessions and compiled Individual Development Plans (IDPs) to leverage the Safety pillar of the Leadership Academy.

Other notable initiatives: The Sou Seguro Moment adopted in meetings to emphasize the importance of discussing safety at all times, and the digitalization of Occupational Health and Safety (OHS) information on a web platform for indicator management; we also revitalized risk assessment and management, including Industrial Critical Work Authorization (ATCIND) and Agricultural Energy Lockout (AGR). The Bem Saudável Program, which focuses on health and wellness, was revitalized. Additionally, we created the SOU App, which allows employees to report safety opportunities (behavioral and facility conditions) directly from a mobile device at any time during operations.

São Martinho also uses the OPS Tool (Safety Opportunity), enabling employees to identify potential risks and refuse tasks under grave risk conditions without fear of reprisals, as identification is optional. **(GRI 403-2, 403-7)**

We maintain a Safety Recognition Program to reward the best processes, areas, units and employees. Weekly field inspections (Genba) are conducted by officers and managers, focusing on health and safety. We also hold an Internal Work Accident Prevention Week (Sipat) at all units and conduct emergency brigade training and drills for agricultural, industrial and administrative emergencies.

WE TRAIN AMBASSADORS TO **DISSEMINATE SAFETY** CONCEPTS

FOCUS ON HEALTH AND QUALITY OF LIFE

(GRI 403-3, 403-6)

The Company maintains the Bem Saudável Program, with quality of life initiatives. The program has eight areas of focus: Preventive Health, Chronic Illness Management, Well-being, Integrated Health Management, Contingencies, Legal Requirements, Vulnerabilities and Governance, which target all direct employees.

Programs like GIS (Integrated Health Management) and Trilha do Cuidado (Care Trail) complement these initiatives, along with refunds for medical expenses and compliance with legal regulations for absences and leave.

In addition to the health measures implemented within and outside the Company, this crop year focused on mental health actions through lectures and engagement in the White January.

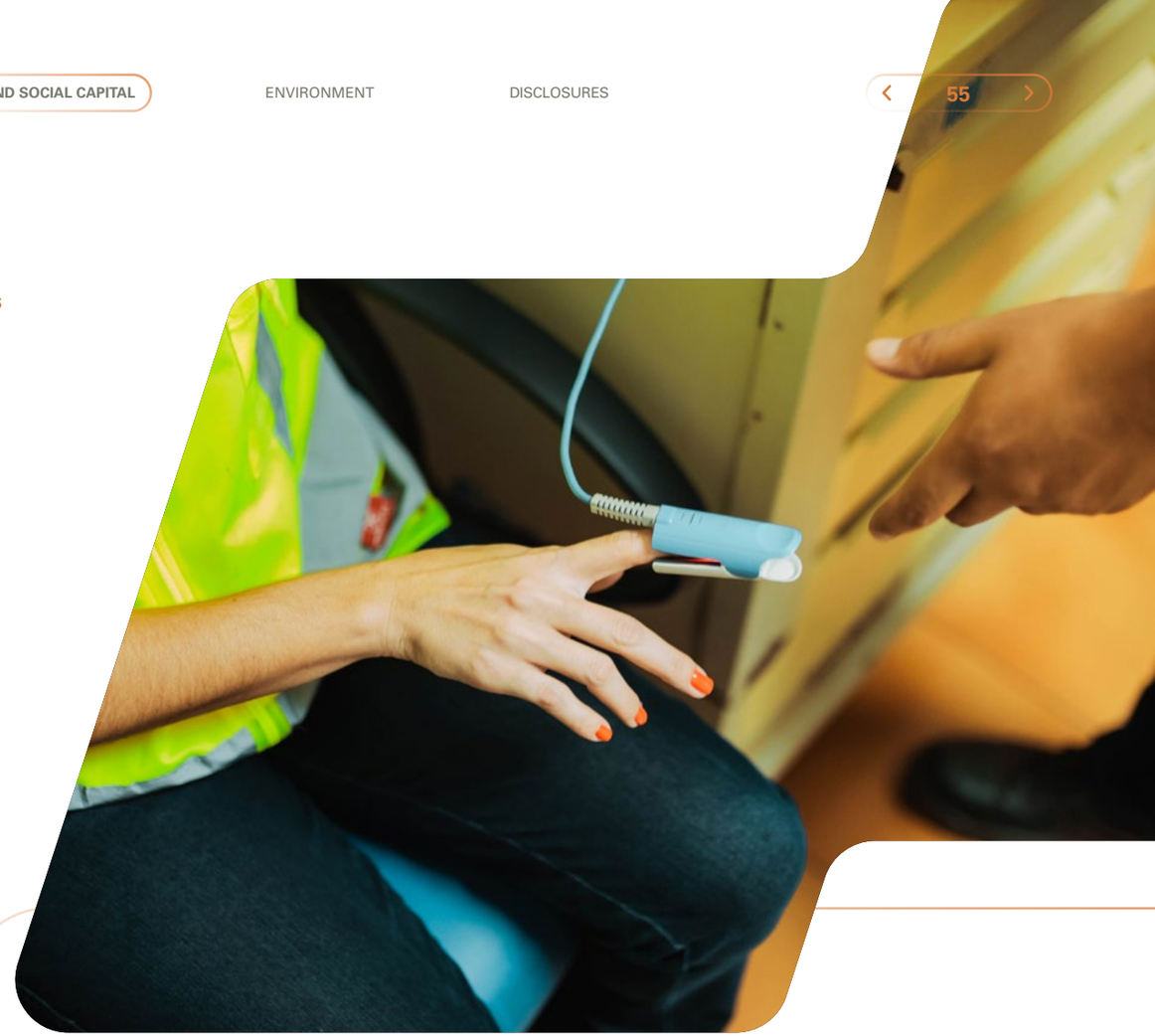
Other highlights included vaccination and blood donation drives, Yellow September, Pink October and Blue November.

+40
Health professionals on the team

In order to provide medical care, our mills have on-site infirmaries with a team of more than 40 trained health professionals, including occupational physicians, occupational nurses, and occupational nursing technicians, who are on call 24/7. All employees and their dependents also have health and dental insurance.

Seeking continuous improvement in OHS, we introduced integrated health management in conjunction with occupational monitoring, focusing on the prevention and early detection of diseases.

Employees' personal health information is confidential and protected as established by the Brazilian General Data Protection Regulation.



THE UNITS MAINTAIN **MEDICAL CLINICS** FOR **EMPLOYEE CARE**

Rates and numbers of occupational injuries involving workers [1] (GRI 403-9 SASB FB-AG-320A.1)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Number of hours worked	-	24,988,344	25,925,431
Hours worked	1,000,000	1,000,000	1,000,000
Number of fatalities as a result of work-related injury	1	1	0
Rate of fatalities as a result of work-related injuries	0.04	0.04	0.00
Number of high consequence work-related injuries (excluding fatalities)	1	0	3
Rate of serious work-related injuries (excluding fatalities)	0.12	0	0.12
Number of recorded work-related injuries (including fatalities)	34	24	24
Rate of recorded work-related injuries (including fatalities)	1.4	0.96	0.93
Number of recordable near misses	191	222	224
Near-miss frequency rate (NMFR)	7.87	8.88	8.64

[1] The main hazards identified that contributed to workplace injuries included falls, muscle injuries, vehicle accidents, falling objects, burns, and trauma injuries, among others.

SAFE WORK (GRI 403-9)

The measures taken at São Martinho to eliminate hazards and minimize the risk of workplace accidents were developed based on formal surveys using the monitoring mechanisms already in place.

To mitigate risks, the company has implemented various measures, such as introducing light therapy rooms for drivers, installing fatigue monitoring systems, conducting awareness campaigns, and reviewing work procedures. After identifying the risks, an action plan is generated to effectively control them. São Martinho prioritizes eliminating risk at its source through engineering controls. When direct elimination is not possible, the work methodology is revised through administrative measures, and, if necessary, a new Personal Protective Equipment (PPE) is defined. The company ensures that there are no risks without effective control measures.

Although São Martinho does not include contractors when calculating frequency and severity rates. All accidents or near misses or related unsafe behaviors are painstakingly identified. calculated into specific rates and are managed by the company's same health and safety system.

Learn more
in the Appendix

SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 13.23.1, 13.23.2, SASB FB-AG-430A.3

Our relationship with the supply chain is guided by respect for legislation, standards and socio-environmental commitments. Our contractual clauses provide for termination in cases of non-compliance, particularly in human rights issues such as child labor or forced or compulsory labor. São Martinho operates in two monitoring fronts: one for the supply of raw materials (sugarcane and grains) and another for goods and services suppliers. For sugarcane and corn, the origin is traced back to the farms, with the help of the Rural Environmental Registry (CAR) and/or property shape files.

We use two due diligence systems. One focuses on socio-environmental analyses, evaluating criteria such as environmental violations, activities on indigenous lands, and entry in the forced labor list. The second tool analyzes the overall reliability of suppliers, conducted nationally, that checks information in public databases to identify vulnerabilities that may impact the business, such as image and reputation risks. We evaluate more than 70 risk criteria in this process.

To usher in a socially safe supply chain, we provide the Rural Grower Guide on the Company's website and the supplier portal. This guide includes the legal guidelines, human rights and best practices expected from our suppliers regarding service provision, working conditions and accommodations. The topic was also addressed with sugarcane growers during the Field Day, as described on page 59.

São Martinho does not engage with contractors that do not respect human rights. There were no instances of child labor, forced or compulsory labor, or young workers exposed to hazardous work in our operations. **(GRI 408-1, 409-1)**

Various risks are monitored in the corporate risk matrix, including supply shortages, supplier dependency, and contractor liabilities. These are managed and monitored by the responsible departments, which implement specific controls for each issue to mitigate risks.

For strategic suppliers of goods and services, the Sustainable Supplier Management Program is used to assess and develop their sustainability practices. Over the past few years, we have worked to engage the supply chain in good ESG practices to reduce risks and further compliance with socio-environmental issues. In the 2023/2024 crop year, we had 100% of new corn, cane and goods and services suppliers contracted based on environmental and social criteria. **(GRI 204-1, 308-1, 414-1)**

In the 2023/2024 crop year, the Sustainable Supplier Management Program for goods and services underwent an analysis that redefined its critical suppliers based on spend and ESG risks to the business. The program evaluates each company with a Supplier Qualification Index (SQI) and has been revised to include new socio-environmental and corporate governance criteria in the evaluation methodology. This revision carries over into the next crop year, with a commitment to ensure change management for all impacted companies. The program is inspired on the methodology of the B3 Corporate Sustainability Index (ISE) questionnaire that the stock exchange applies to companies wishing to join the portfolio. During the crop year, meetings were held with suppliers to better understand their practices and challenges, aiming to form a program that helps them in developing socio-environmental initiatives. The next step will be to provide development support to suppliers with opportunities for ESG improvement.

Suppliers participating in the program answered an evaluation questionnaire, which included questions related to Sustainable Purchasing Guidelines, covering topics such as occupational health and safety, human rights, environmental policies, GHG emissions, risk management and code of conduct. Evaluations were qualified based on the evidence submitted. In the 2023/2024 crop year, feedback processes were conducted with suppliers participating in the program.

During the crop year, we revised the supplier onboarding and approval process, including sustainability criteria, a human rights questionnaire and risk assessment, and are developing a technological solution to support and move forward the roll-out.

We published a new Procurement Policy and completed actions related to the Procurement Modernization Plan, a major milestone of which was the restructuring of the team.

We launched a new purchasing portal, the Paradigm system, which ensures greater traceability and governance in procurement operations. For the next crop year, our challenge is to advance the use of technology in Procurements to optimize processes, increase productivity and ensure internal customer satisfaction.

MANAGING THIRD-PARTY RISKS

(GRI 3-3 SUPPLIER MANAGEMENT AND TRACEABILITY)

Potential negative economic impacts on the supply chain include price volatility, interest rates, exchange rates and input costs, which can affect product price stability and expose the Company to threats from dependence on raw material suppliers and shortage of supplies, especially in economically unstable regions.

Social threats include workplace accidents and occupational diseases, and liabilities arising from contractors that may not comply with labor and ethical standards.

The Company benefits local economies by prioritizing local suppliers, resulting in job creation and increased income. This practice not only strengthens the regional economy but also solidifies relationships with local partners, ensuring a sustainable and resilient business flow.

The Company has a Risk Management Policy and a specific category for contractor risks that may affect the business, in addition to assessing their impacts. When we detect imminent risks with reputational impacts, a crisis committee is formed, consisting of managers and leaders from various areas.

The risk monitoring objectives are set by the executive board and approved by the board of directors, with risk and performance indicators being continuously monitored, covering relationships with the value chain.

NEW PURCHASING PORTAL ALIGNED WITH THE SUPPLY **MODERNIZATION PLAN**

RAW MATERIALS SUPPLIERS

(SASB FB-AG-430A.3)

A fundamental part of our business health, sugarcane and corn producers are considered partners in our activities. In the 2023/2024 crop year, we approved the Third-Party Strategic Cane Plan, which brought advances in management tools and relationships with partner producers. As part of our ESG Ambitions, we urge the adoption of good socio-environmental practices in the raw material supply chain. New supply contracts require growers to submit the Rural Environmental Registry (CAR). For long-standing suppliers, we have established an action plan for regularization within the time frame stipulated by current legislation.

To maintain good relationships and dialog with our agricultural partners, we have a routine of engagement and building a positive agenda with raw material producers, addressing quality, productivity and compliance. The main initiative in this regard is the Field Day. In addition to technical content for increasing agricultural productivity, during this event conversations with the Sustainability department emphasized biodiversity, water resources, waste management and expanding best management practices and efficiency for extending RenovaBio certification. GRC (Governance, Risk, and Compliance) addressed good contracting and operational practices (health and safety, accommodation, and transportation), reiterating the Company's expected practices, which are monitored during due diligence visits.

Periodic visits are conducted to ensure raw material producers comply with best socio-environmental practices. These inspections are recorded in software, and any improvement identified is converted into an action plan.

Work monitoring includes tracking the expected start and end field operations to ensure they occur during operations. This monitoring is reviewed weekly in a specific forum involving the origination, GRC and sustainability departments. Every improvement opportunity identified is closely managed with the necessary support. Growers see this monitoring as a development opportunity, seeking joint solutions and best compliance practices in operations.

In the 2023/2024 crop year, one highlight was the approval process for our ethanol plant's corn suppliers. This effort demonstrates São Martinho's commitment to the sourcing of raw materials used in its operations.

Note that the Boa Vista Mill is engaged in expanding the certification of corn cultivation areas through the RenovaBio program, similar to the existing process for sugarcane (read more in **Certifications**).

IN THE 2023/2024 CROP YEAR, A **HIGHLIGHT** WAS THE **APPROVAL** PROCESS FOR **OUR CORN SUPPLIERS**

2,592
Sugarcane suppliers assessed

120
corn suppliers approved

COMMUNITY ENGAGEMENT AND LOCAL DEVELOPMENT

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

WE SEEK TO STRENGTHEN **ENGAGEMENT ACTIONS** IN OUR AREAS OF INFLUENCE

Aware of our socio-economic impact, especially in our geographies, we have been working to strengthen actions for dialog, engagement and development of communities in our areas of influence. We have also been working to improve communications with our internal audience to guide initiatives. Based on diagnostics and mappings carried out in the previous cycle, we strengthened the Social Responsibility function to develop more precise actions with these audiences. This allowed us to deepen our understanding of our geographies and the five prioritized municipalities within our area of influence, while gathering internal perceptions on topics such as diversity, inclusion and human rights. **(GRI 2-29, 413-1)**

From there, we directed efforts and are structuring engagement programs with local communities.

Our actions for both internal and external stakeholders are based on the principles of our Social Responsibility Policy. Notable guidelines in this document include respect for local customs and cultures, contributing to quality and inclusive education for all, valuing active communication, identifying the direct and indirect impacts of our operations, and engaging communities to contribute to sustainable development. We promote equality of rights and opportunities, adopt internal policies to value diversity, drive social development in our geographies through private social investment, support the principles of social justice and human rights, and ensure dignified work with respect for the right to union membership and collective bargaining. **(GRI 203-1, 203-2)**

We also encourage our employees to engage in volunteering, who act as agents of social transformation in the surrounding communities, enhancing sustainable social development.

For example, #DesafioTrainee urges program participants to engage in volunteering initiatives among trainees to foster social activities in the communities around our operations and to bring people together around a common cause for good.

The voluntary initiatives were guided by São Martinho's ESG Ambitions, accumulating points for participants in the Trainee Program. There were 42 actions involving 33 volunteer employees.

In the 2023/2024 crop year, 100% of our operations had duly implemented local community engagement programs. **(GRI 2-29, 413-1)**

Our main engagement initiative with local communities is the Community Panel aimed at creating a formal engagement agenda with stakeholders to map and develop actions that promote sustainable development. One part of this two-part initiative is dedicated to presenting information about the Company's Sustainability Agenda and ongoing projects; during the second part, the objective is to identify priorities in our geographies to organize social investments, taking local differences into account. In the 2023/2024 crop year, we involved stakeholders such as the public authorities, civil society organizations and local leaders in the participatory social diagnosis. **(GRI 2-29, 413-1)**

There was an improvement in mapping local stakeholders through interviews with institutions in our geographies. The aim was to identify local challenges and opportunities to better allocate private social investments. Based on the results of this diagnosis discussed with the communities, a discussion cycle was held with the Company's leadership at each unit to establish investment priorities in each region. These investments follow the guidelines of our Private Social Investment Policy.

We also engage these stakeholders by way of our Private Social Investment Platform, a tool for formalizing requests for donations, sponsorship and financial backing for projects; and the Ethics Hotline, available for reporting conduct considered unethical or that violates standards and/or internal rules.

Also focusing on education initiatives as a lever for transformation, São Martinho is committed to offering 3,000 positions in professional development and qualification initiatives for communities and social organizations in our geographies by 2030.

100% OF OPERATIONS HAD **COMMUNITY ENGAGEMENT** PROGRAMS

Within this Social Transformation through Education pillar, the participatory social diagnosis undertaken in the municipalities of our area of influence and the inputs from community engagement panels allowed us to delve deeply into these locations and identify the main factors in these municipalities that affect progress in education, enabling the Company to make more assertive investments. In addition to confirming the relevance of the program's ongoing investments in this area, it was possible to identify new opportunities being structured for the coming crop years.

Two actions have been consolidated among the ongoing projects in which São Martinho promotes voluntary investment to this end. The first is the Women's Qualification project, which offers training for this group in partnership with Senai. In the 2023/2024 crop year, four classes were held in this initiative, with 108 spots available, and 71 women graduated.

The second initiative, now running for more than two decades, was the Future Entrepreneurs Project, a partnership with the Limeira Development Institute (Ideli) to bring together volunteer consultants, including São Martinho employees, to kindle the entrepreneurial mindset in young people. In the 2023/2024 crop year, 70 young people participated in the program, which focused on personal finance as the overarching topics.

São Martinho also supported projects in the five municipalities where it has operations. They are: Judô em Ação (Pradópolis - SP and Iracemápolis - SP), Mentes Brilhantes (Américo Brasiliense - SP), Pequeno Dom Quixote (Quirinópolis - GO), Casa do Vovô (Ribeirão Preto - SP), Jovens Pesquisadores (Pradópolis - SP), and Nova Fronteira do Inglês (Pradópolis - SP).

See the video of the Pequeno Dom Quixote project on YouTube

5 ENVIRONMENT

IN THIS CHAPTER

ENVIRONMENT

GRI 3-3, MANAGEMENT OF MATERIAL TOPIC

São Martinho respects the environment, values biodiversity and ecosystems, and deploys technologies that eases its business impact as levers for its performance and reputation. With an Environmental Management System implemented in corporate and mills, the Company seeks to mitigate risks, to use natural resources more efficiently and to ensure compliance with standards and legislation on topics like emissions, energy, water resources, biodiversity and waste management.

With a focus on the continuous improvement of the management system and environmental performance, our Environmental Management Plan aligns with the applicable legislation, standards and other requirements and commitments undertaken by the organization. There are policies and other guiding documents, such as the Environmental Policy; Waste Management Plan; Environmental Issues and Impacts Survey and Evaluation; Environmental Monitoring and Measurement; Legal Requirements and Other Requirements; Wildlife Sightings and Environmental Goals and Objectives.

The company has achieved national and international certifications in standards for its facilities over the course of this journey, such as ISO 14001, already secured by three facilities (read more in **Products, Market and Customers**), and Bonsucro, at all sites

Management occurs at various levels, comprising governance composed of an Operational Committee, Tactical Committee, and Strategic Committee, which hold regular meetings. The monthly meeting of the Operational Committee monitors environmental and quality indicators in the Integrated Management System, complemented by monthly meetings with the site officers. The Tactical Environmental Committee holds quarterly meetings. We also have GEO Agroenvironmental, an operational excellence group which discusses internal best practices and their standardization, along with technical discussions involving milling and field functions. Another initiative during the crop year was the environmental huddles held with the operations team, an endeavor to bring this subject into operators' daily lives.

In the 2023/2024 crop year, we rolled out a new monitoring and management tool through a structured platform, which upgraded our maturity and progress concerning environmental issues. This monitoring enabled us to critically evaluate the causes of incidents. Through statistical analyses, trends and areas for preventive action were identified to avoid recurrences and focus efforts effectively.

