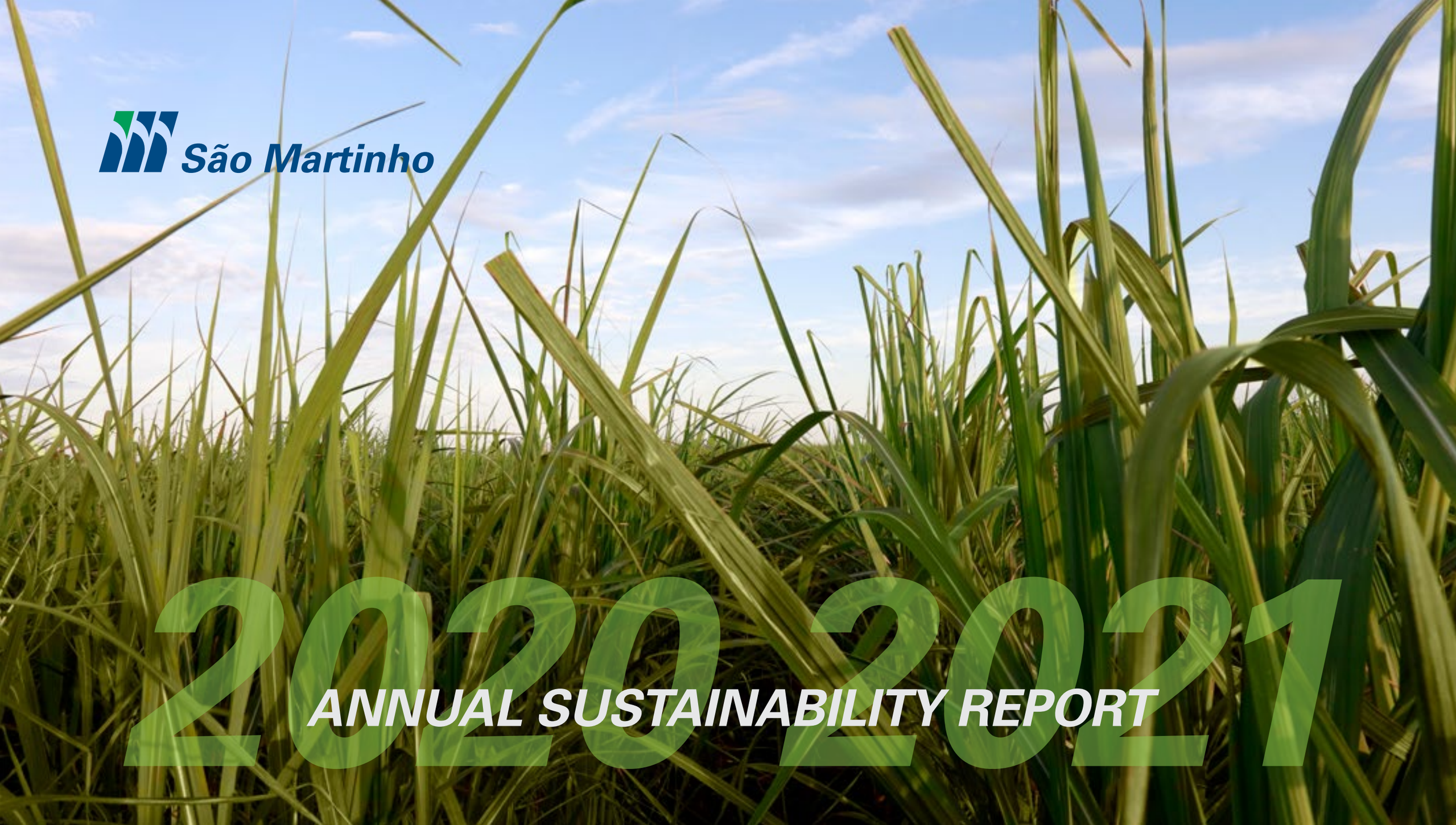
São Martinho

2020/2021

ANNUAL SUSTAINABILITY REPORT



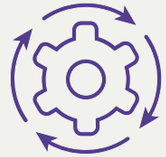
HIGHLIGHTS

Governance

Start of strategic planning for ***Integrated ESG Management***

Implementation of the ***Agricultural Operations Center (COA)*** in the four units

Maintenance of Investment Grade ***global credit rating*** by S&P



Operational and financial performance

Adjusted EBITDA of R$2.2 billion and cash income of R$996 million , up 18% and 40% respectively over the previous crop year, with a drop in leverage from 1.55x to 1.24x

Investment in the corn ethanol plant and new thermal power plant with ***green financing of around R$2 billion***

Start of production of dry yeast and its co-products at the Boa Vista mill, with ***GMP Plus (food safety) certification***

Social

Best company in People Management in 2020, in the category of 7,001 to 17,000 employees, according to Valor Carreira

New competency assessment model Strategic People Management (GEP)

Launch of the ***Private Social Investment*** Platform

Environmental

2020 Greenhouse Gas (GHG) Inventory audited by an independent company

5.7% reduction in energy intensity compared to 2019

Trading of nearly ***832,000 CBIOs***

Message from the administration

GRI 102-14

The 2020/2021 crop year was the most challenging in our history due to the adversities imposed by the COVID-19 pandemic. Despite this scenario, the commitment of our employees, proper planning, and quick adaptation led us to achieve record-breaking results in most of the production indicators.

We announced investments in a corn ethanol plant, linked to Boa Vista mill, in Goiás, and a new thermal power plant with green financing of around R$ 2 billion.

We were recognized as the company of the year 2020, according to Valor 1000 ranking, in addition to first place in the Sugar and Alcohol sector, reinforcing our commitment to the excellence of our business. Furthermore, we maintained our Investment Grade rating from Standard & Poor's, an international seal of approval from the financial community for the quality of our management.

Our employees engaged in their routines, in a resilient and exceptional way, promote the construction of planning for the next ten years (2030), intensifying innovation and identifying opportunities. The ESG pillar already permeates and will continue to permeate the Company's future path, in an increasingly structured way.

We remain optimistic about the next crop year and we thank our employees, investors, and suppliers of raw materials, goods, and services for their trust in our management.

Enjoy your reading!

Fabio Venturelli
Chief Executive Officer

Company of the Year 2020

Leadership position in the 2020 edition of the Valor 1000 Award

About this report

For the tenth consecutive year, we are publishing our Annual Sustainability Report - 2020/2021 crop year to report to our stakeholders on the challenges and achievements in the period from April 1, 2020 to March 31, 2021. The data used in the Greenhouse Gas Inventory (GHG) and energy intensity refer to the calendar year 2020.

GRI 102-50 I 102-52

This document was prepared in accordance with the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, Core option, with the Sustainability Accounting Standards Board's (SASB) indicators for the Biofuels and Agricultural Products sectors, and is in line with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). This report was audited by an independent third party, KPMG.

GRI 102-54 I 102-56

The verification statement can be found on page 132.

Operating and financial information contained herein refers to all our units, unless otherwise indicated. Any changes in scope and boundary or restatements of information from the previous report, if any, are indicated in accompanying notes throughout the document.

GRI 102-45 I 102-48 I 102-49 I 102-51

Comments or suggestions for improvements related to this report can be submitted by email to comunicacoes@saomartinho.com.br

GRI 102-53

Materiality matrix

GRI 102-21 I 102-44 | 102-46 I 102-47 | 103-1

The content set out in this document was defined based on a materiality review process, conducted with the support of an external consultant. The work involved the following stages:

1. Identification, with analysis of secondary sources, to determine the main topics for our business.
2. Prioritization, which included consulting the perceptions of several external stakeholders regarding the most relevant topics.
3. Analysis of results.
4. Validation of results with Sustainability Management.

Among the material topics presented, the stakeholders highlighted the following, with their respective perspectives:

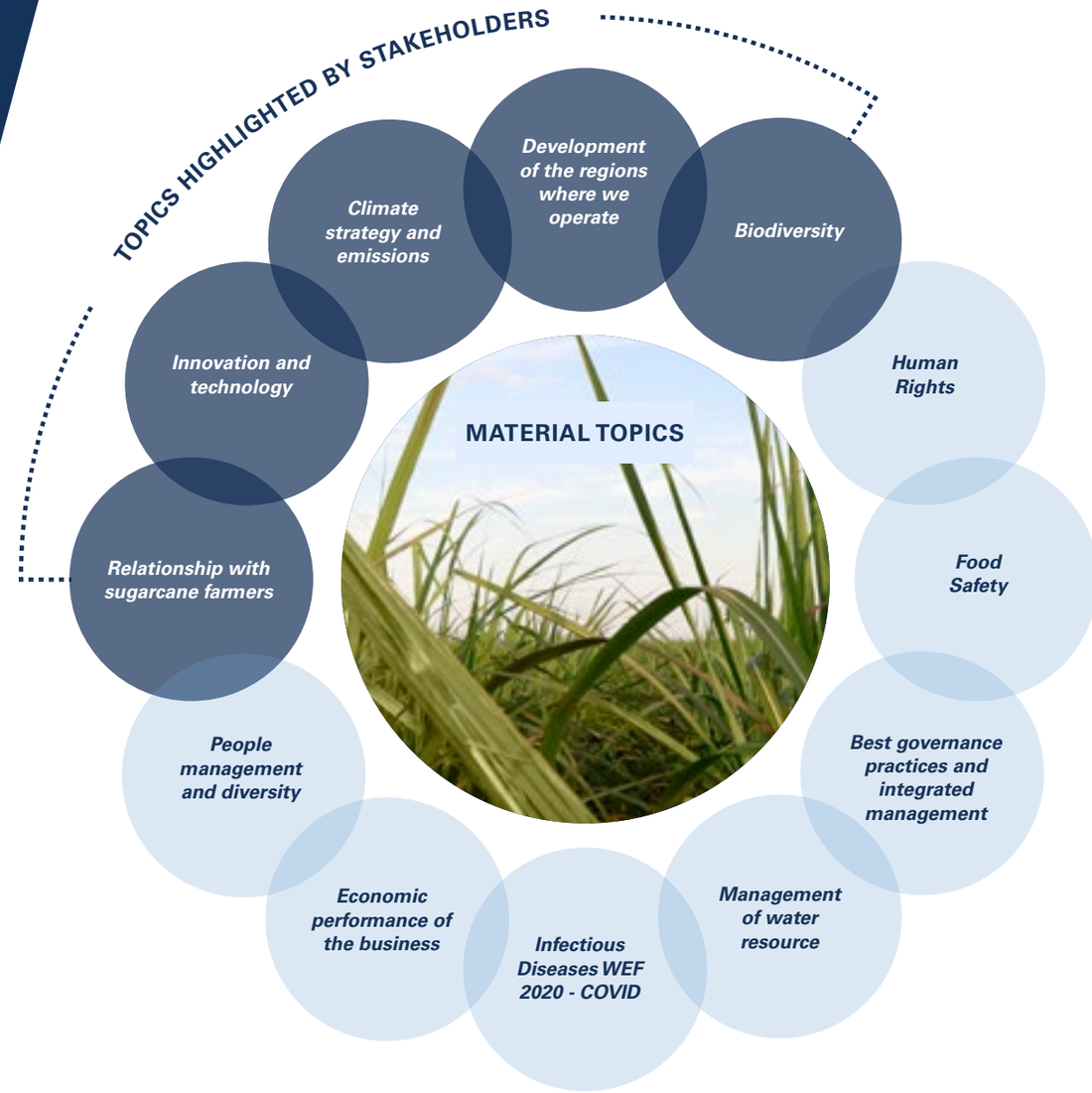
Biodiversity
Importance of ESG practices in the production process and maintenance of soil care.

Development of the regions where we operate
Recognition of our good relationship with the surrounding communities and the possibility of expanding the activities.

Climate strategy and emissions
The demand for clean and sustainable energy as an alternative to fossil fuels is in line with the climate strategy for mitigating GHG emissions.

Innovation and technology
Mitigation of social and environmental impacts and increased efficiency, productivity, and safety in operations, with the possibility of positively influencing the value chain and the industry.

Relationship with sugarcane farmers
Importance of the value chain, evaluation and development of farmers on social and environmental aspects, acting as a multiplier of good practices and strengthening the local economy.



Correlation of material topics with SDGs and GRI topics

MATERIAL TOPIC
Associated GRI topics

BIODIVERSITY
Biodiversity

DEVELOPMENT OF THE REGIONS WHERE WE OPERATE
Market presence
Indirect economic impacts
Local communities

CLIMATE STRATEGY AND EMISSIONS
Energy
Emissions
Waste

INNOVATION AND TECHNOLOGY
There is no correlated GRI topic

RELATIONSHIP WITH SUGARCANE FARMERS
Procurement practices
Supplier Environmental Assessment
Supplier Social Assessment

PEOPLE MANAGEMENT AND DIVERSITY
Employment
Labor management relations
Occupational health and safety
Training and education
Diversity and equal opportunity

ECONOMIC PERFORMANCE OF THE BUSINESS
Economic performance

INFECTIOUS DISEASES WEF 2020 - COVID
There is no correlated GRI topic

MANAGEMENT OF WATER RESOURCE
Water and effluents

BEST GOVERNANCE PRACTICES AND INTEGRATED MANAGEMENT
Anti-corruption
Anti-competitive behavior
Environmental compliance
Public policy
Socioeconomic Compliance

FOOD SAFETY
Customer health and safety

HUMAN RIGHTS
Non-discrimination
Freedom of association and collective bargaining
Child labor
Forced or compulsory labor
Security practices
Human rights asssessment

Stakeholder engagement

GRI 102-40 I 102-42 I 102-43

Channels	Employees	Clients	Suppliers	Investors/ Financiers/ Shareholders	Agricultural partners	Community	Government/ Public Power	Press
Ethics channel	✓	✓	✓	✓	✓	✓	✓	✓
Sustainability Report	✓	✓	✓	✓	✓	✓	✓	✓
Website	✓	✓	✓	✓	✓	✓	✓	✓
Technical team (rural extension)			✓					
IR channel				✓				✓
Internal communication (HR)	✓						✓	
Executive Board of the units					✓	✓	✓	✓
São Martinho Day				✓			✓	✓
Quarterly earnings conference				✓			✓	✓
Social media (Facebook, LinkedIn, and YouTube)	✓	✓	✓	✓	✓	✓	✓	✓

IDENTITY

CARING FOR PEOPLE, ATTITUDES, AND BUSINESS IS PART OF OUR WAY OF BEING, BASED ON OUR COMMITMENT TO ETHICS.

IDENTITY

Profile

We are among the largest companies in the sugar, ethanol, and bioenergy sector, listed on the B3 Novo Mercado segment and committed to the ESG agenda

Celebrating 106 years of operations in Brazil in 2020, we are São Martinho S.A., one of the largest companies in the national sugar, ethanol, and bioenergy sector, producer and trader of sugar, ethanol, electricity, and other specialty products. .

GRI 102-1 I 102-2

Our structure includes administrative offices in São Paulo (SP) and Pradópolis (SP) and four mills – São Martinho, Santa Cruz, and Iracema, in the State of São Paulo, and Boa Vista, in the State of Goiás—which together have a total crushing capacity of 24 million tons of sugarcane per harvest. All units generate electricity from the burning of sugarcane bagasse, ensuring the self-sufficiency of the operations and the sale of surplus energy. Our storage capacity is 820,000 tons of sugar and 740,000 m^3 of ethanol.

GRI 102-3 I 102-4

We manage 250,000 hectares of land, including our own land and land under leasing or partnership agreements, where 70% of the sugarcane used in our production lines is grown. In addition, another 100,000 hectares of arable land that adds to our production is owned by our agricultural suppliers. Harvests have been 100% mechanized since the 2016/2017 crop year.

As a publicly traded corporation since 2007, we are listed on the Novo Mercado segment of B3, committed to the highest standard of corporate governance. Also in line with the ESG agenda, our mills hold the Efficient Biofuel Production Certification, which authorizes the issuance and sale of decarbonization credits (CBIOs) in accordance with the standards established by the RenovaBio program. Our global credit rating is also maintained as Investment Grade by Standard & Poor's.

GRI 102-5

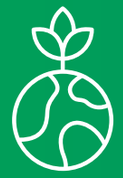
We ended the last crop year with 12,733 employees, 3,194 suppliers of goods and services, and 2,052 agricultural partners. As a result, we recorded a net revenue of R$4.3 billion, which was in line with the previous crop year, and Adjusted EBITDA of R$ 2.2 billion (despite the adversities arising from the global health crisis).

350 thousand

hectares, of which 250 thousand are managed by us, including owned and leased areas or areas under a partnership system, and another 100 thousand hectares managed by suppliers.

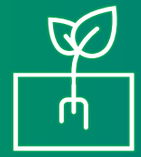
PROFILE

Mission, Pillars, Values, and Beliefs GRI 102-16



Mission

To offer food, energy and other sugarcane by-products that generate value for humanity in an innovative and sustainable manner.



Pillars

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

Values

- *Integrity and ethics*
- *Respect for people and the environment*

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?

PROFILE

Units GRI 102-7 | 102-8

Headquartered in
Pradópolis (SP)

Produces
sugar, ethanol, electricity, and yeast

Crushing capacity of
10.5 million tons per harvest

Employees
4,611

Differentiators

- ***Excellence in logistics***, with bulk sugar storage and an internal railway branch, enabling direct transport to the Port of Santos.
- ***Thermal power unit*** in operation for 330 days/year

SÃO MARTINHO MILL

Largest
individual sugarcane processor in the world

BOA VISTA MILL

Regarded as one of the most ***modern*** in the world

Headquartered in
Quirinópolis (GO)

Produces
ethanol, electricity, and yeast

Crushing capacity of
5.5 million tons per harvest

Employees
2,500

Differentiators

- Designed for ***expansion*** of operations
- Future ***corn ethanol*** plant

SANTA CRUZ MILL

Headquartered in
Américo Brasiliense (SP)

Produces
sugar, ethanol, electricity, and yeast

Processing capacity of
5.6 million tons per harvest

Employees
3,564

Differentiators

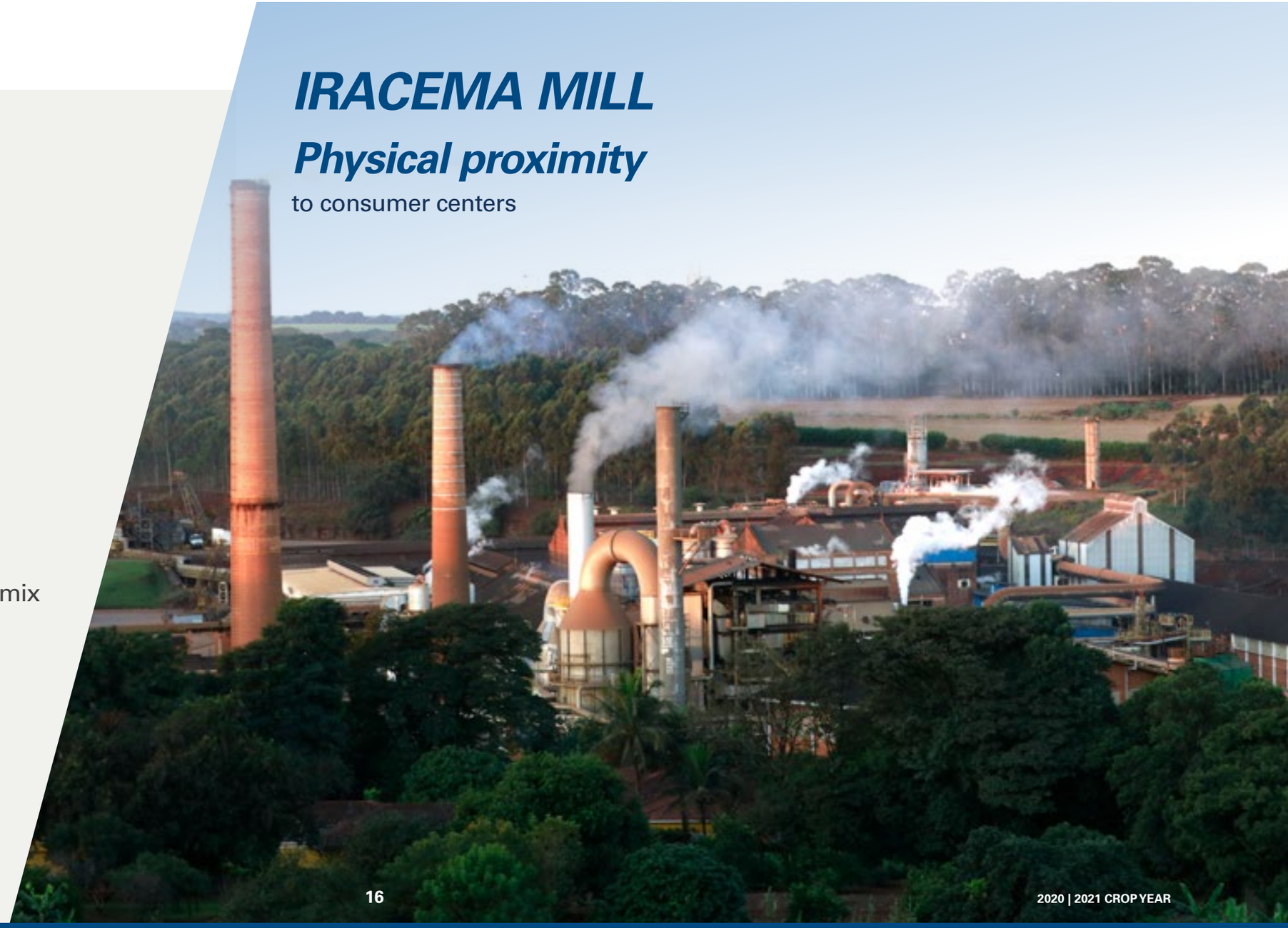
- Pioneer in the implementation of quality and environmental ***certifications***
- High rate of ***bioelectricity generation***

More than ***90%***
of owned cane

IRACEMA MILL

Physical proximity

to consumer centers



Headquartered in
Iracemápolis (SP)

Produces
sugar, ethanol, and electricity

Processing capacity of
3.5 million tons per harvest

Employees
2,023

Differentiators

- ***High flexibility*** in the production mix
- Meets a wide range of ***diversified products***

PROFILE

Products GRI 102-6

SUGAR

We produce various types of raw sugar, including white and high polarization (VHP and VVHP), which can be used as a raw material for refining, among other applications.

ETHANOL

Our portfolio includes hydrous ethanol, used to fuel ethanol-powered vehicles; anhydrous ethanol, added to gasoline as an additive to fuel vehicles; and industrial ethanol, used primarily in the production of paints, cosmetics, beverages, and for hospital use.

BIOELECTRICITY

Generated from sugarcane bagasse and without the use of fossil fuels, it supplies our internal needs and the surplus is sold on the market.

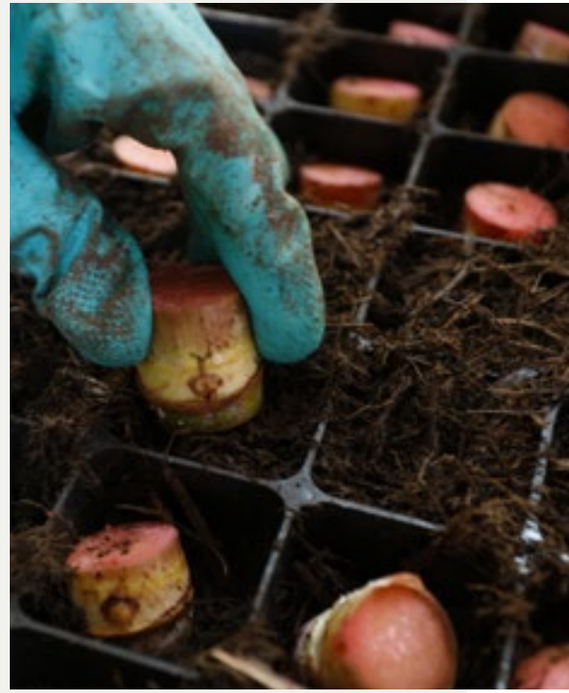
SPECIALTIES

As a co-product of the ethanol production process, we manufacture different types of inactive dry yeast for the animal nutrition sector.

IDENTITY

Strategy

Pursuit of excellence supported by our pillars, values, and beliefs



Innovation is one of the growth attributes defined in our 2030 Strategic Planning.

Our operating strategy focuses on continuous improvement, innovation, financial soundness and strong internal controls, and on the pursuit of agro-industrial operational excellence, which allows us to project a consistent future performance. This purpose is aligned with the commitment to social and environmental development and ethical conduct.

As part of the 2030 Strategic Planning, which was drawn up last crop year, our growth is focused on product diversification, which begins with our entry into corn ethanol production.

The use of different raw materials is in line with our sustainable profile and supported by innovation. The adoption of digital resources in agriculture and the exploration of data contribute to maximizing results and help us seize opportunities for new products and partnerships with major technology players.

Procurement management is another highlight, characterized by a prompt response to needs. In the last crop year, we reinforced our inventories of critical products used in our daily operations, such as pesticides, fertilizers, diesel and parts, and equipment.

International Protocols

advances in social and environmental certifications

R$ 1.2 billion

Total investment approved in the last crop year earmarked for the development of green projects

At the beginning of the 2020/2021 crop year, investments were restricted due to the health crisis and were concentrated on smaller initiatives. However, during the year, we gained the necessary confidence to move forward and thus initiated major investments for the construction of the corn ethanol plant, of the thermal power plant, and of innovation projects—a strategic focus for the 2030 Planning, totaling R$ 1.2 billion approved in the crop year. All these initiatives contribute to a cleaner energy mix in Brazil and strengthen regional economies, intensifying development in the vicinity of our units.

At the same time, we continually seek to increase productivity per hectare, which is why we invest in agricultural technology for the benefit of social, economic, and environmental aspects, consolidating the industrial capacity installed and contributing to value creation.

In terms of cybersecurity, we have been investing nearly R$2 million annually. Since 2018 we have maintained a broad program, which includes modern technological solutions, a control center, the support of consulting firms, and partnerships that support the daily monitoring of the routine related to information security. In the last crop year, measures were also taken to comply with the provisions of the General Data Protection Law (GDPL).

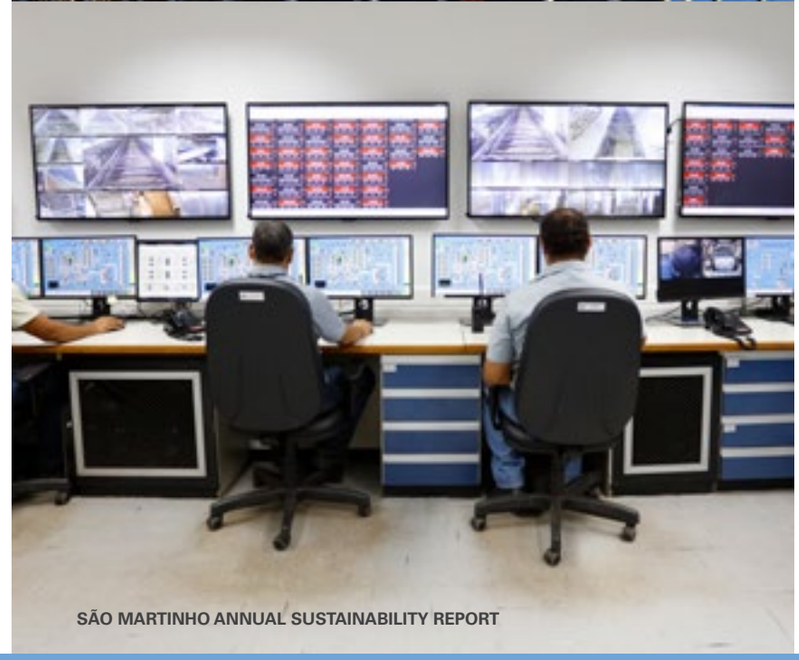
As part of the Continuous Improvement Program, the focus continued to be on improving measures and procedures to reduce the effects of the pandemic on operations. The methodological support under the Integrated Management System (IMS) also contributed to the advances, since it allowed for the identification of operational gaps and opportunities to solve them and to continue executing kaizen projects aligned with the strategic drivers proposed by the Steering Committee for Continuous Improvement.

We made progress in revitalizing the 5S—a set of management standards dedicated to fighting possible losses and waste and educating people to improve and maintain the quality system in production, with a focus on safety and productivity.

Work was also initiated on daily management of the routine in order to improve the predictability of process outcomes and their maintenance.

We have an Integrated Management System (IMS) to concentrate business management processes in an integrated environment, optimizing efforts in areas such as quality, occupational health and safety, environment, and social responsibility. This system manages certifications, policies, and procedures, as well as other documents that formalize our activities, contributing to governance aspects. By strengthening our commitment to international protocols and to the external recognition of our practices, we plan to certify the São Martinho and Boa Vista units under the Bonsucro protocol by 2022 and extend the Environmental Management System under the ISO 14.001 standard to the other units in addition to Santa Cruz by 2023.

