

Annual Sustainability Report

Crop Year 2021/2022





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2021/2022 highlights across our material topics



Innovation and technology

Continued progress on our new corn ethanol mill (at Boa Vista), with an investment of R\$ 740 million, and on expanding our 5G network, at a cost of **R\$ 20 million**

Cofounded Cubo Agro

(with Itaú BBA and Corteva Agriscience)

52 continuous improvement projects

implemented in our field and mill operations, generating a return on investment of **R\$ 16.4 million**



People management and diversity

Women Training Program launched at our São Martinho mill

and under development at other sites



Occupational health and safety

1.35 recordable

incident rate, down from 1.55 in 2020/2021



Climate strategy and emissions

26.7% reduction

in scope 1 emissions

Gold reporting status in the Brazilian GHG Protocol Program

CDP "B" rating for Climate Change disclosures



Business performance

R\$ 3.14 billion in Adjusted EBITDA, up 43.6% on the previous crop year

0.93x debt ratio

down from 1.24x in 2020/2021



Water stewardship

23.8 million m³

of water withdrawals, down from 28.3 million m³ in 2020/2021

74% water reuse and recycling,

relatively unchanged from 72% in the previous crop year



Message from management

GRI 102-14, 102-15

We are pleased to present this new edition of our Annual Sustainability Report, with updates on our practices, performance and results of operation in the previous crop year.

While sustainability has long been integral to how we do business, our efforts for improvement have been ongoing. In 2021 we enhanced our ESG governance with a new ESG department and dedicated committees, and we articulated our ambitions to help mitigate climate impacts by supplying clean and renewable electricity, using natural resources efficiently, encouraging good practices in our supply chain, and advancing diversity and inclusion through education.

Alongside our ESG efforts, the 2021/2022 crop year was defined by significant challenges as well as achievements. Several adverse events compounded to affect

the agribusiness industry as a whole. Amid the lingering COVID-19 pandemic, we were faced with one of the worst droughts on record in Brazil, a slew of wildfires, frost damage, and the armed conflict between Russia and Ukraine, two important players on the geopolitical scene.

But despite the resulting challenges and impacts on people, inputs and commodities, we had an exceptional crop year. São Martinho successfully mitigated the impacts from the pandemic through effective prevention measures, and we delivered exceptional results of operation including record Adjusted EBITDA of R\$ 3.14 billion—up 43.6% on the previous crop year—and ROIC of 16.5%. We also retained a global investment-grade rating from Standard & Poor's, and ended the 21/22 crop year with a net debt-to-EBITDA ratio of 0.93 x, down 25.1% on the previous crop year.



This crop year also saw the launch of several transformational projects and initiatives. We started construction of a new ethanol plant at our Boa Vista site, and a new thermal power plant at our São Martinho site, both funded by the Brazilian Development Bank (BNDES) and the International Finance Corporation (IFC), the financial division of the World Bank Group. The project finance was raised as part of a R\$ 2.1 billion green loan.

We announced our participation as a cofounder of Cubo Agro, as another opportunity to build our innovation pipeline. Reflecting our R&D efforts, we were named one of the most innovative agribusiness

companies in Brazil for the 6th consecutive year in the *Valor Inovação* awards, organized by Brazilian business newspaper *Valor Econômico* in collaboration with Strategy& and the Brazilian Association for Research and Development (ANPEI).

São Martinho has the resilience to navigate the challenges and come out stronger, while proudly supporting Brazil's development and renewable energy ambitions. This is in great part thanks to our dedicated team of talents, who are empowered to act as owners of the business in managing risks and opportunities.

In 2022/2023 we hope to startup our new corn ethanol plant and further enhance our renewable energy capabilities with our new thermal power plant. We look forward to starting a new cycle of improved safety, stronger relationships based on respect and trust, and value-adding collaboration with our employees, suppliers, customers and communities.

We hope you find this report interesting and informative.

Fabio Venturelli
CEO

São Martinho has **the financial health and sound governance** to navigate the challenges ahead

About this report

GRI 102-45, 102-46, 102-49, 102-50, 102-51, 102-54, 102-56

São Martinho has published Annual Sustainability Reports since 2011 to provide stakeholders—including our communities, suppliers, customers, employees, investors, shareholders and partners—with an overview of our projects and investments and the economic, environmental, social and governance indicators that describe our performance and challenges in the year.

The report contents and presentation were informed by our material topics—which we revisited during the reporting period—and by our corporate guidance and strategy and the key issues affecting our industry. The operational, financial, social and environmental disclosures

in the report are for the period from April 1st, 2021 to March 31st, 2022, and are inclusive of all our field and mill operations, unless otherwise noted in footnotes.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards—Core option. It also draws guidance from the Value Reporting Foundation’s (VRF) Integrated Reporting (<IR>) Framework. In addition, the report includes disclosures from the Sustainability Accounting Standards Board (SASB) Biofuels and Agricultural Products industry standards, as well as information consistent with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The financial statements have been prepared in accordance with Brazilian generally accepted accounting principles and the International Financial Reporting Standards (IFRS).

The reported operational and financial information is inclusive of all our operations. Any changes in the report scope or boundaries, and any restatements, are noted in footnotes throughout the report.



If you have any feedback or questions about this report,

please write to
comunicacoes@saomartinho.com.br

GRI 102-53



This report has been
independently audited
by KPMG



Our Identity

GRI 102-1, 102-2, 102-3, 102-4, 102-5

Operations and portfolio
Business Model
Sustainability ambition
Innovation and technology

Welcome to São Martinho S.A., a Brazilian, publicly traded sugar and energy company. Our operations produce and market sugar, ethanol, electricity and other products from sugarcane.

We have more than a century of history behind us, and currently have a workforce of more than 12,600 employees and 3,400 suppliers. Our operations comprise four mills—São Martinho, Santa Cruz and Iracema, in São Paulo, and Boa Vista, in Goiás—and offices in São Paulo (SP), Ribeirão Preto (SP), at our headquarters in Pradópolis (SP) and in Américo Brasiliense (SP).

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. The remaining 30% of raw materials are sourced from 100,000 hectares of land owned by contract farmers.

Boasting fully mechanized harvesting operations since 2016/2017, over the years we have built a reputation for innovation, high yields and productivity, and a commitment to sustainability. Since 2007 we have been listed on B3's *Novo Mercado*, an enhanced governance listing segment.

Our financial discipline and strong financial position have earned us recognition from the market: in 2021 we received an investment grade rating from Standard & Poor's, and were recognized as one of the most innovative companies in agribusiness. We ended the crop year with a healthy financial position, with a debt ratio of less than 1.0x and a 43.6% higher EBITDA than in the previous reporting period.





Mission GRI 102-16

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**
- **People and
relationships**
(partners and suppliers, clients,
shareholders, employees and
collaborators, community)
- **Technology**
- **Sustainability**
- **Value Creation**
- **Growth**

Beliefs

We at São Martinho believe that **caring is an essential** attitude for business success.

Therefore, we show **respect to people**; supporting human and vocational training and providing continuous and shared technical training.

We are **careful with regard** to our attitudes, through cautious and coherent management practices, doing what we say we'll do, generating the trust of all employees, shareholders, clients, government, suppliers, partners and the community.

We take care of our business, **improving the production process**, with the goal of always achieving the highest levels of excellence.

We believe not only in taking care of our company, but also the environment and society, through the **generation of value**.

We believe this is the right way to build and perpetuate the business. If it is not to do **what is the best**, why do it?



Operations and portfolio

GRI 102-6, 102-7

We are one of the leading sugar and ethanol producers in Brazil. In 2021/2022 we processed 19.9 million metric tons of sugar cane into 1.303 million metric tons of sugar, 913,000 cubic meters (m³) of ethanol and 760,000 MWh of surplus electricity for export to the national grid.

Our mills can flexibly modulate the production mix in response to fluctuating demand and commodities pricing, have high production capacity, and are strategically located near major rail and road networks and consumer hubs.

Our São Martinho mill—the largest in the world by sugar-cane crush capacity—has an internal rail branch line linking it directly to the Port of Santos, in São Paulo, and storage terminals supporting efficient stock management.

Our mills also have Efficient Biofuel Production Certification that entitles them to issue and sell decarbonization credits (CBIOs) within the RenovaBio Program framework.



About our four mills:



Our portfolio

Sugar

Our portfolio includes multiple types of sugar, including white, very high polarity and very-very high polarity sugar (VHP and VVHP). São Martinho products are supplied both to the food industry and as a raw material for further refining in other industries.

Bioelectricity

We generate electricity from sugarcane bagasse for our plant requirements, and export the surplus to the national grid.

Ethanol

We produce hydrous ethanol (for ethanol-fueled vehicles), anhydrous ethanol (used as a fuel additive) and industrial-grade ethanol for other purposes.

Yeast

Inactive dry yeast is produced as a co-product from ethanol production and is sold to animal nutrition companies.

BOA VISTA MILL (UBV)

Municipality: **Quirinópolis (GO)**
Products: **ethanol, bioelectricity and yeast**
Processing capacity: **5.5 million metric tons per crop year**
Employees: **2,535**

SÃO MARTINHO MILL (USM)

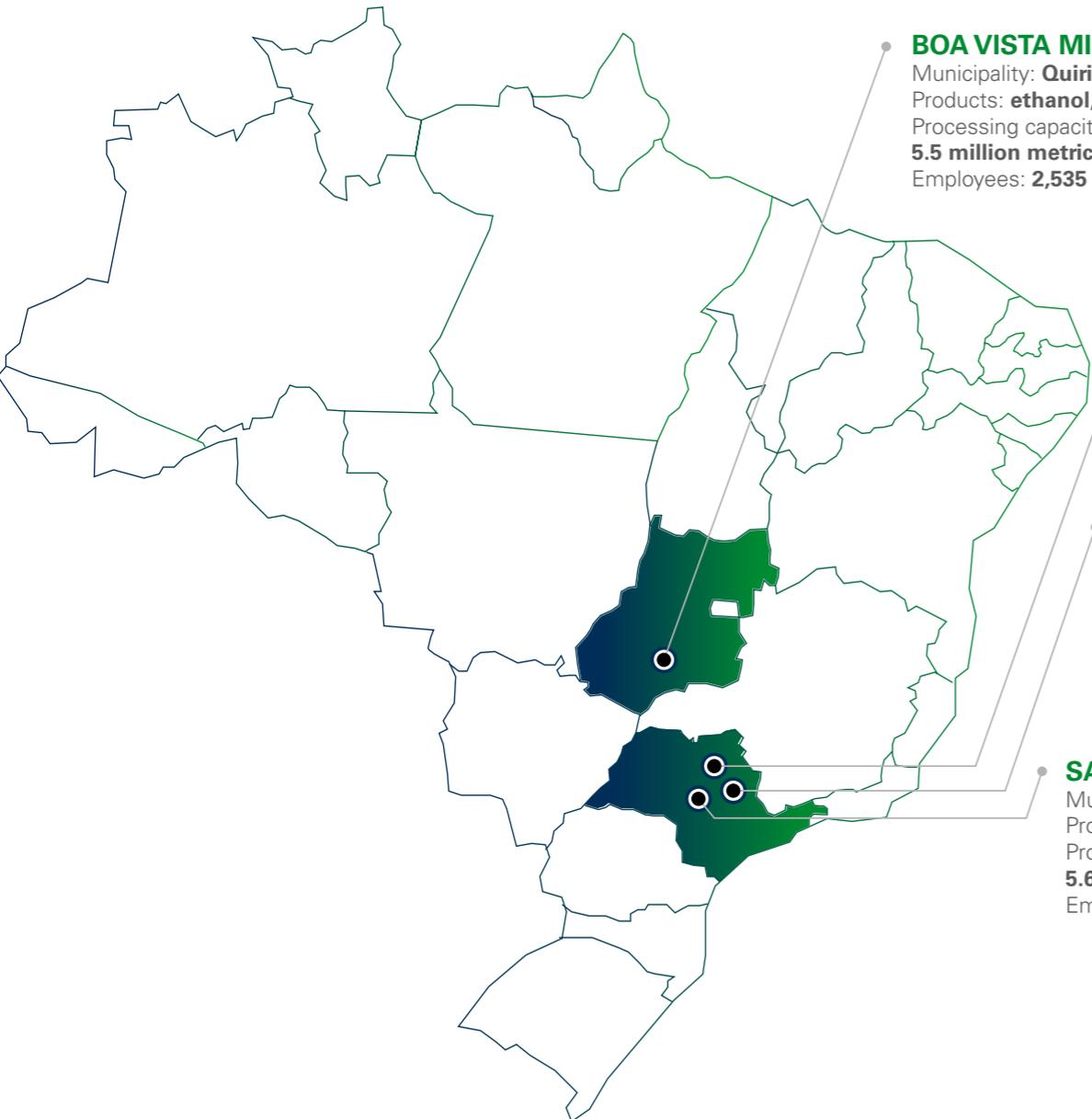
Municipality: **Pradópolis (SP)**
Products: **sugar, ethanol, bioelectricity and yeast**
Processing capacity: **10.5 million metric tons per crop year**
Employees: **4,559**

IRACEMA MILL (UIR)

Municipality: **Iracemápolis (SP)**
Products: **sugar, ethanol and bioelectricity**
Processing capacity: **3.5 million metric tons per crop year**
Employees: **2,038**

SANTA CRUZ MILL (USC)

Municipality: **Américo Brasiliense (SP)**
Products: **sugar, ethanol, bioelectricity and yeast**
Processing capacity: **5.6 million metric tons per crop year**
Employees: **3,483**



Business Model

Inputs



Financial Capital

- A healthy financial position with strong cash flows
- Listed on B3 Novo Mercado - an enhanced-governance listing segment
- Investments in expansion and maintenance



Manufactured Capital

- **24.5 million** metric-tons of sugarcane crush capacity across four operations
- Storage capacity for **820,000 metric tons** of sugar and **740,000 m³** of ethanol
- A rail link connecting our São Martinho mill to the Port of Santos



Intellectual Capital

- Field and mill operation centers at all four sites
- A culture of innovation, continuous improvement and sustainability
- Partnerships with universities, research centers and startups



Human Capital

- **12,652 direct employees, 485 interns**, apprentices and trainees, and **471 contractors** working in our field and mill operations and corporate offices
- Skills and experience building: more than **454,000 hours** of employee training and development



Social and Relationship Capital

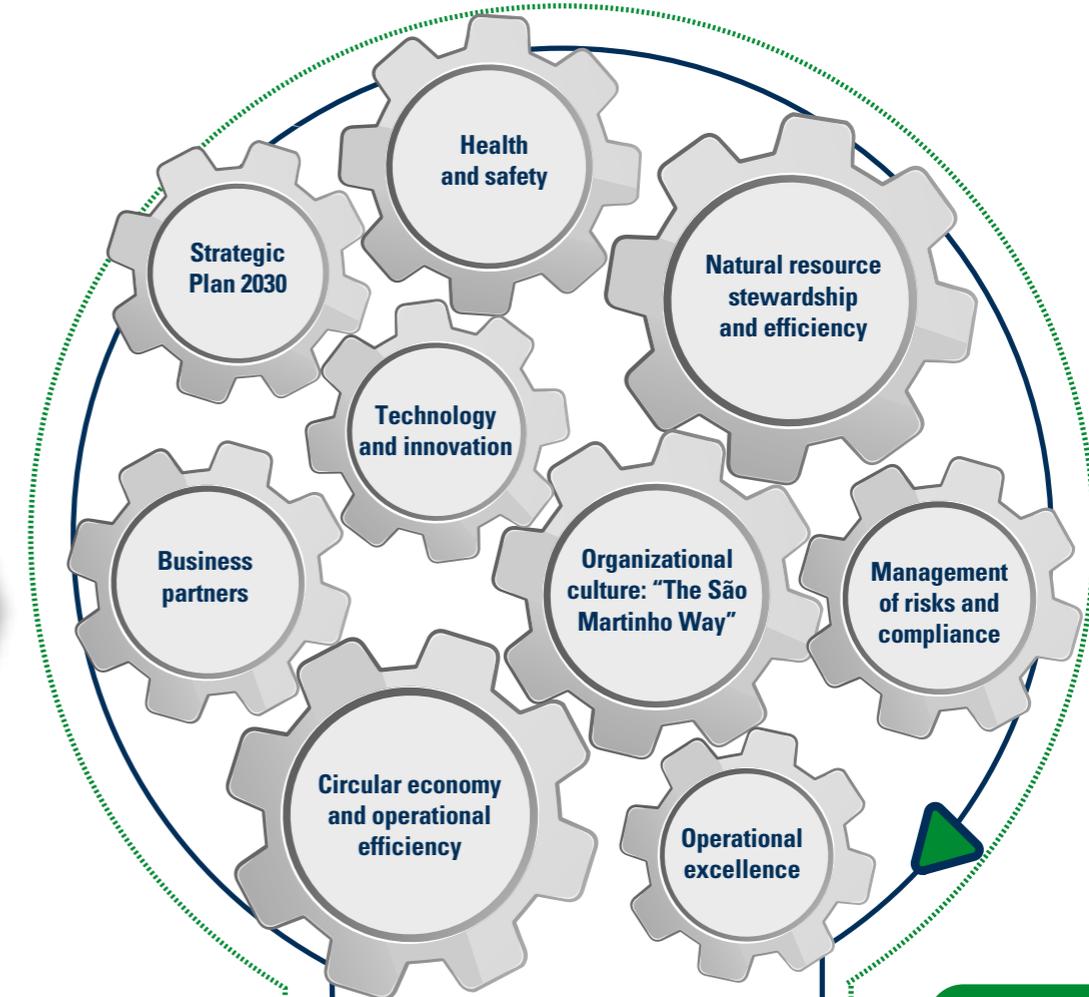
- A well-structured stakeholder engagement process
- Voluntary donations aligned with our Private Social Investment (PSI) guidelines
- Partnerships with Brazil's leading education institutions



Natural Capital

- **250,000 hectares** of land under management using soil conservation practices
- Energy self-sufficient, with on-site renewable generation facilities
- Two nurseries producing native and fruit trees
- A wide range of social and environmental certifications, including RenovaBio and Bonsucro

Business Activities



Value creation:

Delivering renewable carbon in the form of food products, electricity and other products, creating value for humanity

Stakeholders

Customers, employees, communities, suppliers, financial institutions, investors, trade associations, and farmers

Outputs



Ethanol



Coproducts

Bagasse



Sugar



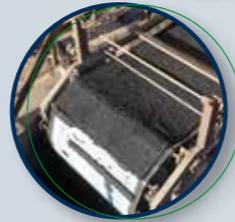
Vinasse



Electric power



Filter cake



Soot



Dry yeast



CBIOs

Impacts



Financial Capital

- An investment-grade rating from S&P, cash income of **RS\$1.53 billion** and Adjusted EBITDA of **RS\$3.14 billion**
- Total added value of **RS\$4.32 billion** and a low leverage ratio of 0.93 in crop year 2021/2022
- **RS\$1.098 billion** in green funding raised, with a second-party opinion from S&P
- **RS\$500 million** in green debentures, with a second-party opinion from SITAWI
- Diversified businesses and products



Manufactured Capital

- **1.301 million** metric tons of sugar and more than **913,000 m³** of ethanol produced for the domestic and global markets
- **760,000 MWh** of bioelectricity exported to the national grid
- Efficient customer service, with competitive logistics costs



Intellectual Capital

- A fully operational AOC at all sites
- New sugarcane varieties delivering more efficient propagation and traceability
- Processes structured and optimized using agile methods
- *Valor Inovação Brasil 2021* Award



Human Capital

- Employees kept safe through the pandemic
- Ranked by Valor Carreira as the top company for people management in 2021, in the **7,001 to 17,000 employees** category



Social and Relationship Capital

- The largest employer in the locations where we operate
- Regular community engagement panels
- **427 young students** trained in our communities, with around **60% hired as employees after graduating**



Natural Capital

- Approximately **1.13 million** CBIOs sold
- Around **100,000** native and fruit trees planted in 2021
- Bonsucro certification at São Martinho, and ISO 14001 certification at Iracema
- "B" score for our CDP Climate Change questionnaire in 2021
- Greenhouse Gas (GHG) Emissions Inventory third party-verified in 2021

Sustainability ambition

In recent years we have increasingly embedded environmental, social and governance (ESG) considerations into our enterprise planning efforts.

In 2021 we created a new ESG Governance structure including a dedicated function, an Executive ESG Committee composed of the Chief Operations, Financial & Investor Relations, Legal, GRC & Corporate Affairs, and Human Relations, Health & Safety officers; and a Technical Committee composed of different department heads (Sustainability, Environment, Occupational Health & Safety, Social Responsibility, Governance, Risk & Compliance, Human & Organizational Development, and Financial & Investor Relations).

The role of these committees is to evolve our internal sustainability practices, track ESG indicators and identify, monitor and assess risks and opportunities to inform our ESG efforts.

In the last crop year our efforts were focused on building an ESG roadmap.



ESG Pillars & Drivers

- **Innovation & Efficiency:** Help reduce global climate impacts by supplying clean, renewable electricity and using natural resources more efficiently in our operations through innovative solutions.
- **Value chain:** Encourage our value chain to implement socially and environmentally responsible practices.
- **Social transformation:** Promote inclusion and diversity through education and professional training, bringing about a social transformation in our communities.

Materiality

[GRI 102-40](#), [102-42](#), [102-43](#), [102-44](#), [102-46](#), [102-47](#), [103-1](#), [103-2](#)

During the crop year we reviewed our material topics to reassess the impact of each ESG topic on our business and on our stakeholders.

With support from expert consultants, we conducted a review in a four-step process: identification (mapping out our stakeholders and impacts through surveys, industry research and benchmarking); prioritization (eliciting stakeholder views via a survey); analysis (assessing the survey results and ranking each topic); and validation (by our ESG Governance function).

Beginning with a shortlist of 14 ESG topics selected for relevance to our industry, we conducted an online survey that was answered by more than 1,050 people, including employees, trade associations, community members, government officials, financial institutions, customers, investors, suppliers and contract farmers. We also interviewed more than 20 members of our leadership team and 7 external stakeholders representing each of the stakeholder categories listed above.