The strategic priorities for 2024/2025 on the company's environmental agenda include the following: obtaining ISO 14001 certification for the Boa Vista Mill, expanding waste reduction projects, expanding the Bee Project by using beehives and beekeepers in third-party land bordering our properties, intensifying biodiversity-related projects, and adapting to the new version of the Bonsucro Production Standard.

RESPECT FOR PEOPLE AND THE ENVIRONMENT IS A CORE VALUE FOR SÃO MARTINHO

CLIMATE CHANGE MANAGEMENT AND STRATEGY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, SASB FB-AG-110A.2, FB-AG-440A.1

Climate change directly impacts agriculture and business sustainability. This is therefore one of our material topics, ramping up our commitment to easing climate change impacts. As part of its policies and commitments, São Martinho follows an Environmental Management Plan, an Air Emissions Management Plan, a Sustainability Policy, and a Climate Change Mitigation and Resilience Plan, redoubling its commitment to environmental sustainability and the quality of life in its geographies.

In the 2023/2024 crop year, agricultural productivity at the São Martinho and Santa Cruz mills recovered by approximately 20%, thanks largely to favorable climate conditions. Sugar output at the Santa Cruz Mill reached a record high, underscoring how business results are influenced by climate issues.

Our climate management actions included an inventory of greenhouse gas (GHG) emissions, following the guidelines of the Brazilian GHG Protocol Program, independently audited since the 2020 inventory. In 2023, we once again achieved the highest qualification level in the program and received the Gold Seal.

Among the metrics adopted to measure and manage the risks associated with this issue are indicators such as GHG emissions intensity (tCO_2e/ton of sugarcane crushed), energy intensity (GJ/ton of sugarcane crushed), and water withdrawal intensity (m^3 of water withdrawn/ton of sugarcane crushed), detailed in the GRI disclosures on pages 66, 76 and 77 and in the Disclosures Appendix, from p. 117.

Strategic initiatives for easing GHG emissions include: reducing diesel consumption, minimizing the use of mineral nitrogen fertilizers by replacing them with green manure, reducing the need to apply lime as a soil amendment, green-cane harvesting as opposed to burnt-cane harvesting, biological control, minimizing the use of pesticides, preventing and combating fires, and implementing agricultural automation and precision agriculture with better cultivation practices, less mobilization, and minimal soil disturbance.

Addressing climate challenges and opportunities also expands the potential business benefits. Alongside the impacts generated and mitigated, São Martinho financially supports the renewable energy market through sugarcane biomass and solar panels, promoting the adoption of sustainable practices and the development of low-carbon products. In social terms, it reduces the consumption of refrigerant gases with high global warming potential, prevents air pollution for workers and local communities, and decreases the use of agrochemicals harmful to human health.

WE RECEIVED GOLD SEAL STATUS IN THE BRAZILIAN GHG PROTOCOL PROGRAM

ENERGY EFFICIENCY ACTIONS

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPICS)

The 2023/2024 crop year will be remembered for the technological-innovation opportunities we identified, which require investments due to equipment modernization but yield various environmental benefits and avoid negative impacts on surrounding communities.

Indicators monitored by the Industrial Operations Centers (COI) and Agricultural Operations Centers (COA) include energy-related data. Additional disclosures are currently being developed to specifically track energy efficiency KPIs, embedding the lessons learned into more robust policies and operational procedures.

TOTAL ENERGY CONSUMED (GJ) (GRI 302-1)

GREENHOUSE GAS EMISSIONS INTENSITY[1] [2] [3] (GRI 305-4)

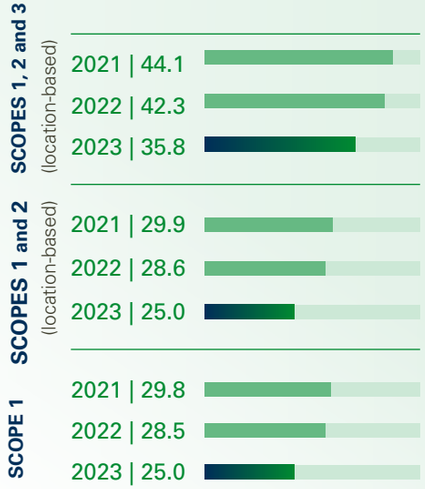
Sugar:
2021 - 222.2 gCO_2e/kg
2022 - 223.5 gCO_2e/kg
2023 - 220.8 gCO_2e/kg

Ethanol:
2021 - 13.4 gCO_2e/MJ
2022 - 13.5 gCO_2e/MJ
2023 - 13.4 gCO_2e/MJ

Electricity:
2021 - 48.2 gCO_2e/kWh
2022 - 48.7 gCO_2e/kWh
2023 - 48.1 gCO_2e/kWh

[1] The emissions intensity is for the civil year and includes scope 1 and 2 emissions (market-based).
[2] The gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 e NF_3 are included in the calculation.
[3] The method used to consolidate emissions was operational control.

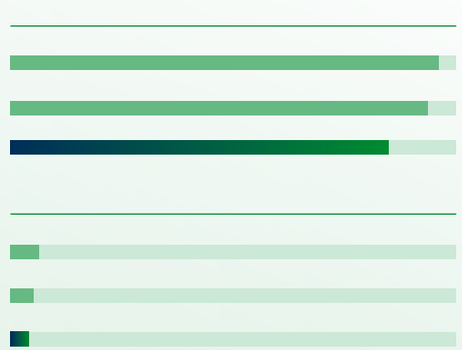
GHG EMISSIONS INTENSITY (kg CO_2eq./TON OF SUGARCANE EQUIVALENT PROCESSED)[1] [2] (GRI 305-4)



[1] The gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 e NF_3 are included in the calculation. The method used to consolidate emissions was operational control.

[2] In 2023, the numerical value for the metric was 25,326,535 tons of sugarcane equivalent processed. Additionally, during this period we began considering the ton of cane equivalent crushed to include the amount of corn processed at the Boa Vista Mill. This new parameter allows for a comparison of ethanol production between corn and cane, taking into account the amount of starch in corn relative to the amount of sugar in cane.

ENERGY INTENSITY (GJ/TCeq)[1] [2] [3] (GRI 302-3)



[1] Types of energy included in the intensity ratio were fuels and electricity. The rate includes energy consumed within and outside the organization.

[2] tc eq. = tons of cane equivalent

[3] The Energy Intensity calculation methodology has been revised and updated. Previously based on the Lower Calorific Value (LCV) according to the 2021 BNE, it now incorporates the LCV from specific analyses of each mill's bagasse. This change significantly reduced the disclosure, more accurately reflecting São Martinho's reality. Historical data has also been adjusted according to this new methodology. **(GRI 2-4)**

For detailed disclosures, see **the Appendix**

Reduction of

12.6%

GHG Emissions[1] [2]

[1] Variation from 2022 to 2023
[2] Denotes scopes 1 and 2 (*location-based*)

100% OF THE EMISSIONS FROM PURCHASED ELECTRICITY WERE TRACED BY RENEWABLE ENERGY CERTIFICATES (I-REC)

CLIMATE GOVERNANCE: STRATEGY, RISKS AND METRICS

Our corporate governance structure focused heavily on mitigating negative impacts and leveraging opportunities related to climate change. The business strategy directly considers climate factors, addressing climate-related threats and opportunities in ten-year cycles, divided into short, medium, and long terms. These are translated into actions to implement efficient operational practices, such as the Water Plan, to reduce water consumption. São Martinho also monitors regulatory trends and explores new technologies to minimize its carbon footprint, expanding renewable energy production and using alternative fertilizers. The results of these strategies are communicated to stakeholders through the Annual Sustainability Report and other engagement platforms. **(TCFD.2.C)**

Climate-related risks (threats and opportunities) are managed with direct involvement of and periodic reporting to São Martinho's senior leadership. The governance structure allows us to monitor and ensure the fulfillment of Sustainability Ambitions is applied to the analysis of climate-related issues, as detailed in the chapter Ambitions (see page 14 onwards).

We have established performance objectives and metrics for climate impacts, which can also guide investment decisions. A notable example is São Martinho's Water Plan, directly linked to an environmental agenda underpinned by climate issues. Another example is the aforesaid investment in energy efficiency projects.

The company has implemented a contingency plan to address climate-related financial impacts.

ACTIONS TAKEN

This includes reducing water demand in operations, increasing resource availability and investing in Research and Development (R&D) to improve water use efficiency per ton of sugarcane processed.

It also involves reducing greenhouse gas emissions in operations and the value chain.

Expand the renewable energy market in Brazil, helping achieve the Paris Agreement targets, with actions such as increasing the bioenergy mix and investing in new areas, such as the future biomethane plant.

In partnership with research centers, develop sugarcane varietals adapted to local conditions.

Seek sustainability-indexed funding and financing. **(TCFD.2.B)**

TIME FRAME

São Martinho's strategic formulation considers its capacity to respond to and influence climate issues across different time frames:

Short-term (up to two years): climate events such as droughts, frosts, or heavy rains can impair the production of sugarcane, corn, and other crops, influencing the availability of raw materials for sugar, ethanol and co-products, thereby affecting prices and profitability.

Medium-term (two to five years): structural climate change can diminish crop yields, leading to additional costs on adapting or crop losses.

Long-term (five to ten years): extreme climate events may require significant investments in resilient infrastructure and a revision of production strategies to ensure business sustainability. **TCFD.2.A**

We also factor climate projections and their various reversals into the risk management process. The company is working with a scenario that predicts a temperature rise of between 2.1°C and 3°C. This scenario is based on the current trajectory of greenhouse gas emissions, following existing government policies around the world. Climate Action Tracker estimates suggest that under current policies, we could see warming of approximately 2.7°C above pre-industrial levels. This figures of 2.7°C denotes the average of these projections. São Martinho also analyzes the long-term impact of climate stress on raw material availability, using an edaphoclimatic approach that harnesses historical data and future projections. This methodology encompasses the combined effects of soil and climate in all the company's field and mill operations throughout its strategic planning.

MANAGING RISKS

(GRI 201-2, SASB RR-BI-430A.1, TCFD.3.A,3.B,3.C)

The main tool for monitoring the company's climate-related threats and opportunities is the Corporate Risk Matrix (read more in **Risk Management**). Based on this, we designed a matrix for the 2023/2024 crop year that includes five specific risks and four opportunities, available in the Appendix to this report.

The main climate risks the company faces, which impact our financial and strategic planning, include water shortages for field and mill operations (for which the company has contingency plans to reduce the demand for water withdrawn), fires in fields and mills (with environmental and legal impacts, but where the company also operates with efficient combat structures and 24-hour monitoring—see details in the risk management infographic on page 38), and climate variations that may influence the yield and quality of crops.

INVESTING TO INCREASE RENEWABLE ENERGY SUPPLY IN THE COUNTRY

Opportunities Arising from Climate Change

(GRI 201-2, SASB RR-BI-430a.1, TCFD.3.A,3.B,3.C)

In terms of business impact, climate variations can affect the supply of sugarcane from our own fields or those of partners or suppliers, as well as corn, consequently influencing market prices of products. To address this, we invest in research and development and in testing sugarcane varietals more adaptable to local conditions. There are also opportunities, such as the issuance and trading of CBIOs (decarbonization credits, in accordance with the rules established by the RenovaBio program) and renewable energy (obtained from biomass).

We also invest in increasing the supply of renewable energy in the country through the production of biofuels (including the new jet fuel segment) and the generation of renewable electricity from biomass, issues already addressed in our Strategic Planning and embedded in the company's risk management guidelines. **(GRI 3-3 Energy Efficiency)**

Check our detailed table of climate-related risks **in the Appendix**

Renewable Energy
The transition to renewable energy presents a significant opportunity due to increasing awareness and favorable regulations, driving investments and efficiency in renewable energies. This offers potential financial gains such as deriving revenue from produced energy, carbon credit sales and energy resilience, attracting sustainable investments.

Carbon Markets
Carbon market growth represents a regulatory opportunity, stimulating innovation in carbon capture and storage technologies and integration with sustainable business models. This enables revenue generation through carbon credit sales, access to green financing, and brand differentiation, making companies more attractive to sustainable investors.

Sustainable Agriculture
Adopting sustainable agricultural practices is an opportunity driven by the need for technological innovation and more sustainable practices that boost productivity. These practices result in lower production costs and improved resource efficiency, leading to higher productivity.

Environmental Awareness and Education
Growing awareness of climate issues drives actions and innovation in environmental sciences and education, resulting in benefits such as brand differentiation, positive reputation and increased employee engagement.

In line with our corporate risk management, we assess all climate-related risks in terms of probability and impact, classifying impacts based on six criteria: financial, people, operational, image, legal and environment. All criteria are categorized into five levels, ranging from "very low" to "very high."

CARBON MARKET GROWTH REPRESENTS A **REGULATORY OPPORTUNITY**

BIODIVERSITY, ECOSYSTEMS AND LAND USE

(GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, GRI 304-2)

Through low-impact agricultural techniques and minimal intervention management, we aim to combine environmental conservation with sugarcane production. Notable techniques employed include reduced tillage in the Canteirão System (see the infograph on the next page) and crop rotation. We also maintain sugarcane straw as soil cover to preserve soil organic matter and microbiota and to enhance water retention and nutrient recycling. These and other procedures, such as the use of green manure, improve cane field longevity, increase productivity, maximize productive area and prevent erosion, which compromises soil and water resources.

São Martinho also plants native species and maintains conservation areas, including efforts to prevent fires and biodiversity loss.

The organization makes every effort to minimize negative impacts, such as the risk of roadkill, which is mitigated through driver education programs, worker and landowner training, and erecting warning signs in critical areas for drivers.

We deploy a host of environmental strategies to protect soil and water resources, including integrated pest management and prioritizing biological control, ensuring that agricultural pesticides are used only when necessary and in a safe and regulated way. Moreover, for decades the company has been blazing a trail in mechanized harvesting without burning and the proper nutrition of sugarcane using its agro-industrial co-products, such as filter cake and vinasse, which improve soil quality, epitomize the circular economy and are key pillars of Regenerative Agriculture. **(GRI 304-2)**

Our conservation plan relies on studies of the area's topography and water flow and is constantly monitored to ensure its effectiveness. We also strive to optimize the use of agricultural inputs, utilizing co-products from sugarcane processing, such as vinasse, filter cake, ash and soot as organic fertilizers, in line with circular economy principles. **(GRI 13.5.1)**

EVERY YEAR OUR NURSERIES PRODUCE AROUND **200,000** SEEDLINGS OF **210** NATIVE AND FRUIT SPECIES

Canteirão System

Technology for Planning Sugarcane Fields and Soil and Water Conservation

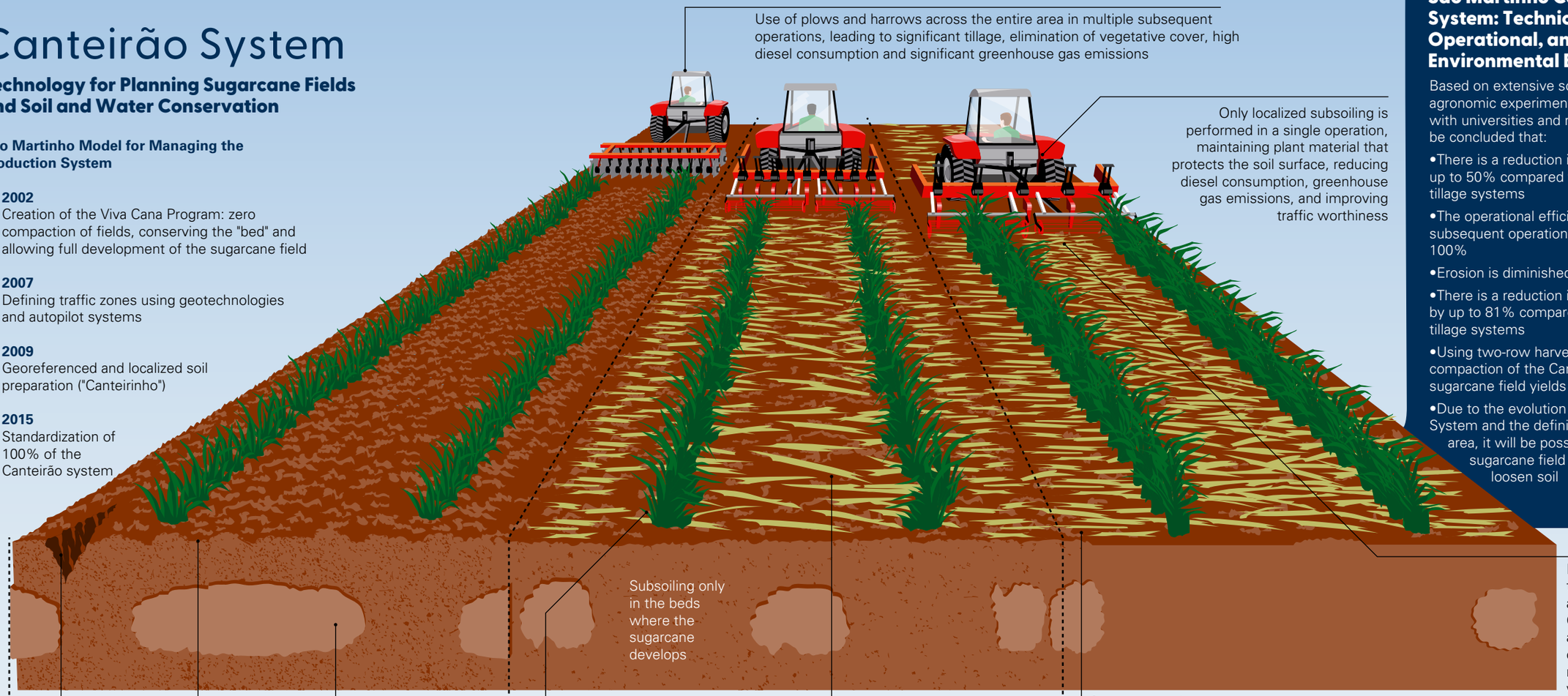
São Martinho Model for Managing the Production System

2002
Creation of the Viva Cana Program: zero compaction of fields, conserving the "bed" and allowing full development of the sugarcane field

2007
Defining traffic zones using geotechnologies and autopilot systems

2009
Georeferenced and localized soil preparation ("Canteirinho")

2015
Standardization of 100% of the Canteirão system



São Martinho Canteirão System: Technical, Operational, and Environmental Benefits

Based on extensive scientific research, agronomic experimentation, and partnerships with universities and research centers, it can be concluded that:

- There is a reduction in fuel consumption by up to 50% compared to conventional soil tillage systems
- The operational efficiency of soil tillage and subsequent operations increased by up to 100%
- Erosion is diminished
- There is a reduction in soil CO_2 emissions by up to 81% compared to conventional tillage systems
- Using two-row harvesters ensures no compaction of the Canteirão and increases sugarcane field yields
- Due to the evolution of the Canteirão System and the definitive planning of the area, it will be possible to replant the sugarcane field without any need to loosen soil

CONSERVATION WORK

(GRI 3-3 BIODIVERSITY, ECOSYSTEMS AND LAND USE)

We carry out conservation actions for the wildlife and flora in our geographies, starting with surveys for biodiversity classification, mapping and planning. In compliance with current legislation, we maintain Permanent Conservation Areas (APP) and Legal Reserves (RL). Another guiding compass is the Legal Reserve Project, created to map, plan and execute the environmental regularization of rural areas. All of the company's owned areas, including the Iracema Mill: 2,342 hectares (APP + native vegetation); São Martinho Mill: 3,299 hectares (APP + native vegetation); Santa Cruz Mill: 152 hectares (APP + native vegetation) and Boa Vista Mill: 651 hectares (APP + native vegetation), were diagnosed by an external qualified technical professional. Evaluations tend to occur continuously in processes related to the Rural Environmental Registry (CAR). **(GRI 304-3)**

The organization does not partner with third parties to protect or restore other areas. The premises underlying these actions follow SMA Resolution 32/2014 for the São Paulo state and Law No. 18.104, of July 18, 2013, for Goiás state. **(GRI 304-3)**

Our environmental conservation activities include:

Seedling nursery

Available at the São Martinho and Santa Cruz Mills, our nurseries produce some 260,000 seedlings annually for 210 native species. The seedlings are mainly used for internal reforestation projects of riparian forests and native vegetation areas. We also donate to the government sector, local community and partner growers.

Wildlife Sightings

We maintain an internal procedure for recording wildlife sightings, especially in agricultural areas. These records help us compile indicators as to the frequency and presence of species, showing that our operations can harmoniously coexist with the local fauna.

WE CONDUCTED EDUCATIONAL INITIATIVES WITH OVER **300 TEACHERS** ENGAGED IN THE TOPIC OF FIRE PREVENTION

Apiary Mapping and Monitoring (Bee Project)

Implemented in 2019, the project is conducted at all four company mills, with 169 registered beekeepers and 477 mapped apiaries, monitoring over 313,314.35 hectares within its management area and a 6.0 km radius around it.

In addition to controlling and managing our applications, for the project to be effective it was necessary to strengthen communication between our mills and the beekeepers. We need to ensure they understand how sugarcane management is performed.

We identified beekeepers in areas neighboring our facilities, helped better distribute the apiaries spatially using georeferencing, and issued alerts about spraying, notifying them of scheduled pesticide applications.