See the table of current certifications on page 35.



Definition of the governance structure of the ESG topic

ESG

95%

Percentage of sugarcane eligible for the RenovaBio Program.

STRATEGY

Sustainability

Considering the importance of the ESG vision in our business, a formal structure was created, through which the vice president is the spokesperson for the topic, with the support of a dedicated management for ESG, which, among other activities, constantly evaluates a plan to evaluate the internal practices versus best market practices.

We also established the governance of the area—which includes an Executive Committee made up of the following directors: Operations; Finance and Investor Relations; Legal, GRC and Institutional Relations; and Human Resources, Health and Safety—and a Tactical Committee, responsible for discussing the topics with the ESG-related departments: Sustainability, Environment, Occupational Health and Safety, Social Responsibility, Governance, Risks and Compliance, Human and Organizational Development, Investor Relations, and Finance.

GRI 102-27

This structure supports the project to define our ESG ambitions and should be completed in the second half of 2021, after which we will outline a roadmap of initiatives to be implemented.

The fact that we are in the Novo Mercado sets us apart, as does the series of policies and mechanisms we have in place aligned with the best corporate governance practices.

From an environmental standpoint, the business itself makes us stand out, since we produce renewable carbon. Recognition of our sustainable performance is reinforced by the fact that we own 95% of eligible lands mapped by the RenovaBio program and we are the first company to have a sugar and ethanol production unit certified by that program, with authorization to issue decarbonization credits, the CBIOs. In 2020, we generated close to 1 million CBIOs.

GRI 203-2

The green projects approved in the harvest lead to an increase in the production of clean and renewable energy, which positively contributes to the development of the Brazilian energy matrix, adding to efforts to fulfill the commitments assumed by the government in the Paris Agreement.

Regarding agricultural operations, the resources used will help enhance intelligent techniques, which include maximizing the use of organic fertilizers, the use of localized soil preparation technique (which reduces GHG emissions compared with the conventional technique), recycling of nutrients, and the use of images in real time to monitor the development of sugarcane fields.

Our focus on ESG includes building our social aspiration. We currently have several actions in place regarding professional development and occupational safety and that also involve the families of our employees.

Our short-term goal is to identify and detail an inclusive and transformative guideline to intensify our actions for the development of society. Another advance in this area in the last crop year was the launch of the Social Responsibility Digital Platform.

Learn more about the Social Responsibility Digital Platform in the Commitment to Society section.

For more details about corporate governance, see the Governance section.

Read more about ongoing projects in the Industrial Management Section.

STRATEGY

Value chain

SUGARCANE SEEDLING PRODUCTION

We are a reference in agro-industrial management and promoters of technologies. Thus, we have made investments in our Pre-Sprouted Seedling (MPB) biofactory, located in the São Martinho Unit (Pradópolis - SP), with a production capacity of 40 million seedlings/year, supplying material to all our units. This is an extraordinary agricultural practice that allows for the efficient use of the multiplication area, less soil compaction due to a reduction in machinery traffic, improved logistics for transporting seedlings and their corresponding traceability, and greater productivity in sugarcane fields.

PLANTING - MEIOSI SYSTEM

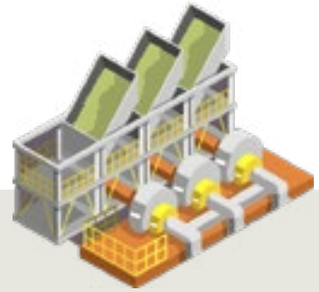
In combination with the use of Pre-Sprouted Seedlings, planting using the MEIOSI (Simultaneously Occurring Intercropping and Rotation) system allows for on-site seedling multiplication, reducing costs, protecting the soil from erosion, and enabling the use of other crops for the sugarcane field renewal period.

OWNED SUGARCANE

Approximately two-thirds of the sugarcane processed in our mills is produced directly by us, on our own land and under partnership and lease agreements, ensuring a safe stock of agricultural production and strengthening our ties with partners in the field, supported by criteria for efficiency, mechanization, and proximity to the units.

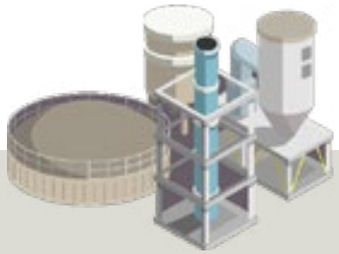
HARVESTING AND TRANSPORTATION

Using high-performance harvesters in conjunction with precision agriculture, green cane is harvested in 100% of the areas. In this operation, single- or double-row cane track harvesters cut, collect, and chop the cane stalks, which are loaded into tractor trailers (all high-flotation tires, thus avoiding soil compaction) and then transferred onto trucks for hauling to the industrial unit.



INDUSTRIAL UNIT

The mills are located in the country's main sugar and ethanol hubs—in the states of Goiás and São Paulo—and have easy access to highways and corridors for the transportation of raw materials and products, thereby enabling agile service to customers in Brazil and abroad. They also have a production capacity above the Brazilian average, processing at levels that dilute production costs, with high availability of equipment and a high rate of conversion into products.



CO-PRODUCTS

The processing of sugarcane generates co-products such as: vinasse, a result of the ethanol distillation process, used in fertigation as a source of potassium and to generate biogas (biomethane); filter cake, a result of the removal of impurities from the juice treatment process which, after being treated, is used to fertilize the sugarcane itself.

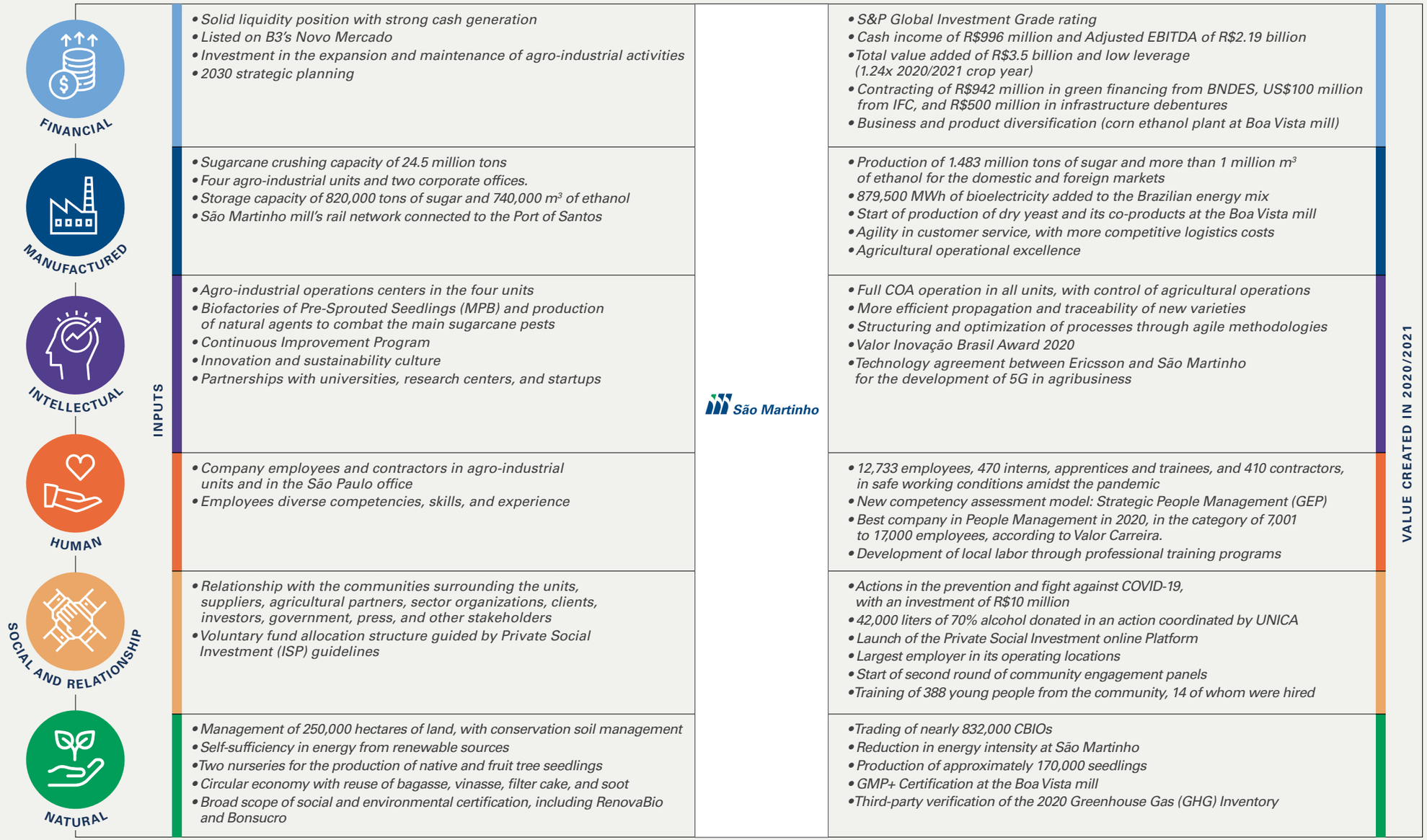
STORAGE AND SHIPPING

One of our differentiators is our capacity to store up to 70% of the total production in our own spaces. This enables better planning for selling sugar and ethanol, according to pricing, supply, and demand aspects. With agile product shipping, we provide a quick response to customer demand, minimizing wait times and reducing operating costs.

STRATEGY

Business model

To demonstrate how we create and share value with all links in our chain, we used the principles of the International Integrated Reporting Council (IIRC) as a reference and schematized how we manage resources—related to the Six Capitals framework—in view of the results achieved during the 2020/2021 crop year.[1]



	INPUTS	São Martinho	VALUE CREATED IN 2020/2021
FINANCIAL	• Solid liquidity position with strong cash generation • Listed on B3's Novo Mercado • Investment in the expansion and maintenance of agro-industrial activities • 2030 strategic planning		• S&P Global Investment Grade rating • Cash income of R$996 million and Adjusted EBITDA of R$2.19 billion • Total value added of R$3.5 billion and low leverage (1.24x 2020/2021 crop year) • Contracting of R$942 million in green financing from BNDES, US$100 million from IFC, and R$500 million in infrastructure debentures • Business and product diversification (corn ethanol plant at Boa Vista mill)
MANUFACTURED	• Sugarcane crushing capacity of 24.5 million tons • Four agro-industrial units and two corporate offices. • Storage capacity of 820,000 tons of sugar and 740,000 m^3 of ethanol • São Martinho mill's rail network connected to the Port of Santos		• Production of 1.483 million tons of sugar and more than 1 million m^3 of ethanol for the domestic and foreign markets • 879,500 MWh of bioelectricity added to the Brazilian energy mix • Start of production of dry yeast and its co-products at the Boa Vista mill • Agility in customer service, with more competitive logistics costs • Agricultural operational excellence
INTELLECTUAL	• Agro-industrial operations centers in the four units • Biofactories of Pre-Sprouted Seedlings (MPB) and production of natural agents to combat the main sugarcane pests • Continuous Improvement Program • Innovation and sustainability culture • Partnerships with universities, research centers, and startups		• Full COA operation in all units, with control of agricultural operations • More efficient propagation and traceability of new varieties • Structuring and optimization of processes through agile methodologies • Valor Inovação Brasil Award 2020 • Technology agreement between Ericsson and São Martinho for the development of 5G in agribusiness
HUMAN	• Company employees and contractors in agro-industrial units and in the São Paulo office • Employees diverse competencies, skills, and experience		• 12,733 employees, 470 interns, apprentices and trainees, and 410 contractors, in safe working conditions amidst the pandemic • New competency assessment model: Strategic People Management (GEP) • Best company in People Management in 2020, in the category of 7,001 to 17,000 employees, according to Valor Carreira. • Development of local labor through professional training programs
SOCIAL AND RELATIONSHIP	• Relationship with the communities surrounding the units, suppliers, agricultural partners, sector organizations, clients, investors, government, press, and other stakeholders • Voluntary fund allocation structure guided by Private Social Investment (ISP) guidelines		• Actions in the prevention and fight against COVID-19, with an investment of R$10 million • 42,000 liters of 70% alcohol donated in an action coordinated by UNICA • Launch of the Private Social Investment online Platform • Largest employer in its operating locations • Start of second round of community engagement panels • Training of 388 young people from the community, 14 of whom were hired
NATURAL	• Management of 250,000 hectares of land, with conservation soil management • Self-sufficiency in energy from renewable sources • Two nurseries for the production of native and fruit tree seedlings • Circular economy with reuse of bagasse, vinasse, filter cake, and soot • Broad scope of social and environmental certification, including RenovaBio and Bonsucro		• Trading of nearly 832,000 CBIOs • Reduction in energy intensity at São Martinho • Production of approximately 170,000 seedlings • GMP+ Certification at the Boa Vista mill • Third-party verification of the 2020 Greenhouse Gas (GHG) Inventory

1. According to IIRC, capitals are stocks of value that are increased, decreased, or transformed through the organization's activities and outputs. They are classified in this Framework into financial, manufactured, intellectual, human, social and relationship, and natural capitals.

IDENTITY

Governance, Risks, and Compliance

GRI 103-1 | 103-2 | 103-3

Commitment to best practices: creation of the Governance, Risks, and Compliance (GRC) area

The Corporate Governance Report, disclosed annually by the Company (CVM Instruction 586), follows the "practice or explain" approach, and points out that, of the practices recommended by the Brazilian Code of Corporate Governance, we fully comply with 89%, partially comply with 4%, and the remaining 7% are not applicable.

In February 2021, a specific area was created to deal with governance, risk, and compliance (GRC) issues, assigned to a Statutory Board (Legal Board, GRC, and Institutional Relations Department) and an exclusive area (GRC Area).

View the Report here

GOVERNANCE, RISKS, AND COMPLIANCE

Governance structure

GRI 102-18 | 103-1 | 103-2 | 103-3

Our governance structure includes a Board of Directors, Fiscal Council (effective), and Statutory Board. The Board of Directors has four advisory committees: Technological Innovations, Audit, Finance, and People Management.

The interaction between the Bodies and Committees stands out for being in compliance with best corporate governance practices and with the attributions set forth in the Bylaws and Internal Regulations. ***GRI 102-19***

Check out more information about corporate governance on the website.

Board of Directors

Responsible for general business guidance and long-term strategies. Its main duties are: to elect the directors, approve the Board's investments and relevant proposals of the Executive Board, and supervise the management of the business, including matters related to environmental, social, and governance (ESG) aspects. It is composed of seven board members, two of whom are independent. The election of the members of the Board of Directors occurs every two years in a General Meeting, as required by the Brazilian Corporations Act and its Internal Regulations. The current Board of Directors was elected during the Annual General Meeting held on July 31, 2020.

GRI 102-26 | 102-29

The appointment of members of the Board of Directors follows the provisions of Law 6,404/76 and the Internal Regulations available on the website.

GRI 102-24

The Board of Directors is informed of crucial matters regarding strategic risks and other topics that could significantly impact the business through periodic reports, management meetings, and the committees.

Learn more here.

Structure

GRI 102-22 I 102-23

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

GOVERNANCE, RISKS, AND COMPLIANCE

Fiscal Council

Supervises the activities of the Management Board and analyzes the Financial Statements, reporting its conclusions to the shareholders.

Composed of three effective members and an equal number of alternates, elected by the General Meeting every 2 years. In 2020, the Bylaws changed it into a standing body and established the election of one effective member and one alternate member by the minority shareholders in a separate election

Effective members
Carlos Alberto Ercolin
Maurício Curvelo de Almeida Prado
Paulo Nobrega Frade

Alternates (respectively)
Isabel Cristina Bittencourt Santiago
Marcos Ribeiro Barbosa
Eduardo Cysneiros de Morais

GOVERNANCE, RISKS, AND COMPLIANCE

Statutory Executive Board

Its main duty is to manage the business in accordance with the Bylaws, the strategy, and the guidelines set out by the Board of Directors.

It is also responsible for analyzing and approving the Annual Sustainability Report, ensuring that all material topics are covered.
GRI 102-32

It is composed of a minimum of two and a maximum of 12 members, also with a two-year term. Reinforcing the commitment to ESG issues, in 2021 the Bylaws assigned the coordination of ESG-related actions to the Vice President, transformed the Human Resources, Health, and Safety Department, responsible for the social aspect, into a statutory department, and changed the duties of the Legal, Governance, Risks and Compliance, and the Institutional Relations Departments to expressly include governance in their duties.
GRI 102-20

In February 2021, the Executive and Tactical Sustainability Committees were made official. They are composed of directors and managers with duties associated with the topic.
GRI 102-27

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

GOVERNANCE, RISKS, AND COMPLIANCE

Advisory Committees GRI 102-33 | 102-27

TECHNOLOGICAL INNOVATIONS

Assists the Board of Directors in identifying technologies capable of providing greater productivity and products/services that add value to the business. The committee must also assess the alignment of the Executive Board's performance with the guidelines decided by the Board of Directors and, together with the Finance Committee, assess strategic growth alternatives and evolution in the results of new businesses.

AUDIT

Evaluates quarterly information, interim statements, and Financial Statements; monitors changes in accounting practices and procedures; issues opinions on hiring and dismissal of independent and internal auditors and monitors their activities as well as those of the compliance, internal controls, and risk management areas; evaluates and monitors risk exposures and mitigation plans, ethics-related issues, corporate image and reputation, and the Ethics Channel; and analyzes legal aspects and contingencies (litigation).

FINANCE

Analysis of budgets, cash flow, tax planning, risk and return on investment proposals; divestments and leverage, including merger, incorporation, and spin-off operations; and financial feasibility projects and new businesses, as well as alternatives for strategic growth. It also analyzes the trend/behavior of internal indebtedness, financial operations and regular bases of currency hedge management and futures market positions and credit risk. The committee may also advise the Board of Directors on defining a risk matrix and exposure limits, as well as measures to protect financial risks.

PEOPLE MANAGEMENT

Guide the strategic planning for people management, recommend the compensation and benefits plan for members of the Executive Board, and periodically review the succession plan for directors, the compensation and benefits policies for employees, and evaluate the performance of the Executive Board in terms of goals and objectives and the effectiveness of the talent retention process

GOVERNANCE, RISKS, AND COMPLIANCE

Risk management

GRI 102-11 | 102-15 | 102-30 | 102-31

In February 2021, the risk management area became part of the Governance, Risk, and Compliance (GRC) area. Risk management is based on ISO 31,000 guidelines, adapted to our business. Based on three lines of defense: 1st line are the areas that own the risk (such as agriculture, industry, commercial, finance, etc.); 2nd line are the support areas (such as environment, legal, HR, etc.); and the 3rd line are the control areas (risk management, internal controls, compliance, and internal audit). 48 risks and risk factors are continuously monitored. These are related to the following aspects: environmental, personal, operational, financial, market, legal and regulatory, compliance, cybersecurity, third parties and emerging risks, considered to be the most relevant for the business.

More details on climate risk management can be found in the Climate change section.

The matrix is constantly updated to include other risks that become or are no longer considered relevant. Risk monitoring positions the risks in the following categories: very low, low, medium, high or very high categories, according to the probability and impact of each risk. Risk management mechanisms also include the Positions, Sustainability, Ethics, and Crisis Management Committees; and software dedicated to managing risks, updating legislation, and monitoring third parties.

GRI 102-34 | SASB RR-BI-530a.2

A Strategic Risk Panel is submitted to the Board of Directors on a monthly basis with the position of market risks, environmental risks, failure of internal policies and controls, lack of raw material, non-compliance with regulations, and cyber attacks.

The risk management policy was approved by the Board of Directors on August 30, 2021 and has improved the systematization of risks and the monitoring and control flow.

Governance and risk management structure was critical in addressing the challenges posed by the COVID-19 pandemic. Once its impact was identified, a Crisis Committee was set up, involving the entire Executive Board, and acknowledgement of the Board of Directors.

The installation of the Crisis Committee to deal with critical situations is set out in an internal procedure that establishes the involvement of each hierarchical level according to the extent of the crisis to be faced.

GOVERNANCE, RISKS, AND COMPLIANCE

Compliance

The compliance area is directly related to the governance pillars. Its policies, procedures, and guidelines of the Code of Ethics and Professional Conduct address issues such as conflicts of interest and relationships with customers, suppliers, service providers, public administration, competitors, communities and shareholders, in addition to dealing with the environment

GRI 102-25

Any violations of ethical principles or current legislation may be reported to São Martinho's managers or to the Ethics Channel (0800 777 3131, email: etica@saomartinho.com.br, and website www.canaldeetica.com.br/saomartinho), ensuring confidentiality to those filing a report.

The channel is managed by an independent company. A quarterly report on the quantity and content of the main communications is presented to the Ethics Committee (composed of the Executive Board) and an annual report (Account of the Ethics Channel) is submitted to the Ethics Committee, Board of Directors, and SFiscal Council. In the 2020/2021 crop year, 270 claims were registered, of which 94% were addressed, resolved, or considered inconclusive.

GRI 102-17 I 102-25

A Governance Manual containing the main policies (Anti-corruption, Related-Party Transactions), the Code of Ethics and Professional Conduct, and the internal regulations is provided to all members (Board of Directors and Fiscal Council) and directors at the beginning of their terms. A governance platform was also implemented in the last crop, available to the members of the Board of Directors and Fiscal Council for submission, systematized recording of, and prior access to meeting materials.

An internal audit plan with guidelines set by the Board of Directors has been in place since the 2017/2018 crop year. The Compliance area also implemented a specific structure to comply with the GDPL, with the publication of the Privacy and Personal Data Protection Policy and the implementation of the Data Compliance Channel (email: privacidade@saomartinho.com.br). .

GRI 205-1

ETHICS CHANNEL - DEMANDS GRI 102-17	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Registered via the mechanism, during the period covered by the report	358	303	338	270
Processed during the reporting period	358	303	338	270
Completed during the reporting period	358	303	329	255
Inconclusive/lacking information	73	78	70	35
Percentage of claims received, processed, resolved, or considered unfounded during the reporting period	100%	100%	97%	94%

Aiming to contribute to and follow up on industry debates, we participate in the main regional entities dedicated to the segments in which we operate, such as the Ribeirão Preto chapter of the Brazilian Association of Agribusiness (ABAG/RP) and the Sugarcane Industry Association (UNICA), whose Advisory Board is chaired by one of the members of our Board of Directors.

GRI 102-12 I 102-13

For the 2021/2022 crop year, we plan to bring together our relationship audiences in a single matrix within the scope of the Institutional Relations area.

Investor relations

As a company listed on the B3 since 2007, when we carried out the opening of the Company's capital (IPO) we have a dedicated team of relations with investors responsible for all interaction with the capital market stakeholders, as well as individuals and other interested parties who wish to learn more about the data disclosed by the Company.

In order to keep the market informed about the progress of our operations in the midst of the health crisis, our meeting frequency was increased.

We hold meetings, such as quarterly conference calls for disclosure of results, through which we present our performance and expectations over time, as well as other recurring meetings with our investors and potential investors.

We also made the IR space available to investors on our website, which contains all public information sent to relevant bodies, such as the Brazilian Securities and Exchange Commission (CVM), in addition to releases of results and announcements to the market. Analysts and investors can also visit our Facebook, LinkedIn, and YouTube pages.

In contacts with these audiences, questions about ESG have been recurrent. Thus, we have set aside part of our agenda to address this topic and present the main initiatives adopted.

IDENTITY

Recognition

Differentiators such as innovation, management of sustainable practices, and development of our professionals were translated into the achievement of awards and certifications

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

RECOGNITION

Awards and titles

Valor Carreira 2020
We were recognized as the best company in people management in the category of 7,001 to 17,000 employees. The award, in its 18th edition, is offered by the Valor Econômico journal in partnership with the consulting firm Mercer.

Valor 1000
We hold a leading position in the 2020 edition of the award offered by the Valor Econômico journal, in partnership with Fundação Getulio Vargas and Serasa Experian, which highlights the 1,000 largest companies in the country with the best results and performances among 25 sectors of the economy.

2020 Valor Inovação Brasil Award
We are included in the ranking of the 150 most innovative companies in the country, according to a survey carried out by the Valor Econômico journal in partnership with Strategy&, PwC's strategic consulting company. We also ranked 4th in the Top 5 most innovative companies in the Agribusiness sector.

Executivo de Valor
In the 20th edition of the award, offered by the Valor Econômico journal, for the sixth time our CEO, Fabio Venturelli, was chosen Executive of the Year in the Agribusiness category.

RECOGNITION

Certifications

Unit	Bonsucro	RenovaBio	CARB	EPA	I-REC	Energia Verde	Etanol mais verde
UIR	✓	✓		✓	✓		✓
USM		✓	✓	✓	✓		✓
UBV		✓				✓	
USC	✓	✓	✓	✓		✓	✓

Unit	ISO 9001	ISO 14001	ISO 17025	GMP+	Kosher	Halal
UIR				✓	✓	✓
USM			✓	✓	✓	
UBV				✓	✓	
USC	✓	✓		✓	✓	

MANAGEMENT

WE WORK TO BRING OUT THE ENERGY IN EACH ONE OF US, ACHIEVING THE COMMON PURPOSE OF OPERATIONAL EXCELLENCE.

MANAGEMENT

Agricultural

Crop year marked by records in all our units, in addition to joint efforts and actions to face the adversities arising from the global health crisis

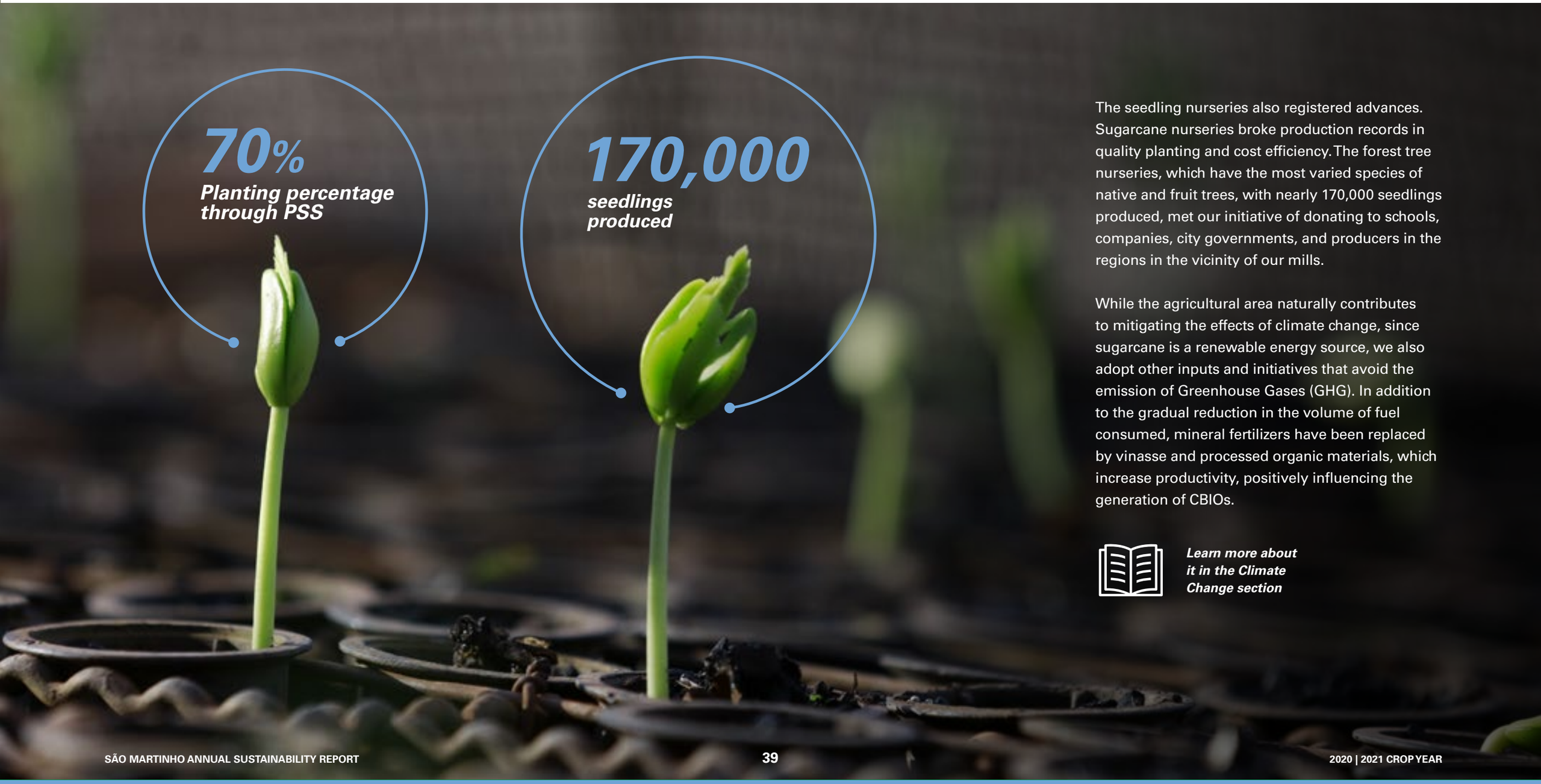
As a result of the joint action of our four operating units, we responded to the challenges posed by the COVID-19 crisis and carried out the actions planned for the 2020/2021 crop year. From an operational standpoint, we achieved record results in our mills in indicators such as tons per combine harvester and tonnage transported by truck.