The following ESG topics were ranked in the materiality exercise:

- 1 Biodiversity**
- 2 Climate Strategy & Emissions**
- 3 Water Stewardship**
- 4 Human Rights**
- 5 People Management & Diversity**
- 6 Occupational Health & Safety**
- 7 Relations with Sugarcane and Corn Farmers**
- 8 Ethics, Integrity & Compliance**
- 9 Supply Chain Management**
- 10 Innovation & Technology**
- 11 Data Security & Privacy**
- 12 Food Safety**
- 13 Community Development**
- 14 Business Performance**

Our analysis narrowed the shortlist to six material topics that are connected to the 2030 Agenda and the United Nations (UN) Sustainable Development Goals (SDGs), and express our commitments on key issues such as innovation, people management and diversity, business performance, climate change, water stewardship, and workplace safety. The following page details our selected material topics, ranked by order of priority.



Material topics* GRI 103-1, 102-47	Topic context and challenges	Related GRI Disclosures	Connection to impacts	Related SDGs / 2030 Agenda
 Innovation and technology	Through innovation we can respond to new market trends and developments, and create a circular business model.	-	Direct	   
 People management and diversity	This topic includes issues such as attracting and retaining talents, careers, recognition, compensation, benefits, engagement, equity and inclusion initiatives, and embracing diverse opinions.	102-8, 401-1, 401-2, 401-3, 402-1, 404-1, 404-2, 404-3, 405-1, 405-2, 406-1	Direct	     
 Climate strategy and emissions	Identifying climate-related risks and opportunities that can affect our business model, including commitments, targets, governance and initiatives to mitigate greenhouse gas (GHG) emissions and air pollution.	201-2, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Direct	 
 Occupational health and safety	Having procedures and processes in place to identify risks and ensure our operations are safe, and engagement activities to promote a safety culture.	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	Direct	 
 Business performance	Managing business performance and transparent reporting.	201-1, 201-2, 201-3, 201-4, 203-1, 203-2	Direct	    
 Water stewardship	Managing impacts from our operations on water resources as a result of water withdrawals and effluent discharge.	303-1, 303-2, 303-3, 303-4, 303-5	Direct	  

* There are no boundaries on the impacts from our material topics. All impacts occur both within and outside the organization.



Innovation and technology

Our innovation initiatives are guided by our 2030 Strategic Plan, and support us in delivering our business plan. Innovation is also a priority topic as ranked by our stakeholders. At São Martinho we foster an innovative culture by diversifying our project teams (across areas of expertise, skills and organizational levels) and encouraging creativity as we work to build a continuous innovation pipeline. We collaborate with different players and segments in the marketplace, and give voice to our employees to ensure that our collective knowledge flows freely throughout the organization. Our innovation governance framework comprises two committees—a Strategic and a Tactical committee—that are supported by a project management office reporting to our Continuous Improvement function. We use a software-based innovation management platform that creates visibility around new business opportunities that resonate with our ESG drivers and material topics.

Our innovation project pipeline had over R\$ 20 million worth of initiatives in the 2021/2022 crop year.

Our innovation priorities are: deploying new farming technologies, especially the Internet of Things (IoT); new research, patents and collaborations with research centers to improve yields and productivity; and building closer collaboration with the startup and AgTech ecosystem through open innovation to develop disruptive solutions.

As one of our innovation highlights from the 2021/2022 crop year, we partnered with Itaú BBA and Corteva Agriscience to create Cubo Agro, a thematic vertical within the broader Cubo Itaú ecosystem, which in early 2022 was also joined by CNH and Suzano as partners. Cubo Agro is an industry-first open-innovation initiative that connects corporations, AgTech and FinTech firms, investment funds and other actors in the innovation ecosystem to develop solutions to challenges in agriculture. According to the Radar Agtech Brasil 2020/2021* report, the number of active AgTech startups in Brazil increased by 40% in the crop year, with the state of São Paulo hosting 48% of these startups in the country.

*Source: Radar Agtech Brasil 2020/2021: mapeamento das startups do setor agro brasileiro. See [here](#).

Going digital

As agriculture becomes increasingly driven by digital technology, we believe this can create opportunities to reduce losses, make our crops more resilient, and drive competitive advantage. From our Agricultural Operations Center (AOC), we monitor our sugarcane fields in real time to better control factors that can pose a risk to our properties and raw material.

During the crop year, we continued work on projects to use 5G technology in our field and mill operations. For several years now, we have invested funding in developing data transmission technologies supporting enterprise-wide deployment of sensors, remote operation, autonomous vehicles and drones for pest and weed control.

In 2021 we announced the first partnerships for our 5G Smart Farming project, which will provide 5G (3.5 GHz) and 4G (700 MHz) coverage at our São Martinho mill, supporting continued digitalization of our field and mill operations.



5G Smart Farming

Partnerships to develop new in-field connectivity solutions



52 continuous improvement projects implemented in our field and mill operations, generating a return on investment of R\$ 16.4 million

Efficiency and continuous improvement in crop management

Incremental improvement and operational efficiency initiatives can play a key role in an industry like ours by improving productivity and cost savings and ultimately our bottom line. During the 2021/2022 crop year, we implemented 52 continuous improvement projects in our field and mill operations, generating a return on investment of R\$ 16.4 million. As one of our initiatives in the crop year, we extended our 5S Program to an additional 70 areas across the company, helping to improve workplace safety and productivity. With the support of consultants, we conducted a comprehensive review of our planting and crop management procedures.

Increasing sugarcane yields supports improved land-use, higher production volumes and better-quality raw materials (higher sugar content). We have continued our efforts across technology, innovation and continuous improvement toward better-performing crop management techniques. Examples of these efforts include research to develop higher-yield varieties; developing improved organic and mineral compounds at our mixing yards to minimize dependence on fertilizer sources; expanding the use of biological pest and weed control; and developing innovative planting methods and technologies.

Some of our key practices to improve farm efficiency and crop management include:



PSS+MEIOSI

All four mills are now using pre-sprouted seedlings (PSS) in conjunction with the Simultaneously Occurring Intercropping and Rotation (MEIOSI) method, which accounted for 70% of plantation area in the crop year. Using high-quality pre-sprouted seedlings improves crop uniformity, vigor and health, while inter-cropping with food crops (soybeans and peanuts) optimizes soil use. The new method improves yields as well as helping to mitigate greenhouse gas (GHG) emissions by shortening seedling transportation distances.



Fertigation with vinasse

For several years now, we have used vinasse to fertilize our sugarcane fields as an important source of potassium. Most sugarcane fields are now fertilized with vinasse instead of mineral potassium fertilizers, minimizing both fertilizer costs as well as scope 1 GHG emissions. In a collaboration with farm equipment manufacturers, we developed a proprietary high-capacity sprayer that can precisely spray vinasse along the sugarcane rows.



Organic Fertilization

In addition to vinasse, São Martinho uses filter cake, ash and soot as a source of nitrogen, phosphorus, potassium, micronutrients and other nutrients. This further reduces the need to purchase mineral fertilizers as well as helping to enhance the soil's microbiological activity, significantly increasing sugarcane yields.



70% of our disease and pest control operations are now **biologically based**



Pest and Weed Control

For more than four decades, our operations have effectively deployed biological control as part of our Total Integrated Management (MIT) system, helping to sustainably improve sugarcane yields. Currently 70% of our disease and pest control operations are biologically based. Our investments in these technologies are ongoing. In the previous crop year we partnered with the State University of São Paulo (UNESP) and the São Paulo State Research Funding Foundation (FAPESP) to create a Center for Sugarcane Pest Control Research (CEPENFITO), which will accelerate research and development and train specialist technicians.



Autopilot

Twenty years into our *Viva Cana* Program, autopilot technology has now been deployed in all our field operations. We were among the first companies to use high-precision technology for crop management, helping to reduce wheel compaction along the sugarcane rows and optimize the use of agricultural inputs.



Agricultural Operations Center (AOC)

Our proprietary 4G network and real-time data collection from the field support safer and more efficient fleet and operations management, helping to optimize asset usage, fuel economy, equipment performance and precision input application.



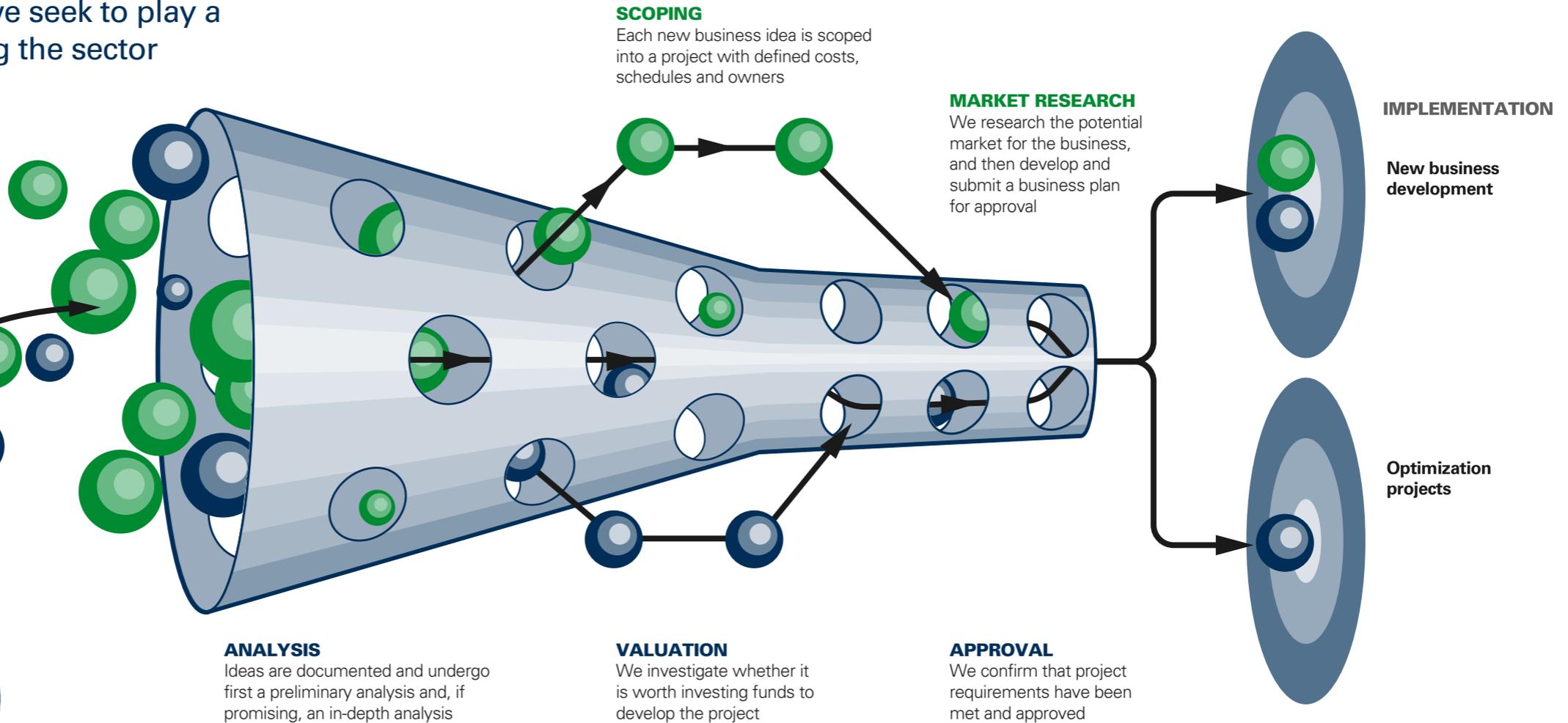
How we accelerate innovation

With structured governance and an internal and external perspective, we seek to play a leading role in transforming the sector

- New business ideas
- Optimization ideas

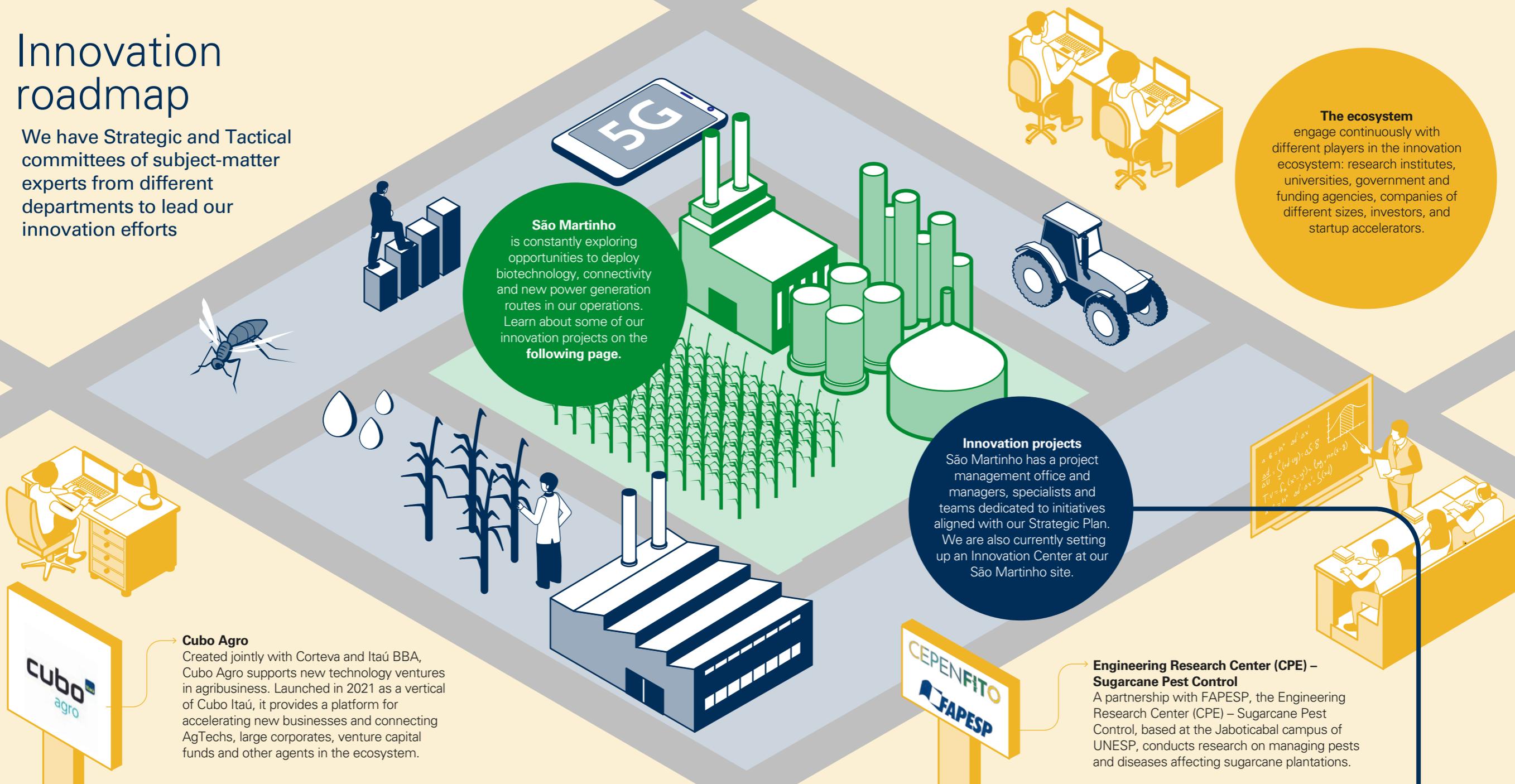
VALIDATION

We follow market trends and engage in industry collaborations and discussions to validate ideas



Innovation roadmap

We have Strategic and Tactical committees of subject-matter experts from different departments to lead our innovation efforts



São Martinho is constantly exploring opportunities to deploy biotechnology, connectivity and new power generation routes in our operations. Learn about some of our innovation projects on the following page.

The ecosystem engage continuously with different players in the innovation ecosystem: research institutes, universities, government and funding agencies, companies of different sizes, investors, and startup accelerators.

Innovation projects São Martinho has a project management office and managers, specialists and teams dedicated to initiatives aligned with our Strategic Plan. We are also currently setting up an Innovation Center at our São Martinho site.



Cubo Agro
Created jointly with Corteva and Itaú BBA, Cubo Agro supports new technology ventures in agribusiness. Launched in 2021 as a vertical of Cubo Itaú, it provides a platform for accelerating new businesses and connecting AgTechs, large corporates, venture capital funds and other agents in the ecosystem.



Engineering Research Center (CPE) – Sugarcane Pest Control
A partnership with FAPESP, the Engineering Research Center (CPE) – Sugarcane Pest Control, based at the Jaboticabal campus of UNESP, conducts research on managing pests and diseases affecting sugarcane plantations.

Connectivity – 5G Smart Farming

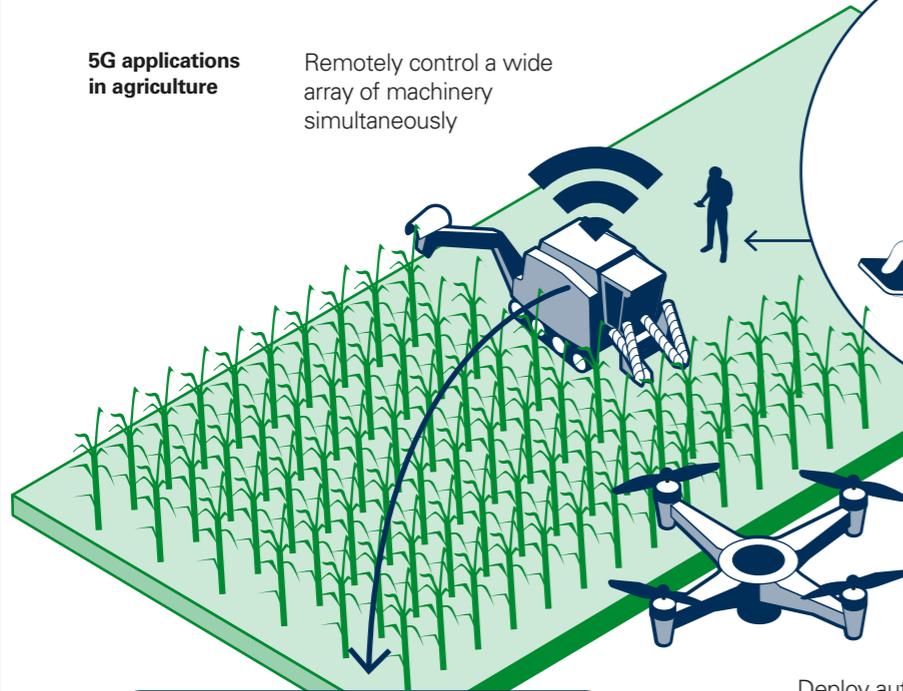
In 2021 we announced our **5G Smart Farming** project, which will provide 5G (3.5 GHz) and 4G (700 MHz) coverage at our São Martinho mill

5G applications in agriculture

Remotely control a wide array of machinery simultaneously



Use virtual and/or augmented reality for remote field maintenance



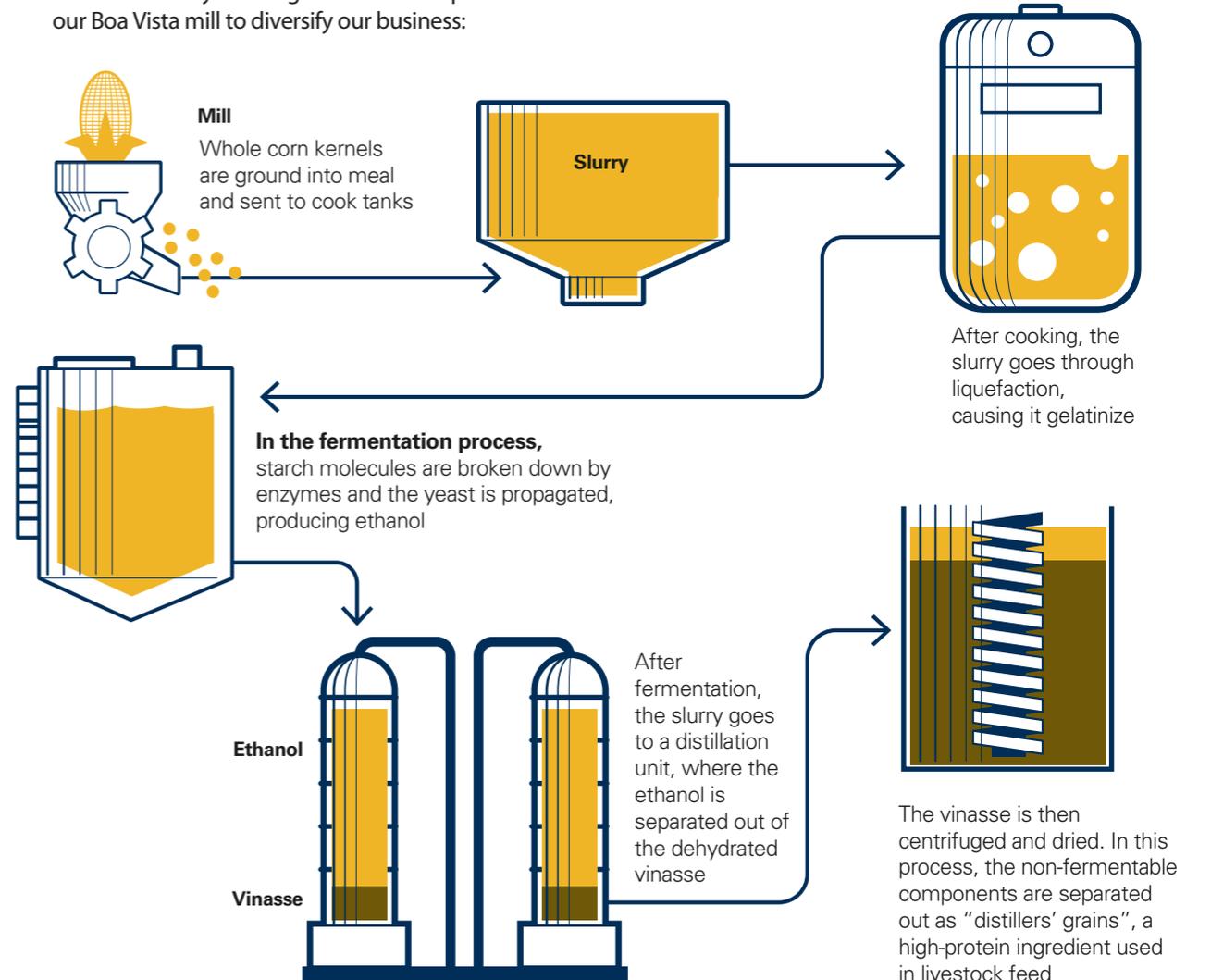
Deploy autonomous drones to release natural predators for sugarcane pests, conduct topographic surveys, or spot weed infestations

Analyze and transmit huge quantities of data to detect patterns and anticipate issues



Corn Ethanol – New Business

We are currently building a corn ethanol plant at our Boa Vista mill to diversify our business:





Management and planning

Governance, risks and compliance
Business performance

Our strategic guidance informs our business decisions, project priorities, investments, and our brand positioning, modernization and expansion efforts.