As they are registered in an app, the beekeepers are notified about activities in monitored regions at least 48 hours in advance. Since 2019, we have not identified any bee deaths caused directly by São Martinho. Notably, our collaboration with growers has protected approximately half a billion bees since the project's inception.

This project directly contributes to ecosystem balance, as bees provide introduce genetic variation in plant development and reproduction. São Martinho also therefore bolsters respect and social responsibility with communities, helping to solidify social entrepreneurship.

Another noteworthy action regarding bees was the installation of native beekeeping facilities in Environmental Education Centers with the educational goal of raising awareness about the presence and importance of native bees.

We also conduct campaigns on commemorative dates targeting internal and external groups, and initiatives with sugarcane growers that include lectures, technical visits and guidance aimed at fostering best agricultural and environmental practices for biodiversity protection.

Another initiative undertaken by the company to spread the importance of fire prevention in sugarcane fields, along roadsides, and at points where fire can spread was the creation of the Fire Prevention Handbook. In 2023, we also conducted a systematic effort with municipalities in our area of influence regarding education initiatives, engaging more than 300 teachers in nine schools on the topic of fires and how each municipality can help minimize occurrences through communication channels.

We also carry out several conservation and preservation initiatives for riparian forests, which help ease the effects of possible flooding, maintaining the quality and replenishment of water bodies and supporting local wildlife and flora.

We understand that consolidating conservation goes way beyond planting seedlings. To this end, we have dedicated teams for maintaining these areas and continuously clearing firebreaks around the forests, as well as monitoring to ensure there is no human intervention in the APPs. **(GRI 304-1)**

INNOVATION IN AGRICULTURAL TECHNIQUES

(GRI 13.6.1)

As a sector benchmark in agricultural yields and good soil use practices, São Martinho has built a solid foundation in technological development over the years, combined with decades of experience in conservationist management and biological control, geared towards Regenerative Agriculture.

Our research is ongoing on selecting more productive sugarcane varietals adapted to our production environments. Biological control is currently employed in 85% of pest management, reducing the need for chemical products.

We maintain an experimentation network to test new products and agronomic practices, prioritizing those with lower environmental impact. Our R&D partnerships with research institutions like the Sugarcane Pest Control Research (Cepenfito), Unesp FCAV - Jaboticabal Campus, the São Paulo Research Foundation (Fapesp) and Embrapa Cerrados play a vital role. Based on the results of these collaborations, we update our agronomic recommendations and train our teams in regulatory standards for the safe handling of agricultural pesticides.

WE HAVE PROTECTED APPROXIMATELY **HALF A BILLION** BEES

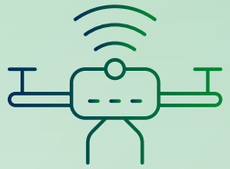
AGRICULTURAL **EXCELLENCE**

REGENERATIVE AGRICULTURE

São Martinho has practiced Regenerative Agriculture for over 45 years. Apart from ensuring sustainable production, we enhance our workplace with management practices that increase the potential yield of sugarcane fields. The Company pioneered various practices such as biological pest and disease control, green-cane harvesting, minimal and localized soil tilling, crop rotation, soil cover with straw, planting system with MPB/Meiosis, and organic fertilization with industrial co-products, among many others. Regenerative Agriculture is much more than a modern name for sound agronomic and environmental practices; it has been our day-to-day reality at São Martinho for many decades.

5G TECHNOLOGY

High-speed data transfer technology allows us to explore solutions based on 5G connectivity. Examples include the use of self-driving vehicles, advances in the remote control of simultaneous machine operations, topographic surveying, fire monitoring and control, and the use of drones for smart pest and weed control, among others.



BIOLOGICAL CONTROL

(GRI 13.6.1)

We have been using biological pest control for over four decades, achieving productivity gains and cost reductions. In the 2023/2024 crop year, about 85% of disease and pest management was done using this model. Our biocontrol products use microorganisms such as fungi and bacteria, and macroorganisms such as the *Cotesia flavipes* and *Trichogramma galloi* wasps, bred in our biomanufacturing facilities and widely used in Brazilian agriculture today. When the use of chemical pesticides cannot be avoided, the Company follows best market practices, using category 4 products (low toxicity) and rotating molecules, always within current legal specifications. We also maintain an experimental network for testing new products, always seeking those with the least environmental impact. By using drones in biological control to deploy natural predators within the fields, we improve process efficiency and working conditions for our employees who used to release these insects manually (see the infograph on the next page).

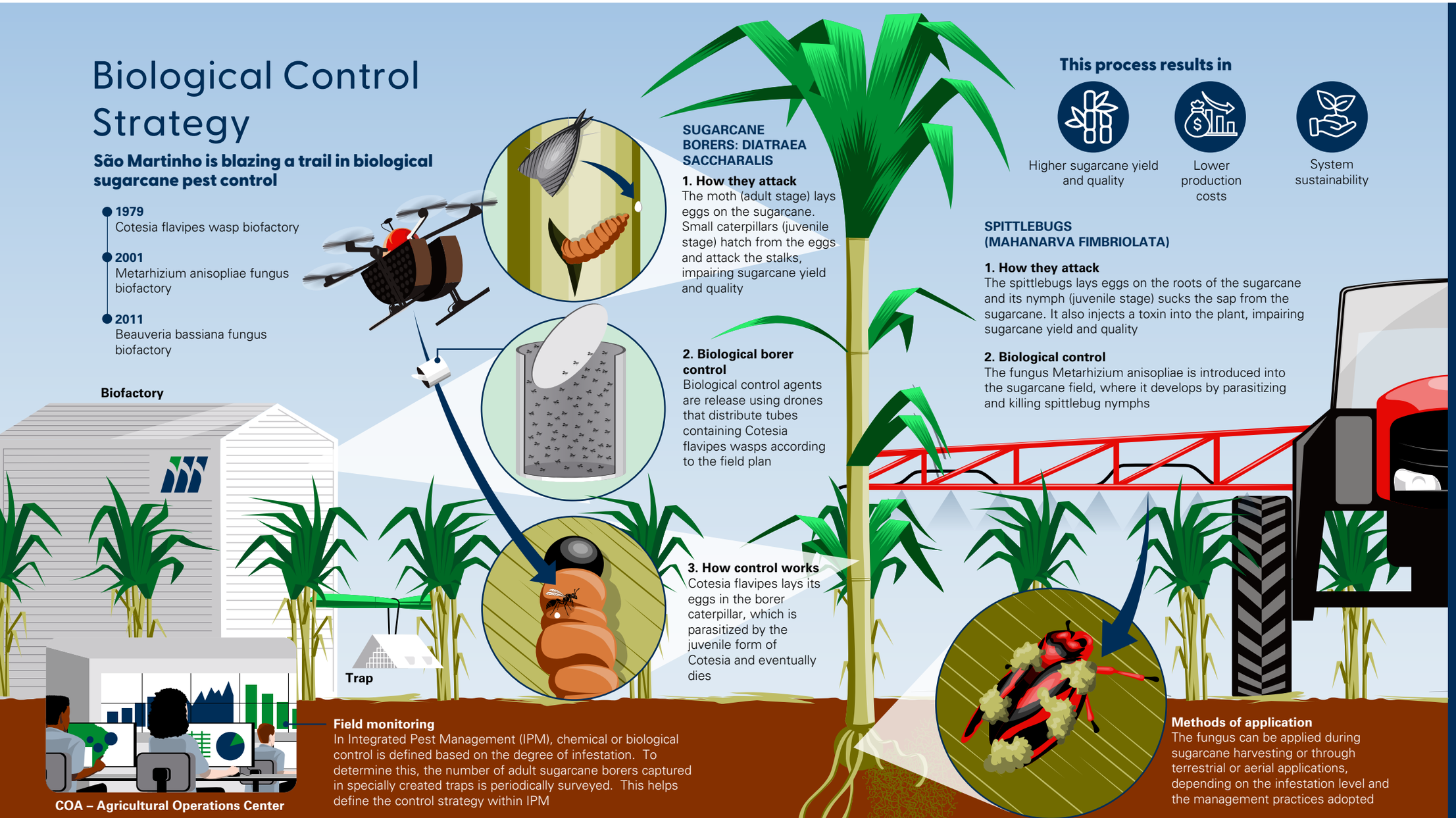
ORGANOMINERAL FERTILIZATION

We are pioneers in using agro-industrial co-products (filter cake, soot, ashes and vinasse) in sugarcane fields as a nutrient source. The combination of organic and mineral fertilizers (organomineral fertilizers) reduces dependence on mineral sources and ensures the immediate availability of certain nutrients for the plants, while also providing a more gradual release to nourish the plants throughout their development. This practice also positively impacts soil microbiology and sugarcane development, increasing its yield and longevity. For example, vinasse has been applied locally to sugarcane rows for over six years and now covers 95% of the cropping areas.

Biological Control Strategy

São Martinho is blazing a trail in biological sugarcane pest control

- **1979** Cotesia flavipes wasp biofactory
- **2001** Metarhizium anisopliae fungus biofactory
- **2011** Beauveria bassiana fungus biofactory



SUGARCANE BORERS: DIATRAEA SACCHARALIS

1. How they attack
The moth (adult stage) lays eggs on the sugarcane. Small caterpillars (juvenile stage) hatch from the eggs and attack the stalks, impairing sugarcane yield and quality

2. Biological borer control
Biological control agents are release using drones that distribute tubes containing Cotesia flavipes wasps according to the field plan

3. How control works
Cotesia flavipes lays its eggs in the borer caterpillar, which is parasitized by the juvenile form of Cotesia and eventually dies

Field monitoring
In Integrated Pest Management (IPM), chemical or biological control is defined based on the degree of infestation. To determine this, the number of adult sugarcane borers captured in specially created traps is periodically surveyed. This helps define the control strategy within IPM

This process results in

- Higher sugarcane yield and quality
- Lower production costs
- System sustainability

SPITTLEBUGS (MAHANARVA FIMBRIOLATA)

1. How they attack
The spittlebugs lays eggs on the roots of the sugarcane and its nymph (juvenile stage) sucks the sap from the sugarcane. It also injects a toxin into the plant, impairing sugarcane yield and quality

2. Biological control
The fungus Metarhizium anisopliae is introduced into the sugarcane field, where it develops by parasitizing and killing spittlebug nymphs

Methods of application
The fungus can be applied during sugarcane harvesting or through terrestrial or aerial applications, depending on the infestation level and the management practices adopted

São Martinho's advantage is scale

1 million
hectares per year under biological control

For over 40 years, São Martinho's biofactories have produced high-quality and efficient natural predators. Biological Management ensures that pest levels are among the lowest in the market, with low production costs, helping develop a Regenerative Agriculture model for the sector

WATER STEWARDSHIP

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

We understand that protecting water sources and using and conserving water in field and milling processes are essential to our business. Fields, for example, are subject to the uncertain nature of rainfall patterns and water loss to the atmosphere, as well as dependence on water availability for the physiological and productive processes of sugarcane.

Despite the potential negative impacts on the business associated with water stress, São Martinho maintains strict controls over significant negative impacts and seeks to produce positive impacts, such as economic and environmental benefits linked to reduced water withdrawal. This leaves more water available for new and existing ventures, driving up municipal revenue through taxes.

The Company employs a robust monitoring system that includes quantitative analyses of the volume withdrawn and qualitative assessments of the quality of water bodies adjacent to its operations to ensure environmental compliance and detect any potential violations.

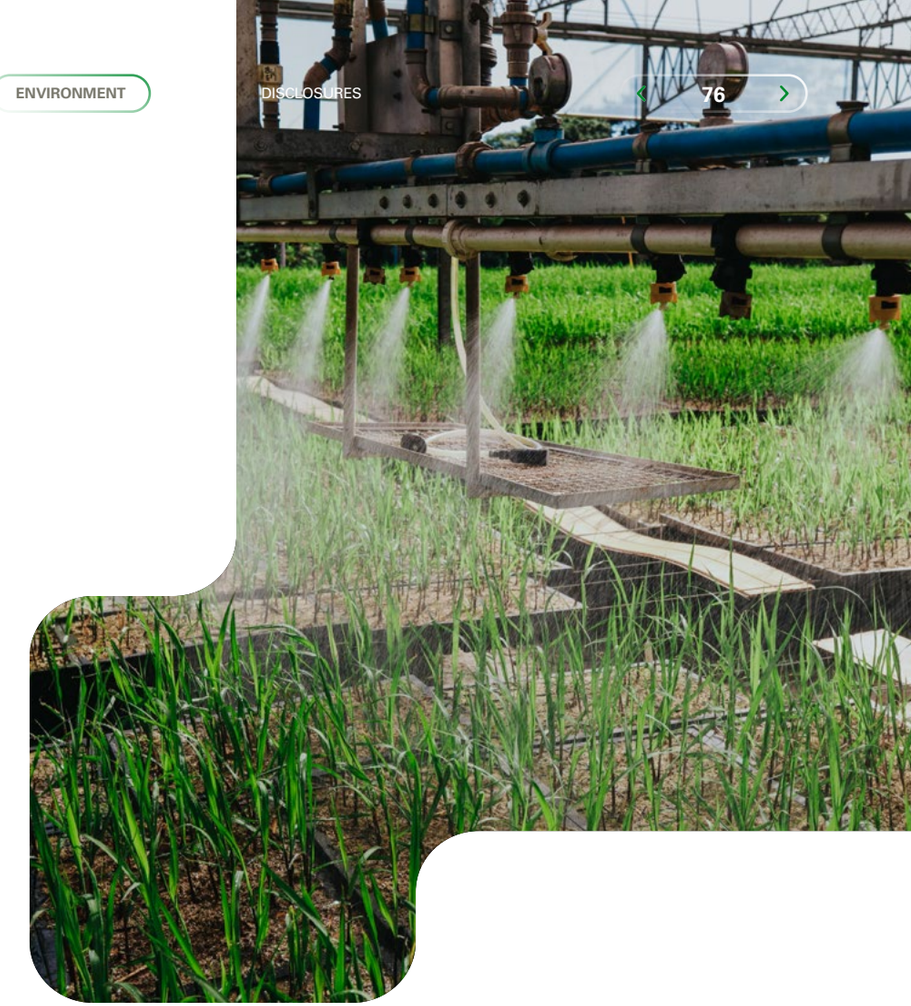
In line with our strategy to reduce the demand for water withdrawn from water bodies for sugar and ethanol production, we invest in water resource management projects focused on reuse. We also have a strategic low-water-use project that utilizes vinasse irrigation channels for rescue irrigation on the company's own fields, a precision agriculture initiative, contributing to the climate management strategy and production efficiency.

In the industry we have projects to reuse condensates and water from the vinasse concentration process. Wastewater and vinasse are used in fertigation. The issue is also managed through the Contingency Plan and participation in water committees where our mills are located.

São Martinho has a Water Balance Assessment tool for its mills, mapping the currents and water distribution flows in industrial processes. This mapping allows us to carry out initiatives to ease our water footprint.

Water is withdrawn from surface and underground sources in legally permitted areas, according to the availability in each mill's region. Water withdrawals at São Martinho are monitored against performance targets and analyses. Reported water volumes refer only to the sugarcane crush period. The organization's river basins are as follows: Drainage basins of the Piracicaba, Capivari and Jundiaí rivers; Drainage basin of the Grande river; and Drainage basin of the Paranaíba river. **(GRI 303-3, SASB RR-BI-140A.1, FB-AG-140A.1)**

Our current water intensity is 1.23 m^3/tc, and we have set a target to reduce this figure to 0.70 m^3/tc by 2030 across our four operations.



WE HAVE A WATER BALANCE ASSESSMENT TOOL

According to the water stress risk analysis conducted using the "Aqueduct Water Risk Atlas" tool from the World Resources Institute (WRI), none of our industrial facilities are located in areas of high water stress. Our water resource objectives are also aligned with public sector efforts, such as the water-related goals of the United Nations Sustainable Development Goals, particularly Goal 6, which aims to ensure the availability and sustainable management of water and sanitation for all. Moreover, they are conducive with goals set by federal and municipal government agencies, ensuring effective integration with existing policies and regulations. **(GRI 303-1, SASB RR-BI-140A.2, FB-AG-140A.2)**

The organization follows strict standards for discharging wastewater, considering various parameters such as temperature, turbidity, pH and concentrations of different substances. These standards derive from the applicable legislation, the composition of the water discharged and the company's internal standards, which include treatment and monitoring policies and guidelines. The quality of this wastewater is monitored, and the results are included in the Vinasse Application Plan, submitted annually to the respective environmental agency. **(GRI 303-2)**

TOTAL WATER WITHDRAWAL (ML)

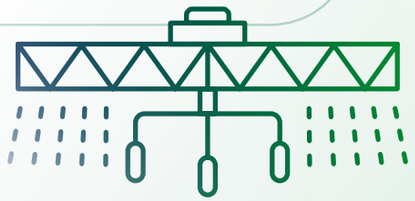
(GRI 303-3, SASB RR-BI-140A.1, FB-AG-140A.1)

2021/2022 | 23,815.95

2022/2024 | 26,361.41

2023/2024 | 30913.54

OUR WATER PLAN AIMS TO **REDUCE THE WATER WITHDRAWAL VOLUME** PER TON OF SUGARCANE MILLED



WATER PLAN

(GRI 3-3 WATER RESOURCE MANAGEMENT)

We completed the initiative in the 2023/2024 crop year, which was financed by Finep with an investment of R$ 95 million. Our two-part water plan (withdrawal and wastewater) aims to reduce the volume of water withdrawn per ton of crushed cane (m^3/tc) and was defined to minimize vulnerability to the effects of climate change. This reduction is achieved by making technological upgrades to water cooling process in the sugar and ethanol production circuit.

The process included evaluating and implementing initiatives in all Company mills. These actions are yielding significant returns in terms of water use reduction. Our adaptation projects include the installation of cooling towers at the São Martinho Mill. The project aims to optimize operations and halve the need for water intake in the coming years.

See all water-related disclosures in the **Appendix**

R$ 95 MILLION

was invested in the Water Plan

WASTE AND **THE CIRCULAR ECONOMY**

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

Considering the concept of reuse in the sugar-energy sector, São Martinho's mills aim to increase productivity and optimize waste-to-value. They implement circular economy actions to reuse the co-products generated in agro-industrial processes, seeking a value creation cycle for the company with a smaller environmental impact and process optimization. This set of initiatives allows for the practical application of the total reuse idea, with more than 99% of the waste generated during the crop year being monetized.

The main impacts of agro-industrial waste are related to raw materials, chemicals and packaging. Waste mapping and classification throughout the production chain are performed according to NBR 10004:2004. Based on this classification, waste is correctly disposed of as hazardous or non-hazardous. **(GRI 306-1)**

Circularity initiatives foster the recycling of macro and micronutrients, reduce greenhouse gas emissions and decrease costs on mineral fertilizers. They involve the use of the following waste:

- **Vinasse**: liquid waste from distillation originating from the ethanol production process. As it is rich in potassium (a nutrient needed for sugarcane fertilization), it is used in fertigation, a fertilization technique that uses irrigation water to deliver nutrients to the cultivated soil.
- **Filter cake:** a residue from the cane juice decantation process, it is rich in phosphorus and organic matter. It is treated and is enriched with other nutrients to be used in place of mineral fertilizers.
- **Sugarcane bagasse:** a byproduct of the sugar and ethanol production process, bagasse is used as biomass in electricity generation.

We recover more than 99% of the waste generated during the crop year

In line with our Solid Waste Management Plan (PGRS), we direct packaging and other applicable materials generated by the Company to recycling and reverse logistics. We also adhere to legal obligations, such as the guidelines of the National Solid Waste Policy (PNRS). **(GRI 306-2)**

To ensure materials are properly disposed of, we also raise employee awareness through lectures based on the 3Rs: Reducing the consumption of inputs and materials; Reusing generated materials and co-products; and Recycling materials when possible.

The 2023/2024 crop year saw an intensification of selective collection and standardization of bin types in industrial offices and the reception of domestic waste, while advancing restructuring waste centers at mills and awareness-raising actions during end-of-year festivities. We also conducted mandatory training for employees on selective collection and ISO 14000, launched on the online learning platform.

All these efforts bolster environmental engagement and culture.

For detailed disclosures, see the Appendix

WASTE GENERATED
(GRI 306-3)

WASTE DIVERTED FROM DISPOSAL
(GRI 306-4)

WE RECOVER ENERGY FROM 83% OF THE WASTE GENERATED THAT IS NOT OTHERWISE DISPOSED OF THROUGH ENERGY RECOVERY

6

DISCLOSURES AND REFERENCES

GRI CONTENT SUMMARY

Statement of use	São Martinho has developed its report in accordance with the GRI Standards for the period from April 01, 2023 to March 31, 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	GRI 13: Sector Standard for Agriculture, Aquaculture, and Fishing 2022

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
General disclosures							
The organization and its reporting practices							
GRI 2: General Disclosures 2021	2-1 Organizational details	3, 10, 31, 134					
	2-2 Entities included in the organization's sustainability reporting	3 The financial report scope includes the companies that are 100% controlled by São Martinho S.A.: São Martinho Terras Agrícolas S.A., São Martinho Terras Imobiliárias S.A., Bioenergética São Martinho S.A., Bioenergética Santa Cruz S.A., Bioenergética Boa Vista S.A., Bioenergia São Martinho Ltda., São Martinho Logística e Participações S.A., São Martinho Inova S.A. and Biometano Santa Cruz Ltda.					
	2-3 Reporting period, frequency and contact point	3 Report publication date: July 29, 2024.					