Technology was instrumental for this performance: we have the Agricultural Operations Center (COA), which allows for real-time monitoring of crop conditions and intervening to remedy any problems.

Regarding agricultural production, a drier period affected productivity, reducing the volume of sugarcane per hectare. On the other hand, the raw material had higher sucrose content, mitigating the climate effects observed.

Another advance was the 70% planting, on average, in the four units, using the Pre-Sprouted Seedlings (PSS) method. Coupled with the Simultaneously Occurring Intercropping and Rotation (MEIOSI) method, PSS accelerates the production of seedlings with a high standard of plant health, vigor, and uniformity and guarantees the traceability of their genetic origin. With a more optimized use of the area for multiplication, approximately 8,000 hectares that previously would have been used for seedling production are now being used for processing.

See other results in the Operating Performance section.



The seedling nurseries also registered advances. Sugarcane nurseries broke production records in quality planting and cost efficiency. The forest tree nurseries, which have the most varied species of native and fruit trees, with nearly 170,000 seedlings produced, met our initiative of donating to schools, companies, city governments, and producers in the regions in the vicinity of our mills.

While the agricultural area naturally contributes to mitigating the effects of climate change, since sugarcane is a renewable energy source, we also adopt other inputs and initiatives that avoid the emission of Greenhouse Gases (GHG). In addition to the gradual reduction in the volume of fuel consumed, mineral fertilizers have been replaced by vinasse and processed organic materials, which increase productivity, positively influencing the generation of CBIOs.

Learn more about it in the Climate Change section

Our production and management strategy is conservationist and adopts the best practices for systematization and soil conservation. Examples of these practices are covering the soil with cane trash, which favors water infiltration and moisture retention, reduces large temperature variations, and benefits to the soil microbiota; less tillage, which preserves organic matter and reduces CO_2 emissions into the atmosphere; and the use of vinasse as fertilizer in most of our crops. We fully practice the circular economy with a focus on the reuse of waste, such as filter cake as a source of nutrients, like phosphorus, and vinasse as a source of potassium. These practices reduce the need for mineral fertilizers, thereby contributing to the reduction of Scope 1 GHG emissions. Moreover, the adoption of biological control in integrated pest management for more than 40 years mitigates losses in productivity and ensures greater balance to the ecosystem.

The rational and constant nutritional balance of the soil leads to lower demand for fuel and energy, making us a reference in diesel consumption per ton of sugarcane harvested, with one of the lowest values in the market.

Another example of operational efficiency is our harvesting productivity, which historically is close to 1,000 t/mach/day, while the average in the Midwest of the country is 550 t/mach/day.

All these practices are continuously improved in our laboratories: agricultural chemistry, specifically for soil and fertilizer analysis; and lubricants, which ensures the ideal time to change the oil of the vehicles, reducing costs and benefiting the environment. Our units also have biofactories that produce entomopathogenic fungi (*Beauveria bassiana* and *Metarhizium anisopliae*) and parasitoid microwasps (*Cotesia flavipes*), which fight the main sugarcane pests in a system called Integrated Pest Management (IPM). In this crop year we also started testing the application of the microwasp *Cotesia flavipes* in the fields using drones to replace the manual form, making the system even more sustainable, given the better working conditions for employees, less environmental impact due to the adoption of biodegradable capsules, and increased control efficiency.

Beginning of the tests for the application of biological control via drone.

Another important evolution in the last crop year—also a result of COA's actions –was in firefighting. Our units already had a strong structure in place, with well-trained teams as well as vehicles and resources equipped with modern technology, including extender and articulated equipment installed in firefighting vehicles, whose patent we filed in October 2020. Efficiency was intensified with a camera system, equipped with artificial intelligence, which automatically detects smoke and the immediate adoption of measures to contain possible outbreaks and prevent large-scale occurrences. The uninterrupted monitoring by a team of professionals led to a 20% reduction in reduction in firefighting response time compared to the previous crop year in a period marked by drought and a series of fires in various regions of the country.

These practices and technologies, as well as our technical and crop management developments, are shared with sugarcane suppliers through an annual meeting that, in 2020, was conducted online.

The teams from the four operating units prepared support materials, such as a booklet with interactive videos, accessible via QR Code, which were distributed to producers. Another supporting practice are the visits made by our technical staff to the properties of suppliers, which include the exchange of information about fertilization and the use of biological products to control pests, as well as guidance on environmental conservation.

Our contributions to improve the business of partners go beyond. Given our integration with RenovaBio, we offer support for our partners to categorize their production and environmentally qualify their respective areas. In addition, we support the diversification of their activities, such as the partnership maintained between the Iracema mill and the Brazilian Bee Studies Association (A.B.E.L.H.A.), through which we encourage beekeepers in the region to adopt good practices in agricultural management, which enable a peaceful and sustainable coexistence between agriculture and beekeeping.

20%

Reduction in firefighting response time compared to the previous crop year thanks to the performance of the COA.

MANAGEMENT

Industrial

Industrial ethanol and high-protein yeast were highlights of the period

The pandemic required adaptation in several aspects, but with discipline, internal controls and awareness, we ensured good industrial performance throughout the crop year.

All this effort contributed to a period of favorable results, such as the production of industrial ethanol and high-protein yeast. We also produced hand sanitizer to meet our own needs.

Despite the challenges posed by the health crisis, as planned, in mid-June we started operating the dry yeast production plant at the Boa Vista mill, one of the most innovative in terms of equipment for drying products.

One of the production highlights is the Santa Cruz mill, which reached a historic mark in sugar volume, electricity, and yeast, leveraging the full availability of its structure. Production of sugar was also significant in the other units, as was the demand for industrialized ethanol. In electric energy, production met the expected value.

From an environmental standpoint, we maintained the practices used in the industrial process, such as management of waste and water resources, as well as their respective targets, including the target of withdrawing less than one cubic meter of water per ton of sugarcane produced, to be reached by 2025. In this respect, for the São Martinho mill, the studies for adjusting the withdrawal of water resources were completed and the execution of the project is planned to start in the next crop year.

This differentiated performance is recognized through the various certifications held by the units. In the last crop year, this status was reinforced when the Boa Vista mill obtained the GMP Plus, a certificate that attests to the safety of animal food, such as yeast. This certification is mandatory for the sale of the product in an increasing number of countries, which involves new commercial opportunities.

Due to all the advances in the last crop year and despite the uncertain scenario of a global health crisis, all our plans will continue in the next period, when we will face the following challenges:

See more details on water management in the Commitment to the Environment section.

At the São Martinho mill,
a project for the expansion of the thermal power unit, which uses sugarcane bagasse as its main fuel, will enter its second stage, which includes the installation of a boiler and generator and adjustments to the current facilities. The project is in line with our success in participating in the 2019 A-6 Energy Auction of the National Electric Energy Agency (ANEEL).

At the Boa Vista mill,
the highlight is the construction of the corn ethanol plant (see details next), which, in addition to being sustainable because it does not generate waste, combines energy integration with the sugarcane operation. In this way, ethanol production will be diluted by energy consumed, eliminating the need to purchase alternative fuel.

At the Santa Cruz mill,
in line with the production of higher value-added items, an ethanol purification project will begin operations and will supply neutral ethanol to the market as of the next crop year.

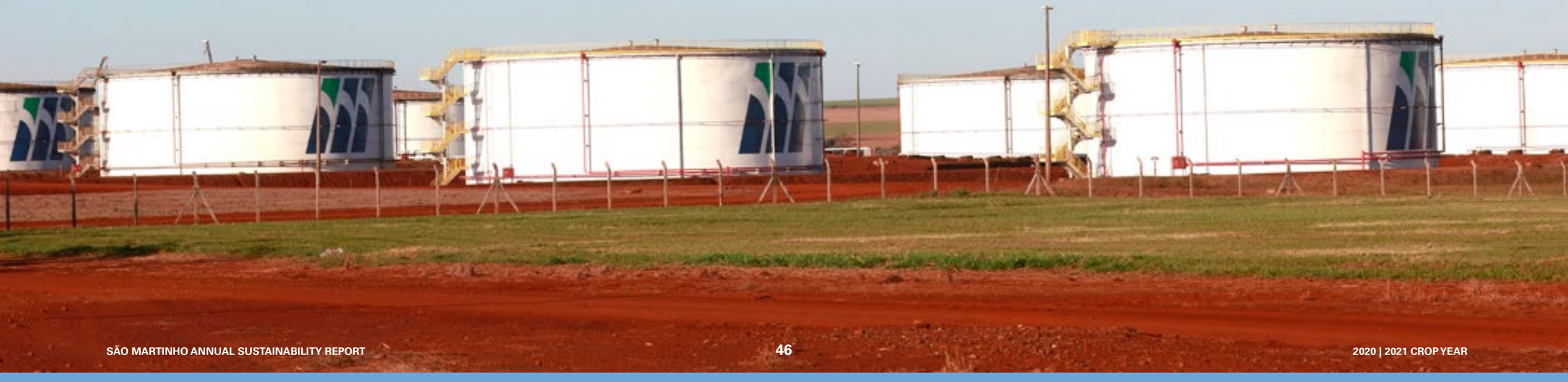
At the Iracema mill,
it is expected to increase efficiency in recovering sugarcane sugar and maintain the level of industrial ethanol production.

Sustainability guides new investment

Our unit that produces ethanol from the processing of corn (500,000 tons), adjacent to the Boa Vista mill, in Quirinópolis (GO), will have an annual production capacity of approximately 210,000 m³ of ethanol, 150,000 tons of Distiller's Dried Grains with Solubles (DDGS), and 10,000 tons of corn oil. The additional volume of biofuels will avoid the emission of around 360,000 tCO_2e per year. Operations are scheduled to start in October 2022 and will operate around 330 days per year.

Investment is estimated at around R$740 million, including adjustments to the current boiler to minimize consumption of the energy available, industrial facilities with innovative technologies, and corn storage. The funds financed have Sitawi's Green Seal, which we obtained after undergoing a rigorous assessment of the alignment of our operations with the Green Bond Principles (GBP) global sustainability standards in the Renewable Energy segment and Climate Bond Standards in the Liquid Biofuels category. One of our commitments is to improve our practices for monitoring suppliers of raw materials at the Boa Vista Mill, especially corn, purchased in the Midwest Region. In this way, the projects associated with this financing have the potential to contribute to SDG 7 and to achieve the targets set by Brazil in the Paris Agreement.

The adjustment for energy efficiency in the current facility will enable the industrial plant to generate additional volume of ethanol and other products without additional energy consumption. Some of the effects will be the creation of 1,400 direct and indirect jobs in the region and the generation of CBIOs, given the industrial process aligned with best sustainable practices.



New Thermal Power Plant in the São Martinho Unit

The purpose of our new cogeneration plant is to replace the existing boilers and generators with higher capacity, more efficient ones, increasing our bioenergy export by approximately 210 GWh per harvest and avoiding the emission of around 85,000 tons of GHG per year, compared with electricity generated by natural gas.

This plant will have the capacity to supply the equivalent of 46,000 homes every year, using the same amount of bagasse consumed today, in addition to increasing the level of operational safety, through more automated processes, and reducing emission of particulate matter by approximately 300 tons and 4 tons of NOx (Nitrogen Oxides) per year.

Obtaining credit lines

To finance these projects, we obtained three credit lines: R$942 million from BNDES; US$100 million from the International Finance Corporation (IFC), the World Bank's financial arm; and R$500 million in infrastructure debentures. The latter two were already disbursed in July 2021. Disbursement by BNDES, on the other hand, is gradual and occurs as the investments materialize.

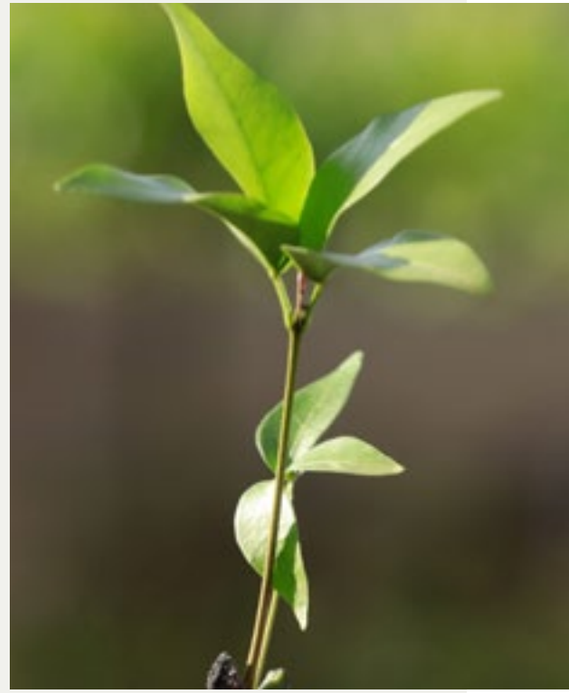
Funds from BNDES will be used to finance part of the following projects: the corn ethanol plant at the Boa Vista mill, implementation of the thermal power plant at the São Martinho mill, and innovations and modernization of the existing units. IFC resources will finance the remaining portion of the thermal power plant plus CAPEX for planting and handling crops. The infrastructure debenture will finance the remaining portion of the corn ethanol plant and CAPEX for planting and handling crops.

We have been subjected to due diligence conducted by IFC since 2017. Part of the credit line raised in 2021 has an innovative component: green financing based on the Green Loan Principles (GLP), which is intended to create a structure with a high level of social and environmental standards and guidelines.

MANAGEMENT

Innovation

New technologies for improving processes allow us to combine innovation with sustainability



Historically, we have constantly been in search of process improvements, seeking to implement new technologies with a focus on operational efficiency. Our innovations began to be systemically handled by an Innovation Management area in 2012.

The approach with a focus on operational efficiency is expressed in the digital transformation journey of agro-industrial processes that was made possible, for example, by the Agricultural Operations Center (COA). Other examples are the initiatives to increase the agricultural productivity of sugarcane and its sucrose (sugar) content, including the adoption of more productive varieties; circularity of industrial waste to produce organic fertilizers; combating pests, diseases, and weeds through biological control; and new planting technologies, such as the MPB project associated with MEIOSI and a number of other initiatives aimed at increasing productivity. With the consolidation of the COA, we project a reduction in the cost of production and improvements in sustainability indicators.

Leveraging data transmission technology will increase efficiency in processes that require high speed data transfer and low response time. This will allow, for example, the use of autonomous vehicles and drones for intelligent pest and weed control, among other activities enhanced by high-speed data and image processing. The development of concrete 5G applications for agribusiness, using the 700MHz and 3500MHz frequencies, will also include a partnership with a carrier, which is expected to join us and Ericsson in 2021. To complete the ecosystem, entrepreneurs and startups are also expected to join, thus enabling more agile and flexible integration between agribusiness companies and developers.

Learn more in the Agricultural Management and Environmental Commitment sections.

Based on the new positioning resulting from the 2030 Strategic Planning, starting this crop year, we are seeking a vision that is complementary to the innovation area and looking at possible new businesses opportunities associated with revenue generation, making this topic even more strategic.
This revision aims to ensure even greater austerity in the decision-making process associated with the adoption of new technologies. It is focused on governance aspects and on maturing project characterization practices, including the positive social and environmental impacts of each initiative and the qualification of potential target markets.

The idea is to combine efforts related to the fronts of continuous improvement, innovation focused on efficiency, and sustainability, seeking to create value for all stakeholders in our business in a progressive and incremental way.
In order to manage this project, we completed the configuration of a structure that includes two Innovation Committees: a strategic committee, and a tactical, multidisciplinary, and comprehensive committee, including all processes supporting innovation and new business development.
With management based on key indicators, we seek to form the basis for redefining our positioning in the innovation ecosystem.

Solutions in the pipeline include the development of the first digital service platforms to be made available as part of development with well-established business partners.
Focused on the processes related to maintenance of agricultural machinery and equipment and integrated pest, disease, and weed management, we structured a datalake that will gather and integrate agricultural data, aiming to create value for the business.

5G

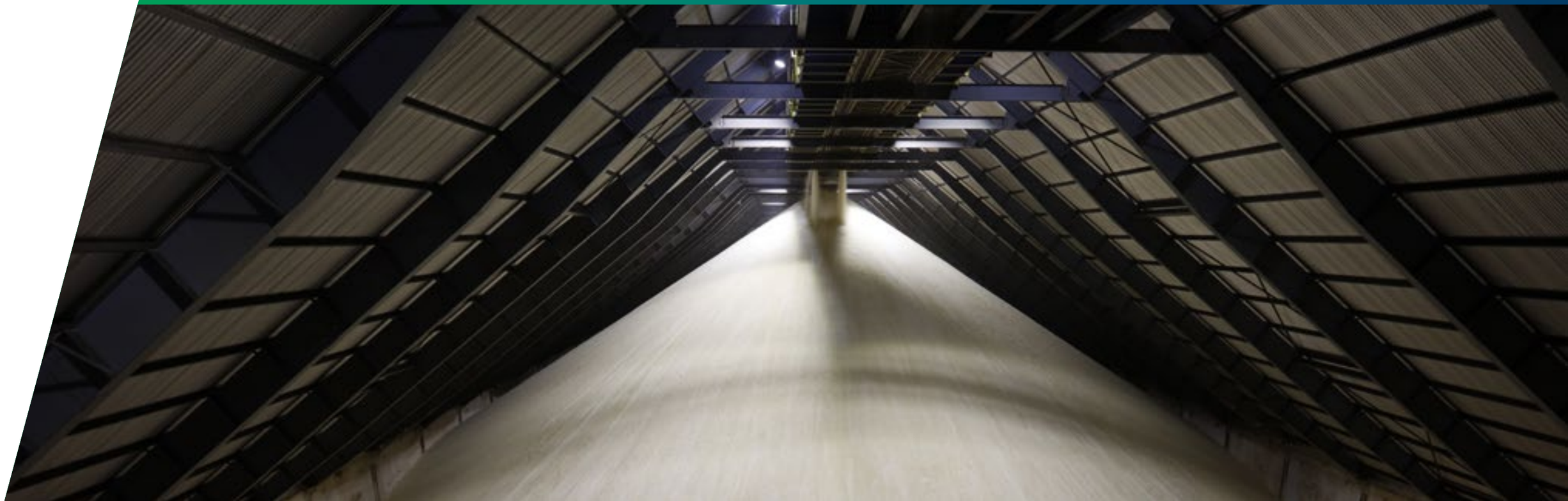
Technology will have real applications that will lead us to increased process efficiency.

ECOSYSTEM

We participate in the integration between companies and developers of solutions for agribusiness.

COMMITMENT

WE INVEST IN OUR BUSINESS, OUR PEOPLE, AND IN SOCIAL AND ENVIRONMENTAL RESPONSIBILITY ACTIONS TO CREATE OPPORTUNITIES FOR SUSTAINABLE DEVELOPMENT.



COMMITMENT

To our people

Caring for people is one of our pillars, always seeking to develop them, reinforcing ethics and encouraging them to engage in solidarity

At the end of the 2020/2021 crop year, we had 12,733 employees—7% women and 93% men—in addition to 40 trainees, 415 apprentices, and 15 interns. We provide all of them with the resources necessary to preserve their health, integrity, and well-being in view of the global health crisis. Through partnerships with teams from renowned institutions, the internal medical staff was prepared to meet the needs of our professionals, both in terms of information and care.

GRI 102-8

We also made available an app, developed internally, through which employees could answer questions, which contributed in an important way, such as whether or not they were able to report to their work unit. We also prepared a series of educational videos about the different aspects of COVID-19 and forms of prevention, and we established health protocols for circulating in common spaces. With this, we have kept the team protected and motivated to continue operations, since we fall under the essential activities category.

GRI 103-1 I 103-2 I 103-3

12,733

Number of employees at the end of the last crop year, in addition to 470 trainees, apprentices, and interns

We are aware of and socially committed to the socioeconomic development of the regions where we operate, given that we are one of the main job providers in these locations. Thus, one of the ways to attract local labor is through an Apprenticeship Program, in partnership with the National Service for Industrial Training (SENAI), with training modules for young people and an Internship Program. We also have a Trainee Program, which is composed of those who completed the Internship Program and those selected in an external process—once we had more than 16,000 applicants for 40 openings. Working hours are equivalent to those of an MBA course and there is specific training such as tutoring, mentoring, and coaching.

Our professionalization opportunities include diversity. For example, when necessary, we provide adapted transportation to People with Disabilities (PWD), promoting accessibility during working hours.

A multidisciplinary group engages, supports, and conducts the entire onboarding process for these professionals in order to value inclusion and respect diversity.

Although the vast majority (93%) of our staff is composed of men, given the nature of our operations, we are working to increase the number of women on the team while also training women to work in our market.

As part of the restructuring of the Social Responsibility pillar, included in the Human Resources Master Plan, we also focused on diversity with the creation of a project to promote this topic, with educational actions that have begun to be incorporated into our corporate culture in order to raise awareness among all employees. The second part of the work consisted of building indicators to verify our current status in terms of diversity and start planning initiatives for improvement.

A panel to assess the topics of gender, race, and age is being developed and will be the basis for the plans of action for improvement and eventual establishment of targets.

We also value solidarity by providing internal collaborative spaces and encouraging volunteer work by engaging employees in campaigns to donate blood, warm clothing, and food.

All these initiatives are submitted to employee satisfaction surveys and climate surveys prepared in connection with the rankings in which we participate, such as Valor Carreira, in which we were recognized as the best company in terms of People Management.

See the Indicators Attachment for data such as the profile of our professionals, the number of people hired and fired, and the turnover recorded in the 2020/2021 crop year.

For more information about women's participation in the team, see page 58.

TO OUR PEOPLE

Compensation and benefits GRI 103-1 I 102-2 I 102-3

In line with best market practices and supported by salary and benefit surveys conducted by external consultants, we have a competitive fixed compensation package. We also offer Short-Term Incentives (STI), a Profit Sharing Program (PSP) for employees who are governed by the Consolidation of the Labor Laws (CLT - Consolidação das Leis do Trabalho), bonus offers for professionals at the management level, Long-Term Incentives (LTI), and virtual stock options for groups of executives.

Indicators are being defined to support the achievement of our goals related to occupational safety and environmental and social topics that will come into effect as of 2022/2023. One of the indicators that will make up the bonus score, as of the next crop year, is associated with ESG and is based on performance. By linking ESG indicators to the variable pay of management-level positions, we reinforce our commitment to this topic.

GRI 102-35 | 102-36

The compensation defined for each unit is based on the minimum wage for the position and are defined in accordance with the collective bargaining agreement with the local union. The floor wages provided for in collective bargaining agreements are usually higher than the local minimum wage, even though the lowest wage paid is equivalent to the national minimum wage. For the São Martinho mill, as a result of a collective bargaining agreement, an hourly wage exceeding the one established in the agreement was agreed upon for the category.

GRI 202-1

Any changes in our operations (not only operational) are preceded by negotiations with the unions that represent our workers. The implementation schedule is negotiable.

GRI 402-1

We are supporters of the program Empresa Cidadã (Citizen Company), which extends maternity leave by 60 days and paternity leave by 15 days.

The range of benefits, offered to all workers, without distinction between temporary and permanent, includes:

- Life insurance
- Health plan
- Dental care
- Extended parental leave
- Segundo Tempo (Second Half) Program
- Assistance aids, such as reimbursement for eyeglasses, prescription lenses for safety glasses, orthotics, and prosthetics
- Medication allowance with the PBM card
- Flu vaccination
- Christmas basket
- Credit cooperative
- Workplace exercises, except for the corporate office in the São Paulo office
- Shuttle buses for transporting employees to the operating units*
- Food voucher*
- Restaurant in the units for employees in industrial areas
- Complementary grocery voucher for employees in agricultural areas who do not have access to the restaurant.

GRI 401-2

** For corporate employees at the São Paulo office, transportation and meal vouchers are provided. The practice of workplace exercises is not yet available.*

The private pension plan, in the defined contribution modality, is optional It is managed by a first class financial institution. Employees who adhere to the program contribute with 1% when the Reference Unit (UR - Unidade de Referência) is up to R$4,663.45; when the UR is higher, the contribution is up to 8% of the difference between the UR and the nominal salary. We make a matching contribution in the same percentage.

GRI 201-3

We also have initiatives focused on education, such as the Education Grant Program, aimed at all employees as provided for in the Individual Development Plan. The benefit covers technical, sequential, technological, undergraduate and graduate courses, with partial funding of tuition fees.

TO OUR PEOPLE

Development and training

Last crop year, as part of the new Human Resources Master Plan, we introduced a new competency assessment model called Strategic People Management by connecting the executives at management and executive levels with the tools that assess competencies, goals, and aspects of internal succession programs. By the end of the 2021/2022 crop year, all employees are expected to be included in this model, which will be the reference for defining the format of Individual Development Plans and of fixed and variable pay in the medium and long term.

The initiative, based on the Nine Box methodology, identifies eventual needs in professional training and the solutions to meet them, including courses, job rotation, and exposure to multidisciplinary groups, for example.

This model improves the existing evaluation structure, which includes training programs, the application of several methodologies, feedback meetings, alignment, and calibration.

We also have a career accelerator program called Valores em Ação (Values in Action) with more than 300 hours delivered by a hired consulting firm to potential internal talent, also with a view to succession plans. The latest edition, which began in the first half of 2019 and is scheduled to end in the second half of 2021, has 64 active participants.

Also noteworthy among our development initiatives is our annual Behavioral Awareness Program. Given its face-to-face format, it had to be adapted during the last crop year and took twice as long as the conventional period—usually three months—due to the need to reduce the number of participants per class and consequently increase the number of days and/or learning shifts. A total of 6,983 employees were trained in the 2020/2021 crop year.

2020 | 2021 CROP YEAR

Other actions carried out during the year to improve employee skills were:

Agricultural Power and Equipment Technician Program
This 18-month program trains employees on servicing agricultural machinery and equipment. It is held in partnership with SENAI and has approximately 800 class hours.

Annual Directors' Meeting and Agro-industrial Meeting
Aimed at integrating the teams, with a view to sharing internal strategies, developing personal behavior, disseminating the corporate culture, and discussing topics in the area. The meetings are conducted by the area's management with the support of the Human Resources area and, when necessary, specialized consultants.

Technical Training
Training programs intended to develop technical skills for performing the function. They usually take place in partnership with a consulting company specializing in the topic in question.

Mandatory Training
Training required according to the regulatory standards aimed at certifying the employee. Such training is mandatory for the position.

To ensure the development of competencies and assistance to employees in career transition, we have the Segundo Tempo (Second Half) Program with nine modules on preparation for retirement, also conducted online in the last edition, held in the first half of 2021. Professionals over 60 years old or already retired are eligible to participate, and at the end of the event they are honored by their managers and colleagues for the time they have dedicated to their work.

GRI 404-2

The appreciation of diversity will also be expressed in a new project developed by the Social Responsibility area to train women for the labor market. Aiming to create actions that promote the 4th principle of Women's Empowerment, proposed by UN Women and signed in 2019, we created a program to train and professionalize women. It will be implemented in the 2021/2022 crop year through a pilot project at the São Martinho mill and the course Instrumentista 4.0.

Refer to the Indicators Attachment for data on total training hours by employee recorded in the period, including human rights aspects, as well as the percentage of employees who regularly receive performance and career development reviews.

TO OUR PEOPLE

Health, safety, and quality of life

GRI 103-1 | 103-2 | 103-3

Integrity and respect for people are some of our values. Safety is part of our beliefs and pillars and a recurring topic in training at all operational levels. We established monitoring indicators to achieve zero accidents, which are linked to the management's variable performance.

Our Occupational Health and Safety (OHS) Policy, approved by the Board of Directors, attests to our internal commitment to providing and maintaining a safe and healthy work environment for all employees, contractors, and visitors. We have a system for managing topics related to occupational health and safety, which is part of our Integrated Management System (IMS) and is based on the regulatory standards applicable to the agribusiness sector in Brazil. The application of the system and its adherence is made possible by means of software that manages the legal requirements and provides support in complying with legislation.