In the current decade our focus has been on four pillars: technology, innovation, productivity and support for the ESG agenda. These pillars are also the basis of our competitive differentiators—which have helped to sustain business growth in an increasingly competitive sugar and energy industry.

Our business plan
outlines commitments
to innovation and
local development



Our competitive advantages

Competitiveness

Field-to-mill integration and high levels of automation and mechanization help to reduce production costs.

Land ownership

70% of our sugarcane is sourced from land under our management, allowing us to closely monitor and direct crop management efforts and investments.

Strong financial position

With a leverage ratio (net debt to EBITDA) lower than 1.0x despite our extensive investments during the period, we are prepared to navigate the most challenging pricing and cost scenarios while maintaining sufficient cash to meet our operational needs.

Unique logistics

Our mills have large storage capacity and are strategically located near major consumer hubs and sugarcane regions. In addition, they have their own rail branch lines and direct links to the Port of Santos.

Governance and ESG commitment

With a professionalized management team, São Martinho—a B3 *Novo Mercado*-listed corporation—has undertaken ESG commitments aligned with the UN Sustainable Development Goals (SDGs) and endorsed by organizations such as IFC, Sitawi and S&P.

Projects and investments in the crop year

Projects to improve efficiency and advance new business fronts are among our strategic objectives. During the crop year, we made progress on several initiatives to diversify our energy sources, capabilities and business fronts.

At our São Martinho mill, a project to expand the on-site thermal power plant is a case in point of how progress on ESG can benefit the business. We currently have a sugarcane-biomass generation capacity of 33 kWh/tc, and made further progress in the crop year on the second phase of the project, which is due to come online in the 2024/2025 crop year.

From the same volume of bagasse now being consumed, the plant will soon generate and export more bioelectricity to the grid, enough to power up to 115,000 homes based on average household electricity consumption in Brazil.

In addition, the project will help to avoid 85,000 metric tons of GHG emissions per year compared to the emissions from a plant running on natural gas.

Another of our flagship projects is a new corn ethanol mill at our Boa Vista operation. With a processing capacity of 500,000 metric tons, the new mill will produce: up to 210,000 m³ of ethanol, increasing our annual production capacity by 23% compared to the current crop year; 150,000 metric tons of dried distiller's grain with solubles (DDGS), used as an ingredient in animal feed; and 10,000 metric tons

of corn oil. The mill will also support new direct and indirect jobs in the region (approximately 1,400) as well as generate decarbonization credits (CBIOs).

The project supports our strategic vision of investing in biofuels, and will enable a 33% increase in GHG emissions avoided through the use of ethanol produced by our mills.

The new corn ethanol mill is scheduled to come onstream in the 2022/2023 crop year, in a total investment of up to R\$ 740 million.

Our new **corn ethanol** mill will come onstream in 2022/2023





Project Financing

Financial discipline has long been a priority for us. We have also factored the ESG agenda in our financial decisions since 2017, when we issued our first Agribusiness Receivable Certificates (CRA) and secured our first project-finance loan from IFC.

Our ability to secure funding on special terms, and our investment-grade rating from S&P, have enabled us to significantly lengthen our debt profile.

This crop year we further expanded the share of green finance in our debt profile, with a large volume of new funding secured for investments in the new corn ethanol mill and cogeneration plant at our São Martinho operation:

- **R\$ 942 million** via the Brazilian Development Bank (BNDES);
- **US\$ 100 million** via IFC, the financial division of the World Bank, and Rabobank;

- **R\$ 300 million** in rural credit via Banco do Brasil;
- **R\$ 1.6 billion** in infrastructure debentures, including R\$ 500 million in June 2021 and R\$ 1.1 billion in April 2022.

As an industry first, we issued infrastructure debentures with second-party opinions (SPOs) issued by Sitawi and S&P. These SPOs certify that we are aligned with Green Bond Principles (GBP) e Climate Bond Standards, and establish sugarcane traceability requirements to be met by 2031. Similarly, the rural-credit funding we obtained from Banco do Brasil was conditional on providing proof of sugarcane traceability.

Under our bilateral loan agreement with the IFC/Rabobank, we undertook to implement health and safety and community initiatives under a Social and Environmental Action Plan published [here](#).



Certified Management System [GRI 412-1](#)

Our Integrated Management System has served as a key tool for tracking performance against indicators and standards for quality, efficiency, compliance, operational performance and ESG, in both our field and mill operations.

Our internal processes have multiple certifications, and in 2022 we plan to expand the number of mills with environmental management system (ISO 14001) and sustainability (Bonsucro) certification. Currently, three of our mills are Bonsucro-certified for alignment with best social and environmental practices, including human rights practices such as combating discrimination and forced and child labor, ensuring compliance with labor and occupational safety regulations, and properly recording absenteeism.

In the following crop year we aim to obtain Bonsucro certification for Boa Vista mill and ISO 14000 certification for São Martinho mill, while maintaining our current certifications.

Percentage of operations that have been subject to human rights reviews or impact assessments [GRI 412-1](#)

Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
50%	75%	75%

Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard¹ [SASB FB-AG-430A.1](#)

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Iracema	94.9	92.2	88.5
São Martinho	87.1	85.9	79.1
Boa Vista	84.7	87.0	86.2
Santa Cruz	41.6	46.9	44.7
Total	82.6	81.7	77.7

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 suppression of native vegetation.

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View our **most recent certificates** on our company [website](#)



Certification	Nature	Certified Sites	
	Bonsucro	International certification against the Bonsucro Production Standard and Chain of Custody Standard. Three of four—or 75%—of our operations are currently certified, including on human rights aspects.	Iracema, São Martinho and Santa Cruz
	RenovaBio	Certification that our biofuels are produced efficiently using a lifecycle assessment approach	Iracema, São Martinho, Boa Vista and Santa Cruz
	<i>Etanol mais Verde</i> (“Greener Ethanol”)	A memorandum of intent to implement best practices in sustainability in the sugar and energy industry in São Paulo State	Iracema, São Martinho and Santa Cruz
	Green Energy Label/Certification	This certification is awarded to facilities generating electricity from renewable sources	Bioenergética São Martinho, Bioenergética Boa Vista, Bioenergética Santa Cruz and the Boa Vista thermal power plant
	I-REC	International certification that the electricity we produce is renewably sourced	Thermal power stations at Iracema and São Martinho
	RFS2 Renewable Fuel Standard - EPA	Registration with the US Environmental Protection Agency to market ethanol in the U.S.	Iracema, São Martinho and Santa Cruz
	LCFS (Low Carbon Fuel Standard) - CARB	Registration with the California Air Resources Board to market ethanol in the state of California	São Martinho and Santa Cruz
	GMP+ B2	Certification that the products we supply as animal nutrition ingredients are safe and compliant with Good Manufacturing Practices	São Martinho, Boa Vista and Santa Cruz
	Kosher	Certification that the sugar we produce conforms to Orthodox Jewish dietary laws	Iracema, São Martinho and Santa Cruz
	Halal	Certification that our sugar products are manufactured in accordance with Islamic dietary laws	Iracema
	ISO 9001	Quality Management Systems	Santa Cruz
	ISO 14001	Environmental Management Systems	Iracema and Santa Cruz
	ISO 17025	Competence of testing and calibration laboratories	São Martinho

Governance, risk and compliance

GRI 102-29

In 2021 we created a dedicated Governance, Risk & Compliance (GRC) function to ensure we uphold best-practice standards of risk management and corporate governance.

Our GRC function supports us in living our values through good practices, risk management, transparency and ethics



Governance [GRI 102-18, 102-19](#)

Our governance model is aligned with internationally recognized best practices. The Board of Directors establishes corporate guidelines and oversees implementation against reports from the Executive Board, with assistance from four Advisory Committees. The roles and responsibilities of each governance body are set out in our Bylaws, policies, terms of reference and General Meeting Resolutions.

São Martinho has been listed on the Brazilian stock exchange's (B3) *Novo Mercado*—an enhanced-governance listing segment—since 2007. In the 2021/2022 crop year we were fully compliant with 89% of the practices recommended in the Brazilian Corporate Governance Code and partially compliant with 4%, with 7% not applicable.

Our principal governance bodies are the Board of Directors; advisory committees; the Fiscal Council; and the Statutory Executive Board. All members serve a term of 2 years.

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About the **credentials of our executives and Board members** on the São Martinho IR website

About **our governance practices** in the São Martinho Governance Brief

Board of Directors

GRI 102-22, 102-23, 102-24, 102-26, 102-29

The Board of Directors is responsible for providing overall business direction and setting long-term strategy. It appoints the Executive Board, approves investments and other proposed initiatives, oversees business management and manages risks.

The Board is composed of 7 gender-diverse members (including 2 independent members) with the expertise and training to deal with economic, environmental, social and governance (ESG) matters. Members are elected in General Meetings in accordance with criteria outlined in the Board's Terms of Reference and in Law no. 6 404/76. The Board meets ordinarily on a monthly basis and extraordinarily whenever necessary. Members are assessed and self-assessed throughout their term using questionnaires, through individual interviews, and by specialized consultants.

Name	Position
Maurício Krug Ometto	Chairman
Guilherme Fontes Ribeiro	Vice-Chairman
João Carlos Costa Brega	Independent Member
Marcelo Campos Ometto	Member
Murilo César Lemos dos Santos Passos	Independent Member
Nelson Marques Ferreira Ometto	Member
Olga Stankevicius Colpo	Member

** Elected in a general meeting held July 29, 2022.*

The Board of Directors deals with economic, environmental, social and governance (ESG) matters



Advisory Committees

GRI 102-27, 102-33

Our Advisory Committees assist the Board of Directors in dealing with matters within their remit. They meet ordinarily on a quarterly basis or otherwise at the request of a Committee/Board member.

The Advisory Committees are:

- **Audit** – The Audit Committee: reviews our quarterly information; oversees changes in accounting practices and procedures; issues opinions on engaging/dismissing independent and internal auditors and oversees their activities as well as those of compliance, internal controls and risk management functions; assesses and monitors exposure to risks and action plans to address them, and matters related to ethics, reputation and our Ethics Hotline; and evaluates legal matters and litigation.

- **Finance** – The Finance Committee is tasked with evaluating budgets, financial results, economic and financial risks, project feasibility, new business and investments, growth strategy, indebtedness, financial transactions, currency hedges, and credit risk. The Financial Committee may also recommend risk metrics and limits of exposure to the Board of Directors.

- **People Management** – The People Management committee assists in strategic planning for people management, recommends plans and policies on compensation and benefits for senior management and employees, and proposes corporate targets and objectives to measure the performance of the Executive Board.

- **Technological Innovations** – Our Technological Innovations Committee assists in identifying technologies that can improve productivity and products and services that can add value to the business; it also assesses the Executive Board’s alignment with the guidance given by the Board of Directors and, working with the Finance Committee, evaluates growth strategies and the performance of new businesses.

Committees Composition

Audit

João Carlos Costa Brega

Murilo César Lemos dos Santos Passos*

Olga Stankevicius Colpo

Finance

Marcelo Campos Ometto*

Murilo César Lemos dos Santos Passos

Nelson Marques Ferreira Ometto

People Management

Marcelo Campos Ometto

Murilo César Lemos dos Santos Passos

Olga Stankevicius Colpo*

Technological Innovations

Marcelo Campos Ometto*

Murilo César Lemos dos Santos Passos

Nelson Marques Ferreira Ometto

*Coordinator.

**The committees were appointed during a meeting of the Board of Directors held July 29, 2022.



Fiscal Council

The Fiscal Council oversees management activities and reviews the financial statements, reporting on its findings to shareholders. It has three members and three alternate members, who meet on a quarterly basis.

Name*	Position
Isabel Cristina Bittencourt Santiago	Member
Maurício Curvelo de Almeida Prado	Member
Maria Elvira Lopes Gimenez**	Member
Carlos Alberto Ercolin	Alternate
Camila Caçador Xavier Pereira	Alternate
Massao Fabio Oya**	Alternate

* The Fiscal Council was elected in an Annual General Meeting held July 29, 2022.
** Elected by minority shareholders.

Statutory Executive Board

GRI 102-20, 102-27, 102-32

The Statutory Executive Board is responsible for ensuring the business is managed in accordance with the company's Bylaws and strategic guidance issued by the Board of Directors. The Board consists of 11 members who meet ordinarily on a monthly basis and extraordinarily whenever necessary. The Statutory Executive Board is responsible for ensuring the disclosures in this report are consistent with our material topics and ESG guidelines.

Name*	Position
Fabio Venturelli	CEO
Agenor Cunha Pavan	Vice President, Agroindustrial Executive Officer
Carlos Fernando Zaneti de Andrade	Agroindustrial Officer - Santa Cruz
Elias Eduardo Rosa Georges	Chief Legal, Governance, Risk, Compliance and Institutional Relations Officer
Felipe Vicchiato	Chief Financial and Investor Relations Officer
Helder Luiz Gosling	Chief Commercial and Logistics Officer
Ivan Barcellos Dalri	Agroindustrial Officer - Boa Vista
Luciana Cortes Carvas	Chief Human Resources and Health & Safety Officer
Marcos Helder Pavan Mônaco	Agroindustrial Officer - Iracema
Plinio Sérgio Ferraz de Campos	Chief Administrative Officer
Ricardo Azevedo Gonçalves	Agroindustrial Officer - São Martinho

* The Statutory Executive Board was appointed during a meeting of the Board of Directors held July 29, 2022.

Risks and opportunities

GRI 102-11, 102-15, 102-30, 102-31

São Martinho is actively alert to risk factors that can affect the continuity and health of our business, and in recent years we have consistently evolved our related practices. Our Risk Management structure is based on ISO 31000 and best practices in the sugar and energy industry. Our approach to risk management uses the three lines of defense model:

- **First line:** priority departments (agricultural operations, industrial operations, commercial, financial etc.);
- **Second line:** supporting departments (environment, legal, HR, etc.); and
- **Third line:** control departments (risk management, internal control, compliance and internal audit).

Our risk management model is designed to comprehensively monitor all identified factors and risks—whether financial or non-financial—that can affect our ability to create and protect business value.

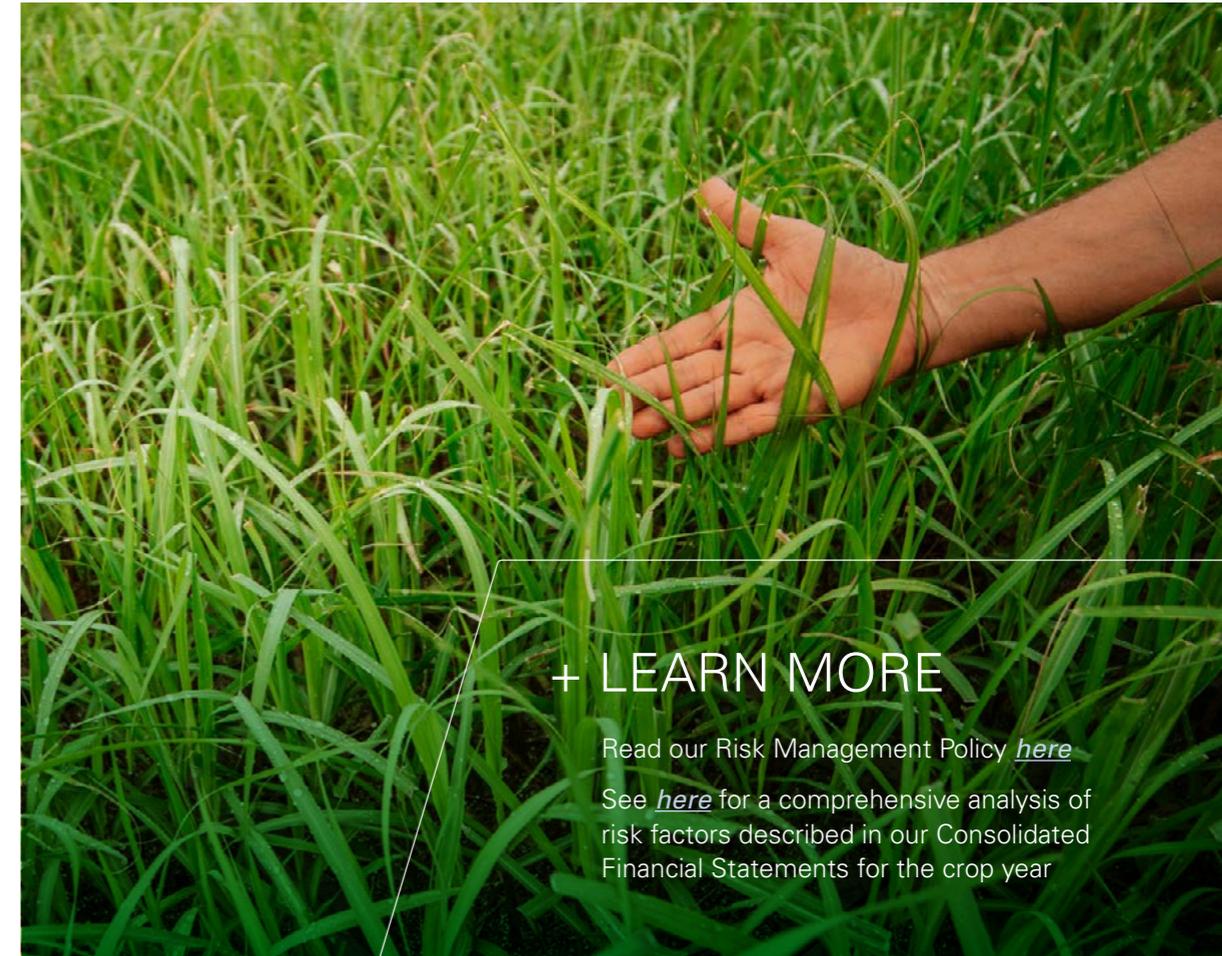
We periodically map out the most critical factors and risks in our operations. A wide range of operational factors and risks are considered including market conditions, the business environment, sanitary conditions, and the macro-economic, political and economic-financial landscape.

In all, 48 risks and factors were selected in the 2021/2022 crop year, including environmental, people, operational, financial, market, legal and regulatory, compliance, cyber-security, third-party and emerging risks.

Our risk matrix is updated on a regular basis. Risks are classified as: very low, low, medium, high or very high, depending on their likelihood and impact. We also use software systems to monitor third parties and regulatory developments, and have set up subject-matter risk management committees on Positions; Sustainability; Ethics; and Crisis Management.

Our new Risk Management Policy, approved by the Board of Directors on August 30, 2021, has perfected and standardized the risk management process and its monitoring and control workflows. The Board of Directors reviews our strategic risk matrix on a monthly basis, as well as any other crucial or critical matters that are brought to its attention in regular meetings. These are then cascaded to the relevant subject-matter committees. A Crisis Committee may be set up for urgent concerns.

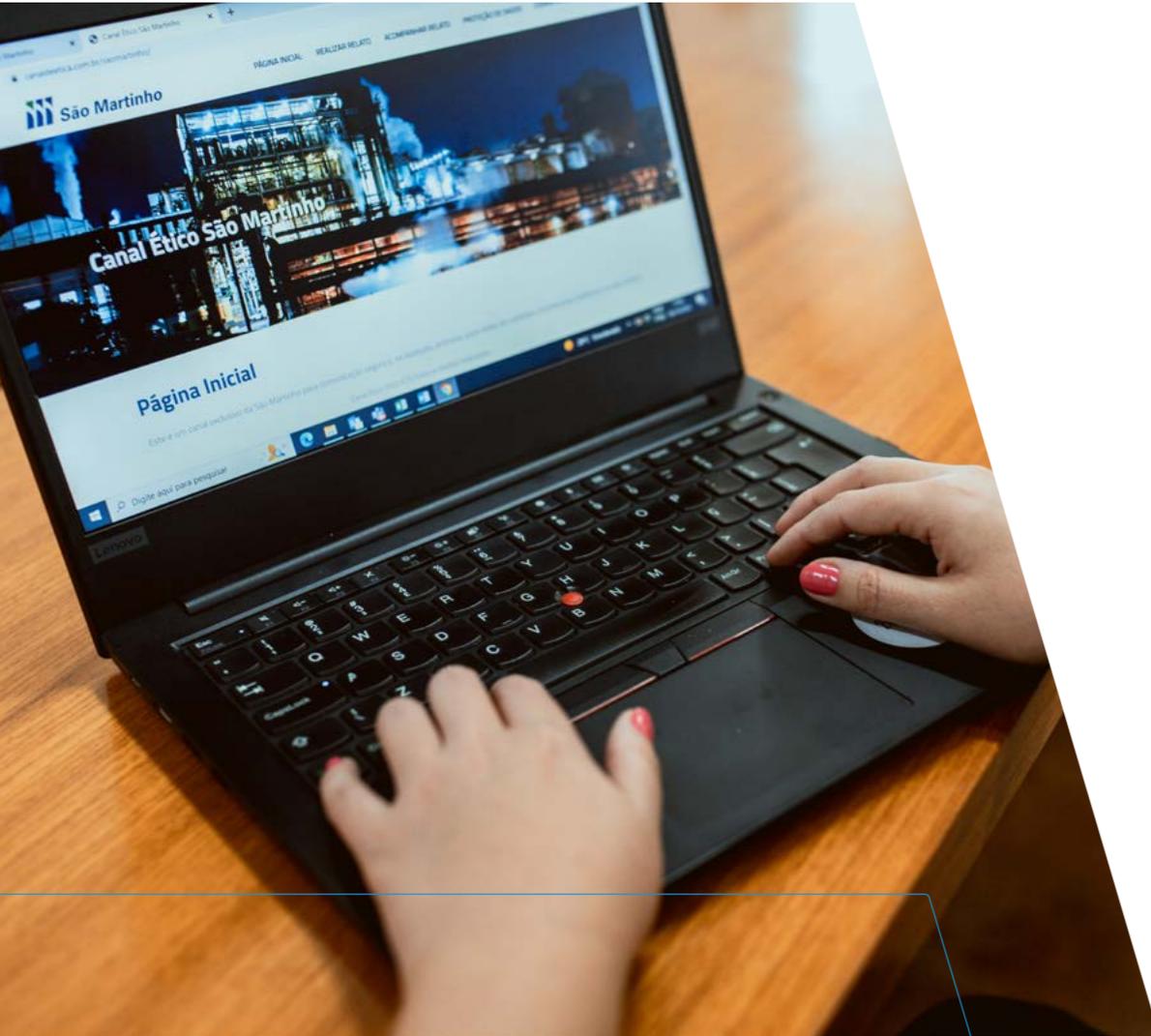
During the crop year, among our focus issues were risks stemming from the Covid-19 pandemic, cybersecurity, weather risks (water crisis, fires and frost) and impacts



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Read our Risk Management Policy [here](#)
See [here](#) for a comprehensive analysis of risk factors described in our Consolidated Financial Statements for the crop year

from the Russia-Ukraine conflict. These risks have been assessed via reports, and monitored by the Board of Directors.



Compliance

GRI 102-16, 103-2, 103-3 | 205, 103-2, 103-3 | 408, 103-2, 103-3 | 409, 103-2, 103-3 | 419, 205-1, 205-2

We value a culture of ethics and integrity, and work to uphold this culture in our activities and relationships. Our Code of Ethics and Business Conduct and other policies address issues such as our values and principles; dealings with and commitments to customers, suppliers, contractors, governments, competitors, communities and shareholders; conflicts of interests; and the environment.

We are open to concerns about the conduct of our team and others who represent us. Any complaints, misconduct and nonconformities can be reported via our Ethics Hotline (0800 777 3131, toll-free), by email (etica@saomartinho.com.br), on our [website](#) and via the intranet.

Our Ethics Hotline is managed by an independent third-party firm, and whistleblowers are kept anonymous and not retaliated against. The Compliance department manages the hotline, reviews reports and refers them to working groups at each operation for investigation.

This department is also responsible for matters related to the Brazilian General Data Protection Regulation (BR GDPR); it has issued a Privacy and Data Protection Policy, and provides a channel for reporting concerns (email: privacidade@saomartinho.com.br). In addition, it conducts due diligence on our suppliers and contractors to prevent any instances of noncompliance.

During their induction, management personnel receive a Governance Handbook containing key policies (Anti-Corruption, Related Party Transactions), our Code of Ethics and Business Conduct and committee terms of reference. Employees are also introduced to our Code of Ethics and Business Conduct and Anti-Corruption Policy during induction. In addition, under our General Conditions of Contract, our business partners agree to abide by our internal standards and our Code of Ethics.

Through these processes and our risk management framework, we periodically identify and map out our compliance risks, including corruption and conflict-of-interest risks.

On August 30, 2021 the Board of Directors reviewed and updated our Policy on Related Parties Transactions and Conflicts of Interest, as an aid in preventing conflicts of interest. Our Compliance department is responsible for monitoring related party transactions and identifying any unreported conflicts of interest. The Audit Committee pre-analyzes and advises the Board of Directors on any and all related-party transactions.

The Board of Directors approves all related policies and documents and their subsequent revisions and related communications.

Ethics Hotline GRI 102-17	Crop Year 2019/2020	Crop Year 2020/2021	Crop year 2021/2022*
Reported in the period	338	270	280
Processed in the period	338	270	280
Closed during the period	329	255	219
Inconclusive or not substantiated	70	35	42
Percentage of reports received, addressed, resolved or deemed unsubstantiated during the period	97%	94%	74%

** At the time of publishing this report, all reports received in the 2021/2022 crop year had been addressed, resolved or deemed unsubstantiated.*

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More information about **employee training is provided** in the [Appendix](#).

Our complete suite of compliance policies is available on our [website](#)





Business performance

GRI 103-2, 103-3 | 201

Despite the challenging business conditions across industries amid the Covid-19 pandemic, and the adverse macroeconomic landscape in Brazil and in global markets, we ended the 2021/2022 crop year with record-setting results.

The year was marked by extreme weather events—droughts, frost and wildfires—that affected the yields of our own and contract sugarcane farms. Adjustments to our product mix, internal management measures and improved average pricing helped mitigate the resulting impacts.

In terms of operating performance, sugarcane crush volumes (-11.6%), metric-ton-per-hectare yields (-11.1%), and sugar (-12.1%), ethanol (-10.4%) and electricity (-13.6%) production all fell year on year. TRS similarly fell by 11% due to the adverse weather conditions. These are naturally recurring events in our business, for which we are well prepared through robust risk management systems.

On the positive side, our market cap improved to R\$ 15.5 billion in the crop year. This reflects positive market perceptions of our company, as evidenced by our global investment-grade rating from S&P since 2019, higher than Brazil's sovereign rating.

Turning to our economic and financial performance, Adjusted EBITDA was R\$ 3.14 billion in the crop year, a 43.6% increase on 2020/2021 that set a new record. Adjusted EBITDA Margin was 54.5%. This was helped by higher average selling prices on ethanol and sugar. Net revenue for the period was R\$ 5,764.7 million, up 33.4% on the previous crop year, reflecting the proceeds from real-estate transactions and decarbonization-credit sales.

Year-on-year net revenue patterns were consistent across sugar and ethanol, in line with the upward-trending average prices for both commodities. Electricity sales were also strong in the period, rising by 14.8% on the previous crop year. Net revenue from yeast sales similarly improved by 6.7%, reflecting higher sales and increased production at our Boa Vista plant. Operating cash flows

(Adjusted Cash EBIT) were R\$ 1,531.3 million in the crop year, an increase of 65.3% from 2020/2021.

Net debt at year end was R\$ 2.9 billion as of March 2022, a year-on-year increase of 7.6% driven by higher investment in expansion (corn ethanol and cogeneration plants). Our net debt was 87.7% denominated in Brazilian reais and the remaining 12.3% in US dollars. Average maturities reflect recent debt-lengthening measures, with 90% of our debt now long term. Our net debt to EBITDA ratio has been maintained at managed levels, ending 2021/2022 at 0.93x, down from 1.24x in the previous crop year.

Capital expenditure in the period included R\$ 1.61 billion in maintenance, R\$ 184.56 million in operational improvement and R\$ 645.795 million in upgrades and expansions, for a total of R\$ 2.44 billion, up 61.8% from R\$ 1.5 billion in crop year 2020/2021. For the following crop year we estimate a total capital expenditure of R\$ 2.597 billion, 6.4% more than in 2021/2022.

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

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Production by principal crop (t) - Sugarcane	22,640,241	22,522,029	19,899,014
Number of processing facilities	4	4	4
Total land area under active production (ha)	192,265	195,542	195,542

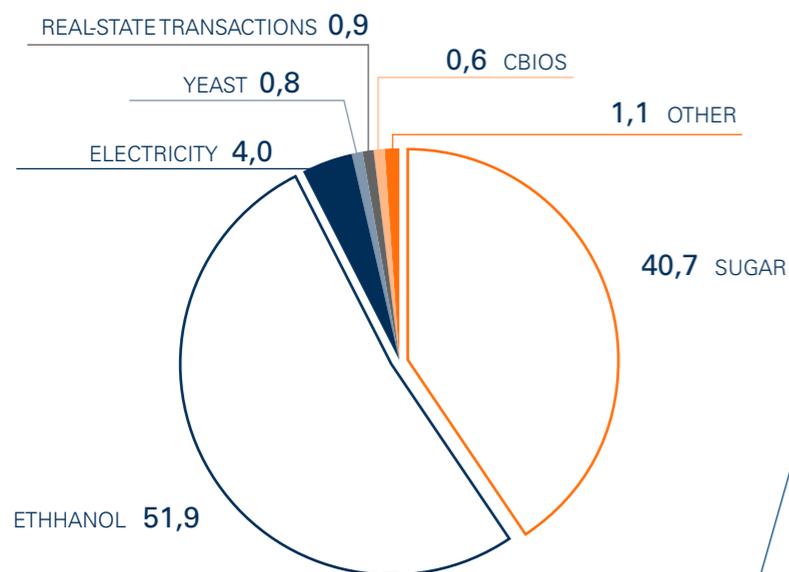
Summary financials (R\$ thousand)	Crop Year 2020/2021	Crop Year 2021/2022	Change (%)
Net Revenue	4,322,174	5,764,670	33.4%
Adjusted EBITDA	2,187,515	3,141,952	43.6%
Adjusted EBITDA Margin	50.6%	54.5%	3.9 p.p.
Adjusted EBIT	1,021,885	1,795,348	75.7%
Adjusted EBIT Margin	23.6%	31.1%	7.5 p.p.
Copersucar Rights	383,040	415,476	8.5%
EBIT	1,208,802	1,939,241	60.4%
Net Income net of IFRS 16 effects	952,166	1,406,064	47.7%
Non-cash effect of IFRS 16 on Net Income	(25,042)	74,804	-398.7%
Net Income	927,124	1,480,868	59.7%
Cash Income	996,504	1,528,575	53.4%
Leverage (Net Debt to EBITDA)	1.24 x	0.93 x	-25.1%

We have sustained a low leverage ratio despite our ongoing strategic projects



Operational data	Crop Year 2020/2021	Crop Year 2021/2022	Change (%)
Sugarcane crush (thousand metric tons)	22,522	19,899	-11.6
Own-sourced	15,811	13,911	-12
Third party-sourced	6,711	5,988	-10.8
Yields in the period - (metric ton/ha)	80.7	71.8	-11.1
Average TRS (kg/t)	145.7	146.7	0.7
Production			
Sugar ('000 t)	1,483	1,303	-12.1
Ethanol ('000 m ³)	1,018	913	-10.4
Electricity exports ('000 MWh)	880	760	-13.6
TRS produced	3,282	2,920	-11
Sugar-Ethanol Mix	47% / 53%	47% / 53%	

Revenue by product - crop year 2021/2022 (%)



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Learn more about our financial performance on our [Investor Relations website](#)

Value creation and distribution GRI 201-1	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Revenue			
Gross sales of goods and products	4,102,611	4,640,446	6,100,700
Revenue relating to construction of Company assets	1,142,445	1,227,260	1,365,635
Other revenue	4,557	19,804	12,817
	5,249,613	5,887,510	7,479,152
Inputs purchased from third parties			
Costs of goods sold	- 946,746	- 1,049,716	- 1,189,790
Material, electricity, outsourced services and other operational expense	- 1,215,916	- 1,226,886	- 1,545,975
	- 2,162,662	- 2,276,602	- 2,735,765
Gross value added	3,086,951	3,610,908	4,743,387
Depreciation and amortization	- 636,816	- 671,008	- 779,652
Biological assets harvested	- 613,101	- 715,282	- 846,612
Net added value produced by the entity	1,837,034	2,224,618	3,117,123
Transferred added value			
Equity in income of associates	625	5,776	7,358
Finance revenue	427,393	815,079	718,855
Other	403,835	450,945	476,187
Added value to be distributed	2,668,887	3,496,418	4,319,523
Distribution of added value			
Payroll and related charges	875,077	955,019	975,817
Taxes, charges and contributions	272,126	453,300	662,743
Loans	882,674	1,160,975	1,200,095
Dividends and interest on equity	151,765	120,000	135,000
Retained earnings for the year	487,245	807,124	1,345,868
Added value distributed	2,668,887	3,496,418	4,319,523

¹Our financial statements are available [here](#).



Human and social capital

Development, talent and diversity
Health and safety
Value chain

We recognize the value of our relationships for the success of our business model, and we have long invested in better communication with our employees, communities, suppliers, business partners and customers. The material topics identified in our most recent stakeholder survey (*read more on [page 16](#)*) revealed society's perceptions about how we ought to create and share value.

All practices related to our direct employees are derived from our Strategic People Management (STM) framework, which is integrated with our business planning processes and is managed by the Board of Directors, the Executive Board and other governance bodies. In recent years we have consistently evolved our approach to attracting, selecting, retaining and developing talents. We have also progressed on our diversity agenda.

Our external relationships, in turn, are guided by our Code of Conduct and Business Ethics and by specific policies on our relationships with communities, suppliers, customers, investors and other stakeholders.

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About **our team** and related charts and tables in the [Appendix](#)

Our team by the numbers **GRI 102-8**

Workforce by employment contract and gender

Contract type	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Definite term	1,370	54	1,424	1,200	36	1,236	1,075	40	1,115
Indefinite term	10,620	837	11,457	10,657	840	11,497	10,672	865	11,537
Total	11,990	891	12,881	11,857	876	12,733	11,747	905	12,652

Total workforce by employee category

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Board (Board of Directors + Fiscal Council)	10	10	10
Executive Board	12	12	12
Management	35	36	37
Head of department/coordination	57	57	63
Technical/supervision	417	427	430
Administrative	742	798	846
Operational	11,524	11,304	11,163
Support	106	111	113
Total	12,903	12,755	12,674

Development, talents and diversity

GRI 102-8, 103-2, 103-3 | 401, 103-2, 103-3 | 402, 103-2, 103-3 | 404, 404-2

We ended the 2021/2022 crop year with a workforce of more than 12,600 direct employees—92.8% of whom were men—in addition to 29 trainees, 427 apprentices and 29 interns.

Through a wide range of employee recognition, development and assessment activities, we strive to ensure the health, safety and well-being of our employees and that they feel respected and valued in their jobs. This was all the more important as we tackled the successive waves of the Covid-19 pandemic during the crop year. Meanwhile, we continued to invest across our strategic people management pillars.

We developed several of our people-related programs and projects, including our Behavioral Awareness Program. This organization-wide initiative, launched 20 years ago, aims to raise employee awareness about safe behavior. It includes both theoretical and hands-on activities to build awareness about risks and the importance of sound decision-making for a safe workplace. Alongside this program, other people-related projects in the crop year are described opposite:



Internship Program

a gateway for graduates in different fields, with 29 active participants in the crop year.



Trainee Program

launched in 2008, a total of 29 employees participated in the program in 2021/2022.



Segundo Tempo (“Second Half”)

a transition assistance program for employees 60 and over and those nearing retirement by length of contribution.



Values in Action

launched 13 years ago, this program has accelerated the development of 287 people for potential promotions within the company.



Agricultural Power and Equipment Technician Program

this program trains employees on servicing agricultural machinery and equipment.



Behavioral Awareness Program

discussions and activities addressing behaviors, mindsets and values, reaching more than 11,400 employees across all departments.



Apprenticeship Program

in a partnership with the National Industrial Training Service (SENAI), this program provided professional training to 427 apprentices aged 16 to 24. The program’s total investment to date amounts to R\$ 7.1 million.

Diversity and equity

GRI 102-12, 103-2, 103-3 | 405, 103-2, 103-3 | 406

We believe that respect for people is best expressed by valuing our employees.

Our Code of Ethics and Business Conduct and our Social Responsibility Policy articulate our commitment to respect and against harassment and all forms of discrimination. Any violations of these policies are reported via our Ethics Hotline (*learn more on [page 35](#)*).

Diversity featured high in our most recent materiality exercise, having been selected among our material ESG topics. We plan to evolve on our related commitments, targets and indicators over the coming years.

But our commitment to diversity and equal opportunity has long been integral to our investments at São Martinho, as evidenced by the following programs:



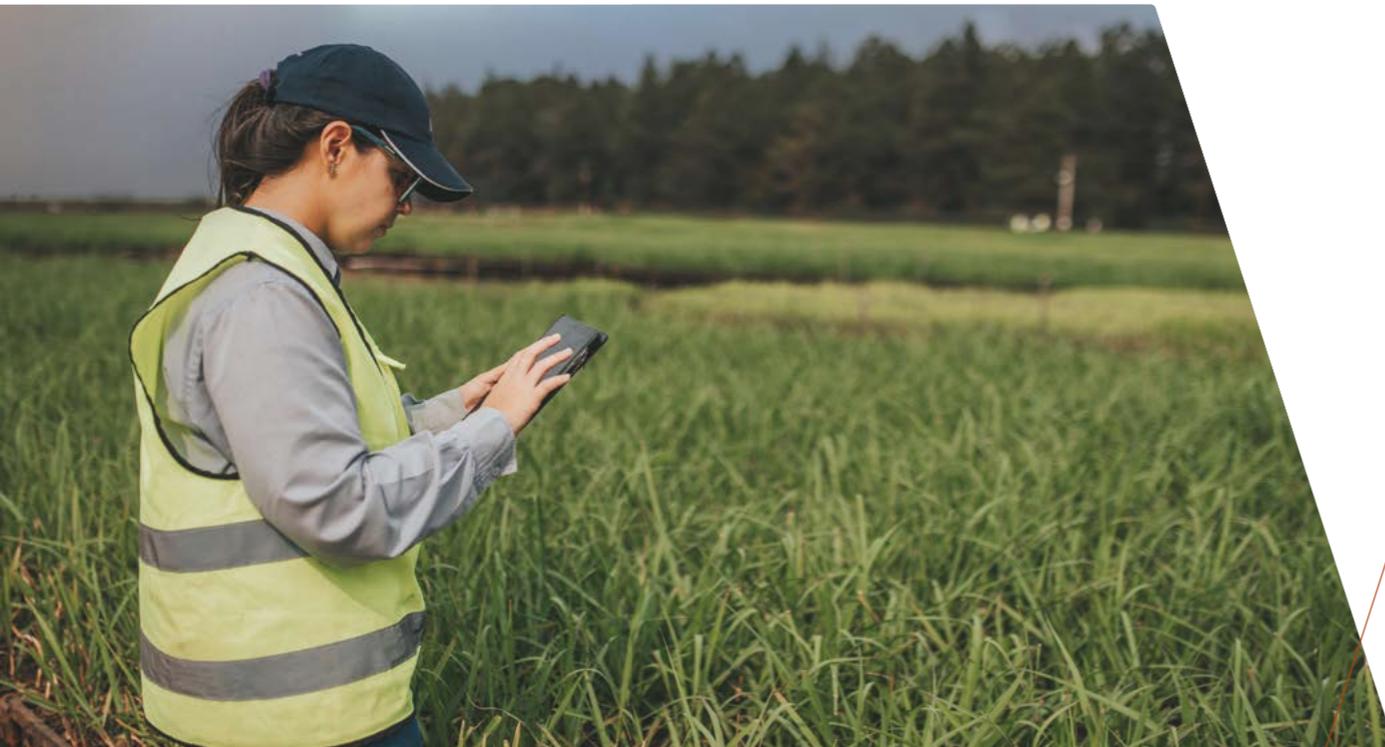
Empresa Cidadã Program

in 2010 we extended maternal leave from 120 to 180 days. In all our operations, women employees are eligible to spend six months at home following childbirth before returning to work. We have also extended paternal leave from 5 to 15 days.



Women Training Program

In support of Principle 4 of the Women's Empowerment Principles, which we subscribed to in 2019, we created a professional training program for women in communities surrounding our operations. The first class of 10 women, from São Martinho mill region, started training in May 2021 in an Industry 4.0 Instrumentation Technician course administered in partnership with SENAI in Ribeirão Preto. During the 2021/22 crop year we extended the course to Santa Cruz, Iracema and Boa Vista.



Health and safety

GRI 103-2, 103-3 | 403, 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-9, 403-10

Protecting life remained paramount this crop year. Measures to prevent the spread of Covid-19 in our operations were a continued priority, receiving investments of R\$ 371,300. Weekly and daily Crisis Committee meetings and protection, segregation and people-flow management measures in our mills, sugarcane fields and offices were maintained and partly incorporated into our day-to-day routines.

We provided full support to our 12,652 employees, helping to minimize the spread of the virus in our operations; regrettably, however, 17 of our direct employees died of Covid-19. Our Covid-19 indicators were consistent with the average figures for the communities where we operate.

Alongside our efforts to deal with the health crisis, we maintained our Occupational Health & Safety Policy and our OHS Management System in active operation, under the oversight of the Executive Board and the Board of Directors and in connection with our Integrated Management System. We also have a Health Committee that monitors program development and plans continuous improvement initiatives.

Our OHS Management System has 13 analysis and control points to manage risks and issues related to the quality of life and physical integrity of our employees.

We investigate incidents and calculate injury frequency and severity rates in accordance with ABNT-NBR 14280. The Executive Board, the Board of Directors and each site's Health and Safety Committee discuss individual

incidents and general safety statistics. Health and safety governance is exercised by three committees: Strategic (consisting of the CEO and executive officers), which meets at least on a monthly basis; Tactical (consisting of department heads and OHS managers), which meets on a monthly basis; and Operational (consisting of executive officers, managers, and the heads of OHS and Operations), also meeting on a monthly basis.



All identified risks are addressed through action plans, and any incidents are investigated to determine their root causes or issues needing to be corrected. All employees are entitled to refuse to perform work without retaliation if they identify any serious, imminent risk. Employees can report any retaliation, anonymously if they so wish, through our Ethics Hotline. The workplace environment is assessed for risks related to physical, chemical, biological and ergonomic hazards, and all identified hazards are addressed through action plans that are followed up on by OHS teams.

We regularly organize awareness-raising activities—including campaigns, safety weeks and other events planned by our Internal Accident Prevention Committee (CIPA) and Rural Accident Prevention Committee (CIPATR). Other related initiatives include our *Bem Saudável* Program—an integrative health initiative—and our Occupational Health Surveillance, Hearing Protection, Respiratory Protection and Ergonomics programs.

Our training activities use a task-specific approach and are aligned with Brazilian Regulatory Standards. They also address topics such as first-aid, preliminary risk analyses for contractors, and the permit to work system. Contractors are required to divide appropriate training certificates.

We also follow an annual schedule of preliminary risk analyses to identify occupational risks and hazards. As part of our Risk Management Program, we use an exposure (frequency and severity) matrix to map out actions to mitigate and/or eliminate hazards. Our operations also 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.

In accordance with the Brazilian General Data Protection Regulation (BR GDPR), at São Martinho we protect the confidentiality of our employees' health records. Only health professionals have access to our health information systems, and physical files are properly stored and safeguarded in monitored rooms.

Despite our safety efforts, we regret to report that a fatal injury occurred in the crop year when an employee was servicing a leaking valve at the distillery. A thorough investigation of the incident found that lock-out/tag-out safeguards had failed.

In response, we: (1) revised our lock-out/tag-out procedures; (2) revised our Hazards and Risks assessment; (3) revised our Permit to Work procedures; (4) conducted an operational assessment of condensate return lines and equipment; (5) created a dedicated environment for planning critical and special activities; and (6) notified those involved in related tasks about the measures taken and changes implemented.



Value chain

GRI 102-9, 103-2, 103-3 | 203, 103-2, 103-3 | 204, 103-2, 103-3 | 308, 103-2, 103-3 | 408, 103-2, 103-3 | 409, 103-2, 103-3 | 410, 203-2, 204-1, 308-1, 414-1, 414-2. 102-10

We have a long track record of building enduring business relationships, and this integral to our Strategic Plan 2030. At São Martinho we recognize that working closely with our business partners is important for sustaining growth, our reputation and business continuity.

We view our relationship with suppliers as an important link in our value chain. Our supply chain is vast and complex—we do business with a total of 3,382 suppliers, 40% of which are local suppliers. In the 2021/2022 crop year alone our supplier spend amounted to R\$ 2.63 billion—across services, equipment, technology, products and inputs.

We have a [Supplier Portal](#) and a procurement process that ensures all suppliers sign our General Conditions of Contract and our Code of Ethics and Business Conduct, in which they acknowledge that their observance of the social and environmental principles contained in these documents is a condition of continued business with us.

Business partners are screened on business risks and against our guidelines on ethics, fair labor relations, and human and labor rights. We dedicate special attention to human rights not only in the sugarcane value chain, but also across other supplier categories—including security and facilities management services. During the crop year, all of our more than 160 security personnel attended human rights training. **GRI 410-1**

For both new and current suppliers, our contracts include obligations on legal and regulatory compliance and commitments on social and environmental issues. Corrupt, discriminatory and child, slave or degrading labor practices are also contractually forbidden. Our supplier screening process additionally includes pricing, schedule and geographic considerations. Whenever possible, we prioritize local suppliers within a 150 kilometer (km) radius of our operations.



Our supplier assessment program uses a set of indicators to measure the performance of our value chain. These indicators are consolidated into a Supplier Quality Rating (IQF) that informs our efforts for continuous improvement.

In our general procurement processes, in the 2021/2022 crop year we began to assess and monitor 59 third-party, social, environmental and governance risks using a special risk management software system.

We also have a dedicated assessment process within our Environmental Management System (ISO-SGA) for strategic suppliers that can potentially affect and impact the environment, as a requirement for our operations' ISO 14001 certification.

We are currently working to modernize our Procurement department with initiatives across processes and technology, organizational structure, onboarding, people and culture, and performance indicators.

In the 2021/2022 crop year we created a Market Analytics and a Sustainable Management cell within the Procurement department to support our internal processes. In the 2022/2023 crop year we will launch a Sustainable Procurement Policy and a Sustainable Supplier Management Program that will incorporate ESG considerations into our Procurement decisions. In addition to our initiatives throughout the value chain, we have an indirect economic impact through our presence in the municipalities where we operate.

Proportion of spending on local supplier (%) GRI 204-1	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022*
Iracema	51%	67%	66%
São Martinho	43%	53%	39%
Santa Cruz	35%	65%	60%
Boa Vista	15%	15%	9%

* the lower percentage reflects changes in the calculation methodology, in which some cities have been removed from our local supplier list.

100% of new suppliers (including trucking companies, material and equipment suppliers and contractors) were screened against environmental criteria in 2021/2022.

Of the **3,382** suppliers that did business with us in the period, we identified only one with labor issues indicated on its liability clearance certificate.

1,184 sugarcane producers and 11 trucking companies underwent due diligence on social and environmental aspects, and no significant risks were identified.

All identified risks are monitored and addressed in action plans.

We did not terminate our business relationship with any trucking companies or suppliers as a result of social impacts during the crop year.



We source sugarcane from **more than 1,000 contract growers**

Contract growers

Sugar cane suppliers produce approximately 30% of our raw materials and are a vital part of our agricultural operations. In crop year 2021/2022 we had 1,084 sugarcane suppliers as well as 1,068 other business partners including lessors and agricultural partners.

We source 100% of our sugarcane from local growers within a 150 km radius from our mills.

Under our sugarcane sourcing guidelines, our sugarcane is preferably purchased under an agreement confirming to the guidelines issued by the São Paulo State Association of Sugarcane, Sugar and Ethanol Producers (CONSECANA).

In addition, we are developing a procedure for assessing producers, including on social and environmental criteria. We will establish criteria, compliance ranges and processes for the assessment, which will be supported by two software systems—one for satellite-based monitoring and the other for assessment of risk factors.

São Martinho supports information exchange between and technology transfer to our sugarcane suppliers. We do this through initiatives such as “Field Day” events, which in 2021/2022 were attended by 553 sugarcane growers. During these events, we discussed issues such as new sugarcane varieties, two-row harvesters, weed control, using ripeners, preventing and responding to fire outbreaks, pest control, and sustainability.



Communities and social impact

GRI 103-2, 103-3 | 203, 203-1, 203-2, 413-1

Reflecting our evolution as a business, in recent years we have increasingly embedded social development as part of our corporate strategy. Through our [Private Social Investment](#) platform and engagement with civil society and our communities, we seek to ensure the donation requests we grant and our social investment programs are increasingly aligned with our material topics and priority impact levers.

We regularly organize engagement and relationship-building events in our surrounding communities. In the 2021/2022 crop year we organized community meetings between March and May that were attended by 80 people representing different sectors of society and locations.

In the 2021/2022 crop year all our operations implemented local community engagement, impact assessment and development programs, including the use of: social impact assessments, gender impact assessments, based on participatory processes; environmental impact assessments; public disclosure of results of impact assessments via engagement panels; local community development programs based on local communities' needs; stakeholder engagement plans; broad-based local community consultation committees and processes; works councils, occupational health and safety committees and other worker

representation bodies to deal with impacts; and formal local community grievance processes.

During the crop year, we donated R\$ 356,000 out of Company funds to community organizations near our mills. In addition, we supported a number of projects and organizations with tax-deducted funding (elderly homes, an English as a foreign language program, a youth researcher program, an organization serving children with special needs in Américo Brasiliense, a children's shelter, a youth fire responder training center, the Lions Foundation and the Ribeirão Preto Symphonic Orchestra).

During the crop year, we also ran a number of programs to train and develop youth for the job market, including *Primeiro Emprego Projovem* (a program attended by 45 youth aged 16 to 18, which was awarded R\$ 996,000 in funding); our Women Training Program (during the crop year the course was extended beyond our São Martinho mill to our other three sites; and *Ler é Viver* (official sponsorship for the International Book Fair). We also highlight our volunteering initiatives, such as our *Natal sem Fome* ("Christmas without Hunger") campaign (which collected 1,700 kg of food items in December 2021), our winter clothing campaign (which collected 2,000 items of clothing in June 2021), and blood and bone marrow donations.



Our Environmental Education Centers (EECs) are another important initiative that helps to raise awareness among employees, students and the broader community. Our EECs have attracted more than 132,000 visitors in total in the last 20 years.

The Covid-19 pandemic remained an ongoing issue throughout the 2021/2022 crop year, and we continued to support the pandemic response in our communities. Our support included funding to reactivate hospital beds and purchase hospital infrastructure, donating Covid-19 test kits, donating food and personal protective equipment, and purchasing new equipment.

Market and customers GRI 103-2, 103-3 | 416, 416-1

In our dealings with customers and providers of capital, we seek to foster relationships based on trust and transparency around our challenges and our business environment. We serve customers across Brazil and in 18 countries on four continents.

Our interactions with customers are guided by our Code of Ethics and Business Conduct and antitrust regulations. We also work to safeguard consumer health and well-being with support from our Food Safety and Quality Program and international certifications for our field and mill operations, including ISO and Bonsucro certification.

To prevent impacts on food safety, we have a Good Manufacturing Practices (GMP) program that outlines requirements for carrying out Hazard Analysis and Critical Control Points (HACCP) assessments to eliminate or mitigate chemical, physical and biological hazards to acceptable levels.

Before shipment, each product batch is inspected to ensure it is compliant with customer specifications and applicable regulations.

Our Itacema mill supplies sugar as an ingredient to food manufacturers, but most of the sugar we produce is Very High Polarity (VHP) sugar that is exported in bulk for use as a raw material in other processes, especially for manufacturing refined sugar.

We also produce dry yeast that is sold to the animal nutrition market. These products are also produced in accordance with good manufacturing practices to ensure they are safe for animal consumption and to avoid indirect human health effects from consumption of contaminated animal protein.

For our investors, we have an Investor Relations department that manages interactions with institutional and individual investors and other parties seeking information about our company. Meetings, earnings calls and social media posts are among the ways we communicate with these stakeholders.



Our products are supplied to customers across Brazil and in 18 other countries





Environment

Climate and emissions
Water stewardship
Waste and the circular economy
Biodiversity and land-use

Our Environmental Management System provides a framework for our environment-related efforts. These efforts are designed to help us achieve environmental excellence and manage impacts from our field and mill operations. We have established a set of commitments across seven pillars: climate change mitigation and adaptation; biodiversity; efficient waste management; soil conservation; water stewardship; compliance with laws, regulations and commitments; and raising environmental awareness.

Our environmental governance structure includes an Environment Committee that meets on a monthly basis, and Tactical and Strategic Sustainability Committees that meet on a monthly and quarterly basis, respectively. We also have an Agri-Environmental Operational Excellence Group (OEG) that discusses the agricultural methods and standards used in our operations. In addition, we are members of several external initiatives and platforms—all three of our mills in São Paulo State are now signatories of the Agri-Environmental Protocol, which has also been implemented at our Boa Vista mill in Goiás.

In addition to environmental policies, we implement projects and initiatives that explore innovation, technology and new-business opportunities to repurpose byproducts and minimize waste and emissions.

+ LEARN MORE

About our **Environmental Management Plan** [here](#)



Programa Brasileiro GHG Protocol

Membro 2022



Our greenhouse gas
emissions inventory
received Gold status
from the Brazilian GHG
Protocol Program

+ LEARN MORE

Our **2020 and 2021** inventories are
available in the [Public Emissions Register](#)

Climate and emissions

GRI 103-2, 103-3 | 305, SASB FB-AG-110A.2, TCFD Metrics and Targets - b.

Climate-related impacts, including adverse and/or extreme weather events, are among the industry risks we regularly monitor due to the impacts they can have on the sugarcane harvest and on the quality of our raw material. However, we are also presented with many climate-related opportunities, such as new revenue streams from issuing and selling CBIO units and renewable electricity.

Our operations use appropriate equipment to manage fixed-point and mobile source emissions in accordance with applicable environmental regulations. Air emissions are monitored on an annual basis, and reports on particulate matter (PM) and nitrogen oxide (NOx) emissions are submitted to the regional environmental regulators. Each of our operations has a Black Smoke Monitoring program for diesel-powered fleets, conforming to applicable regulations.

We compile greenhouse gas (GHG) emissions inventories in accordance with the Brazilian GHG Protocol Program (PBGHG), and since the previous crop year our inventories have been independently audited and published in the Public Emissions Register, a platform developed by PBGHG and the largest corporate inventory database

in Latin America. Our inventories have received Gold reporting status—the top rating for compliance with program requirements.

Historically, scope 1 emissions have been the highest weighted in our operations. We have a number of initiatives to reduce emissions in our farm operations, which account for 60% of scope 1 emissions. Scope 2 emissions are emissions from purchased electricity, which are negligible in our operations. Scope 3 emissions are related primarily to purchased goods and services, such as agricultural and industrial inputs.

In 2021 we found that some of our farming operations were not included in the calculations. Working with the World Resources Institute (WRI), we updated our GHG emissions calculation to include emissions from leaching, liming, addition of gypsum and atmospheric deposition, reflecting current industry practices.

With these changes in the methodology, our emissions from agricultural operations decreased by approximately 192,000 tCO₂e or 40%, yielding a 26.7% decrease in total Scope 1 emissions.

Our overall gross emissions (Scope 1 + 2) were 595,151 tCO₂e in 2021, down from 810,587 tCO₂e in the previous crop year, a reduction of 215,436 tCO₂e or 26.6%.

Greenhouse gas emissions intensity (tCO₂e/metric ton of crushed sugarcane) GRI 305-4

Emissions intensity - Scope 1



Emissions intensity - Scope 1 and 2



Emissions intensity - Scopes 1, 2 and 3



Greenhouse gas emissions intensity in 2021, by product, across Scope 1, 2 and 3



Sugar:
327.3 tCO₂e/kg sugar



Ethanol:
19.8 gCO₂e/MJ ethanol



Bioelectricity:
0.071 tCO₂e/MWh bioelectricity

Climate risk: our approach

GRI 201-2, SASB FB-AG-440a.1, TCFD (Governance – a, b; Strategy – a, c; Risk management – a, b e c; Metrics and targets – a, b e c)

We manage climate-related risks and opportunities using the risk management methodology described in the previous section. Our goal in these efforts is to build adaptability and resilience to adverse events. Our industry as a whole is affected by climate issues, especially our agricultural operations, and the need to manage water resources.

Climate factors also directly affect our financial planning. We are committed to supporting the Paris Agreement targets, reducing GHG emissions and expanding the supply of renewable energy in Brazil through our business (producing biofuels and electricity from biomass).

Our operations are exposed to the risk of water shortages, a risk that can materialize or be exacerbated during drought seasons such as in the 2021/2022 crop year. São Martinho responds to these risks by activating a contingency plan to reduce demand for water withdrawals. The direct costs from the risk of low rainfall have been estimated to be R\$ 50 million, with this risk liable to materialize in the medium term.

Another risk we monitor is the risk of fire outbreaks in our sugarcane plantations, with the direct costs of this risk estimated to be in excess of R\$ 30 million. Part of the impact is the cost of reforestation protected areas, legal reserves and native vegetation. Although we use fully mechanized, green-cane harvesting—rather than burnt-cane harvesting—fire outbreaks can still occur for different reasons. Fire outbreaks on our properties could have legal impacts, including fines and warnings, as well as reputational impacts. Our Fire Prevention and Response Plan and Emergency Response Plan help to mitigate these risks.

Another risk scenario we monitor is the impact on our sugarcane yields from climate-change effects, including changes in rainfall patterns, affecting the availability of sugarcane to produce sugar, ethanol and other coproducts.

+ LEARN MORE

About **our detailed emissions disclosures** in the [Appendix](#)

As part of our governance procedures for this risk, the Board of Directors analyzes climate change scenarios to inform decision-making. The primary tool we use to track climate-related issues is our Corporate Risk Matrix.

Our ESG Maturity Assessment in the 2021/2022 crop year underlined the importance of the issue of climate change. As part of our efforts to address this issue at the strategic level, we are pursuing a Water Plan at our São Martinho mill, for which significant investments have been earmarked.

We are currently preparing for the possibility of carbon pricing frameworks being implemented, and for the regulations and pricing methods that would be introduced with them.

The Brazilian Biofuels Program (RenovaBio) has recently introduced Decarbonization Credits (CBIO) in support of Brazil's annual decarbonization targets for the fuel industry. A CBIO unit represents one metric ton of CO₂ equivalent in emissions avoided. Our contribution to increasing the share of bioenergy in Brazil's energy mix makes us eligible to issue and sell CBIO units. We expect to generate approximately 1 million CBIO units based on our projected crush volume and product mix.

In this context, we have identified a risk in connection with carbon pricing and emerging regulations, directly affecting our operations. Carbon pricing on Scope 1 and 2 GHG emissions is a long-term risk (5 to 10 years) that could result in increased expenditure. The financial impact has been estimated at R\$ 22 million. This estimate is based on São Martinho annual GHG emissions and the estimated cost per metric ton of CO₂eq as applied for the CBIO program. São Martinho is taking steps to reduce its GHG emissions primarily by reducing the use of fossil fuels and deriving more value per metric ton of sugarcane.

We have set an internal carbon price of R\$ 25, which we use in our long-term planning and in evaluating new projects. This is led by our Strategic Planning team with support from our Sustainability team.

To strengthen and increase transparency around our sustainability governance, we annually respond to the CDP Climate Change questionnaire. CDP is a charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. Our disclosures received a "B", or management-level rating.



+ LEARN MORE

See [here](#) our response to the CDP questionnaire

Scope of greenhouse gas emissions

Learn about our emissions sources and how emissions are avoided through our products

- **Scope 1:** direct emissions from sources we own or control
- **Scope 2:** indirect emissions from purchased electricity
- **Scope 3:** indirect emissions from sources we do not directly control or own

Non-biogenic agricultural emissions
Generated by fuel combustion, synthetic and organic nitrogen fertilizers, and liming as a soil amendment.

Biogenic agricultural emissions
Emissions related to the renewable fraction of fuels used in our farm machinery.

Non-biogenic industrial emissions
Emissions from combustion processes, effluent treatment and fugitive emissions of refrigerant gases.

Biogenic industrial emissions
Emissions from stationary combustion and the fermentation process to produce ethanol.

Biocombustível
1.08 million tCO₂e avoided
through the use of ethanol in replacement of gasoline, a equivalent fossil fuel

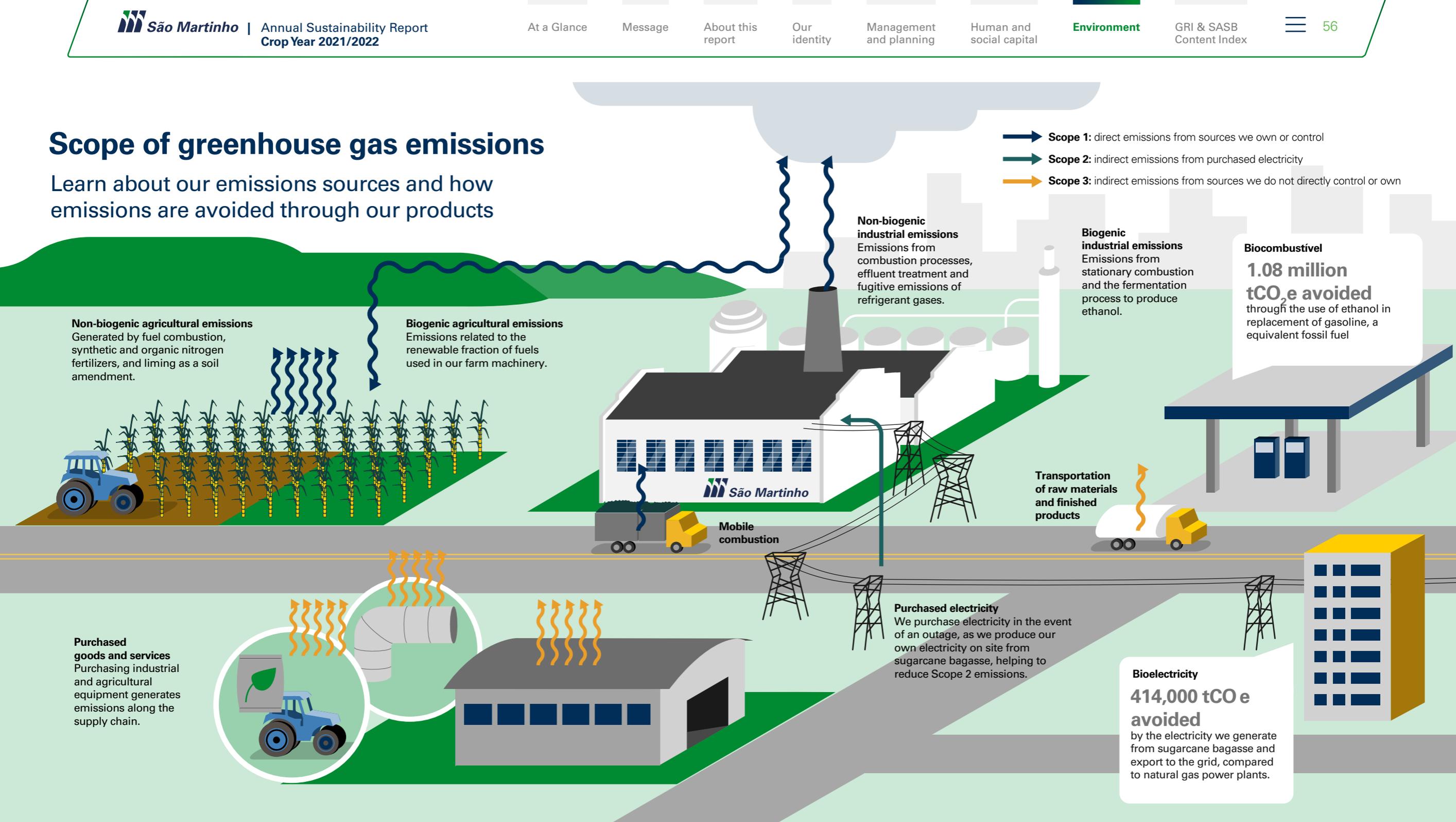
Purchased goods and services
Purchasing industrial and agricultural equipment generates emissions along the supply chain.

Mobile combustion

Transportation of raw materials and finished products

Purchased electricity
We purchase electricity in the event of an outage, as we produce our own electricity on site from sugarcane bagasse, helping to reduce Scope 2 emissions.

Bioelectricity
414,000 tCO₂e avoided
by the electricity we generate from sugarcane bagasse and export to the grid, compared to natural gas power plants.





Water stewardship

GRI 103-2, 103-3 | 303, 303-1, 303-2, SASB FB-AG-140a.2, SASB RR-BI-140a.2, TCFD Risk Management - c.

Water use is among the aspects we address in our efforts to manage risks and mitigate impacts. We access different sources of water depending on each operation's local setting: at Iracema we source water from Paramirim Creek and Iracema Creek; at São Martinho, water is sourced from the Mogi Guaçu River, Triste Creek and the Guarani Aquifer. Santa Cruz derives its water supply from four water bodies: Paulino Creek, João Mendes Creek, Anhumas Creek and the Guarani Aquifer. The Boa Vista operation sources water from two water bodies: Preto River and the Guarani Aquifer.

We work to minimize our water footprint by incrementally increasing reuse. As part of this, our operations have implemented projects to increase water recycling, such as reusing condensates and water from the vinasse concentration process. We also test the quality of effluents discharged into the environment in order to protect the water cycle and ensure compliance with applicable environmental regulations.

Our mills set environment-related targets and goals for each crop year.

Water withdrawals at São Martinho are monitored against performance targets and analyses. Reported water volumes refer only to water withdrawn during the sugarcane crush period. Our current water intensity is 1.20 m³/tc, and we have set a target to reduce this figure to 0.70 m³/tc by 2030 across our four operations. To further reduce withdrawals, our São Martinho mill is currently upgrading the water cooling system in the sugar and ethanol production process. This will optimize the process and minimize the requirement for water withdrawals over the coming years.

Wastewater is discharged into the environment only at our São Martinho mill; it is first treated in stabilization ponds before being discharged into surface water bodies as permitted by the environmental regulator.

Although wastewater and vinasse are not discharged into water bodies as they are instead used for fertigation, they are quality-tested in accordance with P4231, and test results are included in the Vinasse Application Plan submitted annually to the environmental regulator. There were no instances of water discharge limits being exceeded at the São Martinho mill in the crop year.

Total water withdrawal by source (ML)¹²³ GRI 303-3

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Surface water	29,047.16	26,393.88	22,181.72
Groundwater	1,865.61	1,867.00	1,634.23
Total	30,912.77	28,260.89	23,815.95
Processed cane (t)	22,640,241.00	22,522,028.75	19,899,013.29
Water withdrawal per metric ton of sugarcane (m ³ /t)	1.37	1.25	1.20

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. All water withdrawals are freshwater.

² We consider our raw material to be a source of water for our industrial process, as the water contained in sugarcane is incorporated into the process following crushing and juice extraction. Data from our Water Balance at the end of each crop year is used to calculate the volume of water entering the process in the form of raw material. Water extracted from sugarcane into the production process amounted to 13,464.582 megaliters in the 2021/2022 crop year (Iracema = 2,018.977 megaliters; São Martinho = 5,544.693 megaliters; Santa Cruz = 2,859.930 megaliters; and Boa Vista = 3,040.982 megaliters).

³ Water withdrawals are calculated for the crush period only.

Total water discharge, by source (ML)¹ GRI 303-4

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Surface water	14,265.42	13,186.50	10,609.51

¹ Water discharge is calculated for the crush period only.

Total water consumption, in ML¹

GRI 303-5, SASB RR-BI-140A.1, SASB FB-AG-140A.1

Total water consumption¹

Crop Year 2019/2020	16,647
Crop Year 2020/2021	15,074
Crop Year 2021/2022	13,206

Water recycled or reused

Crop Year 2019/2020	72.1
Crop Year 2020/2021	71.8
Crop Year 2021/2022	74.0

¹ For the São Martinho mill, Water consumption = Total water withdrawal - Total water discharge. For our Iracema, Boa Vista and Santa Cruz 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.



Waste and the circular economy

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

Under our Waste Management Plan, we work to reduce consumption of materials and inputs, reuse byproducts to the extent possible, and recycle whenever viable.

Our natural raw material—sugarcane—can be used in a wide range of products and applications as it is processed. To minimize impacts from production, we use a circular-economy model that reduces waste and converts many of our waste streams into coproducts. We generate waste when we use inputs and in our maintenance activities—all packaging and other waste materials are disposed of properly.

The bulk of our waste streams—generated in the production process—are reused in our sugarcane fields:

- **Sugarcane bagasse** is used as biomass in boilers to generate electricity;
- **Vinasse**, a distillation byproduct that is rich in potassium, is used for fertigation;
- **Filter cake**, with added ash, soot and other materials, is used as a source of macronutrients—such as phosphorus, calcium, nitrogen and magnesium—that are essential for plant development.

Currently 99.97% of our waste materials are classified as nonhazardous. These waste materials are either used in our sugarcane fields or sent for reverse logistics.

Most of the products we produce are transported in bulk. The Iracema mill uses big bags for coarse sugar, which after use are washed and repaired and reused to the extent permitted by their condition. Dry yeast produced at our São Martinho, Boa Vista and Santa Cruz mills is stored in big bags and 25 kg paper bags. These products are shipped overseas and therefore their packaging is nonreturnable.

Vinasse, a byproduct from ethanol production, is used for fertigation as a source of potassium, helping to mitigate impacts from byproducts. In the 2021/2022 crop year, vinasse was primarily applied at the base of the sugarcane stalks rather than sprayed over the fields, increasing the area of coverage and minimizing the need to purchase potassium fertilizers.



Total waste generated (t) GRI 306-3

2020	7,450,718
2021	5,932,098
2022	6,543,191.97



Biodiversity and land-use

GRI 103-2, 103-3 | 304, 304-1

We use conservationist cropping systems that minimize tillage and CO₂ emissions, while generating fuel savings and helping to preserve organic matter.

All São Martinho properties have been assessed and mapped to classify the biodiversity they contain (using as references the following documents/studies: Geofloresta: Mapa de Áreas Prioritárias; IPÊ: Inventário de Vegetação Nativa do Estado de SP, Atlas 2.1 Simbiota e informações ambientais territoriais do DataGeo).

We work to improve sugarcane yields and crop longevity by using a minimum tillage approach that prevents erosion and conserves organic matter and soil microbiota, as well as increasing water retention and infiltration into the soil. Crop rotation and returning sugarcane straw to the soil also help to replenish nutrients, improving crop development. Alongside soil conservation, we help to conserve biodiversity through our Legal Reserve Program, which maps, plans and implements regulatory legal reserves on our sugarcane properties.

In accordance with the Brazilian Force Code, São Martinho has conducted environmental assessments on all its properties to classify land uses. All protected areas and legal reserves are compliant with applicable regulations, and all properties have been registered with the Rural Environmental Registry (CAR), regardless of the deadline for registration having been extended.

Another of our flagship environmental preservation programs is *Viva a Natureza*, a program created in 2000 to rehabilitate and protect riparian vegetation, manage springs, minimize siltation in water bodies and preserve native species. The project was launched with a target to plant 1 million seedlings within the area of influence of our operations over a period of ten years. To date, the program has planted a total of 3.5 million seedlings in our São Martinho operation alone. Seedlings are planted on demand in protected areas, legal reserves and other areas as needed.



GRI & SASB Content Index

/ Limited assurance report /
Disclosures appendix

GRI & SASB Content Index



GRI Content Index GRI 102-55

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 101: Foundation 2016				
General Disclosures				
Organizational profile				
	102-1 Name of the organization	07		
	102-2 Activities, brands, products, and services	07		
	102-3 Location of headquarters	07		
	102-4 Location of operations	07		
	102-5 Nature of ownership and legal form	07		
	102-6 Markets served	10		
	102-7 Scale of the organization	10		
GRI 102: General disclosures 2016	102-8 Information on employees and other workers	41, 42, 80. The number of employees and other workers was taken from databases at the end of the crop year, using SAP transaction ZHPA26. In the report, data was selected for the period from March 1 to 31, and for people whose occupation status was 3 - Active. The number of members of the Board of Directors and Executive Board was taken from payroll and data from a Brazilian Security Exchange (CVM) filing. Contractor data was taken from our Dimep (access control) system database and then tabulated in a worksheet to include information on service providers		8, 10
	102-9 Supply chain	46		
	102-10 Significant changes to the organization and its supply chain	46		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 102: General disclosures 2016	102-11 Precautionary principle or approach	We use the precautionary principle in strategic planning after identifying and assessing risks and opportunities from existing processes or new projects, taking account of: a) potential interventions to address risks to human, animal or plant health, or as otherwise necessary to protect the environment where the data is unable to adequately determine the level of risk; b) scientific assessments of the hazardous effects of an event, product or procedure; and c) whether the assessment allows the risk to be reliably measured.		
	102-12 External initiatives			
	102-13 Membership of associations	We are members of the following associations: - União da Indústria de Cana-de-Açúcar (UNICA) - Sindicato da Indústria de Fabricação de Etanol do Estado de Goiás (SIFAEG) - Sindicato da Indústria do Açúcar no Estado de São Paulo (SIAESP) - Sindicato da Indústria da Fabricação do Alcool no Estado de São Paulo (SIFAESP) - Federação das Indústrias do Estado de São Paulo (FIESP)		
Strategy				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	04		
	102-15 Key impacts, risks, and opportunities	04, 34		
Ethics and integrity				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	09, 35		16
	102-17 Mechanisms for advice and concerns about ethics	35		16
Governance				
GRI 102: General disclosures 2016	102-18 Governance structure	30		
	102-19 Delegating authority	30		
	102-20 Executive-level responsibility for economic, environmental, and social topics	33		
	102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholders can view information on economic, environmental, social and other topics about the company on our company website (https://www.saomartinho.com.br/default.aspx?linguagem=en) and on our investor relations website (https://ri.saomartinho.com.br/default.aspx?linguagem=en).		16

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 102: General disclosures 2016	102-22 Composition of the highest governance body and its committees	31		5, 16
	102-23 Chair of the highest governance body	31		16
	102-24 Nominating and selecting the highest governance body	31		5, 16
	102-25 Conflicts of interests	36		16
	102-26 Role of highest governance body in setting purpose, values, and strategy	31		
	102-27 Collective knowledge of highest governance body	32, 33		
	102-28 Evaluation of the performance of the highest governance body	31		
	102-29 Identifying and managing economic, environmental, and social impacts	30, 31		16
	102-30 Effectiveness of risk management processes	34		
	102-31 Review of economic, environmental, and social topics	34		
	102-32 Highest governance body's role in sustainability reporting	The Board of Directors is responsible for validating the report.		
	102-33 Communicating critical concerns	32		
	102-34 Nature and total number of critical concerns	34		
	102-35 Remuneration policies	We benchmark our wages against average wages in the industry: in addition to competitive fixed compensation, we provide short-term incentives, profit sharing (for direct employees), bonuses (management-level employees), and long-term incentives and virtual stock options (executives). As from the 21/22 crop year, ESG topics will be incorporated in the KPI dashboard for bonus payments.		
	102-36 Process for determining remuneration	Remuneration is determined using the Korn Ferry Hay Group position scoring system, with the assistance of compensation consultants who are independent of top management.		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 102: General disclosures 2016	102-37 Stakeholders' involvement in remuneration	Stakeholders may attend general meetings discussing remuneration, and may vote in person or via absentee ballots, which contain a section on remuneration.		16
	102-38 Annual total compensation ratio	87		
	102-39 Percentage increase in annual total compensation ratio	87		
Stakeholder engagement				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	15		
	102-41 Collective bargaining agreements	In the 2019/2020, 2020/2021 and 2021/2022 crop years, all employees were covered by collective bargaining agreements.		8
	102-42 Identifying and selecting stakeholders	15		
	102-43 Approach to stakeholder engagement	15		
	102-44 Key topics and concerns raised	15		
Reporting practices				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	06		
	102-46 Defining report content and topic Boundaries	06, 15		
	102-47 List of material topics	15		
	102-48 Restatements of information	84		
	102-49 Changes in reporting	06		
	102-50 Reporting period	06		
	102-51 Date of most recent report	3/21/2022		
	102-52 Reporting cycle	Annual.		
	102-53 Contact point for questions regarding the report	06		
	102-54 Claims of reporting in accordance with the GRI Standards	06		
GRI 102: General disclosures 2016	102-55 GRI content index	62		
	102-56 External assurance	06		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
Material topics				
Economic performance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	37, 38, 39		
	103-3 Evaluation of the management approach	37		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	39		8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	54		13
	201-3 Defined benefit plan obligations and other retirement plans	São Martinho has a defined-contribution pension plan. Company contributions are credited monthly into the pension plan account (designated as “ <i>Básica Empresa</i> ”) for plan participants. On retirement, pension benefits are paid to participants by the pension plan provider. Plan participants contribute 1% where the Reference Unit (RU) is not greater than R\$ 5,017.41, and up to 8% of the difference between the RU and their nominal salary where the RU exceeds this amount. The Company matches the employee’s contribution.		
	201-4 Financial assistance received from government	92		
Market presence				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	42		
	103-3 Evaluation of the management approach	37		
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The salaries paid in each operation are based on the minimum wage for the relevant position as agreed in a collective bargaining agreement with the local union. Typically, the minimum wages under collective bargaining agreements are higher than the local minimum wage, although our entry level wage is the national minimum wage. At our São Martinho mill, our collective bargaining agreement establishes a higher hourly wage than the agreed minimum wage for each category.		
	202-2 Proportion of senior management hired from the local community	São Martinho defines “members of management” as the CEO, vice-presidents and executive officers. We define “local communities” as cities in which our operations are located or which are subject to the economic, social or environmental impacts from our operations. 100% of our members of management are from local communities (1 at Iracema, 6 at São Martinho, 1 at Boa Vista, 1 at Santa Cruz and 3 at our headquarters in São Paulo).		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
Indirect economic impacts				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	46, 49		
	103-3 Evaluation of the management approach	46, 49		
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	49		5, 9, 11
	203-2 Significant indirect economic impacts	46, 49		1, 3, 8
Procurement practices				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	46		
	103-3 Evaluation of the management approach	46		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	46, 47		8
Anti-corruption				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	35		16
	205-2 Communication and training about anti-corruption policies and procedures	35, 90		16
	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were documented in crop years 2019/2020, 2020/2021 or 2021/2022.		
Energy				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	53		
	103-3 Evaluation of the management approach	53		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 302: Energy 2016	302-1 Energy consumption within the organization	93		7, 8, 12, 13
	302-2 Energy consumption outside of the organization	53		7, 8, 12, 13
	302-3 Energy intensity	94		7, 8, 12, 13
Water & Effluents				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	57		
	103-3 Evaluation of the management approach	57		
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	57		
	303-2 Management of water discharge related impacts	57		6
	303-3 Water withdrawal	58		6, 8, 12
	303-4 Water discharge	58		6
	303-5 Water consumption	58		6
Biodiversity				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	60		
	103-3 Evaluation of the management approach	60		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	60, 96		6, 14, 15
	304-2 Significant impacts of activities, products, and services on biodiversity	Vehicle traffic, the risk of soil and water contamination (from vinasse and pesticide application), the risk of pollution and resulting damage to fauna and flora, and gas and particulate emissions		6, 14, 15
	304-3 Habitats protected or restored	100% of our properties have been assessed by independent technicians. No restoration was requested by the environmental regulators, and therefore this disclosure has not been reported. Assessments are carried out as part of the process for registration with the Rural Environmental Registry (CAR).		6, 14, 15

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>According to the endangered species list published by the Brazilian Ministry of the Environment (MMA), we have identified 7 vulnerable species on our properties (giant anteaters, maned wolves, cougars, ocelots, margays, South American tapirs, and jaguarundis). No threatened, near threatened, or least-concern species have been identified.</p> <p>According to the threatened species list published by the São Paulo State Environmental Office (SMA S.Paulo), we have identified 7 threatened species (undulated tinamous, king vultures, large-billed antwrens, grey-headed tanagers, plumbeous seedeaters, caica parrots, and black-faced tanagers), 14 vulnerable species (giant anteaters, maned wolves, cougars, ocelots, crimson-crested woodpeckers, margays, South American tapirs, wood storks, chestnut-crowned becards, howler monkeys, red-winged tinamous, Amazonian motmots, black-throated grosbeaks, chestnut-bellied seed finches), and 9 near-threatened species (robust capuchin monkeys, rusty-margined guans, wood storks, turquoise-fronted amazons, pale-breasted spinetails, helmeted manakins, rufous casinoris, chestnut-crowned becards, and chopi blackbirds). No species of least concern have been identified.</p>		6, 14, 15
Emissions				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	53		
	103-3 Evaluation of the management approach	53		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	92		3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	92		3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	92		3, 12, 13, 14, 15
	305-4 GHG emissions intensity	54		13, 14, 15
	305-5 Reduction of GHG emissions	92		13, 14, 15
	305-6 Emissions of ozone-depleting substances (ODS)	93		3, 12
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	93		3, 12, 14, 15
Effluents and waste				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	59		
	103-3 Evaluation of the management approach	59		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	59		3, 6, 11, 12
	306-2 Management of significant waste-related impacts	59		3, 6, 11, 12
	306-3 Waste generated	59		3, 6, 12, 14, 15

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 306: Waste 2020	306-4 Waste diverted from disposal	95		3, 11, 12
	306-5 Waste directed to disposal	95		3, 6, 11, 12, 14, 15
Environmental compliance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	52		
	103-3 Evaluation of the management approach	52		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	90		16
Supplier environmental assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	46		
	103-3 Evaluation of the management approach	46		
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	46		
	308-2 Negative environmental impacts in the supply chain and actions taken	91		
Employment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	42		
	103-3 Evaluation of the management approach	42		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	80		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	82		3, 5, 8
	401-3 Parental leave	84		5, 8

GRI Standard	Disclosure	Page/URL	Omission	SDGs
Labor/management relations				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	42		
	103-3 Evaluation of the management approach	42		
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	Any and all changes, and not only operational changes, are preceded by negotiations with unions representing workers. Implementation periods are negotiable. We are currently in collective negotiations with unions to renew our collective bargaining agreements, discuss wage increases and amend bargaining agreement clauses. Negotiations take place when collective bargaining agreements near expiration—in February at Boa Vista and in April at São Martinho, Santa Cruz and Iracema.		8
Occupational health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	42		
	103-3 Evaluation of the management approach	42		
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	44		8
	403-2 Hazard identification, risk assessment, and incident investigation	44		3, 8
	403-3 Occupational health services	44		3, 8
GRI 403: Occupational health and safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	44		8, 16
	403-5 Worker training on occupational health and safety	44		8
	403-6 Promotion of worker health	All employees have health and dental insurance. On an annual basis, we provide influenza vaccination for free to all employees.		3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44		8
	403-8 Workers covered by an occupational health and safety management system	83		8
	403-9 Work-related injuries	44, 87		3, 8, 16
	403-10 Work-related ill health	44		3, 8, 16

GRI Standard	Disclosure	Page/URL	Omission	SDGs
Training and education				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	42		
	103-3 Evaluation of the management approach	42		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	82		4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	42		8
	404-3 Percentage of employees receiving regular performance and career development reviews	82		5, 8, 10
Diversity and equal opportunity				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	43		
	103-3 Evaluation of the management approach	43		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	84		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	84		5, 8, 10
Non-discrimination				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	43		
	103-3 Evaluation of the management approach	43		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no confirmed incidents of discrimination in the period covered by this report.		5, 8
Freedom of association and collective bargaining				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
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	We respect our employees' right to freedom of association as independent and participatory citizens. This commitment is enshrined in our Code of Ethics and Business Conduct and is addressed in compliance training administered to all employees. We identified no operations or suppliers in which the right to freedom of association and collective bargaining may be at risk during the reporting period;		8
Child labor				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	During crop years 2019/2020, 2020/2021 and 2021/2022, we identified no operations or suppliers at significant risk for incidents of child, forced or slave labor.		8, 16
Forced or compulsory labor				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	35, 46		
	103-3 Evaluation of the management approach	35, 46		
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	During crop years 2019/2020, 2020/2021 and 2021/2022, we identified no operations or suppliers at significant risk for incidents of child, forced or slave labor.		8
Security practices				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	35, 46		
	103-3 Evaluation of the management approach	35, 46		
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	46		16
Human rights assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	28		
	103-3 Evaluation of the management approach	28		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	28		
	412-2 Employee training on human rights policies or procedures	We did not provide training specifically addressing human rights during the reporting period.		
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All loan agreements, whether bilateral or in the capital market, include human rights covenants.		
Local communities				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	49		
	103-3 Evaluation of the management approach	49		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	49		
	413-2 Operations with significant actual or potential negative impacts on local communities	Increased truck traffic on local roads; disturbance caused by dust, noise and tremors from passing trucks; foul odors from the use of vinasse and pesticides. In all our operations, we identify any actual or potential impacts in environmental impact assessments (EIA).		1, 2
Supplier social assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	46		
	103-3 Evaluation of the management approach	46		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	46		5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	46		5, 8, 16
Consumer health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	50		
	103-3 Evaluation of the management approach	50		

GRI Standard	Disclosure	Page/URL	Omission	SDGs
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	50		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	We identified no incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.		16
Socioeconomic compliance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	15, 16		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	90		16



SASB Content Index



Renewable Resources & Alternative Energy: Biofuels

Topic	Code	Accounting Metric	Response/Page or URL
Air quality	RR-BI-120a.1	Air emissions of the following pollutants: NO _x (excluding N ₂ O), (2) SO _x , volatile organic compounds (VOCs), particulate matter (PM ₁₀), and hazardous air pollutants (HAPs)	97
	RR-BI-120a.2	Number of incidents of non-compliance associated with air quality permits, standards, and regulations	97
Water Management in Manufacturing	RR-BI-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	58
	RR-BI-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	57
	RR-BI-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	97
Lifecycle Emissions Balance	RR-BI-410a.1	Lifecycle greenhouse gas (GHG) emissions, by biofuel type	97
Sourcing & Environmental Impacts of Feedstock Production	RR-BI-430a.1	Discussion of strategy to manage risks associated with environmental impacts of feedstock production	We carry out a range of environmental risk assessments, including assessments on risks such as fires, climate change, loss of biodiversity and ecosystem collapse. These assessments inform our risk governance.
	RR-BI-430a.2	Percentage of biofuel production third-party certified to an environmental sustainability standard	94
	RR-BI-530a.1	Amount of subsidies received through government programs	92
Management of the Legal & Regulatory Environment	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 is subject to environmental, tax, labor, and health and safety regulations as well as other regulations applicable to the food (sugar), fuels, transportation, electric power and other segments (across the federal, state and municipal levels). Any changes in these regulations could affect our operations. At São Martinho we develop our strategy taking account of present risks and opportunities as well as future trends, including aspects such as diversity and equity, inclusion, compliance, data privacy, and risk management.
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)	We do not measure process safety incidents in accordance with American Petroleum Institute (API) standards - ANSI/API RP 754.

Topic	Code	Accounting Metric	Response/Page or URL
Activity metrics	RR-BI-000.A	Biofuel production capacity	97
	RR-BI-000.B	Production of: (1) renewable fuel, (2) advanced biofuel, (3) biomass-based diesel, and (4) cellulosic biofuel	97
	RR-BI-000.C	Amount of feedstock consumed in production	10

Food & Beverage: Agricultural Products

Topic	Code	Accounting Metric	Response/Page or URL
Greenhouse Gas Emissions	FB-AG-110a.1	Gross global Scope 1 emissions	92
	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	53
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable	94
Energy Management	FB-AG-130a.1	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	97
Water Management	FB-AG-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	58
	FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	57
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	97
Food Safety	FB-AG-250a.1	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Our production operations are not certified to a GFSI recognized program. At Santa Cruz we are currently pursuing certification of our neutral hydrous ethanol within the FSSC 22000 framework, which is recognized by the GFSI. We will also conduct an FSSC 22000 audit on our Iracema operation (coarse sugar) in October 2022.
	FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	We have no system for verifying whether suppliers are certified to a GFSI recognized food safety certification program.
	FB-AG-250a.3	(1) Number of recalls issued and (2) total amount of food product recalled	There were no recalls of our food products during the reporting period.

Topic	Code	Accounting Metric	Response/Page or URL
Workforce Health & 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	The calculation method used internally does not include the metrics needed to report this disclosure.
Environmental & Social Impacts of Ingredient 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	28
	FB-AG-430a.2	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	São Martinho does not yet have a process in place for environmental audits on sugarcane and other suppliers, which precludes us from identifying significant social and environmental impacts.
	FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing.	The Company has a code of ethics that has been approved by the Board of Directors and applies to all employees, executive officers, Board members, suppliers and contractors. Our supply agreements include provisions on environmental and social risks. Risk factors are monitored by our Risk Management department using indicators that cover third-party contracts and climate, operational and regulatory impacts.
GMO Management	FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Based on our current traceability records, no genetically modified sugarcane has been used in our mills to produce sugar or industrial-grade hydrous ethanol. We follow discussions and developments around this issue in appropriate forums with companies developing genetically modified varieties.
Ingredient Sourcing	FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change	54
	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. Because we source sugarcane within a radius of up to 150 km from our mills, we believe that 0% of our spending on raw materials is in regions with high or extremely high baseline water stress. We assume that water stress conditions do not vary significantly within this radius, and therefore assess water stress for our suppliers based on the assessment for our mills.

Topic	Code	Accounting Metric	Response/Page or URL
Activity Metrics	FB-AG-000.A	Production by principal crop	38
	FB-AG-000.B	Number of processing facilities	38
	FB-AG-000.C	Total land area under active production	38
	FB-AG-000.D	Cost of agricultural products sourced externally	This disclosure is deemed sensitive for our business and therefore confidential.

TCFD Content Index



TCFD Recommendation	Response/Page or URL
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	54
b) Describe management’s role in assessing and managing climate-related risks and opportunities	54
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	54
b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	54
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	54
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	54
a) Describe the organization’s processes for managing climate-related risks	54
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	54, 57
4. METRICS AND TARGETS 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	54
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	53, 54, 92
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	54

Limited Assurance Report



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Limited assurance report issued by independent auditors

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

Introduction

We were engaged by São Martinho S.A. ("São Martinho" or "Company") to apply limited assurance procedures on the sustainability information disclosed in the Integrated Report 2021 ("Report"), in the accompanying information to this report related to the period ended March 31, 2022.

Responsibilities of São Martinho's Management

The Management of São Martinho is responsible for adequately preparing and presenting the sustainability information in the Integrated Report 2021 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, with Sustainability Accounting Standard – Agricultural Products and Biofuels of Sustainability Accounting Standards Board (SASB), and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.

KPMG Auditores Independentes Ltda. ("KPMG") applies Brazilian and international standards on quality control, and consequently maintains a comprehensive quality control system including documented policies and procedures related to compliance with ethical



A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of São Martinho and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- a. engagement planning: considering the material aspects for São Martinho's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the São Martinho's Report. This analysis defined the indicators to be checked in details;
- b. understanding and analysis of disclosed information related to material aspects management;
- c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards) and with Sustainability Accounting Standard – Agricultural Products and Biofuels of Sustainability Accounting Standards Board (SASB);
- d. evaluation of non-financial indicators:
 - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
 - analysis of evidence supporting the disclosed information;
- e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- f. comparison of financial indicators (GRI 201-1) with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.



Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in the Integrated Report 2021 is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with Sustainability Accounting Standard – Agricultural Products and Biofuels of Sustainability Accounting Standards Board (SASB), and with the records and files that served as the basis for its preparation.

São Paulo, December 20th, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4

Disclosures appendix

Human capital

Team profile GRI 102-8, 401-1

Workforce by employment contract and region

Region	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total
Midwest	454	2,086	2,540	290	2,210	2,500	270	2,265	2,535
Southeast	970	9,371	10,341	946	9,287	10,233	845	9,272	10,117
Total	1,424	11,457	12,881	1,236	11,497	12,733	1,115	11,537	12,652

The number of definite-term employees varies between the harvest season and the off-season.

Workforce by employment type

Employment type	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	11,983	891	12,874	11,851	874	12,725	11,740	904	12,644
Part time	7	0	7	6	2	8	7	1	8
Total	11,990	891	12,881	11,857	876	12,733	11,747	905	12,652

Number of outsourced workers

Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
Men	Women	Total	Men	Women	Total	Men	Women	Total
922	155	1,077	360	50	410	343	128	471

Workforce by age group

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Under 30	2,545	2,504	2,418
30 to 50	7,843	7,812	7,853
Over 50	2,493	2,417	2,381
Total	12,881	12,733	12,652

Total workforce by employee category

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Board (Board of Directors + Fiscal Council)	10	10	10
Executive Board	12	12	12
Management	35	36	37
Head of department/coordination	57	57	63
Technical/supervision	417	427	430
Administrative	742	798	846
Operational	11,524	11,304	11,163
Support	106	111	113
Total	12,903	12,755	12,674

Number of governance body members

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Board of Directors	7	7	7
Fiscal Council	3	3	3
Total	10	10	10

Total number and rate of new employee hires by gender¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
	Number	Rate	Number	Rate	Number	Rate
Men	2,533	19.66	1,964	15.42	1,954	15.44
Women	139	1.08	125	0.98	149	1.18
Total	2,672	20.74	2,089	16.41	2,103	16.62

Total terminations and turnover rate by gender¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
	Number	Rate	Number	Rate	Number	Rate
Men	1,881	14.6	2,099	16.48	2,015	15.93
Women	106	0.82	138	1.08	113	0.89
Total	1,987	15.42	2,237	17.57	2,128	16.82

Total number and rate of new employee hires by age group¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
	Number	Rate	Number	Rate	Number	Rate
Under 30	945	7.34	964	7.57	944	7.46
30 to 50	1,485	11.53	993	7.80	1,032	8.16
Over 50	242	1.88	132	1.04	127	1.00
Total	2,672	20.74	2,089	16.41	2,103	16.62

¹Total number of active employees for March/2021, not considering third parties, apprentices, interns and members of the Board of Directors and the Executive Board.

Total terminations and turnover rate by age group¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
	Number	Rate	Number	Rate	Number	Rate
Under 30	511	7.34	670	7.57	686	5.42
30 to 50	1,086	11.53	1,094	7.80	1,066	8.43
Over 50	390	1.88	473	1.04	376	2.97
Total	1,987	20.74	2,237	16.41	2,128	16.82

Total number and rate of new employee hires by region¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
	Number	Rate	Number	Rate	Number	Rate
Midwest	581	4.51	489	3.87	581	4.59
Southeast	2,091	16.23	1,600	12.57	1,522	12.03
Total	2,672	20.74	2,089	16.41	2,103	16.62

Total terminations and turnover rate by region¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
	Number	Rate	Number	Rate	Number	Rate
Midwest	509	3.95	527	4.14	546	4.32
Southeast	1,478	11.47	1,710	13.43	1,582	12.5
Total	1,987	15.42	2,237	17.57	2,128	16.82

¹Total workforce as of March 2021 (active employees). Not including third-party employees, apprentices, interns and members of the Board of Directors and Executive Board.

Careers and development GRI 404-1, 404-3

Average hours of training per employee, by gender¹

	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022 ²	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Men	393,039	34.3	203,433	17.9	433,490	37.6
Women	16,463	22.7	7,565	10.3	20,774	22.5
Total	409,502	33.6	210,998	17.5	454,264	36.5

Average hours of training per employee by employee category

	Crop Year 2019/2020		Crop Year 2020/2021		Crop year 2021/2022 ¹	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Management	789	22.5	254	7.1	785	21.2
Head of department/coordination	1,960	34.4	851	14.9	1,824	28.9
Technical/supervision	23,410	56.8	8,049	19.1	18,653	43.9
Administrative	17,202	23.3	7,614	6.9	18,387	21.9
Operational	366,140	33.8	191,273	18	402,097	38.3
Support	-	-	2,393	21.6	5,433	48.1
Trainees	-	-	563	14.1	4,394	151.5
Total	409,501	33.6	210,999	17.5	451,574	37.6
Interns					1,127	37.6
Apprentices					1,594	3.7
Total (including apprentices and interns)					454,294	36.5

¹ The workforce calculation includes active employees only. (not including employees terminated more than 1 year prior).

² Unlike in the previous reporting period, this crop year we included apprentices and interns in our workforce, centering that they are not only registered as employees but also have dedicated development programs.

Percentage of employees receiving performance and career development feedback

	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	0	0	0	0	0	0	70	100	73
Management	79	100	80	74	100	75	76	100	78
Head of department/ coordination	100	100	100	98	100	98	93	80	92
Technical/supervision	100	100	100	57	60	57	71	64	71
Administrative	87	92	89	27	20	25	33	27	31
Operational	19	22	19	18	22	18	18	21	18
Support	100	100	100	96	78	93	99	89	97
Total	25	43	26	21	24	21	22	26	22

Health and safety GRI 403-8

Occupational health and safety management system based on legal requirements and/or recognized standards/guidelines

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022 ²
Number of employees covered ¹	12,057	12,287	11,994
% of employees covered	100	100	100
Number of employees covered ¹ by such a system that has been internally audited	12,057	12,287	11,994
% of employees covered by such a system that has been internally audited	100	100	100
% of employees covered by such a system that has been audited or certified by an external party	0	0	0

¹ Not including contractors.

² Administrative employees have been included in the 21/22 crop year.

Benefits GRI 401-2

- Fully sponsored life insurance at USM, UBV and USC. At the Iracema mill, half the premium is paid by employees (under the site's collective bargaining agreement).
- Health insurance for employees and their dependents.
- Extended parental leave as part of the *Empresa Cidadã* program.
- On-site cafeterias for employees in Industrial, Administrative and Agricultural roles, except that for agricultural employees who do not have access to an on-site cafeteria, meals are 80% subsidized.
- Grocery Vouchers.
- Grocery Vouchers (for Agricultural employees without access to cafeterias).
- Meal Vouchers – corporate employees in São Paulo.
- Allowances.
- Shopping cards/advances.
- Medication allowance.
- Christmas Hampers.
- Credit Cooperatives.
- Chartered buses (corporate employees in São Paulo).
- Pension plans.
- Workplace exercise.
- Flu vaccination.
- Benefits Club.
- Reimbursement for moving costs, up to a limit of 4 minimum wages, for employees transferred to or newly hired in a different city.

Gender, equity and diversity [GRI 401-3, 405-1, 405-2](#)

Parental leave¹ [GRI 401-3](#)

		Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Total employees entitled to parental leave	men	396	335	313
	women	24	27	23
Total employees who took parental leave	men	396	335	313
	women	24	27	23
Total employees who returned to work after parental leave ended	men	396	339	313
	women	28	27	19
Total number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work	men	335	323	295
	women	10	16	20
Return rate	men	100%	101%	100%
	women	117%	100%	83%
Retention rate	men	86%	82%	87%
	women	67%	57%	74%

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 took parental leave in one crop year and returned to work in the subsequent 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

Percentage of people with disabilities in governance bodies and among workers, by employee category and gender

	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board (Board of Directors + Fiscal Council)	0.00	NA ¹	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Executive Board	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Management	3.03	0.00	2.86	2.94	0.00	2.78	2.94	0.00	2.70
Head of department/coordination	1.89	0.00	1.75	1.85	0.00	1.75	1.72	0.00	1.59
Technical/supervision	2.46	0.00	2.40	2.64	0.00	2.58	3.34	0.00	3.26
Administrative	4.01	6.17	4.72	5.41	5.73	5.51	6.56	6.03	6.38
Operational	2.09	9.11	2.46	2.37	10.15	2.77	2.83	10.71	3.25
Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trainees	NA ¹	NA ¹	NA ¹	0.00	0.00	0.00	0.00	0.00	0.00
Apprentices	0.71	0.00	0.52	0.34	0.00	0.24	0.35	0.00	0.23
Interns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2.13	6.99	2.50	2.44	7.19	2.81	2.93	7.40	3.29

¹ Not applicable, as there were no individuals in this segment.

This table has been changed in relation to previous reports for greater alignment with the GRI standards. In previous versions the percentages included only people with disabilities, while in the current version the percentage is out of total employees and workers [GRI 102-48](#)

Governance body members by employee category and race/ethnicity

	Crop Year 2019/2020						Crop Year 2020/2021						Crop Year 2021/2022					
	Asian	White	Black	Mixed race	Indigenous	Not disclosed	Asian	White	Black	Mixed race	Indigenous	Not disclosed	Asian	White	Black	Mixed race	Indigenous	Not disclosed
Board (Board of Directors + Fiscal Council)	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100	0.00	0.00	0.00	0.00	0.00	100	0.00	0.00	0.00	0.00
Executive Board	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100	0.00	0.00	0.00	0.00	0.00	100	0.00	0.00	0.00	0.00
Management	0.00	85.71	0.00	14.29	0.00	0.00	0.00	86.11	0.00	13.89	0.00	0.00	0.00	78.38	0.00	21.62	0.00	0.00
Head of department/coordination	0.00	78.95	0.00	19.30	0.00	1.75	0.00	78.95	0.00	19.30	0.00	1.75	1.59	76.19	1.59	19.05	0.00	1.59
Technical/supervision	0.48	64.03	4.32	29.74	0.24	1.20	0.00	64.17	4.92	29.51	0.23	1.17	0.70	52.79	3.02	42.79	0.00	0.70
Administrative	0.40	68.19	3.23	26.55	0.00	1.62	0.25	65.16	3.13	29.32	0.00	2.13	1.65	57.68	4.49	34.40	0.12	1.65
Operational	0.21	43.95	6.46	47.11	0.14	2.13	0.24	43.43	6.63	47.45	0.13	2.11	0.99	34.28	8.66	54.25	0.30	1.52
Support	0.00	84.91	0.94	14.15	0.00	0.00	0.00	81.98	0.90	17.12	0.00	0.00	0.88	62.83	2.65	32.74	0.00	0.88
Trainees	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	NA ¹	0.00	32.50	0.00	67.50	0.00	0.00	0.00	72.41	0.00	27.59	0.00	0.00
Apprentices	0.00	34.29	4.68	58.96	0.00	2.08	0.00	41.20	5.30	50.12	0.00	3.37	0.23	37.00	8.67	52.93	0.23	0.94
Interns	0.00	21.88	0.00	78.13	0.00	0.00	0.00	6.67	0.00	93.33	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00
Total	0.22	46.28	6.05	45.29	0.13	2.03	0.22	45.95	6.19	45.43	0.12	2.09	0.99	37.22	8.03	52.01	0.27	1.47

¹Not applicable, as there were no individuals in this segment.

Percentage of men and women in governance bodies and among workers, by employee category and gender

	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board (Board of Directors + Fiscal Council)	100	0	100	90	10	100	90	10	100
Executive Board	92	8	100	92	8	100	92	8	100
Management	94	6	100	94	6	100	92	8	100
Head of department/coordination	93	7	100	95	5	100	92	8	100
Technical/supervision	98	2	100	98	2	100	97	3	100
Administrative	67	33	100	67	33	100	67	33	100

Percentage of men and women in governance bodies and among workers, by employee category and gender

	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Operational	95	5	100	95	5	100	95	5	100
Support	84	16	100	84	16	100	86	14	100
Trainees	NA ¹	NA ¹	NA ¹	60	40	100	59	41	100
Apprentices	73	27	100	70	30	100	66	34	100
Interns	41	59	100	27	73	100	41	59	100
Total	92	8	100	92	8	100	92	8	100

¹ Not applicable, as there were no individuals in this segment.

Percentage of individuals by age group in governance bodies and among workers, by employee category

	Crop Year 2019/2020			Crop Year 2020/2021			Crop Year 2021/2022		
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
Board (Board of Directors + Fiscal Council)	0	30	70	0	30	70	0	20	80
Executive Board	0	33	67	0	33	67	0	31	69
Management	0	69	31	0	69	31	0	76	24
Head of department/coordination	2	81	18	2	82	16	3	87	10
Technical/supervision	7	73	19	7	74	19	7	75	18
Administrative	34	58	8	33	58	9	33	58	9
Operational	19	60	20	19	61	20	19	61	20
Support	20	73	8	20	73	7	12	80	8
Trainees	NA ¹	NA ¹	NA ¹	98	3	0	97	3	0
Apprentices	100	0	0	100	0	0	100	0	0
Interns	91	9	0	100	0	0	97	3	0
Total	22	59	19	22	59	18	22	60	18

¹ Not applicable, as there were no individuals in this segment.

Ratio of basic salary and remuneration of women to men by employee category¹²³

		Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Executive Board	Salary	0.63	0.66	0.75
	Salary + Variable compensation	0.62	0.66	0.73
Management	Salary	0.93	0.88	1.01
	Salary + Variable compensation	0.94	0.94	0.96
Head of department/ coordination	Salary	0.82	0.79	0.81
	Salary + Variable compensation	0.76	0.77	0.76
Technical/ supervision	Salary	0.97	1.02	1.09
	Salary + Variable compensation	0.82	0.87	0.94
Administrative	Salary	0.88	0.93	0.93
	Salary + Variable compensation	0.82	0.86	0.86
Operational	Salary	0.87	0.89	0.92
	Salary + Variable compensation	0.73	0.75	0.75
Support	Salary	0.69	0.78	0.84
	Salary + Variable compensation	0.63	0.65	0.7
Trainees	Salary	0.97	1.04	1
	Salary + Variable compensation	0.99	1.04	0.97
Total	Salary	1.21	1.25	1.31
	Salary + Variable compensation	0.95	0.98	1.01

¹ São Martinho uses salary brackets according to the level of seniority within a given position. The amount of an employee's salary within their salary bracket is determined by their performance (merit-based), and this affects the ratio calculation.

The ratio has been calculated as the average salary for women versus the average salary for men.

² Types of compensation included in this disclosure: up to the management level: salary components + variable compensation: basic salary, overtime, night-work bonus, safety hazard bonus, health hazard bonus, commuting hours, sick / injury leave, institutional overtime, indemnified hours, payments for banked hours, paid rest, variable compensation, maternity pay, profit-sharing and manager variable compensation (bonuses). Executive level: Salary, profit sharing, manager variable compensation (bonus), management fees and virtual stock options

Remuneration GRI 102-38, 102-39

Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Ratio	155.7	166.1	183.56

Ratio of the annual total compensation percentage increase of the highest-paid individual to the median annual total compensation percentage increase for all employees

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Ratio	-1.6	5.0	2.1

Health and safety figures and rates for employees¹ GRI 403-9

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Number of fatalities as a result of work-related injuries	1	2	1
Fatality rate	0.04	0.08	0.04
Number of high-consequence work-related injuries (excluding fatalities) ²	1	1	3
Rate of high-consequence work-related injuries (excluding fatalities)	0.04	0.04	0.12
Number of recordable work-related injuries	39	39	34
Rate of recordable work-related injuries	1.56	1.55	1.40
Number of recordable near misses ³	148	182	191
Near-miss frequency rate (NMFR)	5.91	7.24	7.87

¹ Total hours worked in the 2020/2021 crop year was 24,272,126. Rates were calculated using a calculation methodology based on NBR 14280.

Health and safety data for seasonal and/or migrant employees are included, as the data have not been segregated by contract type.

² The definition of "high-consequence injuries" is the same as the definition for "severe injuries" in our Incident Reporting and Investigation Procedure: "Any injury resulting in permanent, total or partial, disability, such as amputation of a limb."

³ Near-miss data is based on the number of first aid cases as defined in our Incident Reporting and Investigation Procedure: "Situations in which workers, following a medical evaluation, are diagnosed as having minor, non-incapacitating injuries and are cleared to return to work on the same or the following work day and in the same role, without any form of incapacitation."

Investments in infrastructure GRI 203-1

Project/Activity	Investment implementation	Expected actual impacts	Nature of expenditure	Expenditure (in R\$)	Affected communities and economies	Investment model	Sites covered
Donations to charities	Project completed	Donations to social organizations	Cash	355,641.52	Local communities surrounding our operations	Voluntary donation	All operations.
<i>Ler é Viver - Book Fair</i>	Project completed	The 20 th edition of the International Book Fair was a fully online event held from August 20 to 29, featuring several presentations on current issues. The online format enabled people to participate from outside the host city of Ribeirão Preto (SP), where the fair had been organized as an in-person event before the Covid-19 pandemic.	Cash	33,334.69	Local communities surrounding our operations	Voluntary donation	Online project - all operations
Winter Clothing Campaign	Project completed	We annually organize a winter clothing campaign with the HSE team to help people in underprivileged communities. In June 2021 we collected approximately 2,000 clothing items.	2,023 winter clothing items collected and donated by our employees.	-	Local communities: Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis.	Voluntary donation	All operations.
<i>Natal Sem Fome</i> ("Christmas without Hunger")	Project completed	We annually organize a campaign with the HSE team to help people in underprivileged communities. In December 2021 we collected a total of approximately 1,700 kg of food items.	1,727 kg of food items collected and donated by our employees.	-	Collected food items were distributed to municipal governments and surrounding cities, helping to restock school pantries when schools reopened.	Voluntary donation	All operations
Apprentice program	This program is organized on an annual basis	The program trains and develops young students for the job market. After undergoing training and receiving certification, students are enrolled in a selection process for positions within the Company. In the 21/22 crop year, 427 students were trained within the program. Approximately 60% of graduates were then hired as employees.	Cash	7,196,052.04	Local communities surrounding our operations.	Other	All operations.
<i>Primeiro Emprego Projovem</i>	This program is organized on an annual basis	Created in partnership with the charity Pradópolis, this program helped 45 students aged 16 to 18 to find jobs during the 2021/22 crop year. The program offers training and professional development opportunities to students from public schools. At the end of the program, students are given the opportunity to either remain with the Company or participate in recruiting programs within a year of completing the program. For more than two decades this program has provided opportunities to program participants. Several of our current employees were hired through the program.	Cash	996,444.54	Pradópolis Community	Other	São Martinho

Investments in infrastructure GRI 203-1

Project/Activity	Investment implementation	Expected actual impacts	Nature of expenditure	Expenditure (in R\$)	Affected communities and economies	Investment model	Sites covered
Women Training Program	Project ongoing	In support of Principle 4 of the Women's Empowerment Principles, which we subscribed to in 2019, we created a professional training program for women in communities surrounding our operations. The first class started training in May 2021 in an Industry 4.0 Instrumentation Technician course administered at São Martinho in partnership with SENAI in Ribeirão Preto. During the 2021/22 crop year we extended the course to Santa Cruz, Iracema and Boa Vista.	Cash	252,428.00	Local communities surrounding our operations	Other	All operations.
Tax-deductive funding	Project ongoing	<p>We provide tax-deducted funding to projects of different types and with different aims.</p> <ul style="list-style-type: none"> • Casa do Vovô: a nursing home and continuing education center (Ribeirão Preto/SP) - Elderly Persons Act • <i>Inglês sem Fronteiras</i>: Free English as a second language classes for youth (Pradópolis/SP) - Child and Adolescent Fund • <i>Jovens Pesquisadores</i>: Education for children and adults (Pradópolis/SP) - Child and Adolescent Fund • APAE: support for people with mental or multiple disabilities (Américo Brasiliense/SP) - Child and Adolescent Fund • Reviver Foundation: protection and education for civic engagement (Américo Brasiliense/SP) - Child and Adolescent Fund • Brigada Mirim: youth education (Quirinópolis/GO) - Child and Adolescent Fund • Lions Foundation: education for people with disabilities (Quirinópolis/GO) - Child and Adolescent Fund • Ribeirão Preto Symphonic Orchestra: education, culture and recreation (Ribeirão Preto/SP) - Culture Incentive Act (Rouanet) 	Cash	380,037.51	Local communities surrounding our operations	Other	São Martinho, Boa Vista and Santa Cruz
Accessibility Project	Project ongoing	Ensuring adequate, compliant accessibility in all our operations.	Cash	160,334.48	Local communities surrounding our operations.	Other	All operations and our headquarters in São Paulo.

Governance, risks and compliance

Compliance GRI 205-2

Governance body members that have received communications and training on anti-corruption, broken down by region ¹

Region Informed	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022		
	Informed	Trained	Informed	Trained	Informed	Trained	
Southeast	number	10	0	10	0	10	0
	%	100	0	100	0	100	0
Total	number	10	0	10	0	10	0
	%	100	0	100	0	100	0

Employees who have received communications and training on anti-corruption¹ GRI 205-2

Employee Category	Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022		
	Informed	Trained	Informed	Trained	Informed	Trained	
Executive Board	number	12	0	12	0	12	0
	%	100	0	100	0	100	0
Management	number	35	0	36	0	37	0
	%	100	0	100	0	100	0
Head of department/coordination	number	57	0	57	0	63	0
	%	100	0	100	0	100	0
Technical/supervision	number	417	0	427	0	430	0
	%	100	0	100	0	100	0
Administrative	number	742	0	798	0	846	0
	%	100	0	100	0	100	0
Operational	number	11,524	0	11,304	0	11,163	0
	%	100	0	100	0	100	0
Support	number	106	0	111	0	113	0
	%	100	0	100	0	100	0
Total	number	12,893	0	12,745	0	12,664	0
	%	100	0	100	0	100	0

¹ Not including interns, trainees and apprentices. No training was provided to any group; however, all newly hired employees receive a copy of our Code of Ethics and Business Conduct and Anti-corruption Policy, and these are also available on the company website and intranet.

Employees that have received communications and training on anti-corruption¹

Region Informed		Crop Year 2019/2020		Crop Year 2020/2021		Crop Year 2021/2022	
		Informed	Trained	Informed	Trained	Informed	Trained
Mid-west	number	2,540	0	2,500	0	2,535	0
	%	100	0	100	0	100	0
Southeast	number	10,341	0	10,233	0	10,117	0
	%	100	0	100	0	100	0
Total	number	12,881	0	12,773	0	12,652	0
	%	100	0	100	0	100	0

¹ Not including interns, trainees and apprentices. No training was provided to this audience; however, all newly hired employees receive a copy of our Code of Ethics and Business Conduct and Anti-corruption Policy.

Fines and sanctions GRI 307-1, 419-1

Significant fines¹ and non-monetary sanctions for non-compliance with environmental laws and/or regulations GRI 307-1

		Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Judicial sanctions imposed	number	1	0	0
	amount (R\$)	3,878.25	-	-
Judicial sanctions paid	number	3	0	0
	amount (R\$)	401,289.51	-	-
Administrative sanctions imposed	number	41	5	19
	amount (R\$)	2,534,929.32	1,415,125.00	1,683,615.75
Administrative sanctions paid	number	0	0	12
	amount (R\$)	-	-	581,829.08
Terms of Adjustment of Conduct (TACs or TCs) imposed	number	0	0	0
	amount (R\$)	-	-	-

¹ All fines were considered significant, regardless of their amount.

Significant fines¹ and non-monetary sanctions for non-compliance with environmental laws and/or regulations GRI 307-1

		Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Terms of Adjustment of Conduct (TACs or TCs) paid	number	0	0	0
	amount (R\$)	-	-	-
Cases resolved through dispute resolution mechanisms	number	0	0	0
	amount (R\$)	-	-	-
Total	number	45	5	31
	amount (R\$)	2,940,097.08	1,415,125.00	2,265,444.83

¹All fines were deemed significant, regardless of the amount.

Non-compliance with laws and regulations in the social and economic area

Significant fines and non-monetary sanctions	Crop Year 2019/2020	Crop Year 2020/2021	Crop year 2021/2022 ²
Monetary value of significant fines ¹ (R\$)	1,610.12	0	59,367.75
Total number of non-monetary sanctions	0	0	0
Total cases resolved through dispute resolution mechanisms	0	0	0

¹All fines were deemed significant, regardless of the amount. ²Fines received in the 2021/2022 crop year amounted to R\$ 18,709.89; all are appealable

Value chain GRI 308-2

Trucking companies with negative environmental impacts¹

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Number of trucking companies assessed for environmental impacts	30	16	11
Number of trucking companies identified as having significant actual and potential negative environmental impacts	0	0	11
Number of trucking companies identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0	0	11
Percentage of trucking companies identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0	0%	100%

¹ We did not terminate any business relationship with trucking companies due to environmental impacts. Negative impact is defined as any nonconformity with Rural Environmental Registry (CAR) requirements.

Sugarcane growers with negative environmental impacts¹

	Crop Year 2021/2022
Number of sugarcane growers assessed for environmental impacts	1,184
Number of sugarcane growers identified as having significant actual and potential negative environmental impacts	93
Number of sugarcane growers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	93
Percentage of sugarcane growers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	7.85

¹ We did not terminate any business relationship with sugarcane growers due to environmental impacts. Negative impact is defined as any nonconformity with Rural Environmental Registry (CAR) requirements.

Suppliers with negative environmental impacts¹

	Crop Year 2021/2022
Number of suppliers assessed for environmental impacts	6,301
Number of suppliers identified as having significant actual and potential negative environmental impacts	6
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	6
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	0.1

¹ We did not terminate any business relationship with suppliers due to environmental impacts. Adverse impacts are defined as fines and/or environmental embargoes and issues related to environmental permits.

Financial capital

Financial assistance received from government GRI 201-4, SASB RR-BI-530A.1

Total monetary value of financial assistance (R\$)

Type of assistance	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Tax incentives and tax credits	-	194,504	1,330,597
<i>Lei do Bem</i>	-	11,751,644	16,281,788
Granted	121,900,944	81,932,503	141,274,236
Other financial assistance received	-	-	709,000
Total	121,900,944	93,878,651	159,595,620

Environment

Emissions and climate¹ GRI 305-1,305-2, 305-3, SASB FB-AG-110A.1, TCFD Targets and Metrics - b.

Direct greenhouse gas emissions, scope 1 (tCO₂e)

	2019	2020	2021	Change 2021 x 2020
Production of electricity, heat or steam - stationary combustion	112,187	105,864	97,226	-8%
Waste and wastewater	4,270	8,514	14,416	69%
Transportation of materials, products, waste, employees and passengers (mobile combustion)	190,923	189,611	182,553	-4%
Fugitive emissions	24,364	29,712	15,042	-49%
Agricultural practices	485,483	475,504	283,939	-40%
Total gross CO₂ emissions	817,227	809,205	593,176	-27%
Biogenic emissions	6,621,370	6,213,024	5,674,012	-9%

¹ The method used to consolidate emissions was operational control. The calculation includes all gases covered by the Kyoto Protocol: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃. Within Scope 1, we generate emissions of CO₂, CH₄, N₂O and HFCs. Within the Scope 2, we generate emissions of CO₂. Within Scope 3, we generate emissions of CO₂, CH₄ and N₂O.

Other greenhouse gas emissions, scope 3 (tCO₂e)

	2019	2020	2021	Change 2021 x 2020
Goods and services purchased	205,120	207,867	227,319	9%
Capital goods	8,867	6,025	12,780	112%
Activities related to purchased electricity (not included in Scope 1 or 2) and fuels	-	112	113	1%
Upstream transportation and distribution	18,494	25,400	14,268	-44%
Transportation and distribution (downstream)	19,548	27,280	24,381	-11%
Business travel	-	-	18	-
Commuting	4,252	4,739	3,615	-24%
Total	256,281	271,423	282,494	4%
Biogenic emissions	3,794	5,786	4,840	-16%

Indirect greenhouse gas emissions, scope 2 (tCO₂e)

	2019	2020	2021	Change 2021 x 2020 ¹
Indirect emissions from purchased electricity	953	1,382	1,977	43%

¹ Although our absolute electricity consumption in 2021 was relatively unchanged from 2020, the extended drought during the year increased the National Grid's emission factor by 107% (from 0.061 tCO₂/MWh to 0.126 tCO₂/MWh).

Emissions of ozone-depleting substances in T CFC-11 Equivalent¹ GRI 305-6

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Total ODSs produced in metric tons - HCFC-22	1.2519	2.0920	0.8574
Total ODSs produced in metric tons - HCFC-141b	1.4700	0.1218	1.5701
Total ODSs produced in t CFC-11 eq - HCFC-22	0.282	0.0114	0.0343
Total ODSs produced in t CFC-11 eq - HCFC-141b	0.0266	0.0146	0.1884
ODS destroyed by approved technologies	0	0	0
ODS entirely used as feedstock in the manufacture of other chemicals	0	0	0
Production of ODS	0.0219	0.4634	0.2227

¹ R22 (HCFC-22) and R141b (HCFC-141b). R22 is used to refill air conditioners and chillers, compressors and air dryers, while R141b is used in agricultural machinery.

Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions (t) GRI 305-7, SASB RR-BI-120A.1

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
NOx	2,396.00	3,109.65	2,322.18
Particulate Matter	2,506.00	2,706.37	2,408.94

Energy

Energy consumption within the organization, in GJ¹ GRI 302-1

	2019	2020	2021
a. Nonrenewable fuels			
Diesel (pure diesel fraction)	2,577,750	2,596,972	2,481,677
Gasoline (pure gasoline fraction)	5,142	5,194	4,602
Compressed Natural Gas	1,028	478	2,969
Liquefied petroleum gas (LPG)	2,882	3,105	3,404
Subtotal	2,586,798	2,605,749	2,492,652
b. Renewable fuels			
Hydrous ethanol	82,351	82,664	91,172
Anhydrous ethanol (contained in gasoline)	1,316	1,329	1,178
Sugarcane bagasse	55,638,014	52,076,415	49,558,337
Biodiesel (contained in diesel)	307,481	309,774	291,315
Subtotal	56,029,163	52,470,182	49,942,002
c. Electricity consumed (purchased)			
Electricity	61,068	65,500	63,915
d. Electricity sold			
Electricity	3,191,354	3,092,908	2,926,551
Total energy consumed (a+b+c-d)			
Total	55,485,675	52,048,523	49,572,017

¹The 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 (PBGHG). The conversion factors are obtained from the National Energy Balance (EPE, 2021). Emissions from renewable and non-renewable fuels are calculated as: Volume consumed (L) x Density (kg/L) x Lower Calorific Value (LCV) (GJ/t) /1000.

Energy consumption outside the organization, in GJ¹ GRI 302-2

	2019	2020	2021
Category 1: Goods and services purchased: agricultural and industrial inputs ²	1,905,289	2,188,069	2,392,830
Category 2: Capital goods ³	193	5,670	229
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2: LPG (cafeterias) ³	n/a	1,765	1,785
Category 7: Employee commuting	63,113	71,593	54,226
Total	1,968,595	2,267,097	2,449,070

¹ The conversion factors are obtained from the National Energy Balance (EPE, 2021). Emissions from renewable and non-renewable fuels are calculated as: Volume consumed (L)*Density (kg/L)*Lower Calorific Value (LCV) (GJ/t) /1000. (Consumption for crop year 21/22: Employee commuting: 1,538,023 L of diesel; LPG: 38,414 kg) We elected not to report energy figures for upstream and downstream transportation (categories 4 and 7) as we have no control of fuel consumption for third-party transportation services.

² Purchased goods and services: this includes agricultural and industrial inputs, the latter reported since 2020. Energy related to agricultural inputs is calculated based on the energy requirement (MJ/kg) for each input and the amount consumed in kg. Energy related to industrial inputs is calculated based on the fossil energy requirement (kJ/L ethanol) for each item, and the volume of ethanol produced in each operation. For crop year 21/22: Iracema: 104,489,000 L; São Martinho: 263,290,000 L; Boa Vista: 409,326,791 L; Santa Cruz: 135,599,100 L.

³ Capital goods: includes agricultural equipment and vehicles made of iron and steel, and steel materials for industrial and expansion projects. Energy related to capital goods is calculated based on the energy requirement (MJ/t) for steel and the amount consumed in metric tons. (INTERNAL: Agricultural capital goods: Iracema: 188.91 t; São Martinho: 496.11 t; Boa Vista: 327.90 t; Santa Cruz: 126.36 t. Industrial capital goods: Iracema: 1,687 t; São Martinho: 2,986 t; Boa Vista: 327.90 t; Santa Cruz: 2,272 t)

Energy Intensity GRI 302-3

	2019	2020	2021
Specific metric (metric tons of crushed sugarcane)	22,640,241	22,522,029	19,899,014
Energy consumption within the organization	55,485,675	52,048,523	49,572,017
Energy intensity (within the organization)	2.45	2.31	2.49
Types of energy included in emissions intensity data	all	all	all
Energy consumption outside the organization	1,968,595	2,267,097	2,449,070
Energy intensity (outside the organization)	0.09	0.10	0.12
Types of energy included in emissions intensity data	fuel	fuel	fuel
Total energy consumption	57,454,270	54,315,620	52,021,088
Energy intensity (total for the organization)	2.54	2.41	2.61
Energy intensity ratio within/outside the organization	0.04	0.04	0.05

Fleet fuel consumed SASB FB-AG-110A.3

	2019	2020	2021
Total fuel consumed by fleet vehicles	3,095,444	3,108,044	3,004,263
Percentage of fuel consumed by fleet vehicles that is renewable (%)	12.94	12.94	13.15

Percentage of biofuel production third-party certified to an environmental sustainability standard SASB RR-BI-430a.2

	Crop Year 2019/2020				Crop Year 2020/2021				Crop Year 2021/2022			
	Iracema	São Martinho	Santa Cruz	Boa Vista	Iracema	São Martinho	Santa Cruz	Boa Vista	Iracema	São Martinho	Santa Cruz	Boa Vista
Percentage of biofuels certified - Bonsucro	35.3	NA	75.1	NA*	33.5	NA*	76.7	NA*	44.4	0.0**	78.0	NA*
Percentage of biofuels certified - RenovaBio: anhydrous ethanol	95.4	98.5	85.9	96.2	95.4	98.5	85.9	96.2	95.4	98.5	85.9	96.2
Percentage of biofuels certified - RenovaBio: hydrous ethanol	95.4	98.5	85.9	96.2	95.4	98.5	85.9	96.2	95.4	98.5	85.9	96.2

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

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

Waste

Waste diverted from disposal by recovery operation ¹ GRI 306-4						
Recovery operation	2020			2021		
	Within the organization	Outside the organization	Total	Within the organization	Outside the organization	Total
Nonhazardous waste						
Recycling, reuse and recovery	-	6,144 ²	6,144	-	5,605.03	5,605.03
Incorporation into the soil	1,114,366	-	1,114,366	1,128,827.50	-	1,128,827.50
Use in boilers	4,809,210	-	4,809,210	5,406,895	-	5,406,895
Subtotal – Non-hazardous waste	5,923,576	6,144	5,929,720	6,535,722.50	5,605.03	6,541,327.53
Hazardous waste						
Recycling	-	212	212	-	117.17	117.17
Re-refining	-	419	419	-	416.62	416.62
Subtotal – Hazardous waste	-	631	631	0	533.79	533.79
Total - Non-hazardous and hazardous waste	5,923,576	6,775	5,930,351	6,535,722.50	6,138.82	6,541,861.32

¹ Data by recovery operation are not available for 2019; in aggregate, 7,449,917 metric tons were disposed of.

² In addition to the aggregate amount in metric tons, a total of 3,339 tires were sent for recovery and are not included in the total, as they were reported in units.

Waste directed to disposal (t)¹ GRI 306-5			
Method of disposal	2019	2020	2021
Nonhazardous waste			
Landfilling	783	1,037	873.6
Coprocessing in cement kilns	-	-	160.41
Subtotal – Non-hazardous waste	783	1,037	1,034.01
Hazardous waste			
Incineration without energy recovery	9	244	-
Incineration with energy recovery	9	21	0.04
Coprocessing in cement kilns ²	731	456	423.79
Landfilling (Class 1)	-	-	5
Subtotal – Hazardous waste	749	721	428.83
Total - Non-hazardous and hazardous waste	1,532	1,758	1,463

¹ All types of disposal are outside the organization.

² Includes blending for coprocessing.

Biodiversity GRI 304-1

Area Designation	Geographic Location	Subsurface and underground land that may be owned, leased, or managed by the organization (what type of area)	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)	Size of operational site (and unit of measure, either km ² or hectares)	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	Iracemópolis / SP.	SP Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland Edmundo Navarro de Andrade State Protected Area	located outside protected areas	Manufacturing and production	16,222 hectares of Company-owned land	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (using as references the following documents/studies: Geofloresta: Mapa de Áreas Prioritárias; IPÊ: Inventário de Vegetação Nativa do Estado de SP, Atlas 2.1 Simbiota e informações ambientais territoriais do DataGeo).	Biodiversity value assessments have not been made.
São Martinho	Pradópolis / SP.	SP Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland 3 Conservation Units, including 2 Sustainable-Use Conservation Units (Estação Experimental de Luiz Antônio and RPPN Toca da Paca) and 1 fully protected areal (Estação Ecológica de Jataí)	containing portions of the protected area	Manufacturing and production	33,715 hectares of Company-owned land	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (using as references the following documents/studies: Geofloresta: Mapa de Áreas Prioritárias; IPÊ: Inventário de Vegetação Nativa do Estado de SP, Atlas 2.1 Simbiota e informações ambientais territoriais do DataGeo).	Biodiversity value assessments have not been made.
Santa Cruz	Américo Brasiliense / SP.	SP Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland 3 Conservation Units, including 2 Sustainable-Use Conservation Units (Estação Experimental de Luiz Antônio and Estação Experimental de Araraquara) and 1 fully protected area (Estação Ecológica de Jataí).	containing portions of the protected area	Manufacturing and production	2,090 ha of company-owned land	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (using as references the following documents/studies: Geofloresta: Mapa de Áreas Prioritárias; IPÊ: Inventário de Vegetação Nativa do Estado de SP, Atlas 2.1 Simbiota e informações ambientais territoriais do DataGeo).	Biodiversity value assessments have not been made.
Boa Vista	Quirinópolis / SP.	GO Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland Serra da Fortaleza Wildlife Refuge (Conservation Unit).	containing portions of the protected area	Manufacturing and production	2,229 ha of company-owned land	100% of our properties have been assessed using maps to determine their biodiversity classification (Seiva)	Biodiversity value assessments have not been made.

Number of incidents of non-compliance associated with permits, standards, and regulations RR-BI-120a.2, RR-BI-140a.3, FB-AG-140a.3

	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Air quality	9	2	0
Water quality and/or quantity	0	1	12

Biofuel production capacity¹ SASB RR-BI-000a

Biofuels (Mgal)	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Anhydrous ethanol	222.26	214.23	207.52
Hydrous ethanol	405.91	390.92	377.62

¹ Biofuel production capacity is calculated based on daily production capacity (m³/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.

Lifecycle greenhouse gas (GHG) emissions, by biofuel type SASB RR-BI-410a.1

	Crop Year 2019/2020				Crop Year 2020/2021				Crop year 2021/2022*			
	Iracema	São Martinho	Santa Cruz	Boa Vista	Iracema	São Martinho	Santa Cruz	Boa Vista	Iracema	São Martinho	Santa Cruz	Boa Vista
NEEA Hydrous Ethanol (gCO ₂ eq/MJ)	66.30	60.60	62.50	62.70	58.22	60.60	62.50	62.70	58.22	60.60	62.50	62.70
NEEA Anhydrous Ethanol (gCO ₂ eq/MJ)	66.70	61.00	62.80	63.00	58.57	61.00	62.80	63.00	58.57	61.00	62.80	63.00
CBIO emission factor - Hydrous Ethanol (CBIO/L)	0.000792	0.001274	0.001145	0.001287	0.001185	0.001274	0.001145	0.001287	0.001185343	0.001274	0.001145	0.001287
CBIO emission factor - Anhydrous Ethanol (CBIO/L)	0.000835	0.001343	0.001205	0.001355	0.001249	0.001343	0.001205	0.001355	0.001249028	0.001343	0.001205	0.001355

NEEA stands for Energy-Environmental Efficiency Score, in the context of the RenovaBio Program.

Production of advanced biofuel SASB RR-BI-000b

(Mgal)	Crop Year 2019/2020	Crop Year 2020/2021	Crop Year 2021/2022
Production of advanced biofuel	310.00	268.97	241.10

Energy Management SASB FB-AG-130a.1

	2019	2020	2021
Total energy consumed, except fleet vehicles (GJ)	55,890,565	52,229,787	49,699,360
Percentage grid electricity (%)	0.11	0.13	0.13
Percentage renewable (%)	99.79	99.74	99.91

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