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 2: General Disclosures 2021	2-4 Restatements of information	3, 66, 108, 117, 118, 122, 124, 131, 132					
	2-5 External assurance	This report underwent an independent assurance process conducted by KPMG Auditores Independentes, demonstrating our concern for the accuracy and reliability of the information presented. The Board of Directors and the Executive Board have validated this document. The independent auditors' limited assurance report is available on pages 102 and 103. The information regarding greenhouse gas emissions has been assured by Bureau Veritas Brazil.					
Activities and workers							
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	12, 19 Except for the start of the corn ethanol plant operation at the Boa Vista Mill (GO) and the new markets and challenges arising from it, there were no significant changes in this area compared to the previous reporting period.					
	2-7 Employees	47, 105, 106					8, 10
	2-8 Workers who are not employees	47					8
Governance							
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	31, 32					5, 16
	2-10 Nominating and selecting the highest governance body	31, 32					5, 16
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	32 The Chairman of the Board of Directors is not an executive officer. Board members must not have any legal impediments either, such as holding positions at competing companies, and must have no conflicts of interest, complying with Brazilian Corporate Law, Novo Mercado Regulations, our Bylaws, Rules of Procedure and the Related-party Transactions and Conflicts of interests Policy.					16
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	14, 32, 36					16

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
	2-13 Delegation of responsibility for managing impacts	14, 36					
	2-14 Highest governance body's role in sustainability reporting	The approval process for the Company's Annual Sustainability Report follows a sequence of Governance steps. It is initially analyzed at a Tactical Sustainability Committee and other relevant advisory committees, and is then discussed and approved at an Executive Board meeting. After these steps, the Board of Directors reviews and approves both the report and the material topics, which consist of a list of ten important issues consolidated by the Sustainability Committee. Once approved, the report is published on the company's institutional and investor relations websites.					
	2-15 Conflicts of interest	32, 33 All conflicts of interest, including potential cross-holdings and relationships with shareholders and suppliers, are disclosed to stakeholders.					16
	2-16 Communicating critical concerns	33, 36					
	2-17 Collective knowledge of the highest governance body	14, 32					
	2-18 Evaluation of the performance of the highest governance body	32					
	2-19 Remuneration policies	47					
	2-20 Process for determining remuneration	47					
	2-21 Annual total compensation ratio	106					
Strategy, policies and practices							
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	5, 14					
	2-23 Policy commitments	8					16

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	14, 33					
	2-25 Processes to remediate negative impacts	14, 33, 34, 36, 37					
	2-26 Mechanisms for seeking advice and raising concerns	34					16
	2-27 Compliance with laws and regulations	131					
	2-28 Membership of associations	35					
Stakeholder engagement							
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	35, 45, 60, 61					
	2-30 Collective bargaining agreements	100% of direct employees are covered by collective bargaining agreements. The calculation does not include contractors, apprentices, interns and members of the Board of Directors and Executive Board.					8
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7					
	3-2 List of material topics	7, 15, 16, 17, 18 There were no changes to the material topics compared to the previous reporting period.					
Biodiversity, ecosystems and land use							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 17, 64, 70, 72				13.3.1	

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	73, 124				13.3.2	6, 14, 15
	304-2 Significant impacts of activities, products and services on biodiversity	70 The extent of the impacted areas covers the total area under the company's management. These impacts are mostly direct, and the effects can vary between permanent or reversible, with durations that can be short-, medium-, or long-term, depending on the degree and nature of the damage caused. It is important to highlight that the impacts result not only from the company's own industrial activities but also cover all stages along the supply chain.	Requirement b.i	Information not available.	The information was taken from the Environmental Impact Study (EIA), which describes the wildlife and flora in the areas directly and indirectly affected by the project. However, there is no specific detail on the species of wildlife and flora impacted, by type of impact. The disclosure is currently under review to assess the feasibility of future disclosure.	13.3.3	6, 14, 15
	304-3 Habitats protected or restored	72				13.3.4	6, 14, 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	124				13.3.5	14, 15
GRI 13: Sector Standard for Agriculture, Aquaculture, and Fishing 2022	13.5.1 Soil health	70					
	13.6.1 Pesticide use	73, 74					
	13.6.2 Pesticide use		13.6.2	Confidential information	This disclosure is deemed sensitive for our business and therefore confidential.		

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
Climate strategy and air quality							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 16, 20, 64, 65				13.1.1 13.2.1	
GRI 201: Financial performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	36, 68, 69, 129				13.2.2	13
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	118				13.1.2	3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	118				13.1.3	3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	119				13.1.4	3, 12, 13, 14, 15
	305-4 GHG emissions intensity	66, 119				13.1.5	13, 14, 15
	305-5 Reduction of GHG emissions	119				13.1.6	13, 14, 15
	305-6 Emissions of ozone-depleting substances (ODS)	119				13.1.7	3, 12
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	120				13.1.8	3, 12, 14, 15

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
Water resource stewardship							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 17, 64, 76, 77				13.7.1	
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	77				13.7.2	6, 12
	303-2 Management of water discharge related impacts	77				13.7.3	6
	303-3 Water withdrawal	76, 77, 121				13.7.4	6
GRI 303: Water and effluents 2018	303-4 Water discharge	121				13.7.5	6
	303-5 Water consumption	121				13.7.6	6
Supply chain management and traceability							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 18, 57, 58					
GRI 204: Procurement practices 2016	204-1 Proportion of spending on locally-based suppliers	57, 132					8
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	57					
	308-2 Negative environmental impacts in the supply chain and actions taken	132					
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	57				13.17.2	5, 8, 16
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	57				13.16.2	5, 8

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	57					5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	133					5, 8, 16
GRI 13: Sector Standard for Agriculture, Aquaculture, and Fishing 2022	13.23.1 Describe the theoretical foundation and methodology used to track the source, origin or production conditions of the products purchased by the organization.	57					
GRI 13: Sector Standard for Agriculture, Aquaculture, and Fishing 2022	13.23.2 Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin.	57					
	13.23.3 Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.	20					
	13.23.4 Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified.	21					
People management and diversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 18, 46, 51				13.15.1	

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 201: Financial performance 2016	201-3 Benefit plan obligations and other retirement plans	The Company's private HSE pension is an optional benefit, participation in which is by subscription. For employees who choose to join the plan, the Company matches their contributions, following the established internal policy. Participants have the option to make basic monthly contributions, which amount to 1% of the portion of the Contribution Salary up to one Reference Unit (UR), and a full percentage between 1% and 8% of the portion of the Contribution Salary over and above one UR. The percentage of salary contributed by the employee or employer totals 8%. São Martinho makes monthly basic contributions for participants, matching 100% of the participant's basic contribution. The retirement plans have nationwide geographical coverage. The São Martinho Reference Unit (UR) is set at R$ 5,868.80 and is restated annually following a collective agreement.	a, b.i, b.ii, c	Not applicable	The organization adheres to the Defined-contribution Plan; there is therefore no long-term liability associated with future benefits, as these depend on the performance of the investments made with contributions from both the employee and the employer. Detailed information can be found in the Financial Statements or in the Reference Form, both available on our IR website		
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	We consider the Company's four producing mills as 'important operational units'.	Requisites a, b, c	Not applicable	The employees' salaries at the company follow the bases established by the minimum wage for the position or the corresponding union, according to local collective agreements. These minimum wages are generally defined in a collective agreement and exceed the regional minimum wage. The remuneration for apprentices follows the national minimum wage. For other employees, São Martinho applies the same initiatives set out in the remuneration policy, such as internal and external analyses and periodic reviews.		5, 8

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 202: Market presence 2016	202-2 Proportion of senior management hired from the local community	100% of board members come from local communities. São Martinho defines the positions of CEO, Vice President, and all those who hold the position of Officer as senior management. We consider all four of the Company's producing mills to be 'important operational units'. The term "local" means the communities surrounding the operational units.					8
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	107, 108					4, 5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	108					3, 5, 8
	401-3 Parental leave	109					5, 8
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	Changes in the organization, not just operational changes, are always preceded by negotiations with union entities or groups of workers. The time frame for implementing these changes is flexible and can be negotiated. Every year, we conduct negotiations with unions to renew labor agreements and discuss salary adjustments and changes to other clauses. These negotiations start before the current agreements expire, with the Boa Vista Mill beginning in January and the other mills in São Paulo starting in March.					8
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	110					4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	48					8
GRI 404: Training and education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	110					5, 8, 10
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	111, 112, 113				13.15.2	5, 8
	405-2 Ratio of basic salary and remuneration of women to men	106					5, 8, 10

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 13: Sector Standard for Agriculture, Aquaculture, and Fishing 2022	13.15.3 Ratio of the basic salary and remuneration of women to men for workers who are not employees and whose work is controlled by the organization.	106				13.15.3	
	13.15.5 Differences in terms of employment contracts and approach to compensation based on nationality or migrant status of workers, broken down by location of operations.	106					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	51				13.15.4	5, 8
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no records of field and mill operations or suppliers where the right to exercise union freedom or collective bargaining could be at risk or under significant threat. São Martinho values respect for the individual right to union membership and collective bargaining, which are constitutionally guaranteed fundamental values. This commitment is enshrined in our Code of Ethics and Business Conduct and is addressed in Compliance Training administered to all employees.				13.18.2	8
Innovation and technology							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 17, 23					
Energy efficiency							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 16, 26, 65, 69					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	66, 117					7, 8, 12, 13
	302-2 Energy consumption outside of the organization	117					7, 8, 12, 13
	302-3 Energy intensity	66, 118					7, 8, 12, 13

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 302: Energy 2016	302-4 Reduction of energy consumption	With the operation of the Corn Ethanol Plant at Boa Vista Mill, which utilizes steam and electricity generated from the burning of sugarcane bagasse, energy use has been optimized, driving down energy intensity within the organization. The organization monitors scope 1 and 2 electricity and fuel consumption, as detailed in the Greenhouse Gas (GHG) Inventory, which follows the methodology of the Brazilian GHG Protocol Program and is independently audited. Efficiency is calculated as the ratio between energy consumption and the amount of cane processed each crop year. The reduction in energy consumption is determined through direct measurements, dropping from 1.78 GJ/tc in 2020 to 1.69 GJ/tc in 2023. The year 2020 was chosen as the comparison baseline because it marked the first year the company's GHG Inventory underwent an independent external assurance.					7, 8, 12, 13
GRI 302: Energy 2016	302-5 Reductions in energy requirements of products and services		All.	Information not available.	The reduction in energy requirements for products is being analyzed by the relevant departments and it is not yet possible to report this disclosure.		7, 8, 12, 13
Waste management							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 17, 64, 78				13.8.1	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	78				13.8.2	3, 6, 11, 12
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	78				13.8.3	3, 6, 8, 11, 12
	306-3 Waste generated	78, 122				13.8.4	3, 12, 15

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 306: Waste 2020	306-4 Waste diverted from disposal	78, 122, 123				13.8.5	3, 11, 12
	306-5 Waste directed to disposal	122				13.8.6	3, 6, 11, 12, 15
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 18, 52				13.19.1	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	52				13.19.2	8
	403-2 Hazard identification, risk assessment, and incident investigation	53, 54				13.19.3	8
	403-3 Occupational health services	55				13.19.4	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	52				13.19.5	8, 16
GRI 403: Occupational health and safety 2018	403-5 Worker training on occupational health and safety	54				13.19.6	9
	403-6 Promotion of worker health	55				13.19.7	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53, 54				13.19.8	8
	403-8 Workers covered by an occupational health and safety management system	109				13.19.9	8

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	56	Requisite b.	Information not available	Contractors are not included when calculating frequency and severity rates, as the number of man-hours worked work is not controlled. However, all accidents or near misses or related unsafe behaviors are identified and calculated into specific rates and are managed by the Company's same health and safety system. We are looking into how we can implement this practice.	13.19.10	3, 8, 16
	403-10 Work-related ill health	52				13.19.11	3, 8, 16
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	During the 2023/2024 crop year, 100% of security professionals were formally trained in human rights, including guards and access controllers, who did not initially receive this training. This progress represents a significant increase on the previous year, in which 49% of these professionals had received training. Contractors are also included in the calculation.					16
Community engagement and local development							
GRI 3: Material Topics 2021	3-3 Management of material topics	8, 18, 60, 114, 115				13.12.1	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	60, 114				13.22.3	5, 9, 11
	203-2 Significant indirect economic impacts	60				13.22.4	1, 3, 8
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	No cases of violations of indigenous peoples' rights were identified, as the Company does not operate in regions where these communities live.				13.14.2	2

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	60, 61				13.12.2	
	413-2 Operations with significant actual or potential negative impacts on local communities	115				13.12.3	1, 2
Additional disclosures (Disclosures that are not part of materiality, but that São Martinho has chosen to report due to their relevance to the organization and to maintain historical consistency and comparability)							
GRI 201: Financial performance 2016	201-1 Direct economic value generated and distributed	42 São Martinho operates exclusively within the country and chooses not to segment the information regionally to maintain comparability with other companies in the sector. Further information can be found on our website.				13.22.2	8, 9
	201-4 Financial assistance received from government	131				-	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	33				13.26.2	16
GRI 205: Anti-corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	33, 34, 130, 131	Requisite c.	Information not available	The Company does not provide specific training to partners and goods and services suppliers, but it provides all of them with its Code of Ethics and Business Code, the Anti-Corruption Policy, Policy on Related-Party Transactions and Conflicts of Interest, through the Suppliers Portal. The documents are also available on the Company's website, through this link	13.26.3	16
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	There were no incidents of corruption in the 2023-2024 crop year.				13.26.4	16

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 207: Taxes 2019	207-1 Approach to tax	The Company complies with current tax and regulatory laws to the letter, but does not have a formal tax policy. Matters of great importance should be approved by the executive board, and in certain cases, by the Board of Directors. Aligned with other policies, the tax approach must ensure compliance with current tax regulations, supporting what is established in the Company's strategies.				-	1, 10, 17
GRI 207: Taxes 2019	207-2 Tax governance, control and risk management	The Board of Directors and the Executive Board are the highest governance bodies responsible for ensuring compliance with fiscal strategy. This is achieved through a tax compliance policy embedded in the business processes. Tax risks are identified and managed through the evaluation of the organizational structure and tax laws, with the application of compliance policies, professional consulting and communication with tax authorities. The Company ensures compatibility between its governance structure and tax control practices by establishing responsibilities, evaluating policies and control practices, and managing tax risks. The Ethics and Compliance Committee addresses these concerns, while external tax audits and consultancy firms are responsible for verifying tax reports.				-	1, 10, 17
	207-3 Stakeholder engagement and management concerns related to tax	The Company actively engages with stakeholders, including tax authorities, on fiscal and tax matters, promoting constructive dialogs and managing controversies. It participates in advocacy campaigns for changes in tax legislation and engages with interest groups and trade associations. The Company uses methods such as open meetings, public consultations, working groups, and independent audits to understand and assess its stakeholders' tax concerns (read more in **Institutional and Government Relations**).				-	1, 10, 17
GRI 415: Public policy 2016	415-1 Political contributions	The Company follows the guidelines of the Reference Form (item 1.6.d) concerning the Code of Ethics and Conduct, approved on 06/17/2024 by the Board of Directors, which addresses the personal right of employees to run in elections but prohibits the use of resources, programs, and services, and the association of its brand with political-party activities. The Private Social Investment Policy, approved by the Board of Directors on 04/27/2020, does not allow direct or third-party donations to individuals, political parties, party coalitions or candidates for elected positions, whether inside or outside election campaigns, in compliance with Law No. 13.165/2015.				13.24.2	16

GRI Standard	Disclosure	Location /Response	Omissions			GRI sector standard ref. no.	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	22				13.10.2	
	416-2 Incidents of noncompliance concerning the health and safety impacts of products and services	22				13.10.3	16
GRI 13: Sector Standard for Agriculture, Aquaculture, and Fishing 2022	13.10.4 Percentage of production volume from sites certified to internationally recognized food safety standards, and list these standards.	21					

SASB CONTENT INDEX

Topic	Code	Title	Response/ Location	Correlation to GRI
Renewable Resources & Alternative Energy: Biofuels				
Air quality	RR-BI-120a.1	Air emissions for the following pollutants: NO_x (excluding N_2O), SO_x, volatile organic compounds (VOCs), particulate matter (PM10), and hazardous air pollutants (HAPs).	120	GRI 305-7
	RR-BI-120a.2	Number of incidents of non-compliance associated with air quality permits, standards, and regulations.	131	GRI 2-27
Water management in manufacturing	RR-BI-140a.1	Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high baseline water stress.	76, 77, 121	GRI 303-3, GRI 303-5
	RR-BI-140a.2	Discussion of water management risks and description of strategies and practices to mitigate those risks.	77	GRI 303-1
	RR-BI-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations.	131	GRI 2-27
Lifecycle GHG emissions balance	RR-BI-410a.1	Lifecycle greenhouse gas (GHG) emissions, by biofuel type.	120	GRI 305-1, 305-2, 305-3
Sourcing & environmental impacts of feedstock production	RR-BI-430a.1	Discussion of strategy to manage risks associated with environmental impacts of feedstock production.	68, 69, 129	GRI 201-2
	RR-BI-430a.2	Percentage of biofuel production third-party certified to an environmental sustainability standard.	116	

Topic	Code	Title	Response/ Location	Correlation to GRI
Management of the legal & regulatory environment	RR-BI-530a.1	Amount of subsidies received through government programs	131	GRI 201-4
	RR-BI-530a.2	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	São Martinho operates in a complex regulatory environment in environmental, tax and labor terms. Changes in legislation can increase compliance costs or offer financial advantages, such as better rates on socio-environmental contracts or tax benefits for biofuels. The company adopts strategies with specific programs for legal compliance, structured compliance functions, and investments in risk management technology. With dedicated committees, such as Sustainability, Governance, Risk and Compliance (GRC), and adherence to the General Data Protection Law (LGPD), São Martinho preempts trends and maximizes regulatory opportunities, strategically positioning itself in the face of challenges and opportunities.	
Operational safety, emergency preparedness & response	RR-BI-540a.1	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR).	The Company does not monitor the number and rates requested by the American Chemistry Council (ACC) Responsible Care Program, as required by the disclosure, following Brazilian standards instead.	
Activity metrics	RR-BI-000.A	Biofuel production capacity.	116	
	RR-BI-000.B	Production of: (1) renewable fuel, (2) advanced biofuel, (3) biomass-based diesel, and (4) cellulosic biofuel.	116	
	RR-BI-000.C	Amount of feedstock consumed in production.	116	
Food & Beverage: Agricultural Products				
Greenhouse gas emissions	FB-AG-110a.1	Gross global Scope 1 emissions.	118	GRI 305-1
	FB-AG-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	65, 118, 119	GRI 3-3 (Climate strategy and air quality), GRI 305-1, GRI 305-5

Topic	Code	Title	Response/ Location	Correlation to GRI
Greenhouse gas emissions	FB-AG-110a.3	Fleet fuel consumed, percentage renewable.	118	
Energy Management	FB-AG-130a.1	Operational energy consumed, percentage grid electricity, percentage renewable.	118	
Water management	FB-AG-140a.1	Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high baseline water stress.	76, 77, 121	GRI 303-3, GRI 303-5
	FB-AG-140a.2	Discussion of water management risks and description of strategies and practices to mitigate those risks.	77	GRI 303-1
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quality and quantity permits, standards, and regulations.	131	GRI 2-27
Food safety	FB-AG-250a.1	Global Food Safety Initiative (GFSI) Audit: Non-conformance rate and associated corrective action rate for minor and (b) major nonconformances.	Our production operations are not certified to a GFSI recognized program.	
	FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program.	Considering the intended use of the raw materials we use (sugarcane and corn), certification by official GFSI programs is not applicable. However, we have implemented procedures to evaluate the purchased raw materials from a food safety perspective to prevent negative impacts on the products we supply to the human food and animal nutrition markets, ensuring the safety and health of consumers.	
Food safety	FB-AG-250a.3	Number of recalls issued and total amount of food product recalled	There were no recalls of our food products during the reporting period.	
Occupational health and safety	FB-AG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees	56	GRI 403-9

Topic	Code	Title	Response/ Location	Correlation to GRI
Environmental and social impacts of supply chain	FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard.	133	
	FB-AG-430a.2	(1) Rate of non-compliance in social and environmental responsibility audit of suppliers and (2) associated corrective action rate for (a) major and (b) minor non-compliances.	132, 133	GRI 308-2, GRI 414-2
	FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing.	57, 59	3-3 (Supply chain management and traceability)
GMO Management	FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs).	São Martinho currently works with genetically modified sugarcane at the Boa Vista Mill, in a small area and volume, still in the validation phase. In this mill, the raw material is used in the production of ethanol for fuel purposes and dry sugarcane yeast that is used in animal feed. The Boa Vista Mill was chosen to validate this technology as it does not produce sugar, and the prospects for using this technology are still being evaluated by the Company's technical area. In relation to other growers, no genetically modified sugarcane has been used in our mills to produce sugar or industrial-grade hydrous ethanol.	
Raw material sourcing	FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	65	GRI 201-2 and GRI 3-3 (Climate strategy and air quality)
	FB-AG-440a.2	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress.	GRI 303-3, 303-4, 303-5
Activity metrics	FB-AG-000.A	Production by principal crop.	41, 43	
	FB-AG-000.B	Number of processing facilities	43	
	FB-AG-000.C	Total land area under active production.	43	
	FB-AG-000.D	Cost of agricultural raw materials sourced externally	This disclosure is deemed sensitive for our business and therefore confidential.	

TCFD CONTENT INDEX

TCFD Recommendation	Correlation to GRI	Response/ Page or link
1. GOVERNANCE: Disclose the organization's governance around climate-related risks and opportunities		
a) Describe the Board's oversight of climate-related risks and opportunities.	2-9; 2-12; 2-13; 2-14; 2-17	14
b) Describe management's role in assessing and managing climate-related risks and opportunities.	2-12; 2-14	14
2. STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material		
a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.		36, 37, 68, 125
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	201-2	67
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		67

TCFD Recommendation	Correlation to GRI	Response/ Page or link
3. RISK MANAGEMENT: Disclose how the organization identifies, assesses, and manages climate-related risks		
a) Describe the organization's processes for identifying and assessing climate-related risks.	201-2	36, 68, 69, 129
b) Describe the organization's processes for managing climate-related risks.		36, 68, 69, 129
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.		36, 68, 69, 129
4. METRICS AND GOALS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	201-2	128
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	305-1, 305-2, 305-3	118, 119
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		121

EXTERNAL ASSURANCE STATEMENT (GRI 2-5)

KPMG

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Independent auditors' Limited Assurance Report on the non-financial information included in the annual Sustainability Report

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Management
São Martinho S.A.
São Paulo - São Paulo

Introduction
We have been hired by São Martinho S.A. ("São Martinho") to present our limited assurance report on the non-financial information included in the "Annual Sustainability Report 2023/2024" of São Martinho S.A., for the period from April 1, 2023 to March 31, 2024 (2023-2024 crop year).

Our limited assurance does not extend to prior period information or to any other information disclosed together with the Annual Sustainability Report 2023/2024, including any images, audio files or embedded videos.

Responsibilities of the Management of São Martinho S.A.
The management of São Martinho S.A. is responsible for:

- select and set proper criteria for preparing the information included in the Annual Sustainability Report for 2023/2024;
- prepare information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI – Standards), the Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products), the Sustainability Accounting Standards Board (SASB) and
- design, implement and maintain internal control over the information relevant to the preparation of the information included in the Annual Sustainability Report 2023/2024 that is free from material misstatement, whether due to fraud or error.

Responsibility of independent auditors
Our responsibility is to express a conclusion on the non-financial information included in the 2023/2024 Annual Sustainability Report, based on the limited assurance engagements conducted in accordance with technical bulletin CTO 07/2023 issued by the CFC – Federal Association of Accountants and based on NBC TO 3000 (reviewed) – Assurance engagements other than audits and reviews, also issued by the CFC, which is equivalent to ISAE 3000 (revised) international standard – *Assurance engagements other than audits or reviews of historical financial information*, issued by the *International Auditing and Assurance Standards Board* (IAASB). These standards require that work be planned and procedures to obtain limited assurance that the non-financial information included in the Annual Sustainability Report 2023/2024 taken as a whole is free from material misstatements.

KPMG Auditores Independentes Ltda. ("KPMG") applies the Brazilian Standard on Quality Management (NBC PA 01), which requires the firm to plan, implement and operate a quality management system, including policies or procedures related to compliance with ethical requirements, professional standards and applicable statutory and regulatory requirements. We have met the independence and other ethical requirements of the Accountant's Professional Code of Ethics and Professional Standards (including Independence Standards) based on key integrity, objectivity, professional competence and due zeal, confidentiality and professional behavior.

KPMG

A limited assurance engagement conducted in accordance with the revised NBC TO 3000 (ISAE 3000 revised) consists mainly of inquiring the management of São Martinho and other São Martinho professionals who are involved in the preparation of the information and by applying analytical procedures to obtain evidence that enables us to conclude, in the form of a limited assurance, information taken as a whole. A limited assurance engagement also requires additional procedures to be applied when the independent auditor gets to know about issues that lead him to believe that the information disclosed in the 2023/2024 Annual Sustainability Report taken as a whole may have material misstatements.

The selected procedures are based on our understanding of the issues related to the compilation, materiality and presentation of the information included in the Annual Sustainability Report 2023/2024, of other circumstances of the work and of our consideration about the areas and processes associated with the material information disclosed in the 2023/2024 Annual Sustainability Report, in which material misstatements could exist. The procedures consisted of, among others:

a. planning the engagement, considering the relevance, the amount of quantitative and qualitative information, as well as the operating and internal control systems that supported the preparation of the information included in the Annual Sustainability Report 2023/2024;

b. understanding the calculation method and procedures followed for compiling indicators by making inquiries and holding interviews with the managers in charge of gathering information;

c. applying analytical procedures to quantitative information and inquiring about qualitative information and its correlation with the indicators disclosed in the information included in the Annual Sustainability Report 2023/2024;

d. when non-financial data correlate with financial indicators, these indicators are cross-checked against financial statements and/or accounting records;

e. analyzing the procedures followed to prepare the 2023/2024 Annual Sustainability Report and its structure and content, in accordance with the Global Reporting Initiative – GRI's Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products) Sustainability Accounting Standards Board (SASB);

f. assessment of sampled non-financial indicators; and

g. understanding the calculation method and procedures followed to compile indicators by holding interviews with the managers in charge of gathering information.

The limited assurance engagements also covered compliance with the GRI – Standards, Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products) framework criteria of the Sustainability Accounting Standards Board (SASB) applicable to the preparation of the information included in the Annual Sustainability Report 2023/2024.

Scope and limitations
The procedures applied in a limited assurance engagement vary in terms of nature and timing and are smaller to the extent than in a reasonable assurance engagement. Therefore, the security level obtained from a limited assurance engagement is substantially lower than that obtained if a reasonable assurance engagement had been carried out. If we had carried out a reasonable assurance engagement, we could have found other issues and possible misstatements which may exist in the information included in the Annual Sustainability Report 2023/2024. Accordingly, we do not express an opinion on that information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. Moreover, we did not carry out any work on data informed for prior periods, or about future projections and goals.

EXTERNAL ASSURANCE STATEMENT (GRI 2-5)

KPMG

The preparation and presentation of sustainability indicators followed the criteria set by GRI – Standards and Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products) of the Sustainability Accounting Standards Board (SASB) and therefore do not have the purpose of ensuring compliance with social, economic, environmental or engineering laws and regulations. However, those standards provide for the presentation and disclosure of possible violations to these regulations when significant sanctions or fines are imposed. Our assurance report should be read and understood accordingly, inherent to the selected criteria (GRI – Standards) and Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products), of the Sustainability Accounting Standards Board (SASB).

Conclusion
Our conclusion was based on and is subject to the matters described in this report.

We believe that the evidence we have obtained in our work is sufficient and appropriate to provide a basis for our limited conclusion.

According to the procedures applied by our team and described in this report and the evidence we obtained, nothing came to our attention that causes us to believe that the non-financial information included in the 2023/2024 Annual Sustainability Report of São Martinho S.A., has not been prepared, in all material respects, in accordance with the Global Reporting Initiative – GRI's Sustainability Reporting Standards and with Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products), of the Sustainability Accounting Standards Board (SASB).

São Paulo, July 31, 2024

KPMG Auditores Independentes Ltda.
CRC SP-014428/F-0
Original report in portuguese signed by

Anderson Linhares de Oliviera
Accountant CRC MG-086685/O-8

DISCLOSURES APPENDIX

The following pages show the set of disclosure reported by São Martinho regarding its strategy, management, and its ESG and economic-financial material topics.

HUMAN CAPITAL

Total workforce by employment contract and gender[1] [2] [3] (GRI 2-7)

	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Indefinite term	10,672	865	11,537	10,716	913	11,629	10,937	961	11,898
Definite term	1,075	40	1,115	949	64	1,013	758	49	807
TOTAL		**905**	**12,652**	**11,665**	**977**	**12,642**	**11,695**	**1,010**	**12,705**

Total workforce, by gender and region[1] [2] [4] [5] (GRI 2-7)

	2022/2023			2023/2024		
	Men	Women	Total	Men	Women	Total
Midwest	2,300	215	2,515	2,337	246	2,583
Southeast	9,365	762	10,127	9,358	764	10,122
TOTAL	**11,665**	**977**	**12,642**	**11,695**	**1,010**	**12,705**

Total workforce by employment type and gender[1] [2] [6] [7] (GRI 2-7)

	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-Time	11,740	904	12,644	11,659	975	12,634	11,689	1,008	12,697
Part-Time	7	1	8	6	2	8	6	2	8
TOTAL	**11,747**	**905**	**12,652**	**11,665**	**977**	**12,642**	**11,695**	**1,010**	**12,705**

Total workforce by employment type and region[1] [2] [4] [5] [6] [7] (GRI 2-7)

	2022/2023			2023/2024		
	Full time	Part Time	Total	Full time	Part Time	Total
Midwest	2,514	1	2,515	2,582	1	2,583
Southeast	10,120	7	10,127	10,115	7	10,122
TOTAL	**12,634**	**8**	**12,642**	**12,697**	**8**	**12,705**

[1] This disclosure does not include members of the Board, Executive Board and Third Parties, Apprentices, Interns and Trainees.

[2] The numbers were taken from the SAP Success Factors at the end of the crop year (March/24), with the total number of active employees, and the data selected was for the period March 01 to 31, 2024.

[3] There was no significant variation in the number of employees, except for a variation in the number of employees on fixed-term contracts, influenced by the crop year and the off-season cycle.

[4] We do not have employees in other regions of Brazil.

[5] There are no historical data available for the 2021/2022 crop year.

[6] Part-time work includes any work period totaling 180 hours per month or less.

[7] We do not have employees working under an undefined work schedule.

Employees by functional category[1] GRI 2-7 (adapted)			
	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Board	10	10	10
Executive Board[2]	12	12	13
Managers	37	37	39
Leaders/Coordinators	63	68	76
Technical/Supervisor	430	452	472
Administrative	846	916	1,001
Operational	11,163	11,033	10,967
Support	113	136	150
TOTAL	**12,674**	**12,664**	**12,718**

[1] This disclosure does not include members of the Board of Directors, Effective Oversight Board Executive Board and Third Parties, Apprentices, Interns and Trainees.
[2] The number of officers includes the Statutory Officers and two CLT Officers of São Martinho S.A.

Percentage increase in annual total compensation[1] [2] (GRI 2-21)			
	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Ratio	183.56	187.00	122.41
Ratio of the percentage increase of the highest-paid individual to the median annual total compensation percentage increase	2.1	1.25	-3.83

[1] As reported by the Remuneration and Benefits department, the following components were considered for the salary analysis up to management level: base salary, overtime, night and hazard premiums, commuting hours, bonuses, sick leave/accident/leave allowances, institutional overtime, time bank payments, maternity leave, Profit Sharing (PPR), and Variable Compensation (RV) for managers. As reported by the Payroll department, for the executive level the following items were considered: salary, Profit Sharing (PPR), Variable Compensation (bonus), fees, and phantom stock options.

[2] There was a reduction in the annual remuneration of the highest-paid individual.

Ratio of basic salary and remuneration of women to men, by employee category[1] [2] (GRI 405-2, GRI 13.15.3)				
2021/2022 Crop Year			2022/2023 Crop Year	2023/2024 Crop Year
Executive Board	Salary	0.75	0.82	0.90
	Salary + Variable compensation	0.73	0.81	0.92
Managers	Salary	1.01	1.02	0.94
	Salary + Variable compensation	0.96	1.03	0.98
Leaders/ Coordinators	Salary	0.81	0.78	0.77
	Salary + Variable compensation	0.76	0.75	0.65
Technical/ Supervisor	Salary	1.09	1.05	1.01
	Salary + Variable compensation	0.94	0.84	0.77
Administrative	Salary	0.93	0.95	0.92
	Salary + Variable compensation	0.86	0.85	0.81
Operational	Salary	0.92	0.92	0.87
	Salary + Variable compensation	0.75	0.74	0.73
Support	Salary	0.84	0.84	0.86
	Salary + Variable compensation	0.07	0.66	0.67
Trainee	Salary	1.00	1.00	1.02
	Salary + Variable compensation	0.97	0.95	0.95
TOTAL	Salary	1.31	1.33	1.29
	Salary + Variable compensation	1.01	1.01	0.96

[1] The company does not practice differences in contracts and compensation based on nationality or migrant status of workers. **(GRI 13.15.5)**

[2] We consider all four of the Company's producing mills as 'important operational units'.

NEW HIRES AND TURNOVER (GRI 401-1)

	2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
	Number	%	Number	%	Number	%
Total number and new hires rate by gender[1 2 5]						
Men	1,954	15.44	2,180	18.64	2,122	18.11
Women	149	1.18	252	25.45	245	23.90
TOTAL	**2,103**	**16.62**	**2,432**	**19.18**	**2,367**	**18.58**

	2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
	Number	%	Number	%	Number	%
New employee hires and hiring rate by age range[1 2 5]						
Under 30	944	7.46	1,114	44.77	938	38.84
30 to 50	1,032	8.16	1,209	15.48	1,145	14.61
Over 50	127	1.00	109	4.57	284	11.42
TOTAL	**2,103**	**16.62**	**2,432**	**19.18**	**2,367**	**18.58**

[1] Employee: Refers to any individual who maintains an employment relationship with the organization, as established by national legislation or its practical application.

[2] The data were compiled from our active employee database as of March/2024 .

[3] Terminations: Includes those who left the organization voluntarily, were terminated, retired, or passed away while in service.

[4] The termination rate was not available for the 2021/2022 crop year.

[5] Changes in employee turnover reflected the nature of agricultural operations. There are typically two periods of peak turnover: from February to April, when we hire new employees ahead of the crop season, and from November to December, when some employees leave the company at the end of the crop season because of our "Second Half" Program, while others are hired for planting using the MEIOSI system.

	2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
	Number	%	Number	%	Number	%
Total number and new hires rate by region[1 2 5]						
Midwest	581	4.59	634	25.10	593	22.90
Southeast	1,522	12.03	1,798	17.70	1,774	17.48
TOTAL	**2,103**	**16.62**	**2,432**	**19.18**	**2,367**	**18.58**

	Number	Number	%	Number	%
Total terminations and turnover rate by gender[1 2 3 4 5]					
Men	2,015	2,194	18.76	1,991	16.99
Women	113	177	17.87	206	20.10
TOTAL	**2,128**	**2,371**	**18.69**	**2,197**	**17.24**

	Number	Number	%	Number	%
Total terminations and turnover rate by age group[1 2 3 4 5]					
Under 30	686	1,101	44.25	996	41.24
30 to 50	1,066	1,125	14.4	1,060	13.52
Over 50	376	145	6.07	141	5.67
TOTAL	**2,128**	**2,371**	**18.69**	**2,197**	**17.24**

	Number	Number	%	Number	%
Total terminations and turnover rate by region[1 2 3 4 5]					
Midwest	546	648	25.65	530	20.46
Southeast	1,582	1,723	16.96	1,667	16.42
TOTAL	**2,128**	**2,371**	**18.69**	**2,197**	**17.24**

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
	%	%	%
Turnover by region[1][2][3][4] (GRI 401-1)			
Midwest	22.23	25.38	21.68
Southeast	15.34	17.33	16.95
TOTAL	**16.72**	**18.93**	**17.91**
Turnover by gender[1][2][3][4] (GRI 401-1)			
Men	16.89	18.70	17.55
Women	14.48	21.67	22.00
TOTAL	**16.72**	**18.93**	**17.91**
Turnover by age group[1][2][3][4] (GRI 401-1)			
Under 30	33.71	44.51	40.04
30 to 50	13.36	14.95	14.06
Over 50	10.56	5.32	8.54
TOTAL	**16.72**	**18.93**	**17.91**

[1] Employee: Refers to any individual who maintains an employment relationship with the organization, as established by national legislation or its practical application.

[2] The data were compiled from our active employee database as of March/2024 .

[3] Calculation methodology: The formula ((hired + terminated)/2)/total employees) is used, excluding contractors, apprentices, interns, members of the Board of Directors, and the Executive Board, but including trainees.

[4] Changes in employee turnover reflected the nature of agricultural operations. There are typically two periods of peak turnover: from February to April, when we hire new employees ahead of the crop season, and from November to December, when some employees leave the company at the end of the crop season because of our "Second Half" Program, while others are hired for planting using the MEIOSI system.

OUR BENEFITS

Employees receiving performance reviews by employment category and gender[1][2][3] **(GRI 401-2)**

Benefits	Number of full-time employees	Number of part-time employees	Number of temporary employees
Life insurance	Yes	Yes	Yes
Health insurance plan	Yes	Yes	Yes
Dental insurance	Yes	Yes	Yes
Parental leave	Yes	Yes	Yes
Pension plans	Yes	Yes	Yes

[1] We consider all four of the Company's producing mills as 'important operational units'.

[2] Those benefiting from part-time work at the company are categorized as apprentices, interns, and medical staff. The temporary category includes apprentices, interns, harvest contract workers, and fixed-term employees.

[3] The data compilation methodology was modified to simplify and facilitate understanding. **(GRI 2-4)**

Total employees entitled to parental leave[1] (GRI 401-3)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Men	313	300	301
Women	23	34	20
Total employees who took parental leave			
Men	313	300	301
Women	23	34	27
Total employees who returned to work during the reporting period after parental leave ended			
Men	313	305	305
Women	19	30	37
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work			
Men	295	291	269
Women	20	9	17
Rate of return			
Men	100.00%	101.67%	100.00%
Women	82.61%	88.24%	100.00%
Retention rate			
Men	94.25%	95.41%	88.20%
Women	105.26%	30.00%	56.67%

[1] The return rate is calculated as the number of employees who returned to work during the reporting period after parental leave divided by the number of employees who took parental leave in the period. Percentages higher than 100% refer to employees who take parental leave in one crop year and returned to work this crop year. The retention rate is calculated as the number of employees who returned to work after parental leave and were still employed 12 months after returning to work, divided by the number of employees who returned to work during the previous crop year.

Occupational health and safety management system based on legal requirements and/or recognized standards/guidelines[1] [2] [3] (GRI 403-8)		2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Total number of individuals		11,994	11,743	12,175
Individuals covered	No.	11,994	11,743	12,175
	%	100	100	100
Individuals covered by a health and safety management system independently audited or certified by an independent third-party	No.	0	0	0
	%	0	0	0

[1] The disclosure includes the total monthly sum of all active employees at the four mills during the crop year April 2023 to March 2024, excluding those on leave. Although contractors are not included in the disclosure, all incidents, including accidents, near-misses and behavioral deviations, are managed by the same health and safety system implemented by the Company.

[2] There are no employees and non-employee workers whose work and/or workplace is controlled by the organization that are covered by this system that has been internally audited or certified by an external party.

[3] The organization adopts the ISO 45001 standard for occupational health and safety management, supplemented by regular inspections, accident and incident reports, and occupational health data. A specialized occupational health and safety management software is used to efficiently organize and analyze all this information.

PEOPLE DEVELOPMENT

Average hours of training per employee by employee category [1] [2] (GRI 404-1)

	2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Managers	785.00	21.20	2,302.80	62.20	1,451.02	37.21
Leaders/ Coordinators	1,824.00	28.90	3,883.80	58.00	2,937.13	38.65
Technical/ Supervisor	18,653.00	43.90	23,253.40	52.00	16,561.62	35.09
Administrative	18,387.00	21.90	23,818.60	26.40	27,412.17	27.38
Operational	402,097.00	38.30	326,754.00	31.30	358,140.70	32.66
Support	5,433.00	48.10	10,136.30	74.50	6,376.85	42.51
Trainee	4,394.00	151.50	1,026.40	25.00	5,495.45	152.65
TOTAL	**451,573.00**	**37.60**	**391,175.30**	**36.50**	**418,374.94**	**32.84**
Interns	1,127.00	37.60	892.10	28.80	1,390.45	55.62
Apprentices	1,594.00	3.70	2,694.20	6.70	2,956.25	6.76
TOTAL (INCLUDING APPRENTICES AND INTERNS)	**454,294.00**	**36.50**	**394,761.60**	**31.60**	**422,721.64**	**32.02**

[1] The calculation of the number of employees includes only active employees, excluding those who have been on leave for more than a year.

[2] We do not consider the training hours of the officers, as they are not included in the employee database.

Average hours of training per employee by gender[1] [2] (GRI 404-1)

	2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Men	433,490.0	37.6	369,814.8	32.2	391,670.97	32.6
Women	20,774.0	22.5	24,946.9	24.9	31,050.67	26.1
TOTAL	**454,264.0**	**36.5**	**394,761.6**	**31.6**	**422,721.64**	**32.0**

[1] The calculation of the number of employees includes only active employees, excluding those who have been on leave for more than a year.

[2] We do not consider the training hours of the directors, as they are not included in the employee database.

Percentage of employees receiving regular performance and career development reviews[1] (GRI 404-3)

	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	76	100	78	68	67	68	77.1	75	77
Leaders/ coordinators	93	80	92	89	71	87	63	9	55
Technical/ Supervisor	71	64	71	53	31	52	50	22	49
Administrative	33	27	31	28	16	24	21	13	18
Operational	18	21	18	17	24	17	16	18	17
Support	99	89	97	54	29	50	75	43	69
TOTAL	**22**	**26**	**22**	**19**	**18**	**19**	**19**	**17**	**19**

[1] Does not include the Board of Directors, outsourced workers, interns, apprentices and trainees.

DIVERSITY, EQUITY AND INCLUSION

Percentage of men and women in governance bodies and among workers, by employee category and gender (GRI 405-1)

	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board of Directors[1]	90	10	100	70	30	100	70	30	100
Executive Board[2]	92	8	100	92	8	100	92	8	100
Managers	92	8	100	92	8	100	90	10	100
Leaders/ Coordinators	92	8	100	90	10	100	86	14	100
Technical/ Supervisor	97	3	100	97	3	100	96	4	100
Administrative	67	33	100	65	35	100	65	35	100
Operational	95	5	100	94	6	100	95	5	100
Support	86	14	100	82	18	100	81	19	100
Trainee	59	41	100	68	32	100	58	42	100
Apprentices	66	34	100	66	34	100	64	36	100
Interns	41	59	100	39	61	100	68	32	100
TOTAL	**92**	**8**	**100**	**91**	**9**	**100**	**91**	**9**	**100**

[1] Includes Board of Directors and Oversight Board.

[2] The number of officers includes the Statutory Officers and two CLT Officers of São Martinho S.A.

Percentage of individuals in governance bodies, among employees and workers, by age group and functional category (GRI 405-1)

	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
Board of Directors[1]	0	20	80	0	10	90	0	10	90
Executive Board[2]	0	31	69	0	33	67	0	23	77
Managers	0	76	24	0	73	27	0	72	28
Leaders/ Coordinators	3	87	10	4	84	12	3	89	8
Technical/ Supervisor	7	75	18	10	73	17	9	76	15
Administrative	33	58	9	36	56	8	35	57	8
Operational	19	61	20	19	61	20	18	61	21
Support	12	80	8	15	79	7	15	78	7
Trainee	97	3	0	98	2	0	94	6	0
Apprentices	100	0	0	100	0	0	100	0	0
Interns	97	3	0	100	0	0	100	0	0
TOTAL	**22**	**60**	**18**	**22**	**59**	**18**	**24**	**57**	**19**

Percentage of employees and workers with disabilities in governance bodies, by employee category and gender (GRI 405-1)									
	2021/2022 Crop Year			2022/2023 Crop Year			2023/2024 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board of Directors[1]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Executive Board[2]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Managers	2.94	0.00	2.70	8.82	0.00	8.11	5.71	0.00	5.13
Leaders/ Coordinators	1.72	0.00	1.59	1.64	0.00	1.47	0.00	18.18	2.63
Technical/Supervisor	3.34	0.00	3.26	2.96	0.00	2.88	2.42	0.00	2.33
Administrative	6.56	6.03	6.38	7.05	5.94	6.66	4.30	3.14	3.90
Operational	2.83	10.71	3.25	2.83	10.49	3.25	2.37	7.51	2.65
Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trainee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Apprentices	0.35	0.00	0.23	0.36	0.00	0.24	0.00	0.00	0.00
Interns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**2.93**	**7.40**	**3.29**	**2.96**	**7.17**	**3.33**	**2.38**	**4.86**	**2.61**

[1] Includes Board of Directors and Oversight Board

[2] The number of officers includes the Statutory Officers and two CLT Officers of São Martinho S.A.

Percentage of people in governance bodies and employees and among workers, by employee category and race/ethnicity (GRI 405-1)																		
	2021/2022 Crop Year						2022/2023 Crop Year						2023/2024 Crop Year					
	Asian	White	Black	Mixed race	Indigenous	Not stated	Asian	White	Black	Mixed race	Indigenous	Not stated	Asian	White	Black	Mixed race	Indigenous	Not stated
Board of Directors[1]	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
Executive Board[2]	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
Managers	0.00	78.38	0.00	21.62	0.00	0.00	0.00	97.30	0.00	2.70	0.00	0.00	0.00	97.44	0.00	2.56	0.00	0.00
Leaders/ Coordinators	1.59	76.19	1.59	19.05	0.00	1.59	1.47	82.35	1.47	5.88	0.00	8.82	1.32	78.95	1.32	7.89	0.00	10.53
Technical/ Supervisor	0.70	52.79	3.02	42.79	0.00	0.70	1.11	58.63	3.54	34.51	0.00	2.21	1.27	56.99	4.03	34.75	0.21	2.75
Administrative	1.65	57.68	4.49	34.40	0.12	1.65	1.42	62.45	4.69	22.82	0.11	8.52	1.20	60.84	5.09	25.07	0.20	7.59
Operational	0.99	34.28	8.66	54.25	0.30	1.52	1.24	38.21	10.30	46.15	0.38	3.72	1.24	37.22	10.62	45.62	0.34	4.96
Support	0.88	62.83	2.65	32.74	0.00	0.88	2.21	69.85	3.68	19.85	0.74	3.68	1.33	69.33	2.67	22.00	0.67	4.00
Trainee	0.00	72.41	0.00	27.59	0.00	0.00	0.00	46.34	0.00	26.83	0.00	26.83	0.00	38.89	0.00	22.22	0.00	38.89
Apprentices	0.23	37.00	8.67	52.93	0.23	0.94	0.24	35.71	7.38	44.76	0.24	11.67	0.00	38.44	6.41	39.36	0.46	15.33
Interns	0.00	0.00	0.00	100.00	0.00	0.00	0.00	48.39	3.23	16.13	0.00	32.26	0.00	28.00	4.00	20.00	0.00	48.00
TOTAL	**0.99**	**37.22**	**8.03**	**52.01**	**0.27**	**1.47**	**1.22**	**41.40**	**9.37**	**43.27**	**0.34**	**4.40**	**1.19**	**40.70**	**9.61**	**42.74**	**0.33**	**5.60**

[1] Includes Board of Directors and Effective Oversight Board.

[2] The number of officers includes the Statutory Officers and two CLT Officers of São Martinho S.A.

SOCIAL RELATIONS

Infrastructure investments and services supported (GRI 203-1, 3-3)

Project/ Activity[1]	Project status	Expected actual impacts	Nature of expenditure	Expenditure (in R$)	Impacted groups and communities	Investment model[3] [4]	Sites covered
Empresários para o Futuro	Executed	We nurture an entrepreneurial spirit among young people from school age, promoting personal development and introducing them to the business world. We also foster corporate volunteering among the employees of the Iracema Mill. During the 23/24 crop year, the project trained 45 adolescents aged 14 to 16 from the public school system in Iracemápolis, as well as Iracema Mill's direct employees, through the "Personal Finance" course. Ten volunteer professionals participated who were responsible for delivering the content to the young participants.	Free[2]	-	Adolescents aged 14 to 16 from the public school system in Iracemápolis, as well as Iracema Mill's direct employees.	Private Social Investment Project (ISP)	UIR
Winter Clothing Campaign	Executed	We provide assistance by donating clothing and blankets to socially vulnerable people. In total, 1,002 items were donated to the Social Assistance Referral Centers (CRAS) in the municipalities of Américo Brasiliense, Iracemápolis, Quirinópolis and Pradópolis.	Free	-	The donations were given to families registered in the municipal social assistance networks of Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis.	Voluntary donation	UIR, UBV, USM, USC
Natal Sem Fome campaign ("Christmas without Hunger")	Executed	We provide assistance by donating food to socially vulnerable people, serving families registered in the municipal social assistance networks of Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis. In total, 7.2 tons of food were donated to the Social Assistance Referral Centers (CRAS) in these municipalities.	Free	-	The donations were given to families registered in the municipal social assistance networks of Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis.	Private Social Investment Project (ISP)	UIR, UBV, USM, USC
Young Apprentice Program	Annually	In compliance with the law, the São Martinho apprentice program is implemented in partnership with Senai and other local institutions specializing in teaching in the apprenticeship model. The young individuals are selected through a rigorous selection process and undergo training to perform both industrial and administrative roles within the Company. During the 23/24 crop year, we hired 689 young people as Young Apprentices, providing them with valuable learning and professional development opportunities.	Type	6,088,279.38	Young people aged 14 to 24.	Legal requirement	UIR, UBV, USM, USC
Professional Training Program	In progress	The main objective is to provide professional qualification to diverse groups, with a special focus on women, people with disabilities, and individuals in socioeconomically disadvantaged situations, aiming for their inclusion in the agro-industrial sector. To this end, 81 people were trained, with ten males and 71 females.	Donating services	703,867.00	Women, people with disabilities and individuals in socioeconomically disadvantaged situations.	Private Social Investment Project (ISP)	UIR, USM, USC
Projovem First Job	Annually	In collaboration with OSC Projovem, our program aims to offer the first work experience to young people aged 16 to 18, enrolled in the public school system of Pradópolis. These participants receive training to enter the job market and have the opportunity to apply this knowledge in our Company, performing administrative support activities in various departments. During the 23/24 crop year, the program provided their first job to more than 50 young people, contributing to their professional and personal development.	Type	1,354,792.80	Young people aged 16 to 17 in socioeconomically vulnerable situations in the municipality of Pradópolis.	Private Social Investment Project (ISP)	USM
Institutional Donations	Executed	To support its local social agenda, in the 2023/2024 crop year, the mills continued to support public interest institutions in their surroundings by donating supplies or sponsoring social assistance projects or activities, while donating goods and services to support public and civil society organizations interested in education, health, culture, social assistance and public safety.	Type	611,813.12	Children, adolescents, elderly people, people with disabilities, women and the community in general.	Voluntary donation	UIR, UBV, USM, USC

[1] There were no Tax Incentive Projects during the 2023/2024 crop year.
[2] The institution is part of the recurring donations list of UIR.
[3] The Investment Model refers to the nature of the investment, whether voluntary or mandatory.
[4] The ISP Projects are supported by the Social Responsibility and Private Social Investment Policy.

Operations with significant actual and potential negative impacts on local communities (GRI 3-3; GRI 413-2)

Operating unit	Location of operation	Impacts	Location of impacts	Classification of Impacts
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Iracemápolis/SP/Brazil Quirinópolis/GO/Brazil	Increase in truck traffic on highways	AID - Direct Area of Influence	- Actual/Potential: Actual - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Temporary
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Iracemápolis/SP/Brazil Quirinópolis/GO/Brazil	Disturbance caused by dust	AID - Direct Area of Influence	- Actual/Potential: Actual - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Temporary
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Iracemápolis/SP/Brazil Quirinópolis/GO/Brazil	Noise and tremors from cane trucks	AID - Direct Area of Influence	- Actual/Potential: Potential - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Temporary
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Iracemápolis/SP/Brazil Quirinópolis/GO/Brazil	Foul odors from the use of vinasse and pesticides	AID - Direct Area of Influence	- Actual/Potential: Potential - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Indefinite term
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Iracemápolis/SP/Brazil Quirinópolis/GO/Brazil	Surface water pollution by runoff	ADA - Directly Affected Area AID - Direct Area of Influence	- Actual/Potential: Potential - Reversibility: Irreversible - Significance: Significantly Adverse - Timing: Indefinite term
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Iracemápolis/SP/Brazil Quirinópolis/GO/Brazil	Health risks to workers from working with pesticides	AID - Direct Area of Influence	- Actual/Potential: Potential - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Indefinite term
São Martinho Mill Santa Cruz Mill Boa Vista Mill	Pradópolis/SP/Brazil Américo Brasiliense/SP/Brazil Quirinópolis/GO/Brazil	Commitment of water resources to meet mill demands	ADA - Directly Affected Area AID - Direct Area of Influence	- Actual/Potential: Potential - Reversibility: Irreversible - Significance: Significantly Adverse - Timing: Temporary
Iracema	Iracemápolis/SP/Brazil	Commitment of water resources to meet mill demands	ADA (directly affected area) and AID (direct area of influence)	- Actual/Potential: Actual - Reversibility: Irreversible - Significance: Significantly Adverse - Timing: Temporary

ENVIRONMENT & NATURAL CAPITAL

Amount of feedstock consumed in biofuel production (t)[1] [2] [3] (SASB RR-BI-000.C)		
	2022/2023 Crop Year	2023/2024 Crop Year
Processed sugarcane	20,024,140	23,066,695
Processed corn	-	390,725

[1] In the 2021/2022 crop year we processed 19.9 million tons of sugar cane.

[2] The table shows the total amount of raw material processed by the Company. In the 23/24 crop year, the production mix between sugar and ethanol was 49% and 51%, respectively. 51% of the total raw material processed was therefore allocated to biofuel production.

[3] The 2023/2024 crop year was the first in which the Company produced corn ethanol; therefore, there are no historical data available.

OPERATIONS AND PRODUCTION

Biofuel production capacity[1] (SASB RR-BI-000.A)			
Biofuels (Mgal)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Anhydrous ethanol	207.5	218.2	295.7
Hydrous ethanol	377.6	401	501.2

[1] Biofuel production capacity is calculated based on daily production capacity (m^3/day) as authorized by the Brazilian biofuels regulator (ANP) for each operation, multiplied by the number of harvest days. Our biofuel production capacity is available in Real-Time Reports provided for ANP-authorized biofuels production facilities, viewable here

Advanced biofuel production (SASB RR-BI-000.B)			
(Mgal)	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024[1] Crop Year
Production of advanced biofuel	241.1	238.2	250.4

CERTIFICATIONS & STANDARDS

Percentage of biofuel production third-party certified to an environmental sustainability standard[1] (SASB RR-BI-430a.2)												
	2021/2022 Crop Year				2022/2023 Crop Year				2023/2024 Crop Year			
	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill
Percentage of biofuels certified - Bonsucro	44.40	0.00*	78.00	NA**	43.45	60.00	78.00	12.00	ND***	ND***	ND***	ND***
Percentage of biofuels certified - RenovaBio: anhydrous ethanol	95.40	98.50	85.90	96.20	95.40	98.14	91.68	99.42	94.72	98.14	91.68	99.42
Percentage of biofuels certified - RenovaBio: hydrous ethanol	95.40	98.50	85.90	96.20	95.40	98.14	91.68	99.42	94.72	98.14	91.68	99.42

[1] The biofuel production is certified according to the Bonsucro and RenovaBio standards.

* Our São Martinho operation received Bonsucro certification in January 2022, during the 2021/2022 crop year, but did not certified products.

** Operations flagged with "NA" were not Bonsucro-certified during the relevant period.

*** Bonsucro data for the 2023/2024 crop year is not yet available due to an ongoing audit.

ENERGY

Fuel consumption within the organization – nonrenewable (GJ)[1 2 3] (GRI 302-1)

Fuel	2021	2022	2023
Diesel (pure diesel fraction)	2,481,677	2,505,872	2,628,123
Gasoline (pure gasoline fraction)	4,602	5,971	4,107
Compressed Natural Gas	2,969	2,601	4,524
Liquefied petroleum gas (LPG)	3,404	4,176	5,671
TOTAL	**2,492,652**	**2,518,620**	**2,642,425**

Energy sold (GJ)[1 2 3] (GRI 302-1)

	2021	2022	2023
Electricity	2,926,551	2,639,228	2,484,986

Energy consumed (GJ)[1 2 3] (GRI 302-1)

	2021	2022	2023
Electricity	63,915	78,002	79,037

Renewable energy consumption within the organization (GJ)[1 2 3] (GRI 302-1)

Fuel	2021	2022	2023
Hydrous ethanol	91,172	131,642	79,741
Anhydrous ethanol (contained in gasoline)	1,178	1,528	1,051
Sugarcane bagasse	49,558,337	48,677,976	42,220,333
Biodiesel (contained in diesel)	291,315	259,921	318,805
TOTAL	**49,942,002**	**49,071,066**	**42,619,930**

Total energy consumed (GJ)[1 2 3] (GRI 302-1)

	2021	2022	2023
Non-renewable fuels	2,492,652	2,518,620	2,642,425
Renewable fuels	49,942,002	49,071,066	42,619,930
Power consumed	63,915	78,002	79,037
Electricity sold	2,926,551	2,639,228	2,484,986
TOTAL	**49,572,017**	**49,028,460**	**42,856,406**

[1] The data for fuel consumption and electricity consumption and exports are for the calendar year, as the information is derived from our GHG Inventory within the Brazilian GHG Protocol Program (Version 2024.0.2). The conversion factors are obtained from the National Energy Balance (EPE, 2023). Emissions from renewable and non-renewable fuels are calculated as: Volume consumed (L) x Density (kg/L) x Lower Calorific Value of sugarcane bagasse based on internal analysis (GJ/t) / 1,000.

[2] No power was used for heating or steam in 2023.

[3] No power was sold for heating, cooling or steam in 2023.

Energy consumption outside the organization (GJ) [1 2 3 4 5] (GRI 302-2)

	2021	2022	2023
Category 1: Purchased goods and services: agricultural and industrial inputs	2,392,830	2,241,071	2,329,552
Category 2: Capital goods	229	630	103
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2: LPG (cafeterias)	1,785	2,411	2,472
Category 7: Employee commuting	54,226	-	-
TOTAL	**2,449,070**	**2,244,112**	**2,332,130**

[1] Energy consumption outside the organization is for the calendar year, as the information is derived from our GHG Inventory within the Brazilian GHG Protocol Program.

[2] The conversion factors are obtained from the National Energy Balance (EPE, 2023). Emissions from renewable and non-renewable fuels are calculated as: Volume consumed (L) x Density (kg/L) x Lower Calorific Value of sugarcane bagasse based on internal analysis (GJ/t) / 1,000.

[3] There are no standards that regulate the reporting of energy outside the organization, however, São Martinho does follow the methodology recommended by the Brazilian GHG Protocol Program to prepare its GHG Inventory.

[4] The increase in value in category 2 in 2022 is justified by the construction of the corn ethanol plant at the Boa Vista Mill. Due to a data conversion error in the previous report for the year 2022, the data for this period have been reviewed and corrected. **(GRI 2-4)**

[5] Starting in 2022, category 7 has been reported within Scope 1, as the hiring of the fleet for employee transportation is managed by the Company. In 2022, there was an error in presenting this data, as it was already included in Scope 1. For this reason, the data for this period have been reviewed and adjusted **(GRI 2-4)**

Energy intensity[1] [2] [3] (GRI 302-3)

	2021	2022	2023
Specific metric (GJ/tc eq.)	19,899,014	20,024,140	25,326,535
Within the organization	1.95	1.91	1.69
Outside the organization	0.12	0.12	0.09

[1] Types of energy included in the intensity ratio were fuels and electricity. The rate includes energy consumed within and outside the organization.

[2] tc eq. = tons of cane equivalent

[3] The Energy Intensity calculation methodology has been revised and updated. Previously based on the Lower Calorific Value (LCV) according to the 2021 BNE, it now incorporates the LCV from specific analyses of each mill's bagasse. This change significantly reduced the disclosure, more accurately reflecting São Martinho's reality. Historical data has also been adjusted according to this new methodology. **(GRI 2-4)**

Energy consumption (SASB FB-AG-130a.1)

	2021	2022	2023
Total energy consumed, except fleet vehicles (GJ)	49,699,360	49,095,948	53,999,003.99
Percentage grid electricity (%)	0.13	0.16	0.15
Percentage renewable (%)	99.91	105.23	104.53

Fleet fuel consumed (SASB FB-AG-110a.3)

	2021	2022	2023
Total fuel consumed by fleet vehicles	**3,004,263**	**3,014,382**	**3,185,484.77**
Percentage of fuel consumed by fleet vehicles that is renewable (%)	13.15	13.38	12.92

EMISSIONS

Direct greenhouse gas emissions, Scope 1 ($tCO_2eq.$)[1] [2] [3] [4] [5] (GRI 305-1 | SASB FB-AG-110a.1 | FB-AG-110a.2 | TCFD.4.B)

	2021	2022	2023	Change 2022 x 2023
Production of electricity, heat or steam - stationary combustion	97,226	97,351	106,382	9.28%
Waste and wastewater	14,416	6,596	3,326	-49.58%
Transportation of materials, products, waste, employees and passengers (mobile combustion)	182,553	182,672	194,009	6.21%
Fugitive emissions	15,042	17,077	27,893	63.34%
Agricultural practices	283,939	267,919	301,602	12.57%
TOTAL GROSS CO_2 EMISSIONS	**593,176**	**571,615**	**633,213**	**10.78%**
Biogenic emissions	5,674,012	5,569,670	6,295,598	13.03%

Indirect greenhouse gas emissions, Scope 2 ($tCO_2eq.$)[1] [5] [6] [7] (GRI 305-2 | TCFD.4.B)

	2021	2022	2023	Change 2022 x 2023
Indirect emissions from the acquisition of electricity based on location (location-based)	1,977	934	789	-15.52%
Indirect emissions from the acquisition of electricity based on purchase (market-based)	0	0	0	0%

[1] The gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 e NF_3 are included in the calculation.

[2] We also included other greenhouse gases not embraced by the Kyoto Protocol: HCFC-22 (R22) and HCFC-141b.

[3] We used the methodology of the Brazilian GHG Protocol Program (PBGHG), the Brazilian GHG Protocol Program tool version 2023.0.1, the World Resources Institute (WRI Agriculture) GHG Protocol methodology version 2024.0.2, and ISO 14064. For Scope 1, emission factors based on internationally recognized publications were used, such as IPCC methods (2000, 2006, 2019) and Global Warming Potential GWP - AR5.

[4] The baseline year chosen was 2020, as it was the first year our Greenhouse Gas Inventory was independently assured. There were no significant changes that required adjustments to the emissions calculation for that year. The total Scope 1 emissions in the baseline year were 809,205 $tCO_2eq.$ and Scope 2 was 1,382 $tCO_2eq.$

[5] The consolidation approach we use to calculate emissions is Operational Control.

[6] For Scope 2, we used two different methods for calculating emission factors. In the location-based approach, we applied the emission factor of the National Interconnected Grid (SIN), which can be consulted at https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/dados-e-ferramentas/fatores-de-emissao. For the market-based approach, we used the emission factor provided by the generator of renewable electricity, specifically for Renewable Energy Certificates (RECs).

[7] São Martinho has been offsetting Scope 2 emissions since 2021. In 2023, we retired 21,960 I-RECs, representing 21,960 MWh of electricity generated from wind power, with an emission factor of 0.000 $tCO_2eq./MWh$.

Other greenhouse gas emissions, Scope 3 (tCO_2e)[1 2 3] (GRI 305-3 | TCFD.4.B)

	2021	2022	2023	Change 2022 x 2023
Goods and services purchased	227,319	212,902	221,307	3.95%
Capital goods	12,780	23,181	4,713	-79.67%
Activities related to purchased electricity (not included in Scope 1 or 2) and fuels	113	152	160	5.06%
Upstream transportation and distribution	14,268	15,161	16,341	7.78%
Transportation and distribution (downstream)	24,381	22,839	29,731	30.17%
Business travel	18	253	84	-66.70%
Commuting	3,615	-	-	-
TOTAL	**282,494**	**274,488**	**274,488**	**-0.78%**
Biogenic emissions	4,840	3,844	4,950	28.76%

[1] The gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 e NF_3 are included in the calculation.

[2] We used the methodology of the Brazilian GHG Protocol Program (PBGHG), the Brazilian GHG Protocol Program tool version 2023.0.1, the World Resources Institute (WRI Agriculture) GHG Protocol methodology version 2024.0.2, and ISO 14064. Emission factors based on internationally recognized publications were used, such as IPCC methods (2000, 2006, 2019) and Global Warming Potential GWP - AR5.

[3] The baseline year chosen was 2020, as it was the first year our Greenhouse Gas Inventory was independently assured. There were no significant changes that required adjustments to the emissions calculation for that year. The total Scope 3 emissions in the baseline year were 271,423 tCO_2e.

Greenhouse gas emissions intensity[1 2 3] (GRI 305-4)	2021	2022	2023
Sugar (gCO_2 e/kg)	222.2	223.5	220.8
Ethanol (gCO_2 e/MJ)	13.4	13.5	13.4
Electricity (gCO_2 e/kWh)	48.2	48.7	48.1

[1] The emissions intensity is for the civil year and includes scope 1 and 2 emissions (market-based).

[2] The gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 e NF_3 are included in the calculation.

[3] The method used to consolidate emissions was operational control.

Reduction of greenhouse gas emissions (tCO_2e)[1 2 3] (GRI 305-5 | SASB FB-AG-110a.2)

	Scope 1	Scope 2	Scope 3
Emissions in baseline year (2020)	809,205	1,382	271,423
Emissions in 2023	633,213	0	272,336
Reduction of GHG emissions (tCO_2 equivalent)	-175,992	-1,382	-913

[1] The gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 e NF_3 are included in the calculation.

[2] The year 2020 was established as the baseline year as it was the first year our GHG Inventory underwent independent external assurance, despite not reporting Scope 2 emissions based on market-based approach.

[3] Scope 2 emissions (location-based) are relatively low, and were offset in their entirety by purchasing Renewable Energy Certificates (I-REC) from wind sources with an emission factor of 0.000 tCO_2/MWh, (*market-based*).

Emissions of ozone-depleting substances (ODS)[1 2 3] (GRI 305-6)

	2021	2022	2023
Total ODSs produced in metric tons - HCFC-22	0.8574	1.1400	0.9318
Total ODSs produced in metric tons - HCFC-141b	1.5701	0.1000	0.0539
Total ODSs produced in tCFC-11 eq - HCFC-22	0.0343	0.0456	0.0373
Total ODSs produced in tCFC-11 eq - HCFC-141b	0.1884	0.0040	0.0065
Production of ODS	0.2227	0.0576	0.0438

[1] The substances included in the above calculations are HCFC-22 and HCFC-141b. HCFC-22 is used to refill air conditioners and chillers, compressors and air dryers, while HCFC-141b is used in agricultural machinery.

[2] The source of the emission factors used are PDO/ODP from the WMO (World Meteorological Organization), 2011: Scientific Assessment of Ozone Depletion: 2010. Global Ozone Research and Monitoring Project—Report No. 52, Geneva, Switzerland, 516 pp, as reported by the United States Environmental Protection Agency (EPA) at https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances.

[3] The standards, methodologies and assumptions adopted are the amount of gas used (in tons) multiplied by the Ozone Depletion Potential (ODP) of the gas: HCFC-22 = 0.04, HCFC-141b = 0.12.

Lifecycle greenhouse gas (GHG) emissions, by biofuel type [1][2][3][4] (SASB RR-BI-410a.1)

	2021/2022 Crop Year				2022/2023 Crop Year				2023/2024 Crop Year			
	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill
NEEA Hydrous ethanol (gCO_2 eq/MJ)	58.22	60.6	62.5	62.7	58.22	63.44	62.4	65.47	59.84	63.44	62.4	65.47
NEEA Anhydrous Ethanol (gCO_2 eq/MJ)	58.57	61	62.8	63	58.57	63.79	62.76	65.82	60.19	63.79	62.76	65.82
Hydrous Ethanol Carbon Intensity (gCO_2e/MJ)	29.18	26.8	24.9	24.7	29.18	23.96	25	21.93	27.56	23.96	25	21.93
Anhydrous Ethanol Carbon Intensity (gCO_2 e/MJ)	28.83	26.4	24.6	24.4	28.83	23.61	24.64	21.58	27.21	23.61	24.64	21.58
CBIO emission factor - Hydrous ethanol (tCO_2 e/L)	0.00118534	0.001274	0.001145	0.001287	0.001185343	0.001328717	0.001220907	0.001068553	0.001209641	0.001328717	0.001220907	0.001389119
CBIO emission factor - Anhydrous ethanol (tCO_2 e/L)	0.00124903	0.001343	0.001205	0.001355	0.001249028	0.001399417	0.001286193	0.00061773	0.001274426	0.001399417	0.001286193	0.001462784

[1] Each Emission Reduction Certificate (CBIO) corresponds to one ton of CO_2 equivalent not emitted due to the use of biofuels.

[2] The carbon intensity of ethanol, calculated under the RenovaBio Program through RenovaCalc, can be verified by subtracting the Environmental-Energy Efficiency Score (NEEA) from the carbon intensity of gasoline, the equivalent fossil fuel, which is 87.4 gCO_2e/MJ.

[3] Information about the Energy-Environmental Efficiency Note (NEEA) and the Emission Factor of CBIO is available in the Efficient Biofuel Production and Import Certificates, accessible in the 'Certifications' section on our **site**.

[4] Data for the 2023/2024 crop year refers to the latest certified values for the period.

NO_x, SO_x and other significant air emissions (tCO_2e)[1][2][3] (GRI 305-7, SASB RR-BI-120a.1)

	2021	2022	2023	Change 2022 x 2023
NO_x	2,322.18	2,667.74	4,888.97	83.22%
Particulate Matter	2,408.94	3,607.57	4,358.00	20.80%

[1] The emission factor sources were extracted from the monitoring reports of the existing fixed sources in the Group's units (boilers). Every year, we conduct collections/samplings of atmospheric emissions from our fixed sources, analyzing the parameters of particulate matter and nitrogen oxides. In the case of UBV, sampling is carried out semi-annually.

[2] The standards, methodologies, and assumptions adopted were based on studies conducted by a third-party firm, semi-annually at the UBV mill and annually at the other three mills. The emission rate of MP and NOx (g/h or kg/h) is obtained from stationary sources (boilers). The boiler's operating time is obtained as follows: 24 (hours/day) x n (days/crop year).

[3] The same methodology is followed in all mills, with the only variation being the emission limit legislation for each boiler, which depends on its manufacturing date. The legislation followed is stated in each report.

WATER

Total volume of water withdrawal across all areas and in areas with water stress, by source [1][2][3][4] (GRI 303-3, SASB RR-BI-140a.1, FB-AG-140a.1)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Surface water (ML)	22,181.72	24,491.98	28,743.59
Groundwater (ML)	1,634.23	1,869.42	2,169.96
TOTAL	**23,815.95**	**26,361.41**	**30,913.54**
Processed cane (t)	19,899,013.29	20,024,040.41	25,179,287.25
Water withdrawal per metric ton of sugarcane (m^3/t)	1.20	1.32	1.23

[1] Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress.

[2] All water withdrawals are freshwater.

[3] The water withdrawal volumes are within the permits granted by the Water and Electricity Department (DAEE) of São Paulo state, the São Paulo State Department of Infrastructure and the Environment (Sima), the State Environmental and Sustainable Development authority (Semad Goiás), and the National Water Agency (ANA). Environmental agencies consider various factors, such as the availability of water in the water body, the number of permits already issued in the region, data from the watershed, and the quality of the water.

[4] Flow meters are installed at all collection points, which in turn integrate the data transmission to the SAP or MII systems, where the data is compiled and monitored monthly from the m^3/tc indicator.

Metrics and Targets (TCFD.4.C)

Category of climate-related metric[1]	Metric	Unit of Measure	Goal	Time frames	Baseline year 2020	Reduction from baseline (%)
Water usage	Cubic meters of water drawn per ton of processed cane	m^3/t	0.7 m^3/t (intensity-based)	2030	1.25 m^3/t	0

[1] For water usage, we use flow meters at surface and groundwater extraction points, allowing precise control by source. This enables us to monitor real-time withdrawal rates at some points, while at others, readings are taken daily on-site. All flows are recorded in industrial management reports and monitored monthly by our four mills. In the 2023/2024 crop year, the water withdrawal intensity per ton of cane crushed was 1.23 m^3/tc, representing a reduction of less than 1% compared to the baseline year. Although modest, this reduction reflects the progress of the withdrawal reduction plan implemented in agro-industrial units in previous periods.

Total water consumption (ML)[1][2][3] (GRI 303-5, SASB RR-BI-140a.1, FB-AG-140a.1)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Water consumption	13,206.44	19,237.80	18,975.97

[1] Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress.

[2] There were no changes in water storage volumes.

[3] For the USM mill, Water consumption = Total water withdrawal - Total water discharge. For our UIR, UBV and USC mills, water consumption is equal to water withdrawal, as no wastewater is discharged into water bodies. Water recycled or reused refers to water separated from filter cake, filter press wash water, water contained in vinasse, and residual water.

Total volume of water discharge across all areas and in areas with water stress, by source (ML) [1][2][3][4] (GRI 303-4)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Surface water	10,609.51	7,127.16	11,937.57

[1] Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress.

[2] All water discharges are freshwater.

[3] São Martinho did not detect harmful substances in the wastewater that could cause irreversible damage to the environment or human health. The definition of concerning substances is based on the WHO Drinking Water Quality Guidelines. To establish discharge limits, the organization follows environmental regulations such as Conama Resolution 430/2011 and Decree 8.468/1976 and environmental and health risk assessments, international standards like ISO 14001 and the Bonsucro Production Standard, and adopts industry best practices, including participation in Basin Committees and organizations like Unica and Sifaeg. There were therefore no cases of non-compliance with discharge limits.

[4] Only the São Martinho Mill discharges water into a water body, so the data refer only to USM.

WASTE

Total waste directed to disposal, by composition (t)[1] [2] [3] (GRI 306-5)

Hazardous Waste	2023
Contaminated Materials	9.64
Contaminated Oils	52.27
TOTAL	**61.91**
Nonhazardous	**2023**
Plastic, paper, cardboard and glass	12.72
Municipal Waste	957.66
Tires and Rubber	7.76
TOTAL	**978.14**
TOTAL NON-HAZARDOUS AND HAZARDOUS WASTE	1,040.05

[1] The data compilation methodology was modified to simplify and facilitate understanding. For this reason, it was not possible to maintain a detailed comparison of waste composition with the previous cycle. **(GRI 2-4)**

[2] During the year 2022, 1,263.13 tons of waste were generated, including various contaminated materials, wood, non-recyclable waste, rubber, construction materials containing asbestos, waste from glass-based fibrous materials, plastic, and paper.

[3] Information extracted from the waste inventory and compiled in specific waste control spreadsheets.

Waste directed to disposal, by disposal operation (t)[1] [2] (GRI 306-5)

	2021	2022	2023
Nonhazardous			
Landfilling[3]	873.6	1,232.14	978.1
Incineration without energy recovery	-	0	0
Incineration with energy recovery	-	0.48	0
TOTAL	**873.6**	**1,232.62**	**978.1**
Hazardous[4]			
Incineration without energy recovery	-	-	0.16
Sorting and transfer	-	-	9.48
Landfill (Class IIA and IIB)	-	-	52.27
TOTAL	**-**	**-**	**61.91**
TOTAL NON-HAZARDOUS AND HAZARDOUS WASTE	**873.6**	**1,232.62**	**1,040.01**

[1] All types of disposal are outside the organization.

[2] Information extracted from waste waybills (MTRs) and waste inventory and compiled in specific waste control spreadsheets.

[3] Class IIA and IIB landfills.

[4] The data compilation methodology was modified to simplify and facilitate understanding. For this reason, it was not possible to maintain a detailed comparison of hazardous waste versus the previous cycle. **(GRI 2-4)**

Total waste generated by type and composition (t)[1] [2] [3] (GRI 306-3)

Nonhazardous	2023
Sugarcane Bagasse	6,138,745.40
Ash and Soot	364,643.24
Wood	360.76
Construction Materials	731.84
Vegetable Oil / Grease	68.7
Other waste	900,124.44
Plastic, Paper, Cardboard and Glass	213.68
Municipal Waste / General Trash	957.66
Scrap Metal	5,603.63
Tires and Rubber	1,276.64
TOTAL non-hazardous waste	**7,412,725.98**
Hazardous	**2023**
Electrical and electronic products	3.62
Contaminated packaging	147.06
Contaminated materials	968.46
Contaminated oils	425.08
Construction Materials containing asbestos	25.42
TOTAL hazardous waste	**1,569.64**
TOTAL waste generated	**7,414,295.62**

[1] The data compilation methodology was modified to simplify and facilitate understanding. For this reason, it was not possible to maintain a detailed comparison of waste composition with the previous cycle. **(GRI 2-4)**

[2] Information extracted from the waste inventory and compiled in specific waste control spreadsheets.

Total waste diverted from disposal, by type and composition (t) [1] [2] [3] [4] (GRI 306-4)

Nonhazardous	2023
Sugarcane Bagasse	6,138,745.40
Ash and Soot	364,643.24
Wood	360.76
Construction Materials	731.84
Vegetable Oil / Grease	68.70
Other Waste	900,124.44
Plastic, Paper, Cardboard and Glass	200.96
Scrap metal	5,603.63
Tires and Rubber	1,268.88
Total non-hazardous waste diverted from disposal	**7,411,747.85**
Hazardous	**2023**
Electrical and electronic products	3.62
Contaminated packaging	147.06
Contaminated materials	958.82
Contaminated oils	372.81
Construction materials including asbestos	25.42
Total hazardous waste diverted from disposal	**1,507.73**
TOTAL	**7,413,255.57**

[3] During the year 2022, 6,503,165.38 tons of non-hazardous waste and 1,303.35 tons of hazardous waste were generated, resulting in a total of 6,504,468.73 tons of waste.

[4] During the year 2022, the final disposal of 6,501,933.44 tons of non-hazardous waste and 1,273.74 tons of hazardous waste was avoided, totaling 6,503,207.18 tons of waste not directed to final disposal.

Waste diverted from disposal, by type and recovery operation (t)[1] [2] (GRI 306-4)									
			2021			2022			2023
Nonhazardous	Within the organization	Outside the organization	**TOTAL**	Within the organization	Outside the organization	**TOTAL**	Within the organization	Outside the organization	**TOTAL**
Recycling	-	5,605.03	5,605.03	0.00	6,104.53	6,104.53	0.00	8,032.26	7,982.36
Agricultural use	1,128,827.50	-	1,128,827.50	976,697.92	3,005.32	979,703.24	1,264,728.78	0.00	1,264,728.78
Use in boilers	5,406,895.00	-	5,406,895.00	5,192,973.57	322,361.88	5,515,335.45	0.00	0.00	0.00
Use in animal feed	-	-	-	0.00	648.82	648.82	0.00	2,007.43	2,007.43
Co-processing	-	-	-	0.00	141.16	141.16	0.00	0.00	0.00
Blending for co-processing							0.00	16.40	16.40
Energy Recovery	-	-	-	-	-	-	6,074,710.61	62,252.37	6,133,951.10
TOTAL	**6,535,722.50**	**5,605.03**	**6,541,327.53**	**6,169,671.49**	**332,261.72**	**6,501,933.21**	**7,339,439.39**	**72,308.46**	**7,411,747.85**
			2021			2022			2023
Hazardous	Within the organization	Outside the organization	Total	Within the organization	Outside the organization	Total	Within the organization	Outside the organization	Total
Recycling	-	117.17	117.17	0.00	190.33	190.33	0.00	227.79	253.21
Re-refinement of oil	-	416.62	416.62	0.00	417.10	417.10	0.00	371.63	371.63
Co-processing	-	-	0.00	0.00	473.11	473.11	0.00	388.56	388.56
Blending for co-processing	-	-	-	-	-	-	0.00	236.34	236.34
Wastewater treatment[3]	-	-	0.00	0.00	192.84	192.84	0.00	0.00	0.00
Sorting and Transfer	-	-	-	-	-	-	0.00	257.99	257.99
TOTAL	**0**	**533.79**	**533.79**	**0**	**1,273.38**	**1,273.38**	**0.00**	**1,477.43**	**1,507.73**
TOTAL non-hazardous and hazardous waste	**6,535,722.50**	**6,138.82**	**6,541,861.32**	**6,169,671.49**	**333,535.10**	**6,503,206.59**	**7,339,439.39**	**70,724.11**	**7,410,163.50**

[1] Within the Organization: operations conducted by the mill. Outside the Organization: operations carried out by contractors, under supply / sale contracts.

[2] Information extracted from the waste inventory and compiled in specific waste control spreadsheets.

[3] The amount of waste directed to Effluent Treatment is included in line with data reported to the National Solid Waste Management Information System (Sinir) and the Goiás State Environmental and Sustainable Development authority (Semad Goiás).

BIODIVERSITY

Operational sites owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas[1] [2] (GRI 304-1)

Area designation	Geographic Location	Subsurface and underground land that may be owned, leased or managed by the organization	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	Type of operation (office, manufacturing or production, or extractive)	Unit size (ha)	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)
Iracema Mill	Iracemápolis - SP	We have surface and underground areas that are owned, leased, or managed by the organization (sugarcane plantations cultivated in owned leased, or partnership areas): APP - Replenishment / Forest Offsetting Areas APP - Surrounding springs / perennial water sources APP - Surrounding natural lakes and ponds APP - Surrounding reservoirs. Adjacent areas affected by the enterprise, which include agricultural areas, can be evidenced by: Edmundo Navarro de Andrade Forest State Conservation Unit, in Rio Claro/SP, with a size of 2,231 (ha).	Located outside protected areas	Manufacturing/ production	15,930	Terrestrial and freshwater ecosystems. All São Martinho properties were evaluated based on relevant biodiversity classification maps, including: Map of Priority Areas, IPÊ: Inventory of Native Vegetation of São Paulo State, Atlas 2.1 Simbiota, and territorial environmental information from DataGeo.	Biodiversity value assessments have not been made
São Martinho Mill	Pradópolis - SP	We have surface and underground areas that are owned, leased, or managed by the organization (sugarcane plantations cultivated in owned leased, or partnership areas): APP - Replenishment / Forest Offsetting Areas APP - Surrounding springs / perennial water sources APP - Surrounding natural lakes and ponds APP - Surrounding reservoirs. Adjacent Areas affected by the enterprise, which include agricultural areas, can be evidenced by: three Conservation Units, with two sustainable use units (Estação Experimental de Luiz Antônio and RPPN Toca da Paca), these are located in Luiz Antônio/SP and Guatapará/SP, with sizes of 1,725 hectares and 187 hectares respectively, and one fully protected area (Jataí Ecological Station) located in Luiz Antônio/SP, with a size of 9,074.63 hectares.	Containing portions of the protected area	Manufacturing/ production	33,681		
Santa Cruz Mill	Américo Brasiliense - SP	We have surface and underground areas that are owned, leased, or managed by the organization (sugarcane plantations cultivated in owned leased, or partnership areas): APP - Replenishment / Forest Offsetting Areas APP - Surrounding springs / perennial water sources APP - Surrounding natural lakes and ponds APP - Surrounding reservoirs. Adjacent Areas affected by the enterprise, which include agricultural areas, can be evidenced by: three Conservation Units, with two sustainable use units (Estação Experimental de Luiz Antônio and Araraquara), these are located in Luiz Antônio/SP and Araraquara/SP, with sizes of 1,725 hectares and 117 hectares respectively, and one fully protected area (Jataí Ecological Station) located in Luiz Antônio/SP, with a size of 9,074.63 hectares.	Containing portions of the protected area	Manufacturing/ production	2,090		
Boa Vista Mill	Quirinópolis - GO	We have surface and underground areas that are owned, leased, or managed by the organization (sugarcane plantations cultivated in owned leased, or partnership areas): APP - Replenishment / Forest Offsetting Areas APP - Surrounding springs / perennial water sources APP - Surrounding natural lakes and ponds APP - Surrounding reservoirs. Adjacent Areas affected by the enterprise, which include agricultural areas, can be evidenced by: Conservation Unit ((Serra da Fortaleza Wildlife Refuge), in Quirinópolis (GO), occupying 500 (ha).	Containing portions of the protected area	Manufacturing/ production	2,229		

[1] The size of the units (in ha) was reviewed and adjusted. **(GRI 2-4)**

[2] Since 2019, São Paulo has implemented the Enhanced Analysis of the Rural Environmental Registry (CAR) to improve the environmental management of rural properties and ensure compliance with environmental laws. This analysis uses geoprocessing technology to automatically and accurately review Permanent Conservation Areas (APP) and Legal Reserves (RL), leading to possible adjustments in the registered areas to ensure the accuracy of the information.

IUCN Red List species and national conservation list species with habitats in areas affected by operations [1] (GRI 304-4)

Risk level and total number of species	2023/2024 [2]
Critically endangered	0
Endangered	0
Vulnerable	9
Near threatened	3

[1] In the 2022/2023 period, according to the list published by the Brazilian Ministry of the Environment (MMA), we have identified vulnerable species: giant anteater, maned wolf, fox, deer, margay, tapir, jaguarundi and oncilla. Also listed is one critically endangered species: rusty-margined guan. No near threatened or least-concern species have been identified. According to the list from the São Paulo State Department of Environment, Infrastructure and Logistics (Semil/SP), ten vulnerable species have been identified: the giant anteater; maned wolf; puma; ocelot; red-crested woodpecker; fox; margay; caneleiro bird; tapir and jaguarundi. There is one critically endangered species: deer; eight endangered species: undulated tinamou; caica parrots; long-billed wren; collared tanager; tapir; king vulture; grey-headed tanager; and plumbeous seedeater. Additionally, seven near-threatened species are listed: Helmeted manakin; rusty-margined guan; turquoise-fronted amazon; pale-breasted spinetail; rufous casiornis; capuchin monkey; and chopi blackbirds.

[2] The conservation list used to identify species with habitats in areas affected by our operations was the "Official National List of Threatened Species", Ministry of the Environment (MMA) 2014:12.

STRATEGY TCFD.2.A

Climate-related risks and their financial impacts, by types of transition risks			
Type of transition risk	**Political and Legal**	**Technological**	**Market**
Main climate risk factor:	Major new regulations include bill (PL) 182/2024 establishing the Brazil's Greenhouse Gas Emissions Trading System (SBCE). Under these rules, if Greenhouse Gas (GHG) emissions exceed the permitted limits, São Martinho may be required to offset its emissions.	The risk of failure in transition projects to a low-carbon economy, such as the biogas plant at the Santa Cruz Mill (USC), could result in direct financial losses and damage to the reputation and investor confidence, affecting the company's stock value.	Signs of market uncertainty.
Sector and/or geographical region:	Iracema Mill - Iracemápolis/SP São Martinho Mill - Pradópolis/SP Boa Vista Mill - Quirinópolis/GO Santa Cruz Mill - Américo Brasiliense/SP	Santa Cruz Mill - Américo Brasiliense/SP	Iracema Mill - Iracemápolis/SP São Martinho Mill - Pradópolis/SP Boa Vista Mill - Quirinópolis/GO Santa Cruz Mill - Américo Brasiliense/SP
Department:	Value chain	Adaptation and mitigation activities	Products and services
Main potential financial impact:	New carbon pricing regulations may impact our business, requiring adaptations. Despite the benefits, we may face taxation and new rules.	Significant investments were made in the mill, estimated at around R$ 250 million, could result in direct losses for the company and negatively impact the return on investment.	São Martinho relies on the external market, with 56% of revenue coming from exports in the 22/23 crop year. Dollar fluctuations directly impact the company's prices and results. Climate events affect the availability of products and inputs, through risks such as price variations, supplier dependence and liquidity.
Time horizon:	Short-term	Medium-term	Short-term
Likelihood:	Improbable	Very unlikely	Likely
Magnitude of impact:	Low	Unknown	Medium-high

Climate-related risks and their financial impacts, by types of physical risks		
Type of physical risk	**Chronic**	**Acute**
Main climate risk factor:	Extreme weather events, such as droughts, floods, heatwaves or more intense storms, can significantly impact agricultural production and the availability of raw materials.	Our business faces the risk of fires, which can affect operations and lead to legal implications, such as fines for damages in environmentally protected areas. Although our harvesting is mechanized and does not involve burning cane, fires still occur, often due to accidents or third-party activities, especially at road junctions with the cane fields. Changes in rainfall patterns can increase the incidence of fires due to drought.
Sector and/or geographical region:	Iracema Mill - Iracemápolis/SP São Martinho Mill - Pradópolis/SP Boa Vista Mill - Quirinópolis/GO Santa Cruz Mill - Américo Brasiliense/SP	Iracema Mill - Iracemápolis/SP São Martinho Mill - Pradópolis/SP Boa Vista Mill - Quirinópolis/GO Santa Cruz Mill - Américo Brasiliense/SP
Department:	Operations	Operations
Main potential financial impact:	Reduced crop yield not only affects the quality of the sugarcane produced but also results in higher costs for field repairs and lower availability of raw materials, thus affecting revenue. This impact also extends to corn crops.	Direct costs include cane field recovery, reforestation of preservation areas, fire-fighting expenses, and environmental fines.
Time horizon:	In the short and medium term, these events may become recurrent due to permanent climate changes.	Short-term
Likelihood:	More likely than not	Likely
Magnitude of impact:	Medium-low	Medium

Climate-related opportunities and financial impacts		
Type of opportunity:	**Markets**	
Main climate opportunity factor:	Opportunity 1: Carbon trading	Opportunity 2: Legislative proposals related to the transition to a low-carbon economy (green agenda).
Sector and/or geographical region:	Iracema Mill - Iracemápolis/SP Usina São Martinho S.A. - Pradópolis/SP Boa Vista Mill - Quirinópolis/SP Santa Cruz Mill - Américo Brasiliense/SP	Iracema Mill - Iracemápolis/SP Usina São Martinho S.A. - Pradópolis/SP Boa Vista Mill - Quirinópolis/SP Santa Cruz Mill - Américo Brasiliense/SP
Area:	Products and services	Products and services
Main potential financial impact:	R$ 80,000,000.00	Derecognized
Time horizon:	Short-term	Derecognized
Likelihood:	Very high	Highly probable
Magnitude of impact:	High	Unknown

METRICS AND TARGETS TCFD.4.A

Metrics used to assess and manage risks in line with our strategy and risk management process

Financial category	Physical risk	Time horizon	Metric	Unit of measure	Basis for inclusion
Expenses: include maintenance costs for the fire-fighting structure and repair of the cane field and Legal Reserve area affected by the fire. Revenue: refers to the decrease in revenue due to the loss of productivity in the burned cane field area.	Fire in agricultural area:	Short-term	Number of fire outbreaks; Burned area	Quantity; Hectare (ha)	Climatic conditions can influence temperature and rainfall patterns, leading to higher temperatures and irregular or insufficient rainfall to meet plant needs. Combined with the possibility of failures in firebreak maintenance, this can increase the number of fire outbreaks and the size of burned areas. To address this issue, we have a fire-fighting structure with a dedicated team.

Metrics used to assess and manage opportunities in line with our strategy and risk management process

Financial category	Climate-related category	Opportunity	Time horizon	Metric	Unit of measure	Basis for inclusion
Revenue: Revenue increase by serving markets with CO_2 emission reduction initiatives.	**Production of renewable fuel**	Access to new markets with higher absolute premium for renewable fuel:	Medium-term	Volume of renewable fuel supplied to markets with CO_2 emission reduction programs.	m^3	The Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (IATA) is expanding in Brazil and countries served by the Company. From 2027, Brazilian operators must offset emissions above the average levels of 2019-2020. In 2023, the United States Environmental Protection Agency (EPA) approved the production of SAF from sugarcane ethanol, opening up a market for Brazilian ethanol.

Internal carbon price and metrics for climate-related opportunities[1 2 3 4]

Internal carbon price	Metric for climate-related opportunities	Baseline (2020)	Target year	Target year value	Status
R$ 80.00/CBIO	Intensity of water withdrawn per ton of processed cane (m^3/tc)	1.25 m^3/tc	2030	0.7 m^3/tc	In progress

[1] Not part of the established emission targets.

[2] The methodology adopted by the Company to calculate or estimate metrics is developed internally.

[3] The methodology used for pricing is that of RenovaBio.

[4] 1 CBIO = 1 ton of CO2eq. avoided.

MAPPING CLIMATE RISKS AND OPPORTUNITIES

(GRI 201-2, SASB RR-BI-430A.1, TCFD.3.A,3.B,3.C)

Risks	Details	Actions in progress
Fire in Cane Fields	Fires can occur due to accidents or third-party activities, despite the mechanized harvesting of raw cane. Lower rainfall patterns can increase the incidence of fires due to drought, especially given the high calorific value of sugarcane.	The Company identified that many fires start at the highway junction with the cane field, potentially resulting in operational and legal impacts, such as fines and penalties. To prevent and combat fires, São Martinho implements prevention and emergency action plans, mutual aid partnerships, 24-hour surveillance with cameras and towers, and remote monitoring by the Agricultural Operations Center (COA).
Carbon Pricing Mechanisms	Carbon pricing mechanisms represent a regulatory risk that can result in increased capital expenses. The emergence of these mechanisms signals the possibility of application to our business, in line with the National Biofuels Policy (RenovaBio).	The Company can issue decarbonization credits (CBIOs) while fuel distributors face mandatory government targets. However, the creation of new regulations, such as the carbon market bill currently under discussion, could impact the sector.
Extreme weather events	Extreme weather events represent physical risks that can cause infrastructure damage and economic losses and require significant adaptation and recovery costs.	The Company manages its dependence on climate and biodiversity through an Environmental Management System, integrated into the Integrated Management System (IMS), aiming at protecting natural resources, minimizing environmental impacts and complying with legislation.
Water Stress	Water stress, a physical risk, can increase operational costs and vulnerability to extreme weather events, in addition to creating regulatory risks and opportunities for innovation.	Strategies such as monitoring wastewater quality and technological upgrades aim to reduce the need for water withdrawal, with water risk assessments using the Aqueduct tool from the World Resources Institute (WRI).
Economic impacts	The economic impacts resulting from climate events range from lower crop yields to higher industrial costs and repairs. This generates higher operational expenses and investment risks. Environmental risks such as flooding and damage are also evaluated internally, with dam integrity considered low risk.	The risk of environmental damage is managed by the Solid Waste Management Plan, ensuring the efficient reuse of approximately 99% of hazardous waste.

COMPLIANCE

Governance body members that have received communications and training on anti-corruption, broken down by region (GRI 205-2)

		2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
Region	Employees	Communicated	Trained	Communicated	Trained	Communicated	Trained
Midwest[1]	number	-	-	-	-	1	1
	%	-	-	-	-	100.00	100.00
Southeast	number	10	0	10	7	13	6
	%	100.00	0.00	100.00	70.00	100.00	100.00
TOTAL	**NUMBER**	**10**	**0**	**10**	**7**	**14**	**7**
	%	**100.00**	**0.00**	**100.00**	**70.00**	**100.00**	**100.00**

[1] There were no members of the governance body in the Midwest Region during the 2021/2022 and 2022/2023 crop year periods.

Employees who have received communications and training on anti-corruption, broken down by region[1] (GRI 205-2)

		2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
Region	Employees	Communicated	Trained	Communicated	Trained	Communicated	Trained
Midwest	number	2,535	0	2,571	2,388	2,688	479
	%	100.00	0.00	100.00	92.88	100.00	100.00
Southeast	number	10,117	0	9,932	7,186	10,515	1,551
	%	100.00	0.00	100.00	72.35	100.00	100.00
TOTAL	**NUMBER**	**12,652**	**0**	**12,503**	**9,574**	**13,203**	**2,030**
	%	**100.00**	**0.00**	**100.00**	**76.57**	**100.00**	**100.00**

[1] Includes interns, apprentices and trainees.

Employees who have received communications and training on anti-corruption, broken down by employee category[1] [2] [3] (GRI 205-2)

		2021/2022 Crop Year		2022/2023 Crop Year		2023/2024 Crop Year	
Categories	Employees	Communicated	Trained	Communicated	Trained	Communicated	Trained
Managers	number	37	0	37	36	39	2
	%	100.00	0.00	100.00	97.00	100.00	100.00
Leaders/coordinators	number	63	0	68	61	76	5
	%	100.00	0.00	100.00	90.00	100.00	100.00
Technical/Supervisor	number	430	0	447	400	472	46
	%	100.00	0.00	100.00	89.00	100.00	100.00
Administrative	number	846	0	910	871	1,001	140
	%	100.00	0.00	100.00	96.00	100.00	100.00
Operational	number	11,163	0	10,414	7,801	10,967	1,704
	%	100.00	0.00	100.00	75.00	100.00	100.00
Support	number	113	0	136	137	150	7
	%	100.00	0.00	100.00	101.00	100.00	100.00
TOTAL	**NUMBER**	**12,664**	**0**	**11,973**	**9,300**	**12,705**	**1,904**
EMPLOYEES	%	100.00	0.00	100.00	78.00	100.00	100.00
Interns	number	-	-	31	32	25	25
	%	-	-	100.00	103.00	100.00	100.00
Apprentices	number	-	-	419	211	437	80
	%	-	-	100.00	50.00	100.00	100.00
Trainees	number	-	-	41	20	36	21
	%	-	-	100.00	49.00	100.00	100.00
TOTAL NON EMPLOYEES	**NUMBER**	**-**	**-**	**283**	**252**	**498**	**126**
	%	**-**	**-**	**100.00**	**89.00**	**100.00**	**100.00**
TOTAL EMPLOYEES AND NON-EMPLOYEES	**NUMBER**	**-**	**-**	**12,503**	**9,819**	**13,203**	**2,030**
	%	**-**	**-**	**100.00**	**78.53**	**100.00**	**100.00**

[1] The Company offers training such as the Compliance Pathway, which addresses ethical and integrity issues, and provides the Code of Ethics and Professional Conduct, the Anti-Corruption Policy, and the Policy on Transactions with Related Parties and Conflicts of Interest, accessible to all employees and partners through the intranet and the Company's website.

[2] In line with what is reported in the other training and development disclosures, we consider the functional categories Trainees, Interns and Apprentices, classified as non-employees.

[3] The Executive Board was not included among the functional categories, as it does not fit into the classification of 'employees' of the Company.

Financial assistance received from government[1] [2] [3] (GRI 201-4 | SASB RR-BI-530a.1)

	2022/2023 Crop Year	2023/2024 Crop Year
Benefits, and financial and tax incentives	247,151,727	402,879,779

[1] The Company chose to consolidate government support into a single category to facilitate data presentation. **(GRI 2-4)**

[2] The countries that received the reported financial assistance above refer only to Brazil.

[3] The government is not present in the shareholding structure of our organization.

Compliance with laws and regulations[1] (GRI 2-27)

	2022/2023 Crop Year [2]	2023/2024 Crop Year [4] [5]
Total number of fines imposed for non-compliance with laws and regulations	23	7
Total number of non-monetary sanctions imposed for noncompliance with laws and regulations	1	0
Total value of fines imposed for non-compliance with laws and regulations	R$ 795,756.12	R$ 1,089,830.37
Fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods.	- [3]	66,672.77

[1] Significant cases include all Assessment Notices related to environmental and social issues, which are forwarded to the legal department for analysis and necessary actions.

[2] In the 2022/2023 period, of the total of R$ 795,756.12, R$ 536,214.50 was paid in fines and was R$ 259,541.62 was received in fines (which may or may not be appealed).

[3] Information not available for the period 2022/2023.

[4] There were no incidents of non-compliance associated with water or air quality. **(SASB RR-BI-140a.3, RR-BI-120a.2, FB-AG-140a.3)**

[5] Of the total amount of R$ 1,089,830.37 for the 2023/2024 period, a fine of R$ 20,164.20 has been settled. The remaining amounts correspond to fines for which defense or appeal processes are ongoing.

Proportion of spending on locally-based suppliers[1] [2] (%) (GRI 204-1)		
Sugarcane [3]	2022/2023 Crop Year	2023/2024 Crop Year
Iracema Mill	100%	100%
São Martinho Mill	100%	100%
Santa Cruz Mill	100%	100%
Boa Vista Mill	100%	100%

Proportion of spending on locally-based suppliers[1] [2] (%) (GRI 204-1)		
Corn [4]	2022/2023 Crop Year	2023/2024 Crop Year
Boa Vista Mill	88%	70%

Proportion of spending on locally-based suppliers[1] [2] (%) (GRI 204-1)		
Goods and services [5]	2022/2023 Crop Year	2023/2024 Crop Year
Iracema Mill	27%	35%
São Martinho Mill	27%	35%
Santa Cruz Mill	27%	35%
Boa Vista Mill	27%	35%

[1] We have changed the methodology of this disclosure to improve accuracy and transparency. We previously disclosed a table with consolidated data; the data is now presented in detail by supplier category. **(GRI 2-4)**

[2] We consider all four of the Company's producing mills as important operational units

[3] We define a "local" supplier as one located in the same state as the operation.

[4] Corn production is exclusive to the Boa Vista Mill.

[5] We consider a "local" supplier to be one located within 150 km of our operational units.

SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

Goods and services suppliers with negative environmental impacts[1] (GRI 308-2, FB-AG-430a.2)			
	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Number of suppliers assessed for environmental impacts	3,382	3,390	3,234

Sugarcane growers with negative environmental impacts[1] (GRI 308-2, FB-AG-430a.2)			
	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Number of growers assessed for environmental impacts	1,184	1,212	2,592
Number of growers identified as having significant actual and potential negative environmental impacts	3	3	0

Corn suppliers with negative environmental impacts[1] [2] (GRI 308-2, FB-AG-430a.2)		
	Crop year 2022/2023[3]	2023/2024 Crop Year
Number of suppliers assessed for environmental impacts	31	23

[1] In the 23/24 crop year, no suppliers were identified with real or potential negative environmental impacts, and therefore improvements were agreed upon and no relationships were terminated.

[2] Information was not available for the 2021/2022 crop year.

Percentage of agricultural products sourced that are certified to an environmental and/or social standard[1] [2] [3] (SASB FB-AG-430a.1)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Iracema Mill	88.5	63.6	86.4
São Martinho Mill	79.1	70.6	92.1
Santa Cruz Mill	86.2	88.5	90.5
Boa Vista Mill	44.7	25.9	61.9

[1] Each of our four operations has been certified within the RenovaBio program. This certification attests that their raw materials are sourced from farms complying with environmental requirements, including active or pending Rural Environmental Register (CAR) registration and zero clearing of native vegetation as from the enactment of ANP Resolution 758/2018.

[2] The indicator includes sugarcane purchased from suppliers with whom we negotiate directly. The percentage is calculated as the cost of sugarcane purchased from RenovaBio-certified suppliers by the total cost of sugarcane purchased from all suppliers.

[3] The changes observed in the percentages of the Iracema Mill and Santa Cruz Mill reflect the variation in the type of sugarcane purchase contract during the observed period, with an increase in spot sugarcane purchases.

Goods and services suppliers with negative environmental impacts[1] (GRI 414-2, SASB FB-AG-430a.2)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Number of suppliers assessed for social impacts	3,382	3,390	3,234

[1] São Martinho does not engage with contractors that do not respect human rights. In the 23/24 crop year, no suppliers were identified with real or potential negative social impacts, and therefore improvements were agreed upon and no relationships were terminated.

Sugarcane growers with negative environmental impacts[1] (GRI 414-2, SASB FB-AG-430a.2)

	2021/2022 Crop Year	2022/2023 Crop Year	2023/2024 Crop Year
Number of growers assessed for social impacts	1,184	1,212	2,592
Number of growers identified as having significant actual and potential negative social impacts	93	0	2
No. of growers identified as having actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	93	0	0
Number of suppliers identified as having negative social impacts with which relationships were terminated as a result of assessment	93	0	2
Percentage of growers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.	100%	0%	100%

[1] São Martinho does not engage with contractors that do not respect human rights. In the 2023/2024 crop year, suppliers with real or potential negative social impacts were identified, and the relationship was terminated.

Corn suppliers identified with negative environmental impacts[1] [2] (GRI 414-2, SASB FB-AG-430a.2)

	2022/2023 Crop Year	2023/2024 Crop Year
Number of suppliers assessed for social impacts	31	23

[1] São Martinho does not engage with contractors that do not respect human rights. In the 2023/2024 crop year, no suppliers were identified with real or potential negative social impacts, and therefore improvements were agreed upon and no relationships were terminated.

[2] The corn plant began operations in the 2023/2024 crop year. There was no information prior to this period.

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