This OHS Management System, in turn, comprises 13 elements of analysis (see on the right) and control that aim to manage risks, which are classified by category (high, medium, and low) and severity, assigning scores according to the premises established. Each element has at least two managers, who are supported by a team of facilitators in structuring the information. All sectors have easy-to-view management dashboards where relevant information is made available.

GRI 403-4

OHS management elements

1. Leadership and administration
2. Control of hazards and risks
3. Planned inspections
4. Training plans
5. Accident and incident investigation
6. Personal protective equipment (PPE)
7. Emergency response plan
8. Work rules and permissions
9. Occupational health and hygiene
10. Engineering control
11. Contractor management
12. Vehicle safety
13. Behavioral safety

In the 2020/2021 crop year, by means of a proprietary methodology, we verified 98% compliance with the requirements established in our OHS Management System. The rate of adherence to practices for identifying risk situations through monthly audits was also significantly positive.

For the frequency and severity rates, calculated according to the ABNT-NBR 14280 methodology, all active employees were included, resulting in a frequency rate of 1.6 and a severity rate of 521.

GRI 403-1

The frequency and severity of occurrences are monitored and the measures adopted to remedy them and avoid recurrences are presented and discussed at the meetings of the Executive Board and the Board of Directors. The practice is extended to all units through the Health and Safety Committees; every month they promote meetings between directors and managers to share lessons learned and transform experiences into best practices to be disseminated.

The OHS Management System is conducted by the units through self-assessment and by the Management Committee, formed by the unit director and their managers. Risk identification is continually updated.

To ensure the quality of the processes, the physical, chemical, biological, and ergonomic agents were evaluated. Mechanical agents were mapped by multidisciplinary teams composed of different hierarchical levels and different experiences.

GRI 403-7

After a risk is identified, an action plan is generated. After completion of the plan, evidence is presented to the OHS teams in order to verify its effectiveness. Every employee has the right to refuse to perform services where he or she identifies imminent serious risk, without suffering any retaliation. To avoid retaliation, employees have the support of the Ethics Channel, in which employee identification is optional.

In the event of occurrences, accident investigations are conducted. This process is composed of a primary analysis of facts and evidence; establishment of an investigation committee; definition of corrective actions; and monitoring to ensure the effectiveness of the actions. Every investigation committee is formed by at least the employee involved in the occurrence (or a witness), the employee's leader, the work safety technician, and a member of the Internal Commission on Accident Prevention (CIPA).

In order to reinforce all procedures, processes, and precautions, events and campaigns are held to promote the health and safety of our employees, such as CIPA itself, the Internal Commission on Accident Prevention in Rural Work (CIPATR), and the Bem Saudável Program. We also have a set of guidelines and attitudes, which we call "Nosso Jeito Seguro de Ser" (Our Safe Way to Being), which serves as a guide to employees in their routine activities.

GRI 403-2

Similarly, during the Internal Week for Accident Prevention (SIPAT), all professionals are involved in awareness campaigns and training related to the specifics of the operations, such as precautions for the hands, working at heights, attention to animals in field activities, etc.

In line with the 9th element of our OHS Management System, we seek to identify risk situations in the workplace and provide greater safety and health care to all employees through the Occupational Health Surveillance Program, the Hearing Preservation Program, the Respiratory Protection Program, and the Ergonomics Management Program. Our units have their own outpatient clinics and have a team of more than 40 professionals, including doctors, nurses, and occupational nursing technicians providing 24/7 service.

GRI 403-3

Training and regulatory standards are provided to all professionals according to the scope of their activities. Third-party contractors are required to submit certificates of completion for the courses we deem necessary, whose frequency is determined in the regulatory standards. Training effectiveness is measured through evaluation of pre-test and post-test reaction. All training is provided in person and during working hours.

GRI 403-5

GRI 403-9

Despite our attention to safety procedures, processes, and precautions, unfortunately there were two fatal accidents in the 2020/2021 crop year. In the first incident, the employee was transporting vinasse on the third shift and had an accident on the road and died after receiving care provided by us and at the local hospital. The causes identified were fatigue, sudden illness, parking in an inappropriate place, and failure to wear a seatbelt. The actions adopted included: the installation of cameras to monitor fatigue (an action that was already in place and that began in the sugarcane trucks and was later installed in the vinasse trucks); a comorbidity management program; a signage manual for rural roads; and reinforced guidance on the mandatory use of seat belts.

1,6

Frequency rate recorded in the last crop year. For the next crop year, the target is equal to or less than 1.1.

To calculate the frequency rate, we consider accidents WITH and WITHOUT lost time. For the severity rate, we consider days lost and days charged, both for 1,000,000 Hours Worked.

In the second incident, which occurred on the first shift, the employee was also transporting vinasse. A specialized company carried out an investigation, and the cause was identified as speed incompatible with the location. The actions taken were the completion of the schedule for the installation of speed monitoring cameras; preventive maintenance management; and safe driving training for drivers.

We are committed to providing resources to improve the health and quality of life of our teams. To raise awareness, a series of campaigns are carried out throughout the year to draw attention to Yellow September, Pink October, and Blue November, as well as an anti-smoking campaign. Focused on prevention since 2014, the Bem Saudável Program, managed by the Health Committee, has made it possible for doctors available at the units to monitor employees' nutrition and health. It also promotes wellness actions and incentives for healthy habits, many of which are extended to employees' families. Some of the program's actions include management of chronic diseases, controls to minimize the risks of hypertension and diabetes, and the fight against smoking.

Another action is the free flu vaccination, provided annually. Only healthcare professionals have access to personal information related to the employees' health, as required by medical ethics. This information is stored, organized, and protected in an electronic system and in physical files in monitored rooms.

GRI 403-6

We also promote the São Martinho Race as an extra motivation to practice physical exercise. It has already become a traditional event in the Pradópolis (SP) region, attracting professional athletes who socialize with our employees and the community. The 2020 edition was postponed due to the pandemic.

COMMITMENT

To society

GRI 203-1

We seek to maintain partnerships with communities in order to conduct transformative actions, which is why we launched the Private Social Investment (ISP) platform last year

GRI 103-1 | 103-2 | 103-3

In the last crop year, to streamline the relationship with civil society and the communities surrounding our operating units: we launched the social responsibility digital platform to meet requests for donations, social projects, and sponsorships. Entitled Private Social Investment (ISP), the platform is on our website http://isp.saomartinho.com.br and sets out the guidelines for the voluntary allocation of our financial, human, and material resources in support of projects and social actions aimed at the education of children, young people, adults, the environment, diversity, and the elderly.

Through this channel, it is also possible to check out all the projects we have already fostered, as well as employee volunteer campaigns and the latest developments in the area of Social Responsibility, included in the Department of Human Resources, Health, and Safety.

Those interested in getting support can access the ISP platform and send the request through an online form. All demands are analyzed according to our criteria and answered within 60 days.

4

Number of engagement panels held throughout the crop year to identify community needs.

The new channel complements and provides transparency to the internal social incentive policy, which had been approved the previous year and provides for annual approval by the Board of Directors of donations and sponsorships to be made.

Both the policy and the platform now in place provide more maturity to our management in the social area, which is already known for its assistance to communities in the vicinity of our operations by means of incentive that until now were more specific. With the new tools, the Social Responsibility area now has its own budget to develop structuring and long-term actions, primarily focused on education, in accordance with the business strategy and the new Private Social Investment guidelines.

To ensure that the initiatives are fully adjusted to local needs, we will continue to promote engagement panels with the communities. They bring together groups of around 25 people who live in the vicinity to map, together with our teams, economic, social, and environmental aspects and the main challenges to be faced in these dimensions.

In 2019, we conducted four panels—one per mill—whose diagnoses indicated plans of action to be implemented in 2020. However, because of the pandemic, we concentrated all our efforts and resources on measures to prevent and combat the health crisis. Thus, a new cycle of discussions is being conducted to assess the current status of the issues raised in the previous year and identify solutions. The environmental impact assessment and mechanisms for continuous monitoring of all operating units are included in the Environmental Management Plan, a corporate document that is available on our website.

GRI 413-1

Given the nature of our business, the negative impacts of the operations include increased flow of trucks on the highways, nuisance caused by dust, noise and vibration from sugarcane transportation, and odor from the application of vinasse and pesticides. In all of our units, actual or potential anthropic impacts are identified, as noted in environmental impact studies (EIS/EIA).

Positive impacts on the regional economy are: generation of employment and income, increased municipal tax revenues, acquisition of materials and equipment, and taxes on services and products.

GRI 413-2

We have also promoted, for more than 20 years, a project for training and developing young people for the labor market. After the apprenticeship course and receiving their certification, participants go through a selection process and compete for permanent positions in our workforce. In the 2020/2021 crop year, 388 young people were trained and 14 of them were hired according to the number of openings available. In the same vein, we have in place first job programs for young people aged 16 and 17. The initiatives take place in Pradópolis (SP) and in Iracemápolis (SP). The participants—about 55 per year—work six hours a day in the administrative areas of our units for an average period of two years. In the 2020/2021 crop year, the program was carried out as usual, using all the health protocols recommended by the authorities, and trained 48 young people, 7 of whom were hired.

Another practice maintained during the year, but adapted due to the pandemic, was the Ler é Viver (Reading is Living) project, which gives employees the opportunity to visit the National Book Fair in Ribeirão Preto (SP). The event took place online, including livestreaming and lectures, which allowed for even greater engagement than in previous editions, since it involved not only the employees of the São Martinho and Santa Cruz mills, but also others, as well as employees' families and people from the communities.

Through internal campaigns, we seek to address the needs of the most vulnerable populations. The Winter Clothing Campaign is one of the actions in this regard. Held annually in partnership with the local communities of all our mills, the 2020 edition resulted in the donation of 400 blankets and 100 winter clothing items to each municipality. The Hunger-Free Christmas campaign, also conducted in partnership with local communities, assisted 26 social institutions with the donation of 26,000 kilos of food.

Access the Environmental Management Plan

388

Young people prepared for the job market by means of training courses.

26,000

Kilos of food collected and donated as part of the Natal sem Fome (Christmas without Hunger) initiative.

Prevention and Fight Against COVID-19

We faced the biggest challenge of the 2020/2021 crop year: creating safe conditions for our employees to run the operations and, at the same time, defining a crop strategy consistent with the market conditions.

To this end, we set up a Contingency Plan to Address the Pandemic—meeting all the requirements established by the Ministry of Health—and the implementation and maintenance of the operation was continuously monitored in five pillars: Prevention, Workforce, Protection and Detection, Rehabilitation, and Supply Chain. The monitoring indicators included sanitization of spaces and the resizing of the number of vehicles to safely transport employees, which required investments of R$10 million.

This even included mapping out critical functions that required immediate replacement and areas capable of absorbing third parties, as well as training staff to take on immediate tasks. All this care has avoided impact on the harvest and mitigated the impact on people's lives.

See the actions we have taken to maintain the safety and integrity of our employees and the continuity of operations in order to help ensure the supply of food, energy, and fuel to meet the basic needs of the population.

R$ 2 million

Contribution to the NGO Comunitas to support the installation of the Butantan Institute's vaccine factory.

42,000

Liters of 70% alcohol donated to the communities near our areas of operation.

- Establishment of a Crisis Committee for daily assessment of the situation and creation of a Contingency Plan.
- Updating preventive measures to minimize risks and coordinate the execution of action plans.
- Intensive internal and external communication and guidance campaigns with a view to prevention.
- Intensification of sanitation procedures in the workplace, guidance on personal hygiene, and distribution of hand sanitizer to be used by employees and to sanitize all equipment and common areas.
- Distribution of masks to employees and daily temperature checks.
- In-person training, corporate events, and meetings moved online (phone, apps, or video conferencing).
- Cancellation or postponement of international and national trips, trips between units and visits by suppliers and third parties.

- Implementation of remote work (home office), vacation, comp time, or operational leave for employees in groups of risk and specific risk situations.

- Early flu vaccination campaign for employees.

Beyond our facilities, we worked on preventing and fighting the pandemic through actions such as:

- A R$2 million contribution to the initiative of the NGO Comunitas to enable the building of the new vaccine plant built by the Butantan Institute.

- Processing and bottling of 70% alcohol for donation to the Department of Health of the State of São Paulo. The initiative, coordinated by the Union of Sugarcane Industries (UNICA) and conducted in partnership with the companies Natura and Avon, resulted in the donation of 150,000 liters.

- Donation of 42,000 liters of 70% alcohol to the local communities and the areas surrounding our mills.

- Distribution of nearly 60,000 masks for employees and the community.

- Contribution to the project to subsidize the hiring of 55 healthcare professionals, including physicians and nurse technicians, for the Clinical Hospital of the School of Medicine Ribeirão Preto (HCFMRP - USP).

- Participation in the project for the Supply of ICU Beds at the Santa Casa of Araraquara hospital.

- Support for the infrastructure of municipal hospitals in Pradópolis, Américo Brasiliense, Iracemápolis, and Quirinópolis, in partnership with Lifemed and Whirlpool with the donation of portable ventilators.

- Support for the sample survey in the fight against COVID-19 at the State University of Goiás (UEG), of Quirinópolis.

- Acquisition of three digital electrocardiographs for the Américo Brasiliense State Hospital.

- Monthly donations of resources to social institutions in the local communities and in the areas surrounding our mills

COMMITMENT

To the environment

We act to meet the needs of current generations without compromising future generations

TO THE ENVIRONMENT

Climate change

GRI 103-1 | 103-2 | 103-3

Within the scope of our Environmental Management System, since the 2019/2020 crop year, we have established commitments related to seven aspects of sustainability: climate change mitigation and adaptation; biodiversity; efficient management of solid waste; soil preservation; conscious use of water resources; compliance with legislation, regulations, and commitments undertaken; and promotion of environmental awareness. We advanced on several of these fronts, which we will further strengthen as we formalize our Strategic Plan for Integrated ESG Management.

After refining the methodology adopted in our 2019 Greenhouse Gas (GHG) Emissions Inventory, with the support of external consulting, we consolidated our results in the last period (2020) in accordance with the Brazilian GHG Protocol Program. We also began to submit the document to external audit in order to certify its credibility to support a series of initiatives that we plan to adopt as a result of this progress.

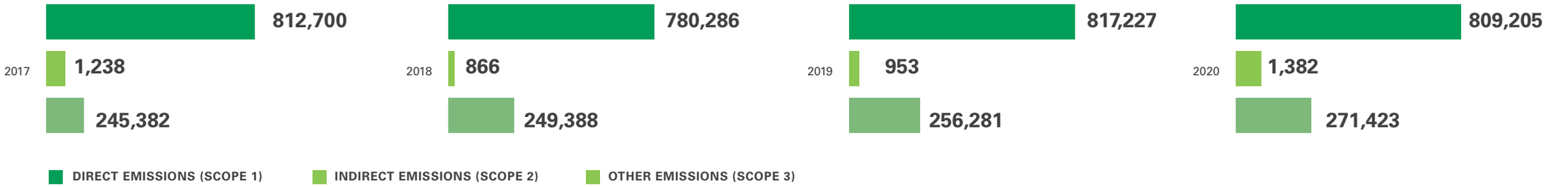
Our commitments include climate change mitigation and adaptation, which is translated, among other initiatives, into the disclosure of the GHG Emissions Inventory.

Based on the preparation and third-party verification of our GHG Inventory for calendar year 2020, we are making progress in understanding the contributors to our Scope 1, 2, and 3 emissions as presented below*:

* We reviewed the methodology and emission factors used in the preparation of the GHG inventory for previous years and improved the calculation and quantification of the information referring to agricultural activities. The behavior of the emissions intensity, however, showed a similar trend compared to the values of the previous methodology.

GREENHOUSE GAS EMISSIONS (tCO_2e)

GRI 305-1 | 305-2 | 305-3 | SASB FB-AG-110a.1 | SASB FB-AG-110a.2



With regard to specific GHG emissions, we observed the following behaviors:

Scope 1:
In a downward trend since 2018 of about 6%, our attention is focused on agricultural activities, a category that is intrinsic to our business and contributes almost 60% of Scope 1 emissions. Thanks to our ongoing efforts to adopt best practices in soil conservation management, we reduced these emissions by 2% compared to the previous period.

GRI 305-1

Scope 2:
Our electricity consumption accounts for less than 0.2% of Scopes 1 and 2 and occurs mainly during the off-season period to supply possible disruptions caused by the characteristics of each harvest.

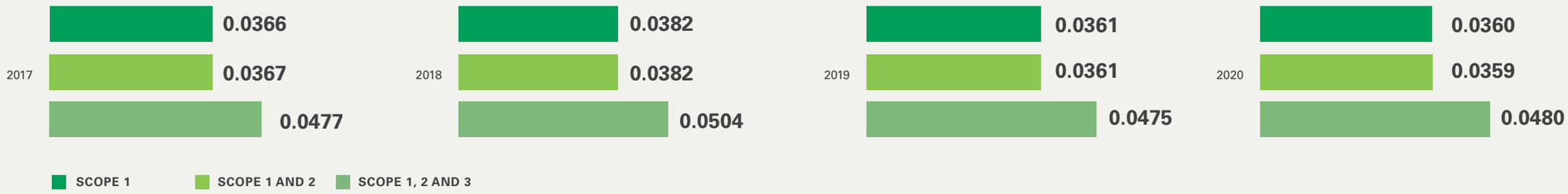
GRI 305-2

Scope 3:
Purchased goods and services, i.e., agricultural and industrial inputs, make up 77% of Scope 3 emissions. While this category did not show significant variation compared to the previous period, the positive variation of 6% was mainly due to the upstream and downstream transportation and distribution categories, related to the production and marketing strategy.

GRI 305-3 | SASB FB-AG-110a.1
SASB FB-AG-110a.2

- In the next crop year we will be developing activities to establish specific targets related to climate change, together with the strengthening of our culture of measuring impacts—and identifying actions to mitigate them.

SPECIFIC GREENHOUSE GAS EMISSIONS (EMISSIONS INTENSITY) (tCO_2 e/TC)* GRI 305-4



** Data from previous crop years have been revised.*

GRI 102-48

Agro-industrial units are not located in an area of water stress, according to Aqueduct.

As a company in the agriculture sector, climate change-related risks and opportunities result mainly from GHG emissions and land-use driven water and waste management, production practices, and changes in land-use patterns, according to the Intergovernmental Panel on Climate Change (IPCC).

Our agro-industrial units and cultivation areas are exposed to the chronic physical risk of water shortage, a consequence of climate change in several regions of the world. With an impact on direct operations, the main climate risk factor is changes in rainfall patterns and variability in weather patterns. Considering a decrease in precipitation, there may be less water available in the water withdrawal sources for supplying the industrial area.

SASB RR-BI-430a.1

There is a contingency plan in place to reduce water demand and increase its availability. According to the World Resources Institute (WRI) Aqueduct tool, our agro-industrial units have a water stress baseline classified as Low (<10%) and therefore are not within an area with water stress.

GRI 303-4

In a pessimistic scenario in 2030, this water stress risk remains close to normal, and is Low (<10%) for the Boa Vista mill and Low-Medium (10-20%) for the other units. Although the scenarios show that the availability of water is sufficient for current and future use, our focus on reducing demand and withdrawal for the industrial area and on reusing it for agriculture through fertigation contributes to water security in the region. We continue to study and invest in new measures to reduce water dependency and to be prepared to respond to the risk of scarcity. Our efforts are concentrated on the São Martinho mill, where a significant investment will be made as of the 2021/2022 crop year to reduce water withdrawal from 1.3m³/tc to 0.7m³/tc. .

Another risk to which we are exposed is the risk of fire in agricultural areas. Even though green-cane harvesting is 100% mechanized, as opposed to burnt-cane harvesting, there are incidents of fires of different natures. With an impact on direct operations, the risk factor is changes in rainfall patterns and variability in weather patterns. We have a Fire Prevention and Response Plan and Emergency Response Plans that include training and refresher training for the teams during the off-season and fire brigade teams. We also participate in a Mutual Aid Plan, in partnership with other mills in the sector, independent producers, associations, and the Fire Department to help communities in nearby locations.

SASB RR-BI-430a.1

In addition to the impacts observed on the crop, a possible recovery of the native vegetation affected by the occurrences must also be considered, with the possibility of fire occurring in our areas in the medium term— between two and five years. It should be noted that the aforementioned plans, together with the COA in operation, significantly reduce the environmental and financial impacts of these events. Within the scope of RenovaBio, we stand out for our high energy-environmental efficiency scores (NEEA) and we maintain our planned efforts to identify opportunities to increase our CBIO emission factors.

At present, the climate risk support areas assess the risk on a monthly basis according to criteria of probability and impact on people's health as well as operational, legal, image, and financial impacts. The methodology for determining the implications arising from climate change risks and opportunities is being perfected by a working group.

100%

Mechanized green-cane harvesting

Regarding climate change risks, as of the 2020/2021 crop year, after the establishment of the Sustainability and IMS area and the restructuring of the Risks area, reporting to the Board of Directors will be remodeled and these risks will be initially assessed by the Tactical and Executive Sustainability Committees. This flow will assist in the formulation of strategy and support decision-making by the relevant internal bodies.

As for the impact of our activities on climate change, biofuels are considered a clean source because they emit fewer GHG throughout their life cycle compared to fossil fuels, and they are considered renewable because they use sugarcane as raw material.

Additionally, a characteristic of our activity is the reuse of sugarcane bagasse to produce renewable energy in all our units. We use this energy to operate the plants, and the surplus is sold on the market.

In terms of avoided emissions, the use of all the ethanol fuel produced in our units in 2020 as a substitute for its equivalent fossil fuel, gasoline, prevents about 1.135 million tons of CO_2e from being released into the atmosphere.

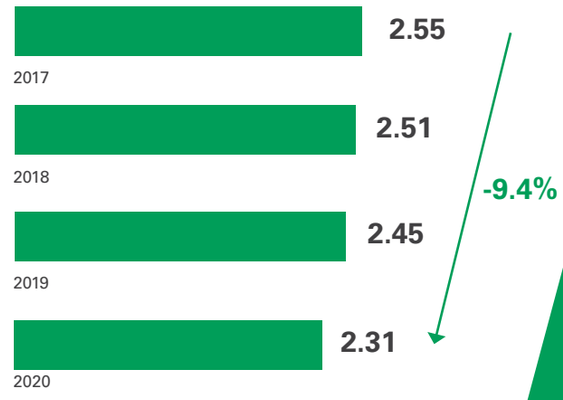
AVOIDED EMISSIONS (tCO_2e)*	2018	2019	2020
Total ethanol fuel (compared to gasoline)	1,434,179	1,488,336	1,135,357
Electricity (compared to natural gas)	421,553	448,898	436,710
Total emissions avoided	1,855,731	1,937,234	1,572,066

**We have revised the values presented in the previous Annual and Sustainability Report in order to reflect São Martinho's specific results, considering the carbon intensity calculated in the RenovaCalc of the anhydrous and hydrous ethanol produced at each unit.*

This amount was obtained from the Carbon Intensity of our biofuels that resulted from their Life Cycle Assessment (LCA), through RenovaBio's calculator, the RenovaCalc. Added to this value, the amount of electricity generated from the burning of our bagasse and exported to the grid avoids an additional 436,000 tons of CO_2e compared to the use of natural gas.

Our energy performance has proven to be more efficient at each crop year. This is the result of its management, especially of the industrial units.

ENERGY EFFICIENCY WITHIN THE ORGANIZATION (GJ/T SUGARCANE CRUSHED)



Our business model intrinsically has mechanisms with positive impact on climate change

GRI 201-2 I FB-AG-440a.1

See the Indicators Attachment for the performance of our GHG emissions, as well as energy production and consumption.

TO THE ENVIRONMENT

Biodiversity

GRI 103-1 | 103-2 | 103-3

Our lands are located in the states of São Paulo and Goiás, totaling approximately 55,000 ha, of which about 7,300 ha are set aside for preservation of native vegetation, including more than 2,500 ha of Areas of Permanent Preservation (APPs), such as the surroundings of springs and perennial water holes, lakes, natural ponds, and reservoirs.

The Legal Reserve Project was established in the 2014/2015 harvest with the purpose of mapping the environmental situation of our properties, recommending best practices and ensuring their compliance.

Environmental Characterization Reports were produced for all our properties in order to characterize the main elements of the physical and biotic environment, define the vocation of the land use and occupation, and characterize the native vegetation and permanent preservation areas, including their stages, technically supporting the proposals for environmental adaptation.

We registered all our properties in the Rural Environmental Registry (CAR), adhering, when necessary, to the Program for Environmental Compliance (PRA) before the legal deadline, and we are in compliance with the legislation. The proposals are currently being analyzed by the responsible agency, and we maintain our commitment to the preservation and continuous enrichment of our forest assets.

In line with our sustainable strategy for environmental compliance, since 2017 we have acquired 1,345 hectares of Forest Assets in Conservation Units in the State of São Paulo and 547 ha of Legal Reserves in the State of Goiás, both in process for environmental compliance. In the 2014/2015 crop year, we formed a multidisciplinary Working Group to analyze trends, provide updates, and plan and recommend actions, taking into account sustainability and environmental performance.

Protected or restored habitats[1]

GRI 304-3

7,332 ha
of native preservation areas

1,345 ha
of Forest Assets in Conservation Units in São Paulo

1. The percentage of areas of permanent preservation for the São Martinho mill differs from the figure provided in the previous report due to accounting adjustments

GRI 102-48

We have a number of partnerships and programs related to biodiversity, such as:

- Firefighting with ABAG/RP.
- Wildlife Monitoring – Through surveys and subsequent mapping and analysis, we remain attentive to the animal population in the regions of our units. The purpose of wildlife monitoring is to assess the impacts of agricultural operations on animal life and thus suggest conservation strategies. To ensure the existence of biodiversity in the areas surrounding our units, we perform Wildlife Sightings, which record both the number and location of local species. Using a database created after mapping the species per region, we evaluate the effectiveness of our reforestation practices.
- Mapping of apiaries to ensure a harmonious and sustainable coexistence between agriculture and apiculture and enable greater shared value with the community by stimulating dialogue with beekeepers in the regions where we operate. The Iracema mill has a project in place to identify beekeepers and help improve the spatial distribution of apiaries by means of georeferencing. The mill also adopts good practices in agricultural management, such as issuing spraying alerts when pesticides are scheduled to be applied.
- Protection and restoration of Areas of Permanent Preservation, whose main characteristic is to help reduce the effects of potential flooding, maintaining the quality and quantity of water in the waterways and preserving local wildlife and flora. We have several actions in place to conserve and preserve these areas, such as the construction of fire-breaks between preservation areas and agricultural areas, in compliance with the current legislation; protection of springs; support for environmental programs to recover and conserve Areas of Permanent Preservation (APPs); effective participation in campaigns on behalf of the environment; and prohibition of poaching in all areas under our management.

GRI 304-1

Learn more about the COA in the Agricultural Management section.

In 2020/2021, we completed the recovery of all APPs at the Santa Cruz and Boa Vista mills. At the São Martinho unit, the process is also nearing completion, and at Iracema, a schedule of actions was established for the recovery to be completed by 2023, in accordance with the Greener Ethanol Agroenvironmental Protocol (Protocolo Agroambiental Etanol Mais Verde), to which we are signatories.

This restoration of APPs is part of the *Viva a Natureza* project, which involves growing and planting seedlings and raising awareness among employees and communities about the need for conservation. Nearly 200,000 seedlings are produced in our nurseries every year.

We also focus our attention on the proper maintenance of fire-breaks to ensure that eventual outbreaks do not spread to areas of permanent preservation, legal reserves, and forests. We have a program in place to ensure the correct size of the fire-breaks and that they are periodically cleared. In addition, the fact that all of our four units were connected to their respective Agricultural Operations Center (COA) in the last crop year was essential to further protect these areas.

We have several measures in place to mitigate the significant direct and indirect risks to biodiversity resulting from the impacts of our activities, including:

- **Flow of vehicles, which can impact the diversity of local wildlife:** Environmental Education Program for drivers, workers, and landowners; Seasonal Wildlife Monitoring and Sighting Program.

- **Impact on soil and water resources due to pesticide application:** We promote integrated pest management, planting of disease-resistant varieties, and use of biological control methods, aiming at the rational use of pesticides such as herbicides, insecticides, fungicides, nematicides, and ripeners. All these pesticides are registered with the Brazilian Ministry of Agriculture and Food Supply and are not listed as Persistent Organic Pollutants (POPs) or as classes Ia (extremely hazardous) and Ib (highly hazardous) in the World Health Organization (WHO) classification.

- **Impact on soil and on water resources due to the use of vinasse:** We evaluate the areas prior to application, ensuring that the amount is compatible with the infiltration capacity of the soil; we envelop the pipelines that cross water bodies with protective and larger diameter pipes; and we install quick-closing and relief valves in the protection system pumps. All this evidence is documented in the Vinasse Application Plan, filed with the environmental agency.

- **Air pollution and damage to wildlife and flora due to fires:** We do not burn sugarcane and we rely on a Fire Prevention and Response Plan, on Emergency Action Plans, and on the Agricultural Operations Center (COA).

- **Risks of air pollution from emissions of gases and particulate matter:** our mills have pollution control equipment that annually monitor the emission of particulate matter and nitrogen oxides in compliance with the technical requirements contained in the environmental permits in accordance with the applicable legal requirements.

- **Change in the quality of groundwater due to the use of vinasse at the units in São Paulo:** We comply with the groundwater quality monitoring plan. The implementation of the monitoring network investigates the effects on the unconfined aquifer, including all the areas where vinasse is applied to the soil. Every six months, we collect samples from all monitoring wells, which are analyzed according to requirements established by the São Paulo state environmental agency.

GRI 304-2 | SASB RR-BI-430a.1

TO THE ENVIRONMENT

Waste

GRI 306-1 | 306-2

The raw material used in our production process is sugarcane, which is transformed into sugar, shipped in bulk and in big bags that are returned to the production units through the reverse logistics system; ethanol, shipped in bulk; dry yeast, shipped in non-returnable packaging; and energy, which does not generate waste. We do not manage the disposal of the waste generated after it is used by end customers.

In addition, we generate waste from the use of inputs and maintenance activities. This waste refers to packaging and various materials, and we properly dispose of it.

Our efforts are aimed at reducing waste generation as well as reusing it. Currently, 99.97% of waste is reused both in the agro-industrial process and in reverse logistics. This is an important characteristic in sugarcane cultivation, highlighting the sustainability of our business.

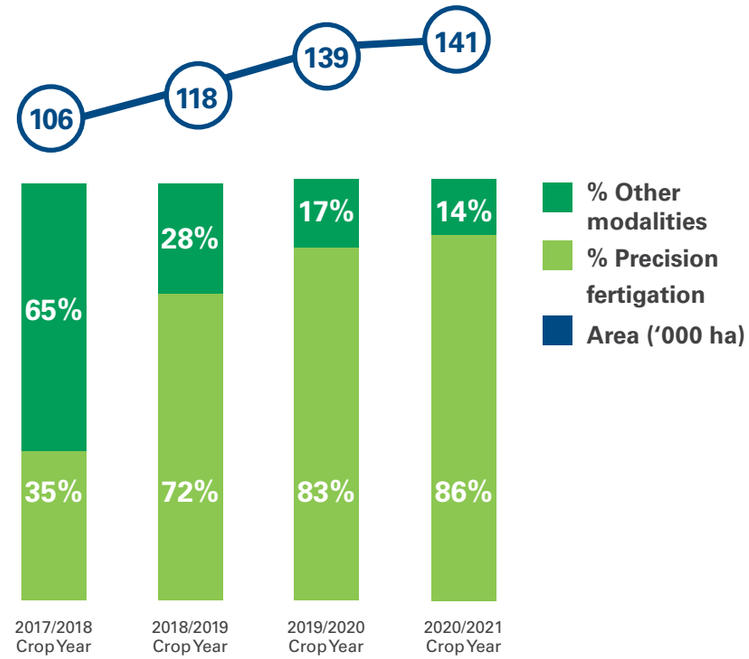
In line with the concept of Circular Economy, we use sugarcane bagasse to produce clean energy, which supplies our units and makes it possible to sell the surplus volume; the filter cake, ash, and soot, which are complemented with nutrients, are applied to crops as organic fertilizer; and the vinasse, a potassium-rich co-product of ethanol, is used to fertilize the soil. Approximately 86% of the vinasse is applied using a precision method in the base of the plant, i.e., there is no dispersion, which makes it possible to expand the area benefited and transport the product to be used in areas farther from the unit, significantly reducing the volume of potassium acquired.

We also continuously monitor eventual spills from industrial processes and take timely action in cases of deviation. All mills have and follow the PAV, according to the technical standard that establishes criteria and procedures for the application of vinasse on agricultural land. During the crop year, there were no significant spills that could affect our financial statements.

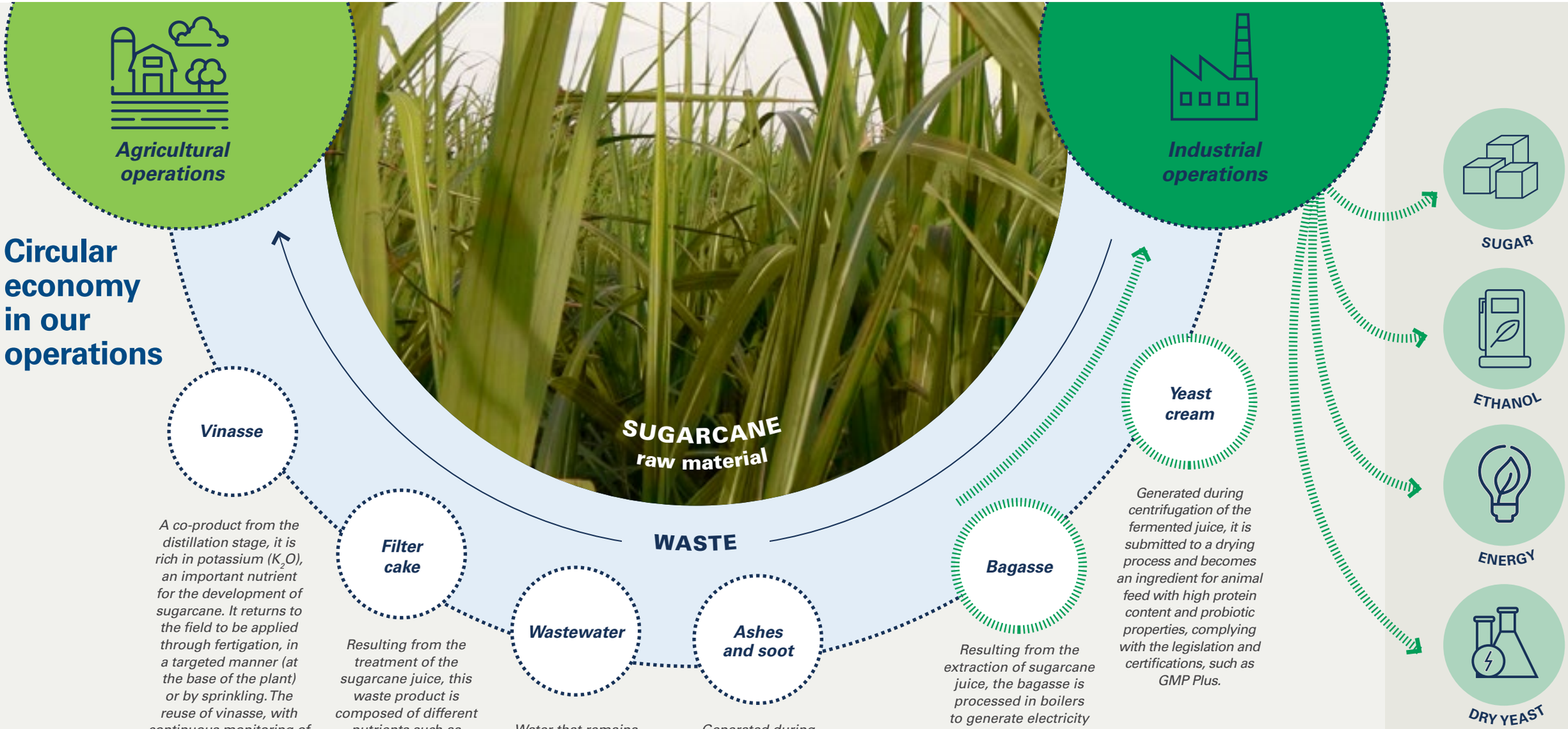
The Indicators Attachment shows the results related to the generation and disposal of waste

On the following page, we outline the reuse of the co-products from our raw material.

VINASSE APPLICATION, BY MODALITY



Circular economy in our operations



TO THE ENVIRONMENT

Soil

GRI 103-1 | 103-2 | 103-3

The soil is a key asset for us. We adopt conservationist management, with minimal soil disturbance. This practice allows for lower CO_2 emissions, both by saving fossil fuels and by preserving organic matter, conserving a more productive and sustainable environment.

In reduced tillage, we also avoid erosive processes, preserve the organic matter and microbiota contained in the soil, and increase its capacity for water infiltration and storage. Also, by covering the soil with cane trash and rotating crops during sugarcane reform periods, we recycle nutrients in the soil, favoring sugarcane planting in a preserved production environment.

Together, these practices increase productivity gains and the longevity of our sugarcane fields in the reform area. The reduction in the number of tillage operations is also one of the great benefits. This form of tillage uses only subsoiling, as opposed to the operations performed in conventional tillage.

The cane trash left on the soil during harvesting is essential to retain moisture retention, improve infiltration, increase fertility and organic matter content, and acts as a buffer against the impact of raindrops that can initiate erosion. The same principle applies to crop rotation: the planting of legumes in reform areas works as plant protection for the soil in the MEIOSI period, when the soil is bare. This planting also provides nutrients that are used by the subsequent sugarcane crop, and is therefore considered a green manure technique.

The whole system is designed with the conservation of soil and water and the efficiency of agricultural processes in mind, from planting to harvesting. Mapping the extension of the farms' area to identify slopes—where there is surface water runoff—helps in the allocation of targeted techniques that prevent the dragging of particles and the significant increase in water speed. In addition, agricultural equipment is efficiently operated, with fewer maneuvers and lower diesel consumption.

2020 | 2021 CROP YEAR

TO THE ENVIRONMENT

Water and effluents

GRI 103-1 | 103-2 | 103-3

We withdraw water, both surface and underground, in legally authorized areas:

- Iracema Mill: Paramirim Creek and Iracema Creek - Piracicaba Capivari Jundiaí Watershed
- São Martinho Mill: Mogi Guaçu River, Triste Creek and Guarani Aquifer (five wells) - Mogi-Guaçu Watershed
- Boa Vista Mill: Preto River and Guarani Aquifer (one well) - Paranaíba Watershed
- Santa Cruz Mill: Paulino Creek, João MendesCreek, and Anhumas Creek and Guarani Aquifer (two wells) - Mogi-Guaçu Watershed

The volume withdrawn is less than 1m³ per ton of sugarcane processed at all mills, except for the São Martinho mill. In order to reduce water withdrawal in this unit, a project is being implemented to update the technology of the water cooling process, which will optimize the operation and reduce the need for withdrawal over the coming years.

Regarding effluent discharge into bodies of water, this is only done at the São Martinho mill, where the effluents are treated in stabilization ponds and subsequently discharged into a surface water body authorized by the relevant environmental agency. Every six months, the effluent is analyzed at the outlet of the stabilization pond to verify compliance with the legal standards for discharge. In other units, wastewater and vinasse are applied as fertigation.

We conduct continuous environmental monitoring and measurement through internal procedures that establish responsibilities, frequency, legal references, and points for monitoring and measuring withdrawals. The data obtained are analyzed in order to actively manage the impact of the operations. To reduce water consumption, we run consumption awareness campaigns for internal and external audiences through informational materials on social media platforms, LinkedIn and Facebook. In addition, our Environmental Management Plan is available on the corporate website.

Every crop year, the industrial units establish goals and targets related to environmental topics that are considered a priority internally, one of which is water stewardship. The targets are established according to the water balance of the mills, the volumes authorized, and the process conditions. The results of the qualitative monitoring upstream and downstream of the industrial operations are also considered. This process helps to mitigate the risks of water stress.

GRI 303-1

As part of the risk management process, a water risk assessment is regularly carried out at all units using the WRI's Aqueduct Water Risk Atlas tool. Although none of our areas are in areas of water stress, we continue to improve our management of this topic through the Contingency Plan. Among the main initiatives for water resource management are a reduction of the volume withdrawn, water reuse, and supply reserves through groundwater sources.

For water withdrawal, the risks identified are unavailability of water, review of the volume authorized, adjustments to meet environmental requirements (which may vary due to changes in legislation regarding withdrawal of surface water and groundwater), and the discharge of effluents into bodies of water and fertigation.

We also participate in technical chambers and sector groups to monitor and contribute to the development and revision of environmental legislation at municipal and state levels.

GRI 303-2 I SASB RR-BI-140a.2 I FB-AG-140a.2

TO THE ENVIRONMENT

Compliance with legislation and commitments

We have a tool for tracking environmental legislation in order to monitor our performance and comply with the commitments we have undertaken, such as the Agricultural and Environmental Protocol for the Sugar, Ethanol, and Bioenergy Sector of the State of São Paulo, which encourages the adoption of good environmental practices for the sector.

We also detect the environmental impacts of all units and record them in a matrix—the Environmental Aspects and Impacts Survey (LAIA - *Levantamento de Aspectos e Impactos Ambientais*)—which makes it possible to define control measures to mitigate occurrences related to soil contamination, waste generation, and consumption of natural resources, among others. This survey is a requirement for environmental certification under the ISO 14.001 standard—which is our intention for the Iracema mill for the 2021/2022 crop year.

In order to integrate the management systems, we look to incorporate environmental requirements into the management elements of our Occupational Health and Safety (OHS) Management System, rationalizing resources and mobilizing the teams around these topics.

TO THE ENVIRONMENT

Awareness

Units of the Environmental Education Center (CEA) are installed in the São Martinho, Santa Cruz, and Boa Vista mills, and they carry out awareness-raising actions on this topic for employees, students, and the surrounding communities. At the locations, theme rooms highlight aspects such as waste, recycling, water, air, soil, renewable energies and biodiversity, and the sugarcane chain. There is also an environmental control room, where it is possible to see how the agro-industrial processes work in the mills and the biological control of sugarcane pests. In the last crop year, we spared no efforts to overcome the restrictions imposed by COVID-19, intensifying the dissemination of information materials through our internal and external media.

As part of our partnership with ABAG/RP, in the last crop year we intensified the dissemination of information on fire prevention during the dry season through local media coverage (TV, radio, and billboards). The task force was supported by EPTV and the company Somar Meteorologia.

LAIA

A matrix for defining control measures to mitigate cases of soil contamination, waste generation, and consumption of natural resources.

CEA

Units located in the mills host environmental awareness initiatives aimed at employees, students, and communities.

COMMITMENT

To results

We highlight the trading of 832,000 CBIOs – R$27 million this crop year – making a recurring contribution to our results

TO RESULTS

Operational performance

GRI 103-1 | 103-2 | 103-3

During the 2020/2021 crop year, we processed 22.5 million tons of sugarcane, a 0.5% reduction compared to the volume in the previous crop year due to drier weather. In the same period, the average ATR was 4.6% higher, resulting in a 4.0% increase in the total volume of ATR produced during the 2020/2021 crop year. Production was approximately 1,483,000 tons of sugar and 1,018,000 m³ of ethanol, up 34.1% and 13.1%, respectively, compared to the previous crop year. Accordingly, the production mix for the harvest, combining sugar and ethanol, was 47% - 53%.

One of the highlights in the last crop year was the beginning of work to connect the Santa Cruz mill to the natural gas distribution system, conducted by GasBrasiliano in August 2020. Consequently, the unit has become the first sugar and ethanol mill in Brazil to be interconnected to the natural gas distribution network—a historical milestone for both the sugar, ethanol, and bioenergy sector and the gas industry.

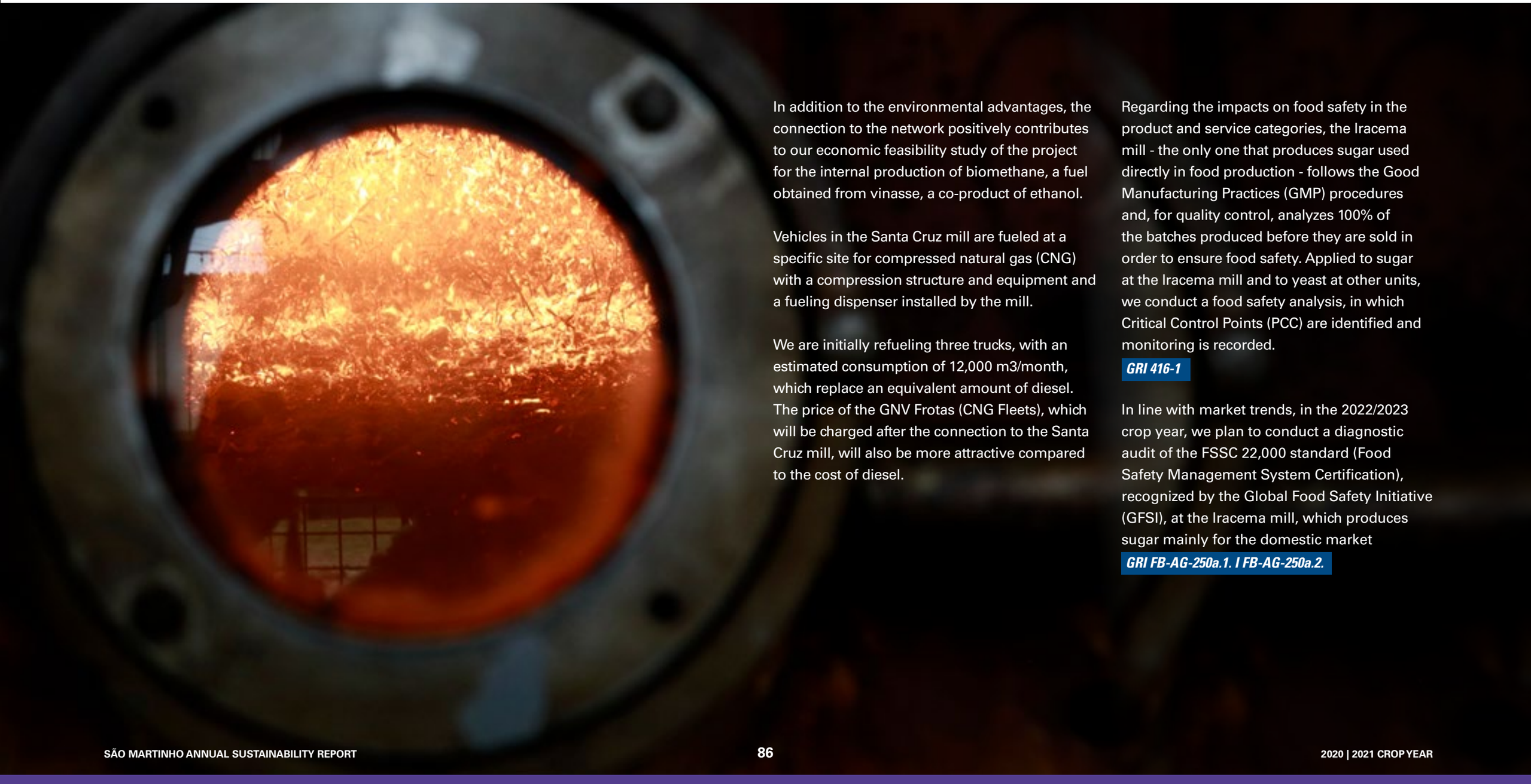
OPERATIONAL INDICATORS			
	12M21	12M20	Var. (%)
Processed sugarcane ('000 tons)	**22,522**	**22,640**	**-0.5%**
Owned	**15,811**	**15,740**	**0.5%**
Third parties	**6,711**	**6,900**	**-2.7%**
Productivity in the period	**80.7**	**82.9**	**-2.6%**
Average TRS (kg/ton)	**145.7**	**139.4**	**4.6%**
Production			
Sugar ('000 tons)	**1,483**	**1,106**	**34.1%**
Ethanol ('000 m³)	**1,018**	**1,172**	**-13.1%**
Energy exported ('000 MWh)	**880**	**913**	**-3.7%**
TRS produced	**3,282**	**3,155**	**4.0%**
Sugar - ethanol mix	**47% - 53%**	**37% - 63%**	

NATURAL GAS

First sugar and ethanol mill in Brazil to be interconnected to the distribution network.

4,6%

Increase of the average TRS compared to the previous crop year.



In addition to the environmental advantages, the connection to the network positively contributes to our economic feasibility study of the project for the internal production of biomethane, a fuel obtained from vinasse, a co-product of ethanol.

Vehicles in the Santa Cruz mill are fueled at a specific site for compressed natural gas (CNG) with a compression structure and equipment and a fueling dispenser installed by the mill.

We are initially refueling three trucks, with an estimated consumption of 12,000 m3/month, which replace an equivalent amount of diesel. The price of the GNV Frotas (CNG Fleets), which will be charged after the connection to the Santa Cruz mill, will also be more attractive compared to the cost of diesel.

Regarding the impacts on food safety in the product and service categories, the Iracema mill - the only one that produces sugar used directly in food production - follows the Good Manufacturing Practices (GMP) procedures and, for quality control, analyzes 100% of the batches produced before they are sold in order to ensure food safety. Applied to sugar at the Iracema mill and to yeast at other units, we conduct a food safety analysis, in which Critical Control Points (PCC) are identified and monitoring is recorded.

GRI 416-1

In line with market trends, in the 2022/2023 crop year, we plan to conduct a diagnostic audit of the FSSC 22,000 standard (Food Safety Management System Certification), recognized by the Global Food Safety Initiative (GFSI), at the Iracema mill, which produces sugar mainly for the domestic market

GRI FB-AG-250a.1. I FB-AG-250a.2.

TO RESULTS

Supplier relations

GRI 102-9 | 103-1 | 103-2 | 103-3 | SASB FB-AG-430a.3

With a diverse and consolidated supply chain, in the 2020/2021 crop year we operated with 3,194 suppliers of goods and services, involving transactions totaling more than R$2.1 billion, related to inputs, products, services, equipment, and technology. We have processes in place for screening, assessing, approving, training, and monitoring suppliers. Supplier relations are mediated by the Procurement area, and the main communication tool is the Supplier Portal, which contains the General Supply Conditions.

We considered the commodities fraction, the non-commodities fraction, the dollar effect, and local interest rates as premises for the price.

Both new and current suppliers are required by contract to comply with legal requirements and to respect labor conventions, human rights, and social and environmental issues. We also fight against and do not accept child labor, forced or bonded labor, and degrading work, as well as actions of corruption and discrimination.

In analyzing new suppliers, in addition to approval criteria, we consider aspects such as price, turnaround time, and location. In line with our premises for the development of the communities, whenever possible we hire local suppliers located at a maximum distance of 150 kilometers from our units - a gain in sustainability due to the financial, environmental, and social impact.

We will update our procurement policy in the next crop year. All its processes and technologies will be reviewed, and the program for managing suppliers of goods and services will be intensified. We plan to implement a program for the development of part of this audience—micro- and small-scale partners—through courses conducted in partnership with the National Service for Industrial Learning (SENAI) and the Brazilian Service in Support of Micro and Small Enterprises (SEBRAE), which cover aspects such as understanding costs and organizing the task flow, among others. As part of this work, we also plan to incorporate the approach into the ESG concept and establish a formal supplier relations policy.

3,194

Number of suppliers with whom we had partnerships in the 2020/2021 crop year.

R$ 2.1 BILLION

Volume of transactions involving suppliers of inputs, products, services, equipment, and technology.

Our supplier assessment program considers criteria related to turnaround times, prices, quantity, punctuality, specification, cancellation, record of debt collection, and direct sales.

The occurrences for each event described above are reflected in the Supplier Qualification Index (IQF - Índice de Qualificação dos Fornecedores), guiding our relationship with the supplier – and may even include termination of the contract. In 2020, of the 3,565 suppliers evaluated, 97% performed above 70%.

These criteria are also ensured by the mills upon renewing their registration, during which financial and fiscal data are updated, and through inspections of the premises of certain categories of suppliers, such as producers of materials and equipment.

Sugarcane farmers

GRI 102-9

Sugarcane farmers account for around 30% of our raw material and are essential for our agricultural activities. In the 2020/2021 crop year, we had 1,050 sugarcane farmers, who supplied a total of 6.7 million tons.

Aiming to share practices, discuss improvements, strengthen relationships, and encourage the professionalization of our producers, every year we hold Field Day, when our teams meet with sugarcane farmers. In the 2020/2021 crop year, 184 farmers took part in the event and addressed topics such as sugarcane varieties; sugarcane transportation and cargo arrangement; management of the areas with NR31 aspects, safety, and general management; farmer engagement to leverage the concepts established in the audit, thus mitigating risks; firefighting; sustainability (ESG); MEIOSI planting; and pest control.

Suppliers of raw materials are also involved in our social actions, such as our food collection campaign called Natal sem Fome (Christmas without Hunger), and we work in partnership with them to benefit Hospital de Amor, in Barretos (SP), a reference in the fight against cancer. The action consists of suppliers donating R$0.03 to R$0.10 to the institution for each ton of sugarcane delivered. In the last period, the action resulted in a donation of R$49 million to the hospital.

During the pandemic, we extended all our health protocols to suppliers. Contact with our teams, previously face-to-face, remained consistent and was moved online.

Carriers

GRI 102-9 | 414-2

We have 35 duly approved carriers whose criteria for approval were designed by the Logistics and Procurement area. For the 2020/2021 crop year, all our ethanol carriers submitted the SASSMAQ certification during the approval process, which includes Health, Safety, Environment, and Quality criteria. No significant negative social impact was recorded.

Service providers

GRI 102-9

Our traditional meeting with service providers was not held this crop year due to restrictive measures to contain the advance of COVID-19. The event is now in its 7th edition and has been contributing to the development of our supply chain. During the meetings, we have the opportunity to discuss topics that mainly impact quality and environmental management.

We expect to hold the next edition as soon as possible following all safety protocols, so that we can develop our suppliers following the ESG criteria.

TO RESULTS

Customer relations

We have approximately 110 clients - companies from different regions of Brazil, in addition to 18 countries on four continents, from various sectors such as beverages, food (human and animal), paints, consumer goods, and fuels.

Our operational efficiency, coupled with our own logistics and agro-industrial production structure and high storage capacity, results in a complete and efficient commercial approach, which ensures a good distribution of our products.

All negotiations are based on our Code of Ethics and Professional Conduct, in addition to regulations focused on competition, free market, integrity, and fair and responsible trade. We also have a Food Quality and Safety Policy that guides our practices in this regard, in addition to international certifications in agribusiness operations, such as ISO Standards and Bonsucro Certification.

In the 2020/2021 crop year, in view of the implications of the pandemic, we further strengthened our relationship with our customers, reinforcing technical support online, holding meetings to assess their satisfaction and perception, investigating all occurrences, providing feedback on the results and preparing action plans, in addition to auditing actions. We also held periodic internal meetings to evaluate the customer-related performance indicators, in which we discussed actions to further improve the level of service. Occurrences related to food safety are handled based on a review of procedures and a study of hazards. In this crop year there was only one complaint related to food safety due to a broken seal on the big bag of VVHP crystal sugar. We tracked the product, identified the probable cause of the non-conformity, and took the appropriate corrective actions, including responsible parties and deadlines. Thus, we work on the continuous improvement of our management system, as established in our Food Quality and Safety Policy.

16.8%

Increase in net revenue compared to the previous crop year.

17.8%

Increase in EBITDA (Adjusted) recorded in the last period compared to the previous crop year.

TO RESULTS

Economic-financial performance

GRI 103-1 | 103-2 | 103-3

FINANCIAL INDICATORS ('000 R$)	12M21	12M20	Var. (%)
*Net revenue**	4,322,174	3,701,547	16.8
EBITDA (Adjusted)	2,187,515	1,858,191	17.8
EBITDA Margin (Adjusted)	50.6%	50.2%	0.4 pp
EBIT (Adjusted)	1,021,885	792,538	28.9
EBIT Margin (Adjusted)	23.6%	21.4%	2.2 pp
Consolidated balance sheet indicators			
Total Assets	10,649,932	10,477,842	1.6
Shareholders' Equity	4,035,495	3,369,482	19.8
EBITDA (LTM)	2,187,515	1,857,191	17.8
Net Debt	2,702,103	2,879,311	-6.2
Net Debt/EBITDA (LTM)	1.24x	1.55x	-20.3
Net Debt/(Shareholders' Equity)	67%	85%	

**Excludes the effects from hedge accounting of foreign-denominated debt and PPA USC and includes financial income from real estate businesses. Data do not include IFRS 16 impacts.*

Access the Individual and Consolidated Financial Statements for the end of the crop year and the Independent Auditor's Report.

Net revenue

GRI 102-7 | 103-1 | 103-2 | 103-3

Net revenue increased 16.8%, totaling R$4,322.2 million, mainly due to the higher volume of sugar sold (+34%) at higher prices (+17%) compared to 12M20; to the CBIOs traded during the crop year; and to the increase in volume of yeast sales and better prices.

Net revenue from sugar sales totaled R$1,938.3 million, up 56.1% over 12M20, given the higher sales volume, resulting from a more sugar-intensive production mix throughout the crop year combined with higher average prices. In March 2021, we had approximately 51,000 tons of sugar in stock, which should be converted into cash during the 2020/2021 crop year.

Net revenue from ethanol sales was 5.4% lower than in the same period of the previous crop year, totaling R$2,032.2 million, reflecting the same reasons that affected the last quarter, i.e. sales volume was 22.2% lower compared to 4Q20, despite the average price being 11.5% higher in the same period.

In March 2021 we had approximately 85,000 m³ of ethanol in stock, which should be sold during the 2020/2021 crop year.

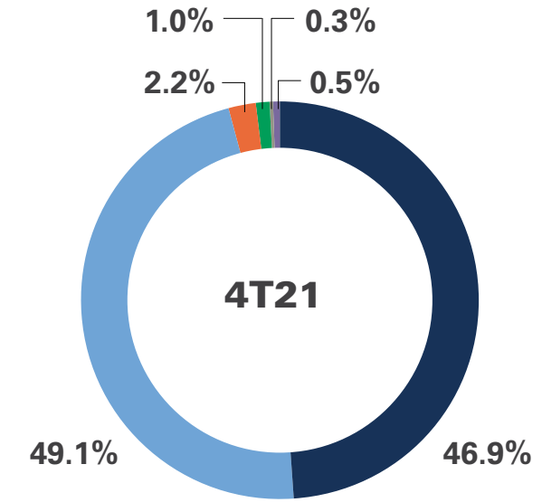
In the accumulated period of the crop year, around 832,000 CBIOs were traded, with an average net price of R$32.7/CBIO (net of PIS/Cofins and 15% withholding income tax). On March 31, 2021, we had approximately 408,600 CBIOs issued but that had not yet been traded.

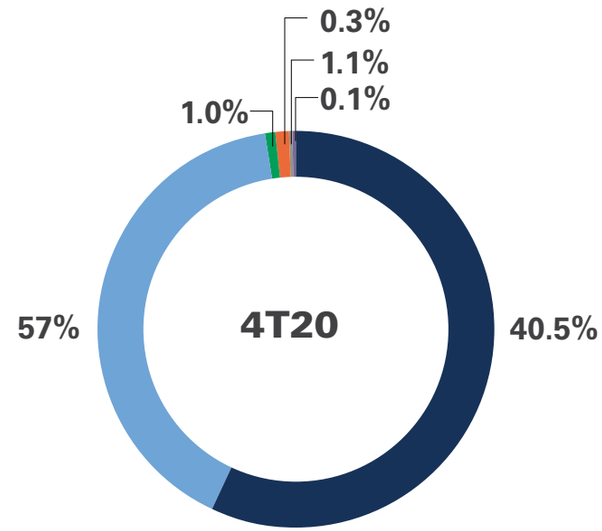
Net revenue from the sale of electricity, in turn, fell by 8.3%, totaling R$200.3 million, mainly reflecting the lower price and volume of sales in the period.

Net revenue from the sale of yeast, on the other hand, grew by 82.6% compared to 12M20, totaling R$43.4 million. The better performance is due mainly to the higher sales prices in the periods, impacted by the appreciation of the dollar against the Brazilian real, in addition t o the higher sales volume in 12M21.

Distribution

- *Sugar*
- *Ethanol*
- *Electric power*
- *Yeast*
- *Real Estate Development*
- *Others*





Adjusted EBITDA

Adjusted EBITDA increased 17.8% compared to the previous crop year, reaching R$2,187.5 million, with an Adjusted EBITDA margin of 50.6%, mainly reflecting the higher volume of sugar sold (+34%) at higher prices (+17%), a 3% increase in the average selling price of ethanol, and the contribution from other segments through higher yeast sales and CBIOs.

Net financial results

In the accumulated period of the crop year (12M21), the reduction in financial results was 24.3% compared to the previous crop year, totaling R$342.1 million. The improvement in the financial performance in the periods reflects the lower exchange rate variation of debts in foreign currency and a reduction in financial expenses, a reflection of the debt management.

Indebtedness

In March 2021, our net debt totaled R$2.7 billion, down 6.2% compared to March 2020, mainly reflecting the higher generation of operating cash flow that has occurred during the 2020/2021 crop year and the renegotiation of the debt in dollars.

CAPEX

Our maintenance CAPEX increased 11.0%, totaling R$1.26 billion, due mainly to the impact of the exchange rate variation on the price of imported inputs, in addition to a longer off-season period in the 2020/2021 crop year. CAPEX for operational improvements related to investments in agricultural and industrial equipment and replacements, and environmental/legal investments, totaled R$120.0 million, 8.9% lower compared to the previous crop year. Expansion CAPEX totaled R$127.2 million, a 5.9% increase in the crop year, due to investments that were mainly aimed at optimizing harvesting and tending to crops; the corn ethanol project; retrofitting the boilers at the Boa Vista mill; and the production of industrial ethanol at the Santa Cruz mill.

DVA

GRI 201-1

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Revenues				
Gross sales of goods and products	3,721,324	3,738,840	4,102,611	4,640,446
Revenue associated with the construction of company assets	977,347	1,060,507	1,142,445	1,227,260
Other revenue	2,215	17,412	4,557	19,804
	4,700,886	4,816,759	5,249,613	5,887,510
Inputs acquired from third parties				
Costs of goods and products sold	(1,086,064)	(1,156,682)	(946,746)	(1,049,716)
Materials, energy, third-party services, and other	(969,570)	(1,034,009)	(1,215,916)	(1,226,886)
	(2,055,634)	(2,190,691)	(2,162,662)	(2,276,602)
Gross value added	2,645,252	2,626,068	3,086,951	3,610,908
Depreciation and amortization	(356,202)	(430,032)	(636,816)	(671,008)
Biological assets harvested	(539,380)	(606,589)	(613,101)	(715,282)
Net value added produced by the entity	1,749,670	1,589,447	1,837,034	2,224,618
Value added received in transfer				
Result of equity accounting	(2,994)	(240)	625	5,776
Financial income	425,167	457,967	427,393	815,079
Other	(11,237)	124,686	403,835	450,945
Total value added for distribution	2,160,606	2,171,860	2,668,887	3,496,418
Distribution of value added				
Personnel and payroll charges	796,061	838,409	875,077	955,019
Taxes, fees and contributions	285,919	244,711	272,126	453,300
Lenders	586,920	774,695	882,674	1,160,975
Payment of dividends and interest on equity	116,780	74,586	151,765	120,000
Retained profits in the period	374,926	239,459	487,245	807,124
Total value added for distribution	2,160,606	2,171,860	2,668,887	3,496,418

GRI INDICATORS ATTACHMENT

Commitment to our people

TOTAL NUMBER OF EMPLOYEES* BY EMPLOYMENT CONTRACT AND GENDER** GRI 102-8

	2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Temporary	**1,007**	**27**	**1,034**	**924**	**18**	**942**	**1,370**	**54**	**1,424**	**1,200**	**36**	**1,236**
Permanent	**10,440**	**838**	**11,278**	**10,396**	**838**	**11,234**	**10,620**	**837**	**11,457**	**10,657**	**840**	**11,497**
Total	**11,447**	**865**	**12,312**	**11,320**	**856**	**12,176**	**11,990**	**891**	**12,881**	**11,857**	**876**	**12,733**

*Does not include the following employment categories: Board of Directors, Executive Board, Interns, Apprentices, and Trainees.
**The number of employees on temporary contract varies due to the harvest and off-season periods.

TOTAL NUMBER OF EMPLOYEES* BY EMPLOYMENT CONTRACT AND REGION GRI 102-8

	2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
	Temporary	Permanent	Total	Temporary	Permanent	Total	Temporary	Permanent	Total	Temporary	Permanent	Total
Midwest	**207**	**2,139**	**2,346**	**376**	**2,088**	**2,464**	**454**	**2,086**	**2,540**	**290**	**2,210**	**2,500**
Southeast	**827**	**9,139**	**9,966**	**566**	**9,146**	**9,712**	**970**	**9,371**	**10,341**	**946**	**9,287**	**10,233**
Total	**1,034**	**11,278**	**12,312**	**942**	**11,234**	**12,176**	**1,424**	**11,457**	**12,881**	**1,236**	**11,497**	**12,733**

*Does not include the following employment categories: Board of Directors, Executive Board, Interns, Apprentices, and Trainees.

TOTAL NUMBER OF EMPLOYEES* BY EMPLOYMENT CONTRACT AND GENDER GRI 102-8

	2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time	**11,437**	**864**	**12,301**	**11,311**	**855**	**12,166**	**11,983**	**891**	**12,874**	**11,851**	**874**	**12,725**
Part-time	**10**	**1**	**11**	**9**	**1**	**10**	**7**	**0**	**7**	**6**	**2**	**8**
Total	**11,447**	**865**	**12,312**	**11,320**	**856**	**12,176**	**11,990**	**891**	**12,881**	**11,857**	**876**	**12,733**

**Does not include the following employment categories: Board of Directors, Executive Board, Interns, Apprentices, and Trainees.*

NUMBER OF OUTSOURCED WORKERS GRI 102-8

2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
632	**113**	**745**	**1,902**	**141**	**2.043**	**922**	**155**	**1,077**	**360**	**50**	**410**

NUMBER OF EMPLOYEES* BY AGE GROUP GRI 405-1

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Under 30	**2,550**	**2,421**	**2,545**	**2,504**
Between 30 and 50	**7,451**	**7,393**	**7,843**	**7,812**
Over 50	**2,311**	**2,362**	**2,493**	**2,417**
Total	**12,312**	**12,176**	**12,881**	**12,733**

**Does not include the following employment categories: Board of Directors, Executive Board, Interns, Apprentices, and Trainees.*

NUMBER OF EMPLOYEES* BY EMPLOYMENT CATEGORY GRI 102-8

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Board (Board of Directors + Fiscal Council)	**10**	**10**	**10**	**10**
Executive Board	**12**	**12**	**12**	**12**
Management	**30**	**33**	**35**	**36**
Head of department/coordination	**51**	**58**	**57**	**57**
Technical/supervision	**399**	**394**	**417**	**427**
Administrative	**657**	**673**	**742**	**798**
Operational	**11,085**	**10,911**	**11,524**	**11,304**
Support	**90**	**107**	**106**	**111**
Total	**12,334**	**12,198**	**12,903**	**12,755**

**Does not include the following employment categories: Interns, Apprentices, and Trainees.*

NUMBER OF MEMBERS IN THE GOVERNANCE BODIES GRI 102-8

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Board of Directors	7	7	7	7
Fiscal Council	3	3	3	3
Total	10	10	10	10

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER GRI 405-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Men	Women	Men	Women	Men	Women	Men	Women
Board (Board of Directors + Fiscal Council)	100.0%	0.0%	100.0%	0.0%	100.0%	0.0%	90.0%	10.0%
Executive Board[1]	91.7%	8.3%	91.7%	8.3%	91.7%	8.3%	91.7%	8.3%
Management	93.3%	6.7%	90.9%	9.1%	94.3%	5.7%	94.4%	5.6%
Head of department/ coordination	96.1%	3.9%	94.8%	5.2%	93.0%	7.0%	94.7%	5.3%
Technical/ supervision	97.5%	2.5%	97.2%	2.8%	97.6%	2.4%	97.7%	2.3%
Administrative	66.7%	33.3%	66.9%	33.1%	67.3%	32.7%	67.2%	32.8%
Operational	94.4%	5.6%	94.5%	5.5%	94.7%	5.3%	94.9%	5.1%
Support	93.3%	6.7%	89.7%	10.3%	84.0%	16.0%	83.8%	16.2%
Trainees[2]	69.7%	30.3%	66.7%	33.3%	0.0%	0.0%	60.0%	40.0%
Apprentices	71.5%	28.5%	79.8%	20.2%	72.7%	27.3%	70.1%	29.9%
Interns	43.2%	56.8%	61.0%	39.0%	40.6%	59.4%	26.7%	73.3%
Total	92.4%	7.6%	92.5%	7.5%	92.4%	7.6%	92.2%	7.8%

1. The President and Vice President positions are included in the Executive Board employment category.
2. We did not have trainees in the 2019/2020 crop year.
**Due to the pandemic, the trainee selection process for the 2019/2020 crop year, with 40 openings, was postponed, and the hiring process took place in January 2021.*

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP GRI 405-1

	2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
	Under 30	Between 30 and 50	Over 50	Under 30	Between 30 and 50	Over 50	Under 30	Between 30 and 50	Over 50	Under 30	Between 30 and 50	Over 50
Board (Board of Directors + Fiscal Council)	**0.0%**	**30.0%**	**70.0%**	**0.0%**	**30.0%**	**70.0%**	**0.0%**	**30.0%**	**70.0%**	**0.0%**	**30.0%**	**70.0%**
Executive Board[1]	**0.0%**	**25.0%**	**75.0%**	**0.0%**	**33.3%**	**66.7%**	**0.0%**	**33.3%**	**66.7%**	**0.0%**	**33.3%**	**66.7%**
Management	**3.3%**	**60.0%**	**36.7%**	**0.0%**	**66.7%**	**33.3%**	**0.0%**	**68.6%**	**31.4%**	**0.0%**	**69.4%**	**30.6%**
Head of department/ coordination	**2.0%**	**80.4%**	**17.6%**	**3.4%**	**77.6%**	**19.0%**	**1.8%**	**80.7%**	**17.5%**	**1.8%**	**82.5%**	**15.8%**
Technical/supervision	**10.5%**	**71.9%**	**17.5%**	**8.9%**	**72.8%**	**18.3%**	**7.2%**	**73.4%**	**19.4%**	**6.8%**	**74.5%**	**18.7%**
Administrative	**32.0%**	**58.8%**	**9.3%**	**31.5%**	**59.4%**	**9.1%**	**33.7%**	**58.0%**	**8.4%**	**33.2%**	**57.5%**	**9.3%**
Operational	**20.5%**	**60.1%**	**19.4%**	**19.7%**	**60.2%**	**20.1%**	**19.5%**	**60.4%**	**20.1%**	**19.3%**	**60.9%**	**19.8%**
Support	**23.3%**	**63.3%**	**13.3%**	**20.6%**	**68.2%**	**11.2%**	**19.8%**	**72.6%**	**7.5%**	**19.8%**	**73.0%**	**7.2%**
Trainees[2]	**97.0%**	**3.0%**	**0.0%**	**92.6%**	**7.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**97.5%**	**2.5%**	**0.0%**
Apprentices	**95.3%**	**4.7%**	**0.0%**	**94.3%**	**5.4%**	**0.3%**	**99.7%**	**0.3%**	**0.0%**	**100.0%**	**0.0%**	**0.0%**
Interns	**86.4%**	**11.4%**	**2.3%**	**100.0%**	**0.0%**	**0.0%**	**90.6%**	**9.4%**	**0.0%**	**100.0%**	**0.0%**	**0.0%**
Total	**22.2%**	**59.3%**	**18.5%**	**22.2%**	**58.9%**	**18.9%**	**22.2%**	**59.0%**	**18.8%**	**22.5%**	**59.1%**	**18.4%**

1.The President and Vice President positions are included in the Executive Board employment category.
2. We did not have trainees in the 2019/2020 crop year.
**Due to the pandemic, the trainee selection process for the 2019/2020 crop year, with 40 openings, was postponed, and the hiring process took place in January 2021.*

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CATEGORY AND RACE GRI 405-1

	2017/2018 Crop Year						2018/2019 Crop Year						2019/2020 Crop Year						2020/2021 Crop Year					
	Asian	White	Black	Pardo	Indigenous	Not disclosed	Asian	White	Black	Pardo	Indigenous	Not disclosed	Asian	White	Black	Pardo	Indigenous	Not disclosed	Asian	White	Black	Pardo	Indigenous	Not disclosed
Board (Board of Directors + Fiscal Council	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Executive Board[1]	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Management	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	97.0%	0.0%	3.0%	0.0%	0.0%	0.0%	85.7%	0.0%	14.3%	0.0%	0.0%	0.0%	86.1%	0.0%	13.9%	0.0%	0.0%
Head of department/ coordination	0.0%	92.2%	0.0%	7.8%	0.0%	0.0%	0.0%	82.8%	0.0%	17.2%	0.0%	0.0%	0.0%	78.9%	0.0%	19.3%	0.0%	1.8%	0.0%	78.9%	0.0%	19.3%	0.0%	1.8%
Technical/ supervision	0.3%	65.7%	3.0%	29.3%	0.3%	1.5%	0.5%	64.5%	4.1%	29.2%	0.3%	1.5%	0.5%	64.0%	4.3%	29.7%	0.2%	1.2%	0.0%	64.2%	4.9%	29.5%	0.2%	1.2%
Administrative	0.6%	76.1%	3.7%	19.2%	0.0%	0.5%	0.4%	72.8%	3.9%	22.1%	0.0%	0.7%	0.4%	68.2%	3.2%	26.5%	0.0%	1.6%	0.3%	65.2%	3.1%	29.3%	0.0%	2.1%
Operational	0.3%	48.1%	7.3%	42.3%	0.2%	2.0%	0.2%	46.1%	7.1%	44.4%	0.2%	1.9%	0.2%	44.0%	6.5%	47.1%	0.1%	2.1%	0.2%	43.4%	6.6%	47.5%	0.1%	2.1%
Support	0.0%	90.0%	0.0%	10.0%	0.0%	0.0%	0.0%	86.0%	0.0%	14.0%	0.0%	0.0%	0.0%	84.9%	0.9%	14.2%	0.0%	0.0%	0.0%	82.0%	0.9%	17.1%	0.0%	0.0%
Trainees[2]	0.0%	69.7%	3.0%	27.3%	0.0%	0.0%	0.0%	66.7%	3.7%	29.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.5%	0.0%	67.5%	0.0%	0.0%
Apprentices	0.0%	60.6%	5.2%	33.2%	0.0%	1.0%	0.0%	45.6%	7.6%	45.6%	0.3%	0.9%	0.0%	34.3%	4.7%	59.0%	0.0%	2.1%	0.0%	41.2%	5.3%	50.1%	0.0%	3.4%
Interns	0.0%	81.8%	2.3%	13.6%	0.0%	2.3%	0.0%	51.2%	0.0%	48.8%	0.0%	0.0%	0.0%	21.9%	0.0%	78.1%	0.0%	0.0%	0.0%	6.7%	0.0%	93.3%	0.0%	0.0%
Total	0.3%	51.1%	6.8%	39.8%	0.1%	1.8%	0.3%	48.9%	6.7%	42.2%	0.2%	1.8%	0.2%	46.3%	6.1%	45.3%	0.1%	2.0%	0.2%	46.0%	6.2%	45.4%	0.1%	2.1%

1. The President and Vice President positions are included in the Executive Board employment category.
2. We did not have trainees in the 2019/2020 crop year.
**Due to the pandemic, the trainee selection process for the 2019/2020 crop year, with 40 openings, was postponed, and the hiring process took place in January 2021.*

PERCENTAGE OF PEOPLE WITH DISABILITIES (PWDS) AMONG EMPLOYEES, BY EMPLOYMENT CATEGORY AND GENDER GRI 405-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Men	Women	Men	Women	Men	Women	Men	Women
Board (Board of Directors + Fiscal Council)	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Executive Board	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Management	**0.0%**	**0.0%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**
Head of department/coordination	**100.0%**	**0.0%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**
Technical/supervision	**100.0%**	**0.0%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**
Administrative	**60.6%**	**39.4%**	**60.6%**	**39.4%**	**57.1%**	**42.9%**	**65.9%**	**34.1%**
Operational	**82.8%**	**17.2%**	**82.8%**	**17.2%**	**80.3%**	**19.7%**	**81.2%**	**18.8%**
Support	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Trainees	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Apprentices	**46.4%**	**53.6%**	**63.4%**	**36.6%**	**100.0%**	**0.0%**	**100.0%**	**0.0%**
Interns	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Total	**78.3%**	**21.7%**	**79.3%**	**20.7%**	**78.7%**	**21.3%**	**80.1%**	**19.9%**

PERCENTAGE OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY GENDER GRI 405-1

2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
100%	**0%**	**100%**	**100%**	**0%**	**100%**	**100%**	**0%**	**100%**	**90%**	**10%**	**100%**

PERCENTAGE OF INDIVIDUALS WITHIN THE GOVERNANCE BODIES, BY AGE GROUP GRI 405-1

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Under 30	0%	0%	0%	0%
Between 30 and 50	30%	30%	30%	30%
Over 50	70%	70%	70%	70%
Total	100%	100%	100%	100%

RATIO OF THE ANNUAL TOTAL COMPENSATION[1] OF THE HIGHEST-PAID INDIVIDUAL TO THE MEDIAN ANNUAL TOTAL COMPENSATION FOR ALL EMPLOYEES[2] GRI 102-38

Remuneration	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Ratio	145.5	146.3	155.7	166.1

1. Types of compensation considered in the indicator: up to management level: Base salary, overtime, night shift differential, hazard pay, health risk premium, commuting time, bonus/bonus hours, sick pay/accident pay/paid leave, institutional overtime, compensated time, comp bank pay, breaks in between shifts, variable pay, maternity pay, Profit Sharing Program (PSP), and Variable Income (VI) for managers (bonus). At board level: Salary, PSP, VI (bonus), fees, and stock options.
2. This indicator does not take into account employees allocated to the "Employees on Leave" Cost Center (on leave for more than 1 year), apprentices, and interns.

RATIO OF THE PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION[1] FOR THE HIGHEST-PAID INDIVIDUAL TO THE MEDIAN PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION FOR ALL EMPLOYEES[2] GRI 102-39

Remuneration	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Ratio	1.4	1.1	-1.6	5.0

1. Types of compensation considered in the indicator: up to management level: Base salary, overtime, night shift differential, hazard pay, health risk premium, commuting time, bonus/bonus hours, sick pay/accident pay/paid leave, institutional overtime, compensated time, comp bank pay, breaks in between shifts, variable pay, maternity pay, Profit Sharing Program (PSP), and Variable Income (VI) for managers (bonus). At board level: Salary, PSP, VI (bonus), fees, and stock options.
2. The indicator does not consider employees allocated to the "Employees on Leave" Cost Center (on leave for more than 1 year), apprentices, and interns.

RATIO[1] OF THE BASIC SALARY AND REMUNERATION[2] OF WOMEN TO MEN FOR EACH EMPLOYMENT CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION[3] GRI 405-2

		2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Executive Board	*Salary*	0.58	0.68	0.63	0.66
	Salary + variable pay	0.72	0.57	0.62	0.66
Management	*Salary*	0.80	0.90	0.93	0.88
	Salary + variable pay	0.83	0.85	0.94	0.94
Head of department/ coordination	*Salary*	0.87	0.84	0.82	0.79
	Salary + variable pay	0.88	0.82	0.76	0.77
Technical/ supervision	*Salary*	1.03	0.97	0.97	1.02
	Salary + variable pay	0.82	0.78	0.82	0.87
Administrative	*Salary*	0.91	0.91	0.88	0.93
	Salary + variable pay	0.83	0.84	0.82	0.86
Operational	*Salary*	0.87	0.87	0.87	0.89
	Salary + variable pay	0.72	0.73	0.73	0.75
Support	*Salary*	0.82	0.73	0.69	0.78
	Salary + variable pay	0.73	0.68	0.63	0.65
Trainees	*Salary*	1.00	1.00	0.97	1.04
	Salary + variable pay	0.93	0.97	0.99	1.04
Total	*Salary*	1.18	1.21	1.21	1.25
	Salary + variable pay	0.91	0.93	0.95	0.98

1. São Martinho adopts salary ranges for each job level. The employee's positioning in the range follows the influence of their performance (meritocracy) in the company, which interferes in the ratio. The ratio was based on the average of the salaries paid to women (in relation to the average salary paid to men).
2. Types of compensation considered in the indicator: up to management level: Amounts used for salary + Variable Pay: Base salary, overtime, night shift differential, hazard pay, health risk premium, commuting time, bonus/bonus hours, sick pay/accident pay/paid leave, institutional overtime, compensated time, comp time pay, breaks in between shifts, variable pay, maternity pay, Profit Sharing Program (PSP), and Variable Income (VI) for managers (bonus). At board level: Salary, PSP, VI (bonus), fees, and stock options.
3. This indicator does not take into account employees allocated to the "Employees on Leave" Cost Center (on leave for more than 1 year), apprentices, and interns.

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES, BY GENDER[1] GRI 401-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Men	**2,109**	**17.13**	**1,597**	**13.12**	**2,533**	**19.66**	**1,964**	**15.42**
Women	**85**	**0.69**	**80**	**0.66**	**139**	**1.08**	**125**	**0.98**
Total	**2,194**	**17.82**	**1,677**	**13.78**	**2,672**	**20.74**	**2,089**	**16.41**

1. Rate considers the number of dismissed employees divided by the total number of employees. The North, Northeast, and South regions are not included in our coverage. The information was obtained from the employee base in March of each year and does not include third parties, apprentices, interns, or members of the Board of Directors and Executive Board.

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES, BY AGE GROUP[1] GRI 401-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Under 30	**969**	**7.87**	**683**	**5.61**	**945**	**7.34**	**964**	**7.57**
Between 30 and 50	**1,087**	**8.83**	**887**	**7.28**	**1,485**	**11.53**	**993**	**7.80**
Over 50	**138**	**1.12**	**107**	**0.88**	**242**	**1.88**	**132**	**1.04**
Total	**2,194**	**17.82**	**1,677**	**13.77**	**2,672**	**20.75**	**2,089**	**16.41**

1. Rate considers the number of dismissed employees divided by the total number of employees. The North, Northeast, and South regions are not included in our coverage. The information was obtained from the employee base in March of each year and does not include third parties, apprentices, interns, or members of the Board of Directors and Executive Board.

TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES, BY REGION[1] GRI 401-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Midwest	**775**	**6.29**	**514**	**4.22**	**581**	**4.51**	**489**	**3.84**
Southeast	**1,419**	**11.53**	**1,163**	**9.55**	**2,091**	**16.23**	**1,600**	**12.57**
Total	**2,194**	**17.82**	**1,677**	**13.77**	**2,672**	**20.74**	**2,089**	**16.41**

1. Rate considers the number of dismissed employees divided by the total number of employees. The North, Northeast, and South regions are not included in our coverage. The information was obtained from the employee base in March of each year and does not include third parties, apprentices, interns, or members of the Board of Directors and Executive Board.

TOTAL NUMBER OF EMPLOYEE TERMINATIONS AND TURNOVER RATE, BY GENDER[1] GRI 401-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Men	**1,576**	**12.80**	**1,743**	**14.32**	**1,881**	**14.60**	**2,099**	**16.48**
Women	**126**	**1.02**	**104**	**0.85**	**106**	**0.82**	**138**	**1.08**
Total[1]	**1,702**	**13.82**	**1,847**	**15.17**	**1,987**	**15.42**	**2,237**	**17.57**

1. Rate considers the number of dismissed employees divided by the total number of employees. The North, Northeast, and South regions are not included in our coverage. The information was obtained from the employee base in March of each year and does not include third parties, apprentices, interns, or members of the Board of Directors and Executive Board.

TOTAL NUMBER OF EMPLOYEE TERMINATIONS AND TURNOVER RATE, BY REGION[1] GRI 401-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Total number	Rate	Total number	Rate	Total number	Rate	Total number	Rate
Midwest	**354**	**2.88**	**395**	**3.24**	**509**	**3.95**	**527**	**4.14**
Southeast	**1,348**	**10.95**	**1,452**	**11.93**	**1,478**	**11.47**	**1,710**	**13.43**
Total	**1,702**	**13.82**	**1,847**	**15.17**	**1,987**	**15.42**	**2,237**	**17.57**

1. Rate considers the number of dismissed employees divided by the total number of employees. The North, Northeast, and South regions are not included in our coverage. The information was obtained from the employee base in March of each year and does not include third parties, apprentices, interns, or members of the Board of Directors and Executive Board.

TOTAL NUMBER OF EMPLOYEE TERMINATIONS AND TURNOVER RATE, BY AGE GROUP [1] GRI 401-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Total number	Rate	Total number	Rate	Total number	Rate	Total number	Rate
Under 30	**342**	**2.78**	**470**	**3.86**	**511**	**3.97**	**670**	**5.26**
Between 30 and 50	**929**	**7.55**	**1,026**	**8.43**	**1,086**	**8.43**	**1,094**	**8.59**
Over 50	**431**	**3.50**	**351**	**2.88**	**390**	**3.03**	**473**	**3.71**
Total[1]	**1,702**	**13.82**	**1,847**	**15.17**	**1,987**	**15.43**	**2,237**	**17.57**

1. Rate considers the number of dismissed employees divided by the total number of employees. The North, Northeast, and South regions are not included in our coverage. The information was obtained from the employee base in March of each year and does not include third parties, apprentices, interns, or members of the Board of Directors and Executive Board.

PARENTAL LEAVE GRI 401-3

		2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Total number of employees that were entitled to parental leave	*Men*	408	414	396	335
	Women	18	22	24	27
Total number of employees who took parental leave	*Men*	408	414	396	335
	Women	18	22	24	27
Total number of employees that returned to work in the reporting period after parental leave ended	*Men*	390	390	396	339
	Women	21	15	28	27
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	*Men*	325	351	335	323
	Women	19	22	10	16
Return to work rate	*Men*	96%	94%	100%	101%
	Women	117%	68%	117%	100%
Retention rate	*Men*	-	90%	86%	82%
	Women	-	105%	67%	57%

Notes: 1. The return to work rate considers the number of employees that did return to work after parental leave in the reporting period, divided by the number of employees who took the leave in the same period. The percentages exceeding 100% are due to people who take parental leave but return in the following season, as well as those who took leave in the previous season but returned in the current season.
2. The retention rate is calculated as the number of employees retained 12 months after returning to work following a period of parental leave, divided by the number of employees returning from parental leave in the prior season.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM BASED ON LEGAL REQUIREMENTS AND/OR RECOGNIZED STANDARDS/GUIDELINES GRI 403-8

	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Number of employees covered(1)	11,923	12,057	12,287
Percentage of employees covered (%)	100	100	100
Number of employees covered with internal audit	11,923	12,057	0
Percentage of employees covered with internal audit (%)	100	100	0
Percentage of employees covered with audit or certification by an external party (%)	0	0	0

1. Does not include contractors.

EMPLOYEE[2] HEALTH AND SAFETY RATES[1] AND NUMBERS GRI 403-9

	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Number of fatalities as a result of work-related injuries	1	1	2
Fatality rate	0.04	0.04	0.08
Number of high-consequence work-related injuries (excluding fatalities)	1	1	1
Rate of high-consequence work-related injuries (excluding fatalities)[3]	0.04	0.04	0.04
Number of reportable work-related injuries	45	39	39
Total Recordable Incident Rate (TRIR)	1.83	1.56	1.55
Number of recordable work-related near misses	196	148	182
Near Miss Frequency Rate (NMFR)[4]	7.96	5.91	7.24

1. The total number of hours worked in the 2020/2021 crop year was 25,152,146.48. Rates were calculated according to our calculation methodology based on NBR 14280.
2. Health and safety data for seasonal and/or migrant employees are covered, since there was no breakdown by type of contract.
3. For "high-consequence injuries," the definition of Serious Occupational Accident (ATG - Acidente do Trabalho Grave) was considered, according to the Internal Procedure for Reporting and Investigating Accidents: "Accidents that generate definitive total or partial loss of work capacity, such as permanent disability caused by amputation of limbs."
4. For "near misses," the number of "first aid" occurrences was considered, according to the Internal Procedure for Reporting and Investigating Accidents: "Situations in which employees, after medical evaluation, are diagnosed with minor injuries that are not disabling and do not present restrictions for returning to work on the same day or the day after the occurrence, or to resuming their work activities as usual, without any type of immobilization.

EMPLOYEE HEALTH AND SAFETY RATES AND NUMBERS IN THE MIDWEST REGION* GRI 403-9

	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Number of fatalities as a result of work-related injuries	0	0	0
Fatality rate	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	1	1
Rate of high-consequence work-related injuries (excluding fatalities)	0.19	0.19	0.20
Number of reportable work-related injuries	12	9	7
Total Recordable Incident Rate (TRIR)	2.3	1.8	1.4

**Boa Vista mill*

EMPLOYEE HEALTH AND SAFETY RATES AND NUMBERS IN THE SOUTHEAST REGION* GRI 403-9

	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Number of fatalities as a result of work-related injuries	1	1	2
Fatality rate	0.05	0.05	0.10
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of reportable work-related injuries	33	30	32
Total Recordable Incident Rate (TRIR)	1.7	1.5	1.6

**Iracema, São Martinho, and Santa Cruz Mills*

AVERAGE HOURS OF TRAINING PER EMPLOYEE[1], BY GENDER GRI 404-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Men	n/a	n/a	n/a	n/a	393,039	34.3	203,433	17.9
Women	n/a	n/a	n/a	n/a	16,463	22.7	7,565	10.3
Total	379,631	32.8	353,192	30.9	409,502	33.6	210,999	17.5

1.We used the 102-8 indicator base and included the trainee category because we have a development program in place for this audience.

AVERAGE HOURS OF TRAINING PER EMPLOYEE, BY EMPLOYMENT CATEGORY[1] GRI 404-1

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Managers	1,242	41.4	999	30.3	789	22.5	254	7.1
Head of department/ coordination	3,107	60.9	2,694	46.4	1,960	34.4	851	14.9
Technical/supervision	20,141	51.2	23,284	60.0	23,410	56.8	8,049	19.1
Administrative	18,644	28.5	14,760	22.1	17,202	23.3	7,614	9.6
Operational	325,598	31.5	297,133	29.3	366,140	33.8	191,273	18.0
Support	5,998	66.6	5,403	50.5	-	0.0	2,393	21.6
Trainees	4901	148.5	8,919	330.3	-	0.0	5,64	14.1
Total	379,631	32.8	353,192	30.9	409,501	33.6	210,999	17.5

1. We used the 102-8 indicator base and included the trainee category because we have a development program in place for this audience. However, we did not have trainees in the 2019/2020 crop year. Due to the pandemic, the trainee selection process, with 40 openings, which was supposed to start in January/20 and become effective in March/20, was postponed to September/20, becoming effective in January/21.

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS GRI 404-3

Employment category[1]	2017/2018 Crop Year			2018/2019 Crop Year			2019/2020 Crop Year			2020/2021 Crop Year		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Management	100%	100%	100%	100%	100%	100%	79%	100%	80%	74%	100%	75%
Head of department/ coordination	100%	100%	100%	100%	100%	100%	100%	100%	100%	98 %	100%	98%
Technical/supervision	100%	100%	100%	100%	100%	100%	100%	100%	100%	57%	60%	57%
Administrative	77%	88%	81%	78%	88%	82%	87%	92%	89%	27%	20%	25%
Operational	22%	29%	22%	20%	26%	21%	19%	22%	19%	18%	22%	18%
Support	100%	100%	100%	100%	100%	100%	100%	100%	100%	96%	78%	93%
Total	27%	45%	28%	26%	44%	27%	25%	43%	26%	21%	24%	21%

1. There was no performance review for the Executive Board category. The 20% reduction in the last crop (compared to the previous one) is due to the restructuring of the performance review process, based on the concept of strategic management of people, with a new profile of competencies and new tools for assessing performance and potential.

PERCENTAGE OF SECURITY PERSONNEL WHO HAVE RECEIVED FORMAL TRAINING IN HUMAN RIGHTS POLICIES OR SPECIFIC PROCEDURES AND THEIR APPLICATION TO SECURITY* GRI 410-1

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Total number of security personnel	178	172	168	164
Number of security personnel who have received human rights training	178	172	168	164
Percentage of security personnel who have received human rights training	100%	100%	100%	100%

**Employees of contractors are included in the calculation.*

TOTAL NUMBER AND PERCENTAGE OF GOVERNANCE BODY MEMBERS WHO HAVE BEEN COMMUNICATED AND TRAINED ON THE ANTI-CORRUPTION POLICIES AND PROCEDURES ADOPTED INTERNALLY* GRI 205-2

Governance body members	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Communicated	*Trained*	*Communicated*	*Trained*	*Communicated*	*Trained*	*Communicated*	*Trained*
Total number of members in the year	10		10		10		10	
Total number of members communicated/ trained	10	0	10	0	10	0	10	0
Percentage of members communicated/ trained	100%	%	100%	0%	100%	0%	100%	0%

**All members are based in the Southeast Region of the country.*

Supplier Relations

NUMBER OF EMPLOYEES WHO HAVE BEEN COMMUNICATED AND TRAINED ON THE ANTI-CORRUPTION POLICIES AND PROCEDURES ADOPTED INTERNALLY, BY EMPLOYMENT CATEGORY* GRI 205-2

	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Communicated	*Trained*	*Communicated*	*Trained*	*Communicated*	*Trained*	*Communicated*	*Trained*
Employment category								
Executive Board	12	0	12	0	12	10	12	0
Management	30	0	33	0	35	11	36	0
Head of department/ coordination	51	0	58	0	57	15	57	0
Technical/ supervision	399	0	394	0	417	0	427	0
Administrative	657	0	673	0	742	6	798	0
Operational	11,085	0	10,911	0	11,524	0	11,304	0
Support	90	0	107	0	106	9	111	0
Total	12,324	0	12,188	0	12,893	52	12,745	0

**Does not include interns, trainees, and apprentices. This audience did not receive training; however, 100% of the new joiners receive the Code of Ethics and Professional Conduct and the Anti-corruption Policy.*

NUMBER OF EMPLOYEES WHO HAVE BEEN COMMUNICATED AND TRAINED ON THE ANTI-CORRUPTION POLICIES AND PROCEDURES ADOPTED INTERNALLY, BY REGION* GRI 205-2

Region	2017/2018 Crop Year		2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year	
	Communicated	*Trained*	*Communicated*	*Trained*	*Communicated*	*Trained*	*Communicated*	*Trained*
Midwest	2,346	0	2,464	0	2,540	4	2,500	0
Southeast	9,966	0	9,712	0	10,341	48	10,233	0
Total	12,312	0	12,176	0	12,881	52	12,733	0

**Does not include directors, interns, trainees, and apprentices. This audience did not receive training; however, 100% of the new joiners receive the Code of Ethics and Professional Conduct and the Anti-corruption Policy. There are no employees in other regions of the country.*

PROPORTION OF SPENDING ON LOCAL SUPPLIERS GRI 204-1

Operating units	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Iracema Mill	41%	46%	51%	67%
São Martinho Mill	39%	41%	43%	53%
Santa Cruz Mill	58%	36%	35%	65%
Boa Vista Mill	18%	17%	15%	15%

PERCENTAGE OF NEW SUGARCANE PRODUCERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA* GRI 308-1

New sugarcane suppliers that were screened using environmental criteria	2020/2021 Crop Year				
	Iracema Mill	*São Martinho Mill*	*Santa Cruz Mill*	*Boa Vista Mill*	*Total*
Total number of new suppliers that were considered for hiring	6	36	1	2	45
Total number of new suppliers that were hired using environmental criteria	6	36	1	2	45
Percentage of new suppliers that were hired using environmental criteria (%)	100	100	100	100	100

Notes: It should be noted that the supplier screening process using social and environmental criteria is a prevention mechanism in which, for supplier approval, suppliers must sign a term that includes commitments to social and environmental issues.

PERCENTAGE OF NEW CARRIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA* GRI 308-1

New carriers that were screened using environmental criteria	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
	USM	USM	USM
Total number of new suppliers that were considered for hiring	13	17	5
Total number of new suppliers that were hired using environmental criteria	13	17	5
Percentage of new suppliers that were hired using environmental criteria (%)	100	100	100

**Carriers are approved by group rather than by unit. It should be noted that the supplier screening process using social and environmental criteria is a prevention mechanism in which, for supplier approval, suppliers must sign a term that includes commitments to social and environmental issues.*

CARRIERS WITH NEGATIVE ENVIRONMENTAL IMPACTS GRI 308-2

Carriers with negative environmental impacts	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Number of suppliers assessed for environmental impacts.	13	30	16
Number of suppliers identified as having significant actual and potential negative environmental impacts.	0	0	0
Significant actual and potential negative environmental impacts identified in the supply chain	0	0	0
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment (*)	0	0	0
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	0	0
Number of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment.	0	0	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment (%)	0	0	0
Reasons why relationships were terminated with suppliers.	No relationships were terminated with carriers based on significant actual and potential negative environmental impacts.		

Commitment to the environment

IUCN Red List species and national conservation list species with habitats in areas affected by our operations

GRI 304-4

IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

Level of extinction risk	2018/2019 Crop Year		2019/2020 Crop Year		2020/2021 Crop Year						
					Iracema Mill		São Martinho Mill		Santa Cruz Mill		Boa Vista Mill[1]
	MMA	SMA	MMA	SMA	MMA	SMA	MMA	SMA	MMA	SMA	MMA[1]
Endangered	0	7	0	0	0	0	0	0	0	0	0
Vulnerable	7, Onça-parda, Gato-maracajá, Tamanduá, badeira, Lobo-guará, Anta, Gato-mourisco, Jaguatirica	7 Jaó, Curica, Chorozinho-de-bico-comprido, Sanhaçu-de-coleira, Urubu-rei, Pipira-de-taoca, Patativa,	0	7, Jaó, Curica, Chorozinho-de-bico-comprido, Sanhaçu-de-coleira, Urubu-rei, Pipira-de-taoca, Patativa,	0,	0,	0,	4 Jaó, Curica, Chorozinho-de-bico-comprido, Sanhaçu-de-coleira,	0	5 Jaó, Urubu-rei, Chorozinho-de-bico-comprido, Pipira-da-taoca, Patativa,	0
Near threatened	0	9, Jacupemba, Cabeça-seca, Papagaio-verdadeiro, Uí-pi, Soldadinho, Maria-ferrugem, Caneleiro, Graúna, Macaco-prego,	0	9, Jacupemba, Cabeça-seca, Papagaio-verdadeiro, uí-pi, Soldadinho, Maria-ferrugem, Caneleiro, Graúna, Macaco, prego,	0	1, Macaco-prego,	0	7, Jacupemba, Cabeça-seca, Papagaio-verdadeiro, uí-pi, Soldadinho, Maria-ferrugem, Macaco-prego,	0	5, Jacupemba, Cabeça-seca, Caneleiro, Soldadinho, Graúna,	0
Total number of species identified	7	23	7	23	4	7	6	17	4	20	0

1. The SMA was not used for the Boa Vista mill, in Goiás, because it is a São Paulo state agency.
MMA: Ministry of the Environment (Ministério do Meio Ambiente, in portuguese); SMA: Secretariat for the Environment (Secretaria do Meio Ambiente, in portuguese)

Waste

The indicators of standard GRI 306: Waste comply with Ordinance Nº. 280, of June 29, 2020, with information reported and filed annually in the National Solid Waste Management Information System - SINIR.

TYPES OF ACTIVITIES THAT LEAD TO SIGNIFICANT AMOUNTS OF WASTE GENERATION OR THE GENERATION OF HAZARDOUS WASTE GRI 306-1

Activities	Amount of waste generated	Descriptive
Extraction and Crushing	*Sugarcane bagasse (non-hazardous): 4,809,209.83 tons*	*We consider these to be significant amounts of waste, since they account for approximately 80% of the total waste generated.*
Filtration	*Filter cake (non-hazardous): 804,620.85 tons*	
Power generation	*Ash and Soot (non-hazardous): 309,745.25 tons*	
Agro-industrial Inputs	*• Used lubricating oil (hazardous): 418,596 tons* *Contaminated plastic and metal packaging (hazardous): 121.12 tons* *• Pesticide containers (hazardous):* *UIR: 38,757 units* *USM: 88,200 units* *UBV: 71,818 units* *USC: 34.06 tons*	*• We consider these to be insignificant amounts:* *Used lubricating oil: 0.007% of the total waste generated* *• Contaminated plastic and metal packaging: 0.001% of the total waste generated* *• Agricultural pesticide containers (UIR, USM, and UBV): 0.03% of t he total waste generated* *• Tons of pesticide containers at USC: 0.0005% of total waste generated*
General processes	*• Contaminated miscellaneous materials (hazardous): 673.68 tons* *• Metallic and non-metallic scrap (non-hazardous): 5,060.12 tons* *• Tires in tons (non-hazardous) USM, UBV and USC): 936.63 tons* *• Tires (non-hazardous - in units UIR): 3,339 units*	*• We consider these to be insignificant amounts:* *• Contaminated miscellaneous materials: 0.011% of the total waste generated* *• Metallic and non-metallic scrap: 0.1% of the total waste generated* *• Tires (in tons - USM, UBV, and USC): 0.015% of the total waste generated* *• Tires (in units - UIR): 0.0001 unit/total waste generated*

TOTAL WASTE GENERATED, IN METRIC TONS (T)[1] GRI 306-3

2017	2018	2019	2020
7,483,038	6,729,498	7,450,718	5,932,098

1. The totals include only the waste measured in tons.

WASTE DIVERTED FROM DISPOSAL, IN METRIC TONS[1] GRI 306-4

	2017[2]	2018[2]	2019[2]	2020
Total non-hazardous waste	-	-	-	5,929,708
Total hazardous waste	-	-	-	631
Total	7,482,019	6,728,583	7,449,917	5,930,340

1. The totals include only the waste measured in tons.
2. Waste type specification is not available for the years 2017, 2018, and 2019.

WASTE DIVERTED FROM DISPOSAL BY RECOVERY OPERATION GRI 306-4

	2017[2]	2018[2]	2019[2]	2020		
				Onsite	Offsite	Total
Non-hazardous waste						
Recycling / reuse / recovery (wood, tires, rubber waste, scrap metal and non-metal, recyclables), in tons	n/a	n/a	n/a	-	6,144	6.133
Recycling / reuse / recovery (tires), in units	n/a	n/a	n/a	-	3,339	3,339
Incorporation in agricultural soil, in tons	n/a	n/a	n/a	1,114,366	-	1,114.366
Use in boilers, in tons	n/a	n/a	n/a	4,809,210	-	4,809.210
Total in tons	n/a	n/a	n/a	5,923,576	6,144	5,929.708
Hazardous waste						
Recycling (electronics, pesticide containers, contaminated metal and plastic packaging, light bulbs, cells and batteries), in tons	n/a	n/a	n/a	-	212	212
Recycling (pesticide containers), in units	n/a	n/a	n/a	-	-	198,755
Recycling (light bulbs), in units	n/a	n/a	n/a	-	-	1,371
Oil re-refining, in tons	n/a	n/a	n/a	-	419	419
Total in tons	n/a	n/a	n/a	-	665	631
TOTAL	7,482,019	6,728,583	7,449,917	5,923,576	6,809	5,930,340

1. The totals include only the waste measured in tons.
2. Disposal type specification is not available for the years 2017, 2018, and 2019.

HAZARDOUS WASTE DIRECTED TO DISPOSAL BY RECOVERY OPERATION, IN METRIC TONS (T) GRI 306-5

		2017	2018	2019	2020
Hazardous waste	*Incineration (without energy recovery)*	-	-	9	244
	Landfilling	-	6	9	21
	Co-processing in cement kilns	626	665	731	456
	Total	626	671	749	721
Non-hazardous waste	*Landfilling*	1,019	909	783	1,037
	Total	1,019	909	783	1,037
Total		1,645	1,580	1,532	1,758

TOTAL WATER WITHDRAWAL, BROKEN DOWN BY THE FOLLOWING SOURCES GRI 303-3

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Surface water, including wetlands, rivers, and lakes (Ml – megaliter)	25,283.85	23,309.38	29,047.16	26,393.88
Groundwater and water tables (Ml – megaliter)	2,250.98	1,808.46	1,865.61	1,867.00
Total (Ml - megaliter)	27,534.83	25,117.84	30,912.77	28,260.89
Sugarcane processed (t)	22,206,429.17	20,450,340.00	22,640,241.00	22,522,028.75
Withdrawal per ton of sugarcane (m^3/tc)[1]	1.24	1.23	1.37	1.25

1.Total water withdrawal x 1000 / ton of processed sugarcane.

TOTAL WATER DISCHARGE (ML – MEGALITER)[1] GRI 303-4

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Surface water, including wetlands, rivers, and lakes	10,305.54	9,386.34	14,265.42	13,186.50

1. At the São Martinho mill, effluents are treated in stabilization ponds and the water quality is monitored and subsequently discharged into the river. In the other units, there are no releases into watercourses.

TOTAL WATER CONSUMPTION: GRI 303-5 I SASB RR-BI-140A.1 I SASB FB-AG-140A.1

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Total water consumption[1] (Ml – megaliter)	17,229	15,731	16,647	15,074
Percentage of water recycled and reused (%)	73.40	74.10	72.1	71.76

1. Water consumption is the total water withdrawn minus the total water discharged.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION1 [1] (GJ) GRI 302-1

	2017	2018	2019	2020
Diesel (pure diesel fraction)	2,566,268	2,446,242	2,577,750	2,596,972
Gasoline (pure gasoline fraction)	4,009	4,628	5,142	5,194
Compressed Natural Gas (CNG)[2]	494	690,35	1,024,80	478
LPG	2,816	2,802	2,882	3,105
Fuel consumption from non-renewable sources	2,573,586	2,545,362	2,586,798	2,605,749
Hydrous ethanol	78,748	79,049	82,351	82,664
Anhydrous ethanol[3]	1,026	1,184	1,316	1,329
Sugarcane bagasse	59,905,865	51,410,304	55,638,014	52,076,415
Biodiesel (B100) [4]	306,112	291,795	307,481	309,774
Fuel consumption from renewable sources	57,291,750	51,782,331	56,029,163	52,470,182
Electricity purchased for consumption	58,178	59,511	61,068	65,500
Electricity, heating, cooling, and steam sold	3,305,679	3,004,307	3,191,354	3,092,908
Total	56,617,836	51,291,897	55,485,675	52,048,523

1. The four agro-industrial units were considered for calculation, and the energy factors were used from the Brazilian Energy Balance 2020: Base year 2019 / Energy Research Company (EPE) - Rio de Janeiro. EPE, 2020. 2. The analysis of CNG consumption was added to the historical data series presented. 3. Share of biofuel as a component of commercial diesel (11.33%). 4. Share of biofuel as a component of commercial automotive gasoline (27%).

ENERGY CONSUMPTION SASB FB-AG-130A.1

	2017	2018	20191	2020
Total energy consumed, except for fleet vehicles (GJ)	57,115,568	51,593,641	55,890,565	52,229,787
Percentage of consumed energy supplied by the electricity grid (%)	0.10	0.12	0.11	0.13
Percentage of energy consumed from renewable fuels (%)	99.80	99.78	99.79	99.74

1. The values reported in the Annual and Sustainability Report for the 2019/2020 crop year were revised, considering the total energy consumed in the company. GRI 102-48

FUEL CONSUMPTION BY VEHICLES SASB FB-AG-110A.3

	2017	2018	20191	2020
Total fleet fuel consumed (GJ)	3,077,070	2,937,198	3,095,444	3,108,044
Percentage of the total amount of fuel consumed by fleet vehicles that is renewable fuel (%)	12.85	12.97	12.94	12.94

1. The values reported in the Annual and Sustainability Report for the 2019/2020 crop year were revised considering the share of biofuel as a component of commercial diesel (11.33%) and commercial automotive gasoline (27%). GRI 102-48

ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION (GJ) GRI 302-2

	2017	2018	2019	2020
Category 1: Purchased goods and services: agricultural and industrial inputs[1]	1,988,363	1,813,962	1,905,289	2,188,069
Category 2: Capital goods[2]	138	131	193	5670
Category 3: Fuel- and energy-related activities not included in Scopes 1 and 2: LPG (cafeterias)[3]	Not available	Not available	Not available	1,765
Category 7: Employee commuting4	47,721	61,840	63,113	71,593
Total	1,998,501	1,814,092	1,905,482	2,195,504

1. The Purchased goods and services category includes agricultural inputs and industrial inputs; the latter started to be calculated in 2020. Energy of agricultural inputs calculated from the energy demand (MJ/kg) of each input and its amount consumed in kg. Energy of industrial inputs calculated from the fossil energy (kJ/L ethanol) of each item, considering the fuel consumption in each unit. UIR: 109,919,000 L; USM: 305,180,000 L; UBV: 441,580,747 L; USC: 161,489,940 L.
2. The Capital goods category includes iron- and steel-based agricultural equipment and vehicles, steel material for industry, and expansion works.
3. LPG available from 2020, when it started to be controlled: 37,988.49 kg. The cooking gas in the units that have full-service cleaning companies is purchased directly by the third party.
4. For the Employee commuting category, we used the consumption of diesel oil as informed by the third-party company. Consumption of employee commuting was: 1,740,490.4 L of diesel.
5. We chose not to report the energy values for upstream and downstream transportation, categories 4 and 7, because we had no control over fuel consumption for third-party transportation.

Energy intensity GRI 302-3

SPECIFIC METRIC	2017	2018	2019	2020
Tons of crushed sugarcane	22,206,409	20,450,340	22,640,241	22,522,029

RATIO OF ENERGY INTENSITY INSIDE/OUTSIDE THE ORGANIZATION	2017	2018	2019	2020
	0.04	0.04	0.03	0.04

ENERGY INTENSITY	2017	2018	2019	2020
Energy consumption within the organization (GJ)	56,617,836	51,291,897	55,485,675	52,048,523
Energy intensity within the organization (GJ/tc)	2.55	2.51	2.45	2.31
Types of energy included in the intensity ratio (fuel, electricity, heating, cooling, steam, or all)	All	All	All	All
Energy consumption outside the organization (GJ)	1,998,501	1,814,092	1,905,482	2,195,504
Energy intensity outside t he organization[1] (GJ/tc)	0.09	0.09	0.08	0.10
Types of energy included in the intensity ratio	Fuel	Fuel	Fuel	Fuel
Total energy consumption within the organization (GJ)	58,606,337	53,105,989	57,391,157	54,244,027
Total energy intensity for the organization (GJ/tc)	2.64	2.60	2.53	2.41
Types of energy included in the intensity ratio (fuel, electricity, heating, cooling, steam, or all)	All	All	All	All

1. The energy intensity outside the organization considers categories 1, 3, and 7 of Scope 3. We chose not to report the energy values for upstream and downstream transportation, categories 4 and 7, because we had no control over fuel consumption for third-party transportation.

PERCENTAGE OF BIOFUEL PRODUCTION THIRD-PARTY CERTIFIED FOR AN ENVIRONMENTAL SUSTAINABILITY STANDARD SASB RR-BI-430A.2

	2017/2018 Crop Year				2018/2019 Crop Year				2019/2020 Crop Year				2020/2021 Crop Year			
	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill
Percentage of certified biofuel production by type of certification - Bonsucro	42.8%	n/a	72.3%	n/a	39.4%	n/a	72.4%	n/a	35.3%	n/a	75.1%	n/a	33.5%	n/a	76.7%	n/a
*Percentage of certified biofuel production by type of certification - RenovaBio: anhydrous ethanol**	n/a	n/a	n/a	n/a	56.0%	98.5%	85.9%	96.2%	95.4%	98.5%	85.9%	96.2%	95.4%	98.5%	85.9%	96.2%
*Percentage of certified biofuel production by type of certification - RenovaBio: hydrous ethanol***	n/a	n/a	n/a	n/a	56.0%	98.5%	85.9%	96.2%	95.4%	98.5%	85.9%	96.2%	95.4%	98.5%	85.9%	96.2%

*UIR and USC units are certified to Bonsucro standards.
**All four units are certified by RenovaBio. In the 2019/2020 crop year, UIR included the area of sugarcane suppliers in its certification scope, in addition to its own area, resulting in an increase in the percentage of certified ehtanol.

PERCENTAGE OF AGRICULTURAL PRODUCTS SOURCED THAT ARE CERTIFIED TO A THIRD-PARTY ENVIRONMENTAL AND/OR SOCIAL STANDARD* SASB FB-AG-430A.1

	2018/2019 crop year	2019/2020 crop year	2020/2021 crop year
Iracema Mill	0.0%	94.9%	92.2%
São Martinho Mill	96.7%	87.1%	85.9%
Boa Vista Mill	81.3%	84.7%	87.0%
Santa Cruz Mill	59.2%	41.6%	46.9%
Total	72.5%	82.6%	81.7%

* Our four agro-industrial units are certified by RenovaBio, which assesses whether the origin of the agricultural raw material complies with environmental criteria, such as active or pending registration with the Rural Environmental Registry (CAR) and no removal of native vegetation.

GHG emissions inventory prepared based on the methodology of the Brazilian GHG Protocol Program, with support from the GHG Protocol for Agriculture. Calculations include the gases listed in the Kyoto Protocol, with emissions referring to CO_2, CH_4, N_2O, and HFCs, and with global warming potential (GWP) rates from IPCC AR4 (2007). The approach used was operational control.

DIRECT (SCOPE 1) GHG EMISSIONS (tCO_2e) GRI 305-1 / SASB FB-AG-110A.1

	2017	2018	2019	2020
Generation of electricity, heat, or steam - stationary combustion	114,681	103,836	112,187	105,864
Physico-chemical processing - waste	3,723	7,898	4,270	8,514
Transportation of materials, products, waste, employees, and passengers - mobile combustion	195,313	182,419	190,923	189,611
Fugitive emissions	22,242	21,995	24,364	29,712
Agricultural practices	476,741	464,138	485,483	475,504
Total gross CO2 emissions	812,700	780,286	817,227	809,205

BIOGENIC CO_2 EMISSIONS (SCOPE 1) (tCO_2e) GRI 305-1

2017	2018	2019	2020
6,582,455	6,068,853	6,621,370	6,213,024

INDIRECT EMISSIONS FROM ENERGY ACQUISITION (tCO_2e) (SCOPE 2)[1] GRI 305-2

2017	2018	2019	2020
1,238	866	953	1,382

1. Calculation of electricity purchased by a location-based approach, using monthly consumption data and considering the respective emission factors of the National Interconnected System (SIN).

OTHER GREENHOUSE GAS EMISSIONS (SCOPE 3) (tCO_2e) GRI 305-3

	2017	2018	2019	2020
Purchased goods and services[1]	208,513	194,910	205,120	207,867
Capital goods[2]	6,325	5,998	8,867	6,025
Fuel and energy related activities not included in Scopes 1 and 2[3]	0.00	0.00	0.00	112
Upstream transportation and distribution[4]	9,134	23,935	18,494	25,400
Downstream transportation and distribution[4]	18,104	20,348	19,548	27,280
Employee commuting	3,306	4,197	4,252	4,739
Total	245,382	249,388	256,281	271,423

1. The Purchased goods and services category includes agricultural and industrial inputs.
2. The Capital goods category includes steel- and iron-based agricultural equipment and vehicles, industrial equipment, and construction work for expanding areas.
3. The Fuel- and energy-related activities (not included in Scope 1 or Scope 2) category refers to the consumption of LPG in the restaurants of the agro-industrial units and started to be calculated in 2020.
4. For the Upstream and Downstream Transportation and Distribution category, the transportation of products and co-products is now reported for the four sugar, ethanol, yeast, bagasse, and fusel oil units.

BIOGENIC CO_2 (SCOPE 3) (tCO_2e) GRI 305-3

	2017	2018	2019	2020
	1,939	4,188	3,794	5,786

GHG EMISSIONS INTENSITY GRI 305-4

Specific metric	2017	2018	2019	2020
Tons of crushed sugarcane	22,206,409	20,450,340	22,640,241	22,522,029

GHG EMISSIONS INTENSITY (tCO_2e/TC) GRI 305-4

	2017	2018	2019	2020
GHG emissions intensity - Scope 1	0.0366	0.0382	0.0361	0.0359
GHG emissions intensity - Scopes 1 and 2	0.0367	0.0382	0.0361	0.0360
GHG emissions intensity - Scopes 1, 2, and 3	0.0477	0.0504	0.0475	0.0480

EMISSIONS OF OZONE DEPLETING SUBSTANCES (ODS) IN T CFC-11 EQUIVALENT[3] GRI 305-6

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year[3]	2020/2021 Crop Year
Total ODS produced in tons of gas - HCFC-22[1]	2.19	1.32	1.25	1.82
Total ODS produced in tons of gas - HCFC-141b[2]	1.20	1.53	1.47	2.19
Total ODS produced in t CFC-11 eq - HCFC-22	0.09	0.05	0.05	0.07
Total ODS produced in t CFC-11 eq - HCFC-141b	0.14	0.18	0.18	0.26
Total ODS destroyed by approved technologies	0.00	0.00	0.00	0.00
Total ODS entirely used as feedstock in the manufacture of other chemical products	0.00	0.00	0.00	0.00
Production of ODS	3.39	2.85	2.72	0.34

1. R22 (HCFC-22) is used for replacement of air conditioners and for chillers, compressors, and air dryers.
2. R141b (HCFC-141b) is used for replacement in agricultural machinery.
3. Data for the 2020/2021 crop year have been adjusted.
3. Sources used: PDO/ODP of the WMO (World Meteorological Organization), 2011: Scientific Assessment of Ozone Depletion: 2010. Global Ozone Research and Monitoring Project—Report No. 52, Geneva, Switzerland, 516 pp, as reported by the U.S. Environmental Protection Agency (EPA) at https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances.

NOX, SOX AND OTHER SIGNIFICANT AIR EMISSIONS GRI 305-7 I SASB RR-BI-120A.1

Significant air emissions (t)	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
NOx	3,001.00	2,021.00	2,396.00	3,109.65
Particulate Matter (PM)	3,358.00	1.654,00	2,506.00	2,706.37

SIGNIFICANT FINES AND NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND/OR REGULATIONS GRI 307-1

		2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year	2020/2021 Crop Year
Judicial sanctions imposed	*Number*	1	0	1	0
	Amount (R$)	1,000.00	0.00	3,878.25	0.00
Judicial sanctions paid[1]	*Number*	6	2	3	0
	Amount (R$)	691,246.10	56,791.53	401,289.51	0,00
Administrative sanctions imposed	*Number*	22	20	41	5
	Amount (R$)	786,642.87	1,124,782.04	2,534,929.32	1,415,125.00
Administrative sanctions paid[1]	*Number*	0	0	0	0
	Amount (R$)	0.00	0.00	0.00	0.00
Terms of Adjustment of Conduct (TACs or TCs) imposed	*Number*	0	0	0	0
	Amount (R$)	0.00	0.00	0.00	0.00
Terms of Adjustment of Conduct (TACs or TCs) paid	*Number*	0	0	0	0
	Amount (R$)	0.00	0.00	0.00	0.00
Total number of cases resolved through dispute resolution mechanisms	*Number*	0	0	0	0
	Amount (R$)	0.00	0.00	0.00	0.00
TOTAL	*Number*	29	22	45	5
	Amount (R$)	1,478,888.97	1,181,573.57	2,940,097.08	1,415,125.00

1. The 2020/2021 environmental sanctions have not been enforced to date and are under appeal. The success rate in cancellation (judicial/administrative) of sanctions is greater than 95%.
2. The sharp drop in significant fines and sanctions occurred because of changes in the legal criteria for assessing responsibility, with which the company fully complies.

NUMBER OF INCIDENTS OF NON-COMPLIANCE ASSOCIATED WITH PERMITS, STANDARDS, AND REGULATIONS FOR: SASB RR-BI-120A.2 | SASB RR-BI-140A.3 I SASB FB-AG-140A.3

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Air quality	6	7	9	2
Water quality and/or water quantity	0	0	0	1

LIFECYCLE GREENHOUSE GAS (GHG) EMISSIONS, BY BIOFUEL TYPE SASB RR-BI-410A.1

	2019/2020 Crop Year				2020/2021 Crop Year			
	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill
NEEA hydrous ethanol (gCO2eq/MJ)	66.30	60.60	62.50	62.70	58.22	60.60	62.50	62.70
NEEA anhydrous ethanol (gCO2eq/MJ)	66.70	61.00	62.80	63.00	58.57	61.00	62.80	63.00
CBIOs issuance factor- hydrous ethanol (CBIO/L)	0.000792	0.001274	0.001145	0.001287	0.001185	0.001274	0.001145	0.001287
CBIOs issuance factor- anhydrous ethanol (CBIO/L)	0.000835	0.001343	0.001205	0.001355	0.001249	0.001343	0.001205	0.001355

Note: RenovaBio certification started in the 2019/2020 crop year.

Operational performance

PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS (%) GRI 412-1

2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
50%	50%	50%	75%

BIOFUEL PRODUCTION CAPACITY SASB RR-BI-000.A

Biofuel, in millions of gallons (Mgal)	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Anhydrous ethanol	228.09	215.26	222.26	214.23
Hydrous ethanol	414.36	389.40	405.91	390.92

Biofuel production capacity calculated based on the daily production capacity (m3/d) authorized by the ANP (National Agency of Petroleum, Natural Gas, and Biofuels) for each unit, multiplied by the harvest days. Capacity available in the Dynamic Report of the biofuel production facilities authorized by the ANP.

ADVANCED BIOFUEL PRODUCTION SASB RR-BI-000.B

Millions of gallons (Mgal)	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Advanced biofuel production	252.00	290.00	310.00	268.97

AMOUNT OF FEEDSTOCK CONSUMED IN PRODUCTION SASB RR-BI-000.C

Feedstock, in metric tons	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Sugarcane	22,206,409	20,450,340	22,640,241	22,522,029

ACTIVITY METRICS SASB FB-AG-000.A. I FB-AG-000.B. I FB-AG-000.C.

	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Production by crop year/principal crop (metric tons) Sugarcane	22,206,409	20,450,340	22,640,241	22,522,029
Number of processing facilities	4	4	4	4
Total land area under active production (hectares)[1]	190,170,00	185,443,00	192,265,00	195,541,71

1. The total land area under active production (hectares) refers to the production areas: owned areas, partnerships, and leases, and excludes reform areas and earth roads.

Economic and financial performance

TOTAL MONETARY VALUE OF FINANCIAL ASSISTANCE RECEIVED BY THE ORGANIZATION FROM ANY GOVERNMENT (R$) GRI 201-4 I SASB RR-BI-530A.1

Type of assistance	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year
Tax relief and tax credits	300,453	0	0	194,504
Lei do Bem (Tax relief law)	8,040,339	0	0	11,751,644
Awards	0	117,157,621	121,900,944	81,932,503
Other financial benefits received	190,100,000	275,000,000	0	0
Total	198,440,792	392,157,621	121,900,944	93,878,651

NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA GRI 419-1

Significant non-monetary fines and sanctions	2017/2018 Crop Year	2018/2019 Crop Year	2019/2020 Crop Year	2020/2021 Crop Year[1]
Total monetary value of significant fines (R$)	2,530.51	42,786.19	1,610.12	0
Total number of non-monetary sanctions	0	0	0	0
Total number of cases resolved through arbitration mechanisms	0	0	0	0

1. No fines and/or sanctions for labor-related matters were imposed in the 2020/2021 crop year as a result of administrative proceedings.

GRI Content index GRI 102-55

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 101: Foundation 2016						
GRI 102: General Disclosures 2016						
GRI 102: General Disclosures 2016	*102-1*	*Name of the organization*	*11*			
	102-2	*Activities, brands, products, and services*	*11*			
	102-3	*Location of headquarters*	*11*			
	102-4	*Location of operations*	*11*			
	102-5	*Nature of ownership and legal form*	*11*			
	102-6	*Markets served*	*17*			
	102-7	*Scale of the organization*	*13, 91*			
	102-8	*Information on employees and other workers*	*13, 54, 93, 94, and 95*			*8, 10*
	102-9	*Supply chain*	*88, 89*			
	102-10	*Significant changes to the organization and its supply chain*	*No significant changes were recorded in the period.*			
	102-11	*Precautionary Principle or approach*	*32*			
	102-12	*External initiatives*	*34*			
	102-13	*Membership of associations*	*34*			
	102-14	*Statement from senior decision-maker*	*4*			
	102-15	*Key impacts, risks, and opportunities*	*30*			
	102-16	*Values, principles, standards, and norms of behavior*	*12*			*16*
	102-17	*Mechanisms for advice and concerns about ethics*	*31*			*16*
	102-18	*Governance structure*	*26*			
	102-19	*Delegating authority*	*27*			
	102-20	*Executive-level responsibility for economic, environmental, and social topics*	*28*			
	102-21	*Consulting stakeholders on economic, environmental, and social topics*	*5*			*16*
	102-22	*Composition of the highest governance body and its committees*	*27*			*5, 16*
	102-23	*Chair of the highest governance body*	*27*			*16*
	102-24	*Nominating and selecting the highest governance body*	*27*			*5, 16*

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 102: General Disclosures 2016	102-25	Conflicts of Interest	27 and 31			16
	102-26	Role of highest governance body in setting purpose, values, and strategy	27			
	102-27	Collective knowledge of highest governance body	21, 28, and 29			
	102-29	Identifying and managing economic, environmental, and social impacts	27			16
	102-30	Effectiveness of risk management processes	30			
	102-31	Review of economic, environmental, and social topics	30			
	102-32	Highest governance body's role in sustainability reporting	28			
	102-33	Communicating critical concerns	29			
	102-34	Nature and total number of critical concerns	30			
	102-35	Remuneration policies	55			8
	102-36	Process for determining remuneration	55			8
	102-38	Annual total compensation ratio	98			16
	102-39	Percentage increase in annual total compensation ratio	98			
	102-40	List of stakeholder groups	8			
	102-41	Collective bargaining agreements	In crop years 2017/2018, 2018/2019, 2019/2020, and 2020/2021, all employees were covered by collective bargaining agreements.			8
	102-42	Identifying and selecting stakeholders	8			
	102-43	Approach to stakeholder engagement	8			
	102-44	Key topics and concerns raised	5			
	102-45	Entities included in the consolidated financial statements	5			
	102-46	Defining report content and topic Boundaries	5			
	102-47	List of material topics	5			
	102-48	Restatements of information	5, 71, 75, and 110			
	102-49	Changes in reporting	5			
	102-50	Reporting period	5			
	102-51	Date of most recent report	5			
	102-52	Reporting cycle	5			
	102-53	Contact point for questions regarding the report	5			
	102-54	Claims of reporting in accordance with the GRI Standards	5			
	102-55	GRI Content Index	118			
	102-56	External assurance	5 and 132			

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
Material Topic: Biodiversity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	75 and 80			
	103-2	The management approach and its components	75 and 80			
	103-3	Evaluation of the management approach	75 and 80			
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	76		8, 9	6, 14, 15
	304-2	Significant impacts of activities, products, and services on biodiversity	77		8, 9	6, 14, 15
	304-3	Habitats protected or restored	75		8, 9	6, 14, 15
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	106		8, 9	6, 14, 15
Material Topic: Economic Performance of the Business						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	85, 89, and 90			
	103-2	The management approach and its component	85, 89, and 90			
	103-3	Evaluation of the management approach	85, 89, and 90			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	91			8, 9
	201-2	Financial implications and other risks and opportunities due to climate change	74			13
	201-3	Defined benefit plan obligations and other retirement plans	56			
	201-4	Financial assistance received from government	117			
Material Topic: Development of the regions where we operate						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	64			
	103-2	The management approach and its components	64			
	103-3	Evaluation of the management approach	64			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	55			1, 5, 8
	202-2	Proportion of senior management hired from the local community	The percentages of senior management hired from local communities are 100% at the Iracema, Boa Vista, Santa Cruz mills and the administrative headquarters, and 83% at the São Martinho mill.			8

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	63			5, 9, 11
	203-2	Significant indirect economic impacts	21			1, 3, 8
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	65			
	413-2	Operations with significant actual and potential negative impacts on local communities	65			1, 2
Material Topic: Human Rights						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	64 and 87			
	103-2	The management approach and its components	64 and 87			
	103-3	Evaluation of the management approach	64 and 87			
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	In the 2020/2021 crop year, there were no reports of discrimination. Beginning in the 2020/2021 crop year, a broader concept of discrimination was adopted, which implied a revision of the indicators from previous years, with this report containing cases of discrimination for the past crop years that were not included in the corresponding reports. The reason for this is that before, only the reports from the ethics channel that were deemed founded were considered, and in this crop year, the reports classified as unfounded, partially founded, and inconclusive were also considered. With this, in crop years 2017/2018, 2018/2019, and 2019/2020, there were 4, 6, and 2 cases of discrimination, respectively.		1, 2, 3, 4, 5, 6	5, 8
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In the 2020/2021 crop year, we did not have any operation or supplier in which the right to exercise freedom of association and negotiation was violated. This indicator began to be reported this crop year.		1, 2, 3, 4, 5, 6	8
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	In crop years 2019/2020 and 2020/2021, we did not identify in our operations or in our suppliers' operations situations where there was a significant risk of child, forced and/or bonded labor. This indicator began to be reported in the 2019/2020 crop year.		1, 2, 6	8, 16
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			1, 2, 3	8
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	103		1, 2, 5	16

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	116		1, 2	
	412-2	Employee training on human rights policies or procedures	In the 2020/2021 crop year, there was a change in the understanding concerning training on Human Rights Policies and Practices, which implied a revision of the indicators reported in previous years and a change in the number of training programs held. As a consequence, in crop years 2017/2018, 2018/2019, 2019/2020, and 2020/2021, there were no training programs that directly mentioned the Human Rights Policy. The goal for the 2021/2022 crop year is to implement such training.		1, 2, 3, 4, 5, 6	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	The standard procurement contracts contain clauses that establish the obligation to comply with the Brazilian legislation and ensure compliance with the rules related to this matter, such as the declaration of compliance with labor and environmental legislation, the ILO (International Labor Organization) conventions on child labor, forced labor, discrimination, freedom of association, and the right to collective bargaining. Thus, it is our understanding that 100% of our agreements and contracts signed for significant investments include human rights clauses.			
Material Topic: People Management and Diversity						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	53, 54, 55 and 59			
	103-2	The management approach and its components	53, 54, 55 and 59			
	103-3	Evaluation of the management approach	53, 54, 55 and 59			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	99		6	5, 8, 10
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55			3, 5, 8
	401-3	Parental leave	100		6	5, 8
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	55			8

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	60		1, 3	8
	403-2	Hazard identification, risk assessment, and incident investigation	61		1, 3	8
	403-3	Occupational health services	61		1, 3	8
	403-4	Worker participation, consultation, and communication on occupational health and safety	59		1, 3	8, 16
	403-5	Worker training on occupational health and safety	61			8
	403-6	Promotion of worker health	62			3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60			8
	403-8	Workers covered by an occupational health and safety management system	100			8
	403-9	Work-related injuries	61 and 101			3, 8, 16
	403-10	Work-related ill health	No work-related health problems were found in crop years 2017/2018, 2018/2019, 2019/2020, and 2020/2021.			3, 8, 16
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	102		1, 6	4, 5, 8, 10
	404-2	Programs for upgrading employee skills and transition assistance programs	28		1, 6	8
	404-3	Percentage of employees receiving regular performance and career development reviews	103		1, 6	5, 8, 10
GRI 405: Diversity And Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	93, 94, 95, 96, 97 e 98 In the 2020/2021 crop year, our governance bodies (Board of Directors and Fiscal Council) were formed by nine men and one woman, 70% of whom were over 50 years of age and 30% between 30 and 50. They all self-identified as white. There were no people with disabilities in the governance bodies.			5, 8
	405-2	Ratio of basic salary and remuneration of women to men	98			5, 8
Material Topic: Climate strategy and emissions						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	69			
	103-2	The management approach and its components	69			
	103-3	Evaluation of the management approach	69			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	109			7, 8, 12, 13
	302-2	Energy consumption outside of the organization	110			7, 8, 12, 13
	302-3	Energy intensity	111		8	8, 12, 13

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	70, 71, and 113		7, 8, 9	3, 12, 13, 14, 15
	305-2	Energy indirect (Scope 2) GHG emissions	70, 71, and 113		7, 8, 9	3, 12, 13, 14, 15
	305-3	Other indirect (Scope 3) GHG emissions	70, 71, 113, and 114		7, 8, 9	3, 12, 13, 14, 15
	305-4	GHG emissions intensity	71 and 114		7, 8, 9	13, 14, 15
	305-6	Emissions of ozone-depleting substances (ODS)	114			3, 12
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	114		7, 8, 9	3, 12, 14, 15
GRI 306: Waste 2020	306-1	Waste generation and significantwaste-related impacts	78 and 107			3, 6, 12, 14
	306-2	Management of significant wasterelated impacts	78			3, 6, 12
	306-3	Waste generated	107		7, 8, 9	3, 6, 12, 14, 15
	306-4	Waste diverted from disposal	107 and 108		7, 8, 9	3, 12, 14
	306-5	Waste directed to disposal	108		7, 8, 9	6, , 14, 15
Material Topic: Management of water resource						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	81			
	103-2	The management approach and its components	81			
	103-3	Evaluation of the management approach	81			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	82		8, 9	6, 12
	303-2	Management of water discharge-related impacts	82		8, 9	6
	303-3	Water withdrawal	109		8, 9	6
	303-4	Water discharge	72 and 109		8, 9	6
	303-5	Water consumption	109		8, 9	6
Material topic: Best Governance Practices and Integrated Management						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	25 and 26			
	103-2	The management approach and its components	25 and 26			
	103-3	Evaluation of the management approach	25 and 26			

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 205: anti-corruption 2016	205-1	Operations assessed for risks related to corruption	31		10	16
	205-2	Communication and training about anti-corruption policies and procedures	103 and 104		10	16
	205-3	Confirmed cases of corruption and actions taken	No cases of corruption were recorded in crop years 2018/2019, 2019/2020, and 2020/2021. A broader concept of corruption was adopted for this report, implying the revision of indicators reported in the previous years, resulting in 3 cases of corruption in the 2017/2018 crop year. GRI 102-48		10	16
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We do not have such cases. Our products are commodities whose prices are determined in stock exchanges, which prevents manipulation of prices among agents.		1, 5	16
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	115		7, 8, 9	16
GRI 415: Public policies 2016	415-1	Political contributions	We do not make political contributions and we are in compliance with Law 13,488/2017, which amended article 31, item II of Law 9,096/1995 that prohibited financing of campaigns by legal entities of any nature.		10	16
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	117		10	16
Material Topic: Relationship with sugarcane farmers						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	87			
	103-2	The management approach and its components	87			
	103-3	Evaluation of the management approach	87			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	104			8

GRI standard	Disclosure title		Disclosure/page or link	Omission	Principle of the global compact	SDG
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	104 and 105		7, 8, 9	
	308-2	Negative environmental impacts in the supply chain and actions taken	105	São Martinho does not have a process in place for environmental assessment of suppliers of sugarcane and inputs that can be used to map significant environmental impacts. Sugarcane carriers, during their assessment, are required to submit the SASSMAQ certification, which includes Health, Safety, Environment, and Quality criteria. All suppliers submitted the certification.	7, 8, 9	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	During the approval process, all new suppliers signed a document called "General Contracting terms," in which suppliers agree that compliance with and respect for the social principles stated in the document are instrumental in contracting.			5, 8, 16
	414-2	Negative social impacts in the supply chain and actions taken	In the 2020/2021 crop year, all our ethanol carriers submitted the SASSMAQ certification during the approval process, which includes Health, Safety, Environment, and Quality criteria. No significant negative social impact was recorded for this group.	São Martinho does not have a process in place for social assessment of sugarcane suppliers that can be used to map significant social impacts.		5, 8, 16
Material Topic: Food Safety						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	86			
	103-2	The management approach and its components	86			
	103-3	Evaluation of the management approach	86			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	86			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No violations of regulations or voluntary codes were identified regarding non-conformities in relation to impacts on health and safety caused by products and services.			16

SASB Content Index

Renewable Resources & Alternative Energy Sector: Biofuels

Topic	Code	Accounting Metric	Disclosure/Page or Link
Air Quality	*RR-BI-120a.1*	*Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), (4) particulate matter (PM10), and (5) hazardous air pollutants (HAPs)*	*114*
	RR-BI-120a.2	*Number of incidents of non-compliance associated with air quality permits, standards, and regulations*	*115*
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*	*109*
	RR-BI-140a.2	*Description of water management risks and discussion of strategies and practices to mitigate those risks*	*82*
	RR-BI-140a.3	*Number of incidents of non-compliance associated with water quality permits, standards, and regulations*	*115*
Lifecycle Emissions Balance	*RR-BI-410a.1*	*Lifecycle greenhouse gas (GHG) emissions, by biofuel type*	*115*
Sourcing & Environmental Impacts of Feedstock Production	*RR-BI-430a.1*	*Discussion of strategy to manage risks associated with environmental impacts of feedstock production*	*72, 73, 76, and 77*
	RR-BI-430a.2	*Percentage of biofuel production third-party certified to an environmental sustainability standard*	*112*
Management of the Legal & Regulatory Environment	*RR-BI-530a.1*	*Amount of subsidies received through government programs*	*117*
	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*	*31*
Operational Safety, Emergency Preparedness & Response	*RR-BI-540a.1*	*Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)*	*The calculation methodology used internally does not include the metric required for the indicator.*
Activity Metric	*RR-BI-000.A*	*Biofuel production capacity*	*116*
	RR-BI-000.B	*Production of: (1) renewable fuel, (2) advanced biofuel, (3) biomass-based diesel, and (4) cellulosic biofuel*	*116*
	RR-BI-000.C	*Amount of feedstock consumed in production*	*116*

Food & Beverage Sector: Agricultural Products

Topic	Code	Accounting Metric	Disclosure/Page or Link
Greenhouse Gas Emissions	FB-AG-110a.1	Gross global Scope 1 emissions	113
	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	70 We prepare an annual GHG Inventory, according to the guidelines of the Brazilian GHG Protocol Program, covering scopes 1, 2, and 3. Currently, no targets for reducing emissions have been established, but efforts are being made in this regard, particularly in Scope 1, such as the monitoring and control of agricultural operations by the Agricultural Operations Center (COA) and the improvement in management of soil fertility. We are planning to define the guidelines for this topic for the next crop years.
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable	110
Energy Management	FB-AG-130a.1	Operational energy consumed, percentage grid electricity, percentage renewable	110
Water Management	FB-AG-140a.1	Total water withdrawn, total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	109
	FB-AG-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	82
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	115
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	86
	FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program	86
	FB-AG-250a.3	Number of recalls issued and total amount of food product recalled	No recalls were issued for our products in the 2020/2021 crop year or in crop years 2017/2018, 2018/2019, and 2019/2020. The number in the 2019/2020 Annual Sustainability Report referred to complaints, since they involved a minimal violation that was not subject to legal action by regulatory authorities.
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 methodology used internally does not include the metric required for the indicator.

Topic	Code	Accounting Metric	Disclosure/Page or Link
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*	*112*
	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 have a process in place for environmental auditing of suppliers of sugarcane and inputs that can be used to map 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*	*87*
GMO Management	*FB-AG-430b.1*	*Discussion of strategies to manage the use of genetically modified organisms (GMOs)*	*Our traceability controls indicate that no genetically modified sugarcane has been processed in our mills. However, we keep abreast of discussions and the development of the topic in the corresponding forums with the companies that develop such varieties.*
Ingredient Sourcing	*FB-AG-440a.1*	*Identification of principal crops and description of risks and opportunities presented by climate change*	*74*
	FB-AG-440a.2	*Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress*	*None of our industrial facilities are located in areas of high or extremely high baseline water stress. Since our radius for sourcing raw materials is up to 110 kilometers from our industrial units, 0% of our spending on raw materials is in areas of high or extremely high baseline water stress.*
Activity Metric	*FB-AG-000.A*	*Production by principal crop*	*116*
	FB-AG-000.B	*Number of processing facilities*	*116*
	FB-AG-000.C	*Total land area under active production*	*116*
	FB-AG-000.D	*Cost of agricultural products sourced externally*	*We have identified that this metric is sensitive to business and, therefore, confidential.*

Summary Table of Recommendations and Adherence to TCFD

TCFD Recommendation	Disclosure/Page or link
1. GOVERNANCE **Disclose the organization's governance around climate-related risks and opportunities.**	
a) Describe the board's oversight of climate-related risks and opportunities.	*74*
b) Describe management's role in assessing and managing climate-related risks and opportunities.	*74*
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.	*70*
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	*72*
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	*40 and 69*

TCFD Recommendation	Disclosure/Page or link
3. RISK MANAGEMENT **Disclose how the organization identifies, assesses, and manages climate-related risks.**	
a) Describe the organization's processes for identifying and assessing climate-related risks.	*74*
b) Describe the organization's processes for managing climate-related risks.	*74*
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	*74*
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.	*70*
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	*70 and 71*
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	*70*

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Tactical Sustainability Committee

Executive Sustainability Committee

Materiality Review, Consulting, and Collection of Indicators
Avesso Sustentabilidade

Consulting for the GHG Inventory
Instituto Via Green

Graphic Design, and Layout
Marcia Godoy

Photos
Paulo D'Alessandro (page 04) and São Martinho's image bank. Pictures were taken before the Covid-19 outbreak was declared a pandemic by the World Health Organization.

Our special thanks to São Martinho S.A.'s business and support areas for providing information and collecting data for the GRI and SASB indicators.

Limited assurance report issued by independent auditors

KPMG

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 São Martinho's Annual & Sustainability Report ("Report"), in the accompanying information to this report related to the period ended March 31st, 2021.

Responsibilities of São Martinho's Management
The Management of São Martinho is responsible for adequately preparing and presenting the sustainability information in the Annual & Sustainability Report in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, 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.

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 Global Reporting Initiative - GRI (GRI-Standards);
(d) evaluation of non financial indicators selected:
• understanding of the calculation methodolody 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) analisys of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analisys of the Company;
(f) comparison of financial indicators 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 verification 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 São Martinho's Annual & Sustainability Report is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards), and with the records and files that served as the basis for its preparation.

São Paulo, March 21st, 2022

KPMG Assurance Services Ltda.
CRC 2SP014428/O-6

Original report in Portuguese signed by.
Sebastian Yoshizato Soares
Contador CRC 1SP257710/O-4

São Martinho