São Martinho

ANNUAL SUSTAINABILITY REPORT

CROP YEAR 2022/2023

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THE CROP YEAR AT A GLANCE 2022/2023

Scopes 1 + 2 GHG Emissions Intensity Reduction (kg CO_2e/tc) of
4.4%

100% OF MILLS
are Bonsucro certified

Signatories of
THE UN GLOBAL COMPACT

R$ 6.6 Bn
in Net Revenue

15.2%
more than the previous crop year

Cash Profit amounting to
R$ 1,291.4 MILLION

Interest in
IBOVESPA INDEX

174 MILLION
invested in innovation projects

Start-up of operations at
CORN
ETHANOL PLANT

Launch of the Program
SOU
(strengthening of occupational safety culture)

Implementation of the
ENGAGEMENT PANELS WITH COMMUNITIES
surrounding our mills

MESSAGE FROM OUR LEADERSHIP

GRI 2-22

The 2022/2023 crop year showcased the delivery capability of our people, the maturity of our processes, the technological sophistication of our operations, and the unique features of our assets. With a history steeped in a commitment to sustainable development, we will demonstrate the solidity of our fundamentals and the role innovation plays as a driver of our journey on the transition to a low-carbon economy in our sector.

Discussions led by our main administrative bodies led to the construction of our Sustainability Ambitions, with plans, indicators, objectives, and metrics in areas that correspond to the company's core impacts, risks and opportunities.
Meanwhile we have bolstered our governance, with committees, forums and campaigns to raise awareness about our commitments among all links in the chain.

We already achieved some of the goals of the Company's 2020-2030 Strategic Plan during the crop year, precisely because our Sustainability Ambitions are conducive with our business reality.
A positive development was the construction and start-up of commercial operations at our new corn ethanol plant, at the Boa Vista Mill, and progress on building São Martinho Mill's thermal power plant, which is already at an advanced stage.

We allocated over R$ 174 million to innovation projects, a topic where we have made continuous improvements and advancements in terms of technology and dialog with business partners. Our collaboration with Cubo Agro was a resounding success, which allowed us to launch a dozen challenges and thereby mobilize more than 30 budding startups. Moreover, we inaugurated our Innovation Center and made progress in partnerships for agricultural management and biological control studies, through alliances such as that with the Engineering Research Center – Sugarcane Pest Control (Cepenfito).

We closed the crop year on a high, despite the impacts of adverse weather conditions on our sugarcane fields in recent years, such as droughts and frosts; the tax relief on fossil fuels in Brazil in 2022, which undermined ethanol's competitiveness compared to gasoline; and the repercussions of the conflict in Ukraine which on the heels of a pandemic drove up prices of pesticides and fertilizers, important cost items in our operations. We responding to this by focusing on operational discipline, investment management (Capex) and agro-industrial excellence and productivity.

We milled 20 million tons of cane in the 2022/2023 crop year, 0.6% more than the previous year, with an average Total Recoverable Sugars (TRS) of 140 kilograms per ton. Nonetheless, our Adjusted EBITDA was R$ 3.4 billion and our net cash earned was R$ 1.3 billion. We also had a excellent year in terms of revenue from decarbonization credits (CBIOs). We grew our exports to keep up with rising international demand for ethanol, with sales representing approximately 33% of the total volume of ethanol traded (compared to 15% in the previous crop year) - including in markets with stringent ESG requirements, such as the European Union. Our differentiating factor for exports was our certifications, with all of our mills being Bonsucro certified.

We continue to maintain healthy leverage, with a long debt profile and a net debt/EBITDA ratio of 1.05x (compared to 0.93x in 2021/2022). We are also progressing in discussions for sustainable financing for our future projects.

I attribute all these achievements to the efforts, strength and dedication of our people - who are espousing São Martinho's values in the field, in mills and within our sphere of influence.

We are always evolving. We have devised a new social responsibility strategy and are ushering in a fresh round of our Human Resources Master Plan. We have strengthened our partnership with contract growers and suppliers by implementing programs that disseminate ESG throughout the chain.

We are future-ready. Because we have the right foundations and solid governance, in the next cycle we will certainly have great opportunities to continue reshaping the country's energy matrix and cooperating with the transformation of our clients' businesses.

Thank you for joining us on this **journey** - and I hope you enjoy reading this report.

Fabio Venturelli
Chief Executive Officer

ABOUT THIS REPORT

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

São Martinho hereby presents to its stakeholders - communities, suppliers, customers, employees, investors, shareholders and partners - a summary of its results for the 2022/2023 crop year by way of this *Annual Sustainability Report*.

The data covers the period April 01, 2022 to March 31, 2023 and includes the performance of our mills São Martinho (SP), Iracema (SP), Santa Cruz (SP) and Boa Vista (GO). This is the same reporting period of our Financial Statements - which follow Brazilian and international accounting practices (IFRS). When applicable, different approaches and restatements of information are described and signaled in the footnotes to the disclosures.

We have structured this report around the Company's material sustainability topics (read more in the ESG Agenda chapter), with data covering financial, social, environmental and governance issues and our strategy and our investments.

We have adopted the most recent version (2021) of the Global Reporting Initiative (GRI) Standards as our reporting methodology, including the GRI 13 Sector Standard, in addition to disclosures from the Sustainability Accounting Standards Board (SASB) Biofuels and Agricultural Products industry standards and disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD).

The Company also strives to follow the Integrated Reporting Framework in line with the International Framework of the IFRS Foundation, and explains the connection of its strategic topics with Sustainable Development Goals (SDGs) through references throughout the report. It also provides additional information about progress on the Ten Principles of the United Nations Global Compact, of which it became a signatory in the 2022/2023 crop year.

If you have any questions about the contents of this report, please write to sustentabilidade@saomartinho.com.br

OUR MATERIAL TOPICS

The SDGs and their targets can be consulted on the United Nations website (click here).

BIODIVERSITY, ECOSYSTEMS AND LAND-USE

INNOVATION AND TECHNOLOGY

CLIMATE STRATEGY AND AIR QUALITY

ENERGY EFFICIENCY

WATER RESOURCE STEWARDSHIP

WASTE MANAGEMENT

SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

OCCUPATIONAL HEALTH AND SAFETY

PEOPLE MANAGEMENT AND DIVERSITY

COMMUNITY ENGAGEMENT AND LOCAL DEVELOPMENT

1

IDENTITY

GRI 2-1, 2-6

IN THIS CHAPTER

São Martinho is a publicly traded company engaged in the Brazilian sugar and ethanol industry, producing and marketing sugar, ethanol, bioelectricity and products derived from sugarcane and corn.

Our organization was founded in upstate São Paulo to produce food and energy. In the present day it reinforces its contribution to a low-carbon economy through the cultivation, planting and conversion of commodities into renewable resources. We have an integrated production chain and products that meet the needs of customers and consumers in Brazil and the international market. In 2022, the company's Mission and Vision were reworded, reaffirming our commitment to sustainability values, sourcing renewable products and striving to be a benchmark in process efficiency and innovation.

We have more than 12,600 direct employees, distributed across our four mills - São Martinho, Iracema and Santa Cruz, in São Paulo, and Boa Vista, in Goiás – and at our administrative offices in Ribeirão Preto (SP), Pradópolis (SP), Américo Brasiliense (SP) and the São Paulo state capital. We are headquartered in Pradópolis.

More than 3,000 goods and services suppliers and over a thousand sugarcane and corn growers form our value chain. The Company manages 350,000 hectares of land, of which 70% (~250,000 hectares) is owned directly or held under lease and partnerships. The remaining 30% (~100,000 hectares) belongs to contract growers, to whom we offer mutual development and traceability.

With a business strategy geared us towards productivity, efficiency, flexibility and innovation, our harvesting has been 100% mechanized since the 2016/2017 crop year and we are investing in the digitalization of farming, in new businesses and products, and in biological control mechanisms. In 2022/2023, we completed preparations to fire up our corn ethanol plant at Usina Boa Vista, with the Company entering new markets and adopting new business models.

Our commitment to the environmental, social and governance (ESG) agenda is part of Our Way of Being: we maintain a set of Sustainability Ambitions, in the pillars of Innovation and Efficiency, Value Chain and Social Transformation. We have been listed on the Brazilian stock exchange's Novo Mercado (B3) since 2007, attesting to our corporate governance standards.

70%

of the sugarcane we process comes from our own land or through leased lands and partnerships.

WE HAVE MORE THAN 12,600 EMPLOYEES AND 3,000 SUPPLIERS

OUR MISSION

GRI 2-22

To offer food, energy, food and products from renewable sources that generate value for humanity

VALUES

- Integrity and ethics
- Respect for people and the environment

VISION

Global leader in generating value in agribusiness, being a reference in processes, innovation and sustainability

PILLARS

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

OWNERSHIP STRUCTURE

GRI 2-1

São Martinho is a listed company, with controlling shareholders, and around 40% of its shares are floated on the Brazilian stock exchange. Check out the structure below:

LJN Participações S.A.
53.74%

Indirect Controlling Shareholders
3.65%

D&O
0.24%

Treasury
2.16%

Free Float
40.22%

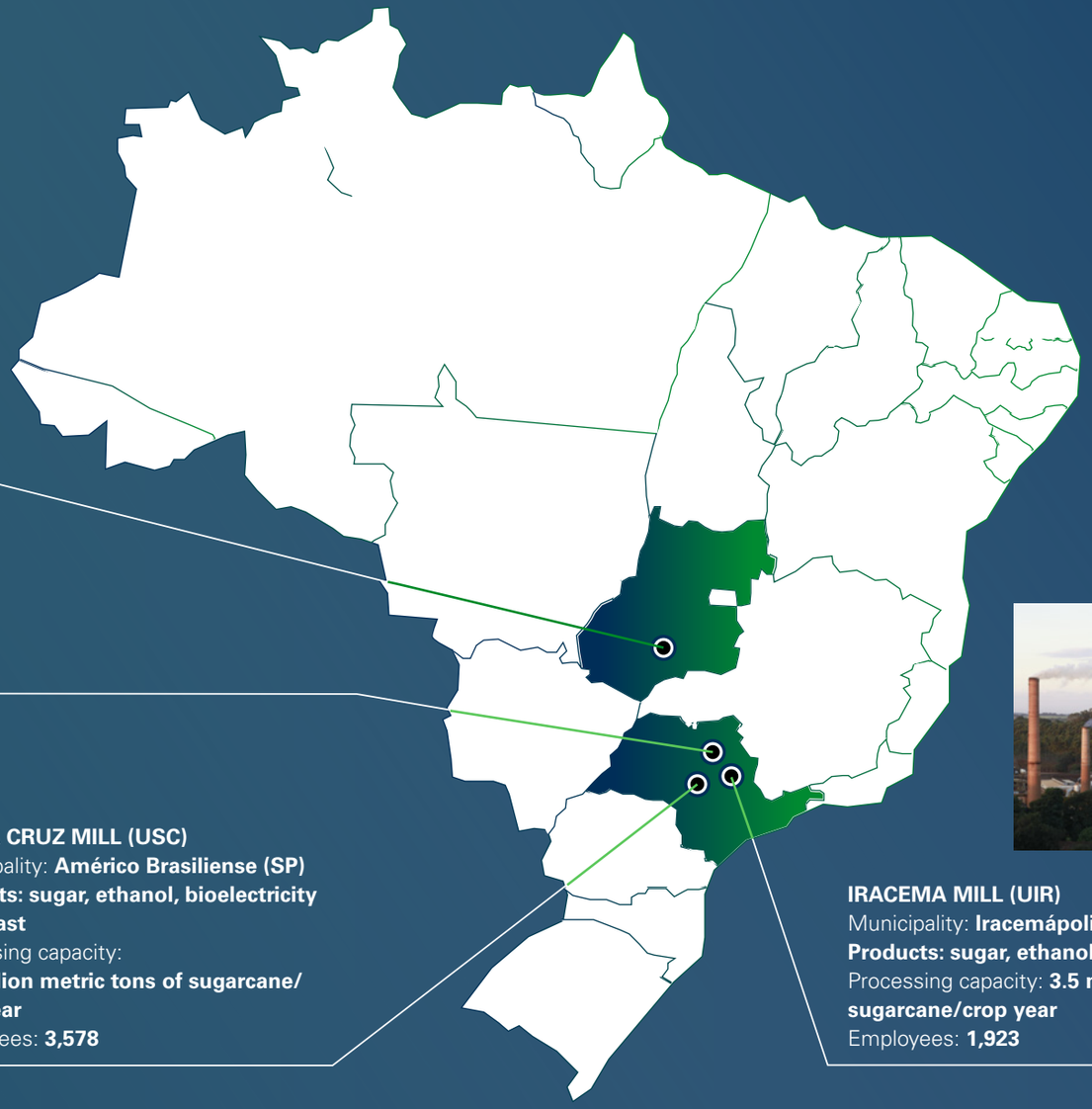
OUR PLANTS GRI 2-6

USINA BOA VISTA (UBV)
Where: **Quirinópolis (GO)**
Products: **ethanol, bioelectricity, yeast, DDGs, corn oil**
Processing capacity: **5 million tons sugarcane/crop year and 500,000 tons corn/crop year**

Employees: **2,512**

SÃO MARTINHO MILL (USM)
Municipality: **Pradópolis (SP)**
Products: sugar, ethanol, bioelectricity and yeast
Processing capacity: **10.5 million metric tons of sugarcane/crop year**
Employees: **4,570**

BEING STRATEGICALLY LOCATED IS ONE OF OUR DIFFERENTIATORS



SANTA CRUZ MILL (USC)
Municipality: **Américo Brasiliense (SP)**
Products: sugar, ethanol, bioelectricity and yeast
Processing capacity: **5.5 million metric tons of sugarcane/crop year**
Employees: **3,578**

IRACEMA MILL (UIR)
Municipality: **Iracemápolis (SP)**
Products: sugar, ethanol and bioelectricity
Processing capacity: **3.5 million tons of sugarcane/crop year**
Employees: **1,923**

BUSINESS MODEL

INPUTS

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

MANUFACTURED CAPITAL
- Crushing capacity of 24.5 million **tons of sugarcane** and **500,000 tons** of corn
- Internal railway line, to carry production to Port of Santos (SP)
- A storage capacity for **780,000 metric tons** of sugar and **740,000 m³** of ethanol

INTELLECTUAL CAPITAL
- Field and Mill Operations Centers
- Culture of Innovation and Continuous Improvement
- R$ 174 million spent on Innovation
- Innovation Hubs

HUMAN CAPITAL
- **12,600 Employees** trained through development programs, which include Trainees, Interns and Apprentices.

SOCIAL CAPITAL
- Strategic guiding of Social Responsibility
- Voluntary donations aligned with our Private Social Investment (PSI) guidelines
- Partnerships with Education Institutions

NATURAL CAPITAL
- 100% of our electricity consumed derives from renewable sources
- Reuse of industrial process by-products in agricultural activities
- **70% of the sugarcane** comes from our own lands with conservationist soil management, while 30% is from contract growers with sustainable guidelines
- Biological agent biofactories and pre-germinated seedlings **(MPB)** and native seedling nurseries

BUSINESS ACTIVITY

STRATEGIC MANAGEMENT

- Encourage our value chain to implement good social and environmental practices
- Aligned with the best practices and requirements of the Novo Mercado Regulations (B3) since its IPO in 2007
- Strategic Plan 2030
- Risk Management Framework

ORGANIZATIONAL CULTURE

- Commitment to safety and health care
- Strategic people management and development practices
- Community engagement with stakeholder agenda, communication channels, project support, and complaint channel
- Ethics and integrity culture

INNOVATION AND EFFICIENCY

- New product/business development
- Adoption of technologies to boost efficiency operational and digital culture

VALUE CREATION

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

IMPACTS

FINANCIAL CAPITAL
- An investment-grade rating from S&P, cash income of R$ 1 billion and Adjusted EBITDA of R$ 3.4 billion
- Dividend payment history

MANUFACTURED CAPITAL
- Integrated Logistics
- 1.2 million tons of sugar produced
- 989,900 m³ of ethanol serving domestic and foreign markets
- 754,500 MWh of bioelectricity exported to the national grid

INTELLECTUAL CAPITAL
- Real-time monitoring of all production (COA & COI)
- Processes structured and optimized using agile methods
- Scientific partnerships and intellectual property policy
- Curating and supporting startups

HUMAN CAPITAL
- Safe workplace
- Leadership and career development
- Awareness and alignment with the culture

SOCIAL CAPITAL
- The largest employer in the locations where we operate
- Engagement panels with communities
- Offering 160 spots in training programs for community members

NATURAL CAPITAL
- Gold reporting status in the Brazilian GHG Protocol Program
- Mapping of apiaries and engaging with beekeepers
- Trading of approximately 1.02 million CBIOs
- Planting of 197,527 native and fruit tree seedlings in the 2022/2023 crop year
- ISO 14001 Certification for USM

ESG AGENDA

GRI 2-12, 2-13, 2-14, 2-17, 2-22, 2-23, 2-24, 2-25, FB-AG-430A.3

We embarked on a journey to mature our environmental, social and governance (ESG) performance, taking great strides in recent years in terms of policies, strategies, governance and management.

Given the nature of our business, its exposure to risks and opportunities, and the positive impacts we aim to create, we have structured Sustainability Ambitions in tune with our Strategic Planning and the vision of our stakeholders. This agenda was endorsed by the Board of Directors and translated into projects such as the Sustainable Supplier Management Program and the construction of the Social Responsibility Strategy.

In parallel to this process, in the last two crop years we have been cementing our ESG governance practices, creating a specific management division for the topic, an Executive Committee comprising São Martinho executives, and a Tactical Committee with managers from multiple departments.

In 2022/2023, we further planted sustainability agendas into the routine of the Board of Directors' advisory committees, in order to deepen the collective expertise of all leadership levels on the subject. These forums are tasked with fomenting discussions and assessing São Martinho's maturity in sustainability, tracking indicators and monitoring and addressing risks and opportunities.

Various internal management and engagement initiatives have been developed to broaden the culture of sustainability at São Martinho. In the 2022/2023 crop year, we provided ESG training to Company managers, in partnership with Fundação Getulio Vargas (FGV), and we began to build an ESG Pathway for training internal stakeholders at other levels, to be launched in the upcoming crop year. Furthermore, the mills' advancements in certifications such as RenovaBio, Bonsucro and ISO 14001 (see more in Products, Market and Customers) drives the instillation of socio-environmental practices.

Reinforcing São Martinho's commitment to the ESG agenda, in the 2022/2023 crop year the Company signed up to the Ten Principles of the United Nations Global Compact. We disseminate our policy commitments through internal and external communications, publications on social networks and on the São Martinho website, and our Annual Sustainability Report.

Other noteworthy endeavors in the crop year were the measurement and public registration of emissions through the Brazilian GHG Protocol Program, earning Gold Status for the third consecutive year; and the posting of our sustainability disclosures on the Company's institutional website (linked here).

SUSTAINABILITY AMBITIONS CONVEY OUR PRIORITIES

AMBITION: PILLARS AND DRIVERS

GRI 3-3 MATERIAL TOPICS

The 2022/2023 crop year was especially significant due to the clear structuring of our Sustainability Ambitions into projects and indicators to gage our progress. To be recognized as an ESG trailblazer in agribusiness, São Martinho defined three priority areas of action:

To cement these pillars, we defined drivers and priority topics, for which there are commitments and projects that align with the Company's materiality (see more in the next topic), the United Nations Sustainable Development Goals (SDGs) and our Strategic Planning.

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

– **Value chain:** urge our value chain to implement socially and environmentally responsible practices.

– **Social Transformation:** Promote inclusion and diversity through education and professional training, bringing about a social transformation in our communities.

MATERIALITY & ENGAGEMENT

GRI 2-29, 3-1, 3-2

We reviewed our materiality against GRI Standards in the first half of 2023. As a result, the Company's list of material ESG topics was revisited, with the support of a specialized consultancy firm.

A change to the process saw us adopt the Double Materiality model, which began taking into account the analysis of socio-environmental impacts and financial risks. This lets us foster a closer connection between the business and our priority sustainability topics.

Four steps were organized: >>>

1 DEFINITION & IDENTIFICATION

Scope analysis, tools and mapping a list of major topics, in light of sectoral studies and documents, Company policies and market benchmarks, starting with the list of topics from the previous materiality process and a taxonomy prepared by a specialized consultancy firm, with the inclusion of new environmental and governance topics.

2 PRIORITIZATION

Identifying *material stakeholders* (employees, suppliers, financial market agents, contract growers, customers, trade associations, community, and direct consultation with the stakeholders. The following dynamic activities were carried out to this end: in the financial materiality pillar, online consultations were made with senior leadership (10 participants) and capital providers (6 responses), in addition to three working meetings with internal specialists (managers). In the socio-environmental materiality pillar, we conducted three interviews with outside experts, three meetings with internal experts, and an online survey that encompassed 1,055 responses from material stakeholders.

3 ANALYSIS

Analysis of topics based on materiality to stakeholders, financial impact on the business, and socio-environmental impact, weighted according to size, relevance, scope and stakeholders consulted.

4 VALIDATION

The final list of material topics condensed into 10 subjects was validated by the Tactical Sustainability Committee.

For the financial impact materiality, working meetings were held to assess the likelihood of risk occurring and the magnitude of the associated impacts. Lastly, to ascertain a materiality perspective with the priority stakeholders, they took part in an online survey. To do this, the main stakeholder groups were identified and classified in terms of dependency, influence and relationship with the business.

The following were considered to consolidate the complete materiality matrix: responses consolidated by stakeholder; weight given to each group; priority topics by stakeholder and general priority topics; the Company's strategic planning; interviews conducted with industry professionals; comments from stakeholders arising from consultations; and analysis of internal documents carried out in the identification phase.

Compared to the previous materiality process which comprised six topics, the new set of topics now has an additional five topics, two of which were suggested by Company leadership aligned with the company's strategy (Occupational health and safety; Community engagement and local development).

Related ESG Ambition Pillar	Material topic GRI 3-2	Our approach GRI 3-1, GRI 3-3	Related disclosures	Related SDGs
Value chain	Biodiversity, ecosystems and land-use	Degraded areas rehabilitation, research projects and conservation/ maintenance of springs/water resources and riparian forests. Giving a platform to actions mitigating environmental impacts, risk factors and environmental preservation projects to ensure transparency and engage value chain stakeholders in good practices.	GRI 304 – Biodiversity GRI Sector – Topics 13.3, 13.4, 13.5 and 13.6 SASB-FB-AG-440	15.1, 15.5, 15.b
Innovation & efficiency	Climate strategy and air quality	Managing greenhouse gas emissions from our operations, in particular those generated by deforestation in our value chain and burning fossil fuels in our operations. Managing (physical and transition) risks and opportunities related to climate change. Efficiency gains in energy consumption and equipment used, by fostering innovation.	GRI 201 – Economic performance GRI 302 – Energy GRI 305 – Emissions GRI Sector – Topics 13.1, 13.2 and 13.8 SASB-FB-AG-110	7.2, 7.3, 9.4, 11.6, 13.2
Innovation & efficiency	Water resource stewardship	Water resource stewardship to support continued water availability in the areas where we operate; Managing impacts from our operations caused by water consumption.	GRI – 303 Water and Effluents GRI Sector - Topic 13.7	6.1, 6.3, 6.4, 6.6, 6b
Value chain	Supply chain management and traceability	Requiring, managing and enforcing high standards of supplier quality, including social and environmental requirements in procuring goods and services. Improving identification and traceability processes for the raw materials we source. Focus on engaging, including and empowering stakeholders in the value chain.	GRI 204 – Purchasing practices GRI 308 – Supplier environmental assessment GRI 407 – Labor practices GRI 408 – Child Labor GRI 409 – Forced or compulsory labor GRI 414 – Supplier assessment GRI Sector – Topics 13.15, 13.16, 13.17, 13.18, 13.19, 13.21 and 13.23 SASB-FB-AG-430, SASB-RR-BI-430	8.7, 8.8, 12.3, 12.4, 12.6
Social transformation	People management and diversity	Robust employer branding strategy focused on attracting, nurturing and engaging talents. Generating training and employment opportunities in the organization's geographies. Development of the topic Diversity at the Company.	GRI Sector – Topics 13.20, 13.15, 13.18 GRI 201– Economic performance GRI 401 – Employment GRI 402 – Labor/Management Relations GRI 404 – Training and education GRI 405 – Diversity and Equal Opportunity GRI 407 – Freedom of Association and Collective Bargaining	4.4; 5.5

Related ESG Ambition Pillar	Material topic GRI 3-2	Our approach GRI 3-1, GRI 3-3	Related disclosures	Related SDGs
Innovation & efficiency	Innovation and technology	Investing in technological innovation and development to enhance our ability to adapt to new market trends and developments, and updating our business model.	Own indicators	9.4, 9.5, 12.2, 12a
Innovation & efficiency	Energy efficiency	Continuously spurring the development of good agricultural practices and the marketing of solutions based on various renewable energy sources, stimulating the value chain and the formation of partnerships.	GRI 302 – Energy GRI 305 - Emissions	7.2, 7.3, 9.4, 11.6 and 13.2
Innovation & efficiency	Waste management	Harnessing technology and advanced management to reduce the production of waste, ensure waste materials are compliantly disposed of, and increasingly capture value from waste, thereby stimulating the Circular Economy.	GRI 306 – Waste GRI Sector –Topic 13.9	12.2, 12.4, 12.5, 12.6, 12.a
Value chain	Occupational health and safety	Fostering employee wellness and health by managing the workplace in a way that supports the mental and physical health and integrity of our employees, contractors and their families.	GRI 403 – Occupational Health and Safety GRI 410 – Safety practices	3.4, 3.8, 3.9, 8.8
Social transformation	Community engagement and local development	Strengthening communication channels and management of socio-environmental impacts in surrounding communities in accordance with the São Martinho Sustainability Ambitions.	GRI Sector – Topics 13.12; 13.13; 13.14; 13.22 GRI 203 – Indirect economic impacts GRI 408 – Child Labor GRI 409 – Forced or Compulsory Labor GRI 411– Rights of Indigenous Peoples GRI 413 – Local Communities	10.1, 10.2, 10.7

PUBLIC COMMITMENTS

GRI 2-23, 2-24, 3-3 MATERIAL TOPICS

All are approved by our Board of Directors and apply to 100% of our activities

UN Global Compact - we signed up in the 2022/2023 crop year. We will communicate our journey in the Ten Principles and the Sustainable Development Goals (SDGs) through the Progress Communique.

UN Women – we committed to the Women's Empowerment Principle in 2019 and are promoting related actions (see further details on page 114).

Brazilian GHG Protocol Program - we disclosed our carbon impact in the Public Emissions Registry and in 2022 we obtained Gold status for the third time, which attests to the quality and transparency of the Company's greenhouse gas emissions inventory.

CDP - in the 2022/2023 crop year, we responded to three questionnaires on the topics of Water Security, obtaining grade 'B', Climate Change, with grade 'B', and Forests, reinforcing our commitment to managing these topics and their transparency.

INNOVATION AND TECHNOLOGY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

Innovation is a guideline defined in our Strategic Planning and has the direct engagement of senior leadership, through the Strategic and Tactical committees, bringing together experts from across the Company, supported by a Project Management office and also by Continuous Improvement and Innovation Management.

In line with the perspective of constantly cultivating our innovation culture, which urges each São Martinho employee to proactively pursue solutions, we have three pillars that prop up our innovation agenda. The first is related to our core activity and translates into the strategic objective of continuing to produce renewable carbon with excellence. The second pillar is related to the development of new products or services from the transformation of our renewable carbon, and the third to the exploration of the Company's tangible and intangible assets as a springboard for a new service.

Lastly, we treat the focus on technologies as a priority to catalyze the digital culture in our routines, explore connectivity in field and mill operations and maximize productivity in the field, in line with our journey of excellence. We understand that there are no negative impacts associated with this topic.

INAUGURATION OF THE INNOVATION CENTER

In support of this journey, we have a computerized innovation management system, facilitating the visualization of opportunities integrated with ESG topics and material topics.

We dedicated funding of R$ 174 million to innovation in the 2022/2023 crop year, an amount that was primarily impacted by innovations at the corn ethanol plant (see more in Capital Allocation). Our project portfolio articulates with the priority topics of diversification through the production of new forms of biofuels/energy; maximizing the value of the byproducts of current processes; and maximizing synergies with current operations and intensifying efforts to promote the circular economy.

The innovation front in current operations had over 280 Research, Development and Innovation initiatives at our four mills, conducted by a multidisciplinary team of over 100 employees. The goal is to improve efficiency and cut costs of agricultural and industrial processes (see more details about agricultural projects in the Biodiversity, ecosystems and land use chapter).

A major development during the crop year was our Innovation Center starting operations in December 2022. Located at São Martinho Mill, this facility boasts a 5G network and houses our Agricultural and Industrial Technology, Innovation, Continuous Improvement, Environment and Sustainability departments. At this center we are working hard to roll out the Company's digital transformation. Through the Lei do Bem Law, which awards tax benefits to companies that invest in technological innovation, we received incentives of around R$ 35 million by 2022.

The Innovation Ambassadors program also stood out. In order to foster a culture of innovation, we structured the project around an initial group of 34 people, who are participating in interactions related to various core concepts such as creativity, design and entrepreneurship The program therefore plays the role of shaping new ways of daily thinking and acting for the Company's employees.

CONTINUOUS IMPROVEMENT AND EXCELLENCE GRI 3-3

Continuous Improvement targets the management of impacts and gains in productivity and cost through leaner, simpler and more agile models. Throughout the 2022/2023 crop year, we executed 27 *kaizen* projects, six methodological supports, and proposed 565 new actions. With this, we achieved R$ 12.3 million in gains from continuous improvement projects. The value accumulated since 2018 exceeds R$ 108.28 million. We also resumed the Lean journey in Procurements and continued applying continuous improvement concepts and projects in Human Resources.

Also focusing on safety and productivity, we continued the 5S Program and deepened the review of daily routine management after a diagnosis made with the support of a specialized consultancy firm, in the previous cycle, including the processes of planting and cropping.

The routine management process remained active during the crop year. We made progress during the period in industrial processes. In the 2022/2023 crop year, Routine Management was implemented in 22 subprocesses, on top of the ten from the previous cycle.

R$ 12.3 MILLION
gains through continuous improvement projects

119
new areas with projects in the 5S front

2,952
actions in ongoing transformation plans

22
subprocesses with routine management applied in the mills

CHAIN INNOVATION: DIALOGS AND NETWORKS GRI 3-3

As a strategy to deepen São Martinho's connection with the global ecosystem, we are a part of Cubo Itaú, one of the funders of the Agro vertical, along with 4 other sponsors. Established in 2021, the hub fosters the technological development of agribusiness startups in Brazil and Latin America. The collaborative space promotes the connection between agtechs, corporations, investment funds and other agents in the innovation ecosystem. One year into its activities, we hosted the 'Agro ao Cubo' event, attended by over 500 people and heavyweight speakers from Brazilian agribusiness. We also established a relationship with Israel's innovation ecosystem through our partnership with Ibi-tech (Israel-Brazil Innovation), which boasts specific features and greater maturity in certain technologies, alongside the partnership with Enrich (European Network of Research and Innovation Centers and Hubs).

The crop year's initiatives include:

- We attract, nurture and support the growth of over 30 tech startups in agriculture.
- We connect various internal agricultural, industrial and corporate challenges to potential solutions in the innovation ecosystem, involving more than 50 interactions with startups.
- We approved and initiated six PoCs (Proofs of Concept) with startups focusing on these challenges involving technologies such as artificial intelligence, computer vision, sensors and nanotechnology, and
- We raised São Martinho's profile in specialized publications (spontaneous media) that cover innovation.

During this period of learning and approximation with startups, we consolidated a portfolio of potential new business projects that totals more than 50 business cases at various stages of maturity, in fields such as biogas/biomethane, bioeconomy, carbon credits, artificial intelligence, algorithm development, data processing provided by the COA, connectivity and the internet of things.

This movement led us to intensify the adoption of our Intellectual Property Policy, identifying productions in all areas and building a formal position and processes on the topic. This led us to file for a patent during the period, with another in progress.

WE ARE NURTURING OVER 30 AGRITECH STARTUPS

SCIENTIFIC PARTNERSHIPS GRI 3-3

A major development in the 2022/2023 crop year was the consolidation of the initial results of the Engineering Research Center – Sugarcane Pest Control (Cepenfito), created in partnership with the São Paulo State Research Funding Foundation and Universidade Estadual Paulista (Unesp). The center develops technologies for controlling pests and diseases that undermine sugarcane productivity. New biological controls and discoveries have been made – which may impact the productivity of sugarcane fields and the sustainability of agricultural operations. This joint endeavor has already yielded more than ten articles published in scientific journals.

The partnerships with Cepenfito, which involve a series of Brazilian and international research institutions and at least 80 researchers, have been translated into operational procedures and disseminated to the scientific and agribusiness communities.

Other co-financed projects with our participation are: Analytical Platforms (Finep) Big Data; Agricultural 4.0 Startup (Finep) Greenhouse Gas Emissions Calculator; Industrial 4.0 Startup (Finep) AI Corn Plant; Biological Control of Fermentation (Fapesp-Senai); Neutral Carbon Challenges in the Sugar and Ethanol Industry (Senai-GO); and Development of Bio-inputs (Embrapa-EmbrapII).

PARTNERSHIPS WITH ENTITIES LIKE EMBRAPA, UNICAMP AND SENAI ENHANCE OUR INNOVATION PROJECTS

CONSOLIDATION OF **INITIAL FINDINGS**

of the Engineering Research Center – Sugarcane Pest Control (Cepenfito)

SMART FARMING AND CONNECTIVITY GRI 3-3

Harnessing technologies that deepen the digital perspective on agribusiness is one of the fronts where São Martinho is striving to exercise leadership and prominence in its sector.

In 2021 we announced the first partnerships for our 5G Smart Farming project, which entailed the provision of 5G (3.5 GHz) at the São Martinho Mill, supporting the coverage and digitization of our field and mill operations. In the 2022/2023 crop year we implemented 5G telecommunications infrastructure in partnership with the operator TIM, which provides a 5G signal for the mill's entire industrial plant, for the Agricultural Maintenance Center (CMA), for a portion of sugarcane cultivation areas, and for the São Martinho Innovation Center. We also developed our Digital Platform and the São Martinho agriindustrial Datalake. In this context we believe we have the future-ready capabilities to assess and scale up 5G-enabled solutions, such as projects to deploy this technology in reducing workplace risks and accidents based on real-time monitoring of employees.

Another significant stride forward in agro-industrial digitization was the implementation of the Digital Twin in the corn ethanol plant at the Boa Vista Mill. Digital twins digitally simulate real products, processes and systems and can create industrial optimization situations (read more in Management, Strategy and Investments).

2

MANAGEMENT STRATEGY AND INVESTMENTS

IN THIS CHAPTER

São Martinho operates in a market with significant opportunities to boost economic decarbonization. Aware of this potential and its challenges, risks and opportunities, the Company operates in line with its Strategic Plan, in effect for the decade 2020-2030, in order to reinforce its competitive business advantages, accelerate innovation processes, explore new frontiers in renewable fuels and energy and ensure value is shared with stakeholders.

The formulation and supervision of São Martinho's strategy are responsibilities of the Board of Directors, who are charged with approving the business plan, making specific revisions throughout its execution and analyzing the results obtained. With the support of advisory committees and the Executive and Tactical Sustainability Committees, in this process ESG issues - such as challenges, opportunities, impacts and risk exposure - are submitted for the appreciation of the Board and Executive Board.

Similarly, policies dedicated to ESG topics, such as health, safety, environmental management, governance, risks and compliance, have to be approved by management bodies. Our contact with financial institutions, investors, shareholders and business partners is now increasingly driven by interactions focused on sustainability topics - a demand that is addressed through Sustainability Ambitions and that directly aligns with the Company's strategy.

The theses on which we are working in the current cycle of Strategic Planning include the two following topics:

RENEWABLE AND SUSTAINABLE ENERGIES

We have been investing to build on our solid performance in the bioenergy market, today realized by the sugarcane ethanol plant and, from the 2023/2024 crop year, by the corn ethanol plant. We are also attentive to opportunities for adding value through bioenergy, a more robust and varied international performance of ethanol varietals in our plants, already equipped with flexible production structure.

INNOVATION AND NEW BUSINESS

We see innovation as a strategic asset to optimize and improve processes, seeking continuous improvement and competitiveness in domestic and international markets through technology, connectivity, and projects that assure agro-industrial excellence. In addition, we harness innovation to diversify revenue streams and the use of the Company's assets, with an increasingly honed process of capturing ideas and registering intellectual property.

COMPETITIVE ADVANTAGES

High operational efficiency: a business strategy oriented towards productivity, efficiency, flexibility and innovation, with best practices and technologies to boost performance and digital culture.

Own land: management and conservationist handling of 250,000 hectares of own lands, leased land and partnership models.

Financial robustness: solid financial performance as a reflection of our commitment to sustainability, combined with efficient financial management, which allows us to procure funding from various financing sources, including specific credit facilities for green investments.

Seamless logistics: Safe transportation of 1.2 million tons of sugar and nearly 990,000 m^3 of ethanol, serving both domestic and international markets.

Governance & Sustainability: good management practices to reduce global climate impacts by supplying clean, renewable electricity and using natural resources efficiently in production.

Innovation and Technology: Investing in technological innovation and development to enhance our ability to adapt to new market trends and developments, and updating our business model.

CAPITAL ALLOCATION

The 2022/2023 crop year was marked by progress in São Martinho's strategic projects for the decade. Despite the volatility and challenges in the Brazilian and international market, we continued actions that prioritize innovation, capacity increases, digital transformation, diversification of energy sources and new revenue sources.

From April 2022 to March 2023, our consolidated Capex reached R$ 2.5 billion. See below a summary of the main investments made in the period.

CAPEX OF R$ 2.5 BILLION LINKED TO THE COMPANY'S JOURNEY OF EXCELLENCE

CORN ETHANOL PLANT

This project was a leading light in the crop year, with the preparation completed of industrial assets, storage areas and mobilization of inputs following the start-up of operations in March 2023.

The ESG benefits of implementing the project include the creation of about 3,800 direct and indirect jobs, the hiring of suppliers with priority given to local residents, and increasing the proportion of biofuels in Brazil's energy matrix.

Also in the 2022/2023 crop year, we began acquiring the corn inventory needed by production in the first half of 2023 - applying to these contract growers traceability criteria similar to those we already advocate in relations with sugarcane contract growers (read more on page 37).

Where: **Boa Vista Mill (GO)**

Total investment: **R$ 740 million**

Investment made in 2022-2023: **R$ 286 million**

Operation start-up date: **March 2023**

IN NUMBERS:

500,000
tons of corn/year - processing capacity

150,000
tons of DDGs/year

210,000
m^3 of ethanol/year

10,000
tons of corn oil/year

NEW THERMAL POWER PLANT (UTE)

Where: **São Martinho Mill (SP)**

Total investment:
R$ 320 million

Investment made in 2022-2023:
R$ 132 million

Forecast completion: **2024/2025**

IN NUMBERS:

The additional energy volume represents growth of approximately

20%

in the Company's energy cogeneration

The construction of the new UTE is nearing completion, forecast for the 2024/2025 crop year. This project aims to increase electricity generation through the burning of sugarcane bagasse - a process already carried out at USM, the world's largest sugarcane processor.

The new São Martinho UTE is estimated to export 210 GWh of energy per crop year, using the same amount of bagasse currently consumed.

The project's ESG benefits include the fact that thanks to the new UTE, up to 85,000 tons of greenhouse gas emissions will be avoided, comparing bioelectricity with the emissions generated by energy obtained from natural gas. Usina São Martinho already has certifications such as the Green Energy Seal and I-REC, which attest to the renewable origin of the electricity we generate via biomass.

Learn more on page 67

INTEGRATED AGRICULTURAL OPERATIONS CENTER (COA)

Where: **Usina São Martinho (SP)**

Completion date:
December 2022

The four mills' COAs were integrated in December 2022 into a corporate operations center, with strategic and tactical roles, supporting the mills' COAs in the operationalization of techniques. They can also compile and consolidate data and information, guiding strategic and corporate decisions.

The monitoring carried out by each mill's COA includes analyses of satellite and drone images; tracking of the entire heavy vehicle fleet with onboard cameras that detect fatigue and inattention, through artificial intelligence; tracking of vehicles on routes, optimizing fuel consumption; and monitoring the engine performance of the equipment in each operation, aiming for energy efficiency.

OTHER LEADING PROJECTS IN THE CROP YEAR

BIOINPUTS

São Martinho has been successfully controlling pests biologically for over four decades. This control is a fundamental part of the MIT (Total Integrated Management of the sugarcane field), sustainably promoting productivity gains. Around 70% of pest and disease management is currently biological, using macro and microorganisms applied to the soil or directly on the plant.

In line with its values, the Company has systematically sought sustainable and efficient alternatives to further improve its performance in the canefield. Bio-inputs are accordingly playing a greater role and are the focus of developing new management tools. One of the highlights is more efficient pest control, which acts as a plant bio-stimulant, increasing the availability and absorption of nutrients by the plant. The process also stimulates biological activity in the soil, balances the soil-plant-atmosphere relationship, reducing the demand for chemical pesticides and ensuring the production sustainability.

DIGITAL TWINS

Seeking the application of operation centers in projects guided by technology, the initiative included the implementation of a digital twin in the Corporate Industrial Operations Center (COI) capable of simulating online processes conducted in four mills, testing new routes for the efficient the use of inputs and productivity. The technology has already been applied in the 2022/2023 crop year and also in the data structuring project in the corn production chain, in order to automate operational excellence and continuous improvement routines.

RESOURCES, PROJECTS & FINANCING

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

The Company's commitment to sustainability, coupled with efficient financial management, yields opportunities to obtain funding through various financing sources.

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

In 2017 we issued the first Agribusiness Receivables Certificates (CRA) and for the first time raised funds from the IFC, the investment arm of the World Bank Group.

In the 2022/2023 crop year, we issued a new Infrastructure Debenture of R$ 500 million with a project approved by the Ministry of Mines and Energy (MME) to finance maintenance, adaptation, and modernization projects for biofuel production activities.

For projects like the corn ethanol plant and the cogeneration at the UTE of Usina São Martinho, we raised funds from BNDES and IFC, in addition to issuing infrastructure debentures with a Green Seal issued by Nint and S&P.

The bilateral loan from IFC and Rabobank was significant, for which we prepared a Social and Environmental Action Plan (see here) and for our Annual Green Bonds Reports (see here).

In order to ramp up the transparency of our green finance initiatives, this crop year we joined the Green Bond Transparency Platform (GBTP), an initiative developed by the Inter-American Development Bank (IDB) to promote transparency in the green bonds market in Latin America and the Caribbean (ALC).

GOVERNANCE AND COMPLIANCE

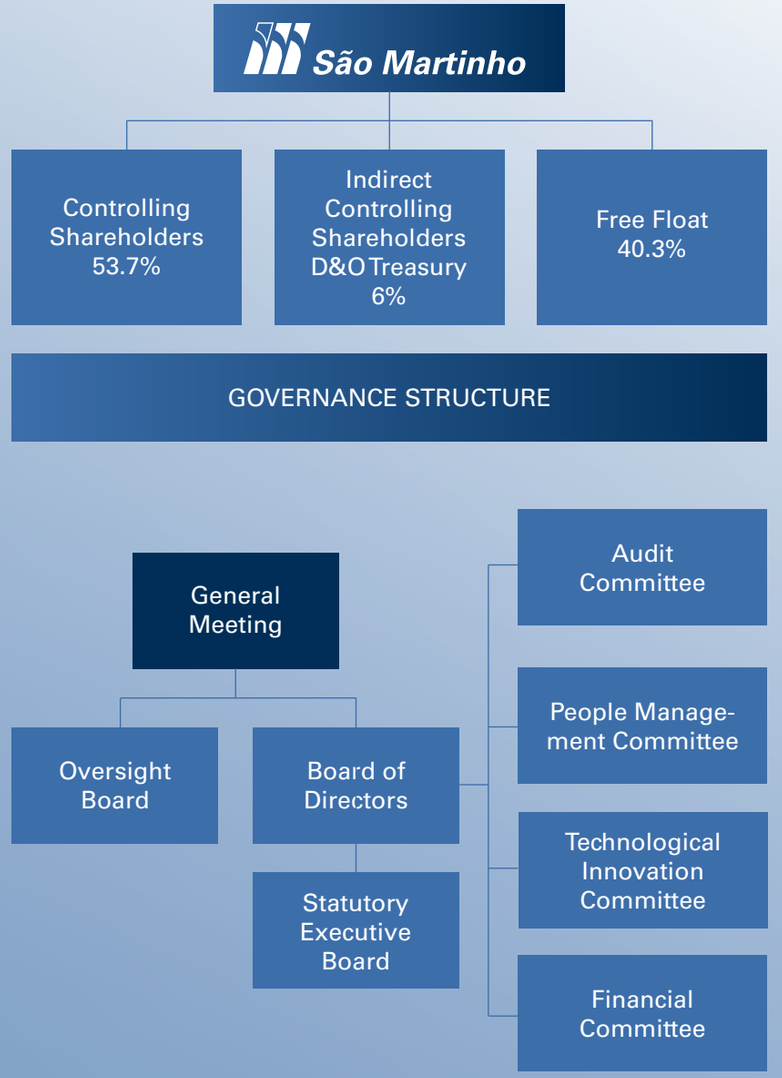
GRI 2-9, 2-10

São Martinho has been listed on the Brazilian stock exchange's (B3) Novo Mercado since 2007. The maturity of our governance and compliance with the IBGC Code of Best-Practice Corporate Governance can be analyzed through the Governance Report (Practice & Explain), in which we fully meet 89% of the requirements, with 7% not applicable to the Company and 4% partially met.

The Company's governance framework is formed of the Board of Directors, which sets the guidelines that steer the Company's business and monitors the implementation of these initiatives through reports from the Executive Board, which is responsible for the direct management of business impacts and processes. The governance framework is completed by four advisory committees to the Board of Directors and the Oversight Board.

Governance body members serve renewable two-year term. Their duties are described in the Bylaws and Rules of Procedure.

Find out more about our governance practices in the São Martinho Governance Brief



BOARD OF DIRECTORS

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 2-18

The Board of Directors is responsible for providing overall business direction and setting long-term strategy. Its duties include electing officers, green lighting investments and material proposals, overseeing business management and risk monitoring, and delegating duties to executives, in line with the Company's Bylaws.

The board is composed of seven members, two of whom are independent. The chairman is not a member of the Executive Board. Their academic backgrounds and specialization involve business management, agricultural and chemical engineering and market/sector experience. This guarantees they are capable of dealing with topics associated with economic, environmental, social and governance (ESG) issues. Board diversity is prominent.

Among the ESG issues, in terms of impact, relevant business topics such as sustainability, greenhouse gas emissions, land use, water resources, health and safety, diversity, human rights and community relations are evaluated.

With regular monthly meetings and extraordinary meetings when necessary, the Board of Directors is regularly informed about important and critical matters, with reports from the Executive Board and support from the committees. The Board's evaluation process is carried out each term, which comprises a 2-year period. This evaluation is carried out through questionnaires, individual interviews and specialized external consultancy; the results are presented to the People Management Committee and the board. Opportunities for improvement are then analyzed and an action plan is established with the aim of enhancing the effectiveness and governance of the process.

Board members are elected at the Annual General Meeting in accordance with the legislation, Novo Mercado Regulations, Rules of Procedure and the Company's Bylaws. The last election took place in July 2022, and its composition has remained unchanged ever since.

In accordance with Brazilian Corporation Law, board members should not have conflicts of interest, such as holding positions in competing companies in the market.

MEMBERS:

Maurício Krug Ometto
Chairman

Guilherme Fontes Ribeiro
Vice-chairman

João Carlos Costa Brega
Independent Director

Marcelo Campos Ometto
Director

Murilo César Lemos dos Santos Passos
Independent Director

Nelson Marques Ferreira Ometto
Director

Olga Stankevicius Colpo
Director

*Elected at the Annual General Meeting held July 29, 2022.

ADVISORY COMMITTEES

GRI 2-9, 2-15, 2-27, 2-23, FB-AG-430A.3

Responsible for supporting the Board of Directors on specific matters, the committees analyze matters within their remit and meet quarterly to advise on decision-making. Meetings can also occur extraordinarily, at the request of any of its members or by the Board of Directors. São Martinho has four committees: Audit Committee, Financial Committee, People Management Committee, and Technological Innovations Committee, with the following members:

AUDIT COMMITTEE*

João Carlos Costa Brega

Murilo César Lemos dos Santos Passos (coordinator)

Olga Stankevicius Colpo

PEOPLE MANAGEMENT COMMITTEE*

Marcelo Campos Ometto

Murilo César Lemos dos Santos Passos

Olga Stankevicius Colpo (coordinator)

FINANCIAL COMMITTEE*

Marcelo Campos Ometto (coordinator)

Murilo César Lemos dos Santos Passos

Nelson Marques Ferreira Ometto

TECHNOLOGICAL INNOVATION COMMITTEE*

Marcelo Campos Ometto (coordinator)

Murilo César Lemos dos Santos Passos

Nelson Marques Ferreira Ometto

*Elected at the Board of Directors' meeting held July 29, 2022.

Details about the operation, members and responsibilities of each advisory committee are available in the Rules of Procedure of the Advisory Committees of the Board of Directors, available at link, and in the Reference Form. GRI 2-15, FB-AG-430a.3

OVERSIