



ANNUAL SUSTAINABILITY REPORT

2023 / 2024

SUMMARY VERSION

MESSAGE FROM LEADERSHIP



Fabio Venturelli
CEO

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

Beyond our commercial and operational model and reflecting our history of connection with the land and communities, we believe in the premise of shared value and are increasingly guided by the idea that our growth is based on human value and the strength of relationships.

During the crop year, our SOU Program yielded excellent results, a cultural transformation in safety practices and employee behavior. We also matured our compliance assurance and corporate risk monitoring tools, which improves our recognition in society for our integrity in relationships, processes and products.

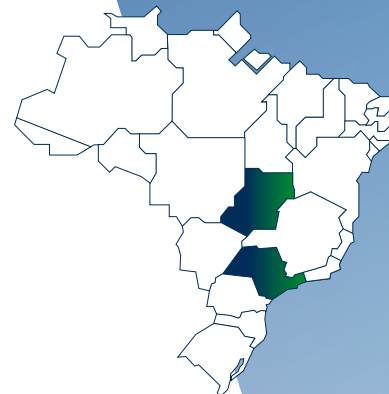
We remain mindful of the need to ensure a healthy and prosperous business through leverage control and enviable access to resources and financing, combined with robust business intelligence and clear mix and pricing strategies.

We believe that São Martinho is a key player in the new economy and that its success is also measured in terms of the environmental and social benefits it generates for stakeholders.

ABOUT SÃO MARTINHO

One of the largest companies in Brazil's sugar and energy sector, São Martinho S.A. is a publicly traded company engaged in the production and marketing of sugar, ethanol, bioelectricity and products derived from sugarcane and corn. It has been listed on the Brazilian stock exchange's Novo

Mercado (B3) since 2007, attesting to our high corporate governance standards. With customers and consumers in Brazil and overseas, our value proposition is to provide food and renewable energy, contributing to the transition towards a low-carbon economy.



4 MILLS IN OPERATION

3 in São Paulo state (São Martinho, Santa Cruz and Iracema) and 1 in Goiás state (Boa Vista), plus administrative offices in Ribeirão Preto (SP), Pradópolis (SP), Américo Brasiliense (SP) and the São Paulo state capital

12,700+
direct employees

3,000
goods and services suppliers

2,592
sugarcane producers

120
corn suppliers approved

100%
mechanized harvesting

70%
of the sugar cane is grown on company and grower land, totaling
250,000 HECTARES

Portfolio
with different types of sugar, including white, VHP and VVHP; hydrated ethanol, anhydrous ethanol, industrial-grade ethanol; bioelectricity; yeast; corn oil; and DDGS (Dried Distillers Grains with Solubles)



SUSTAINABILITY AMBITIONS

Through a stakeholder consultation process supported by the double materiality concept, we defined 10 material topics that underpin our Sustainability Ambitions and are related to the United Nations Sustainable Development Goals.

The prioritized topics are broken down into indicators that measure our progress in 3 pillars of action and serve as guidelines to define projects.

PILLARS OF ACTION

ESG PRINCIPLES



INNOVATION & EFFICIENCY

Actively contribute to easing global climate impacts by supplying clean, renewable electricity and using natural resources efficiently in our operations

- Renewable energy
- Climate change
- Waste
- Water



VALUE CHAIN:

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

- Forest restoration
- Traceable raw materials
- Supplier development



SOCIAL TRANSFORMATION

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

- Social transformation through education
- People management

MATERIAL TOPICS



2023/2024: RESULTS OVERVIEW

Check out a summary of São Martinho's indicators, projects and investments during the crop year, distributed according to our material and strategic topics.



BIODIVERSITY, ECOSYSTEMS AND LAND USE

1 MILLION HECTARES PER YEAR UNDER BIOLOGICAL CONTROL (85% of the integrated management)

Annual production of some **260,000 SEEDLINGS ANNUALLY FOR 210 NATIVE AND FRUIT SPECIES**

477 MAPPED apiaries and **MORE THAN 313,000 HECTARES** being monitored



SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

PUBLICATION OF THE RURAL GROWER'S GUIDE, with legal guidelines, human rights directives and best practices

ENGAGEMENT EVENTS WITH SUPPLIERS OF GOODS AND SERVICES: building closer relationships to understand practices and challenges in order to support the development of the value chain

DEVELOPMENT AND TRAINING OF RAW MATERIAL SUPPLIERS on good production practices and socio-environmental standards



OCCUPATIONAL HEALTH & SAFETY

SOU PROGRAM'S work in the four risk management fronts

Reduction **IN ACCIDENT FREQUENCY RATES**



PEOPLE MANAGEMENT AND DIVERSITY

12,705 direct employees, **36** trainees, **437** apprentices, **25** interns, **552** contractors

Certified as an "Excellent Place to Work" by **GPTW**

422,700+ HOURS of training administered in the crop year

STRATEGIC PEOPLE MANAGEMENT: implementation of the evaluation tool for leadership levels, guiding development initiatives and career progression



COMMUNITY ENGAGEMENT AND LOCAL DEVELOPMENT

100% OF OPERATIONS had local-community engagement programs

OPENING OF 178 QUALIFICATION positions for the community

A PARTICIPATORY SOCIAL ASSESSMENT WAS CONDUCTED to map challenges and opportunities in São Martinho's geographies



ENERGY EFFICIENCY

100% OF THE ELECTRICITY consumed comes from renewable sources

EXPORTING 707,796 MWh of renewable electricity

11.5% REDUCTION in energy intensity

NEW UTE SÃO MARTINHO, in an investment of R\$ 330 million. Provision for exports: **210 GWh BY CROP YEAR**

Initiated the first operation of **PHOTOVOLTAIC SOLAR ENERGY** production for self-consumption in our two mills, Iracema (SP) and São Martinho (SP). **GENERATION CAPACITY: 2.75 GWh**



CLIMATE STRATEGY AND AIR QUALITY

EMISSIONS INVENTORY in line with the Brazilian GHG Protocol Program, obtaining Gold Status

100% OF THE EMISSIONS from purchased electricity were traced by Renewable Energy Certificates (I-REC)

12.6% REDUCTION in scopes 1 + 2 GHG emissions intensity (kg CO₂e/tc)

Sale of **934,450 DECARBONIZATION CREDITS (CBIOS)**

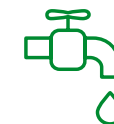
WE ACHIEVED ISCC EU AND ISCC CORSIA PLUS CERTIFICATION for the São Martinho and Santa Cruz mills in São Paulo state, enabling the production of ethanol for Sustainable Aviation Fuel (SAF)



INNOVATION & TECHNOLOGY

Announcement of the **NEW BIOMETHANE PLANT** at the Santa Cruz Mill. Investment: R\$ 250 million

Advancements in the **IMPLEMENTATION PLAN OF THE TWO-ROW HARVESTER**, resulting in a 25% increase in productivity and a 21% drop in fuel consumption



WATER RESOURCE MANAGEMENT

1.23 M³ OF WATER WITHDRAWN PER TON OF CANE (- 7% on 2022/2023)

R\$ 95 MILLION invested in the Water Plan



WASTE MANAGEMENT

99%+ OF PRODUCTION WASTE generated is reused

CIRCULARITY INITIATIVES: use of vinasse (in fertigation), filter cake (as fertilizer), and sugarcane bagasse (as biomass for electricity generation)

BUSINESS PERFORMANCE



23 MILLION TONS
OF SUGAR CANE
PROCESSED (+ 15.2% ON
2022/2023)

R\$ 10.7 BILLION
MARKET CAP
(IN MARCH 2024)

1,468,000 TONS
OF SUGAR PRODUCED

1,104,000 M³
OF ETHANOL PRODUCED

R\$ 6.9 BILLION
IN NET REVENUE (+ 4.2%
ON 2022/2023)

R\$ 1.40 BILLION
IN CASH INCOME

1.08X
LEVERAGE

CERTIFICATIONS

Bonsucro



Green Energy
Label/Certification



LCFS (Low Carbon
Fuel Standard) - CARB



Halal



ISO 17025



RenovaBio



I-REC



GMP+ FSA



ISO 9001



ISCC EU and ISCC
CORSIA PLUS



Etanol mais Verde
("Greener Ethanol")



RFS2 Renewable Fuel
Standard - EPA



Kosher



ISO 14001



ACKNOWLEDGMENTS

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Report Production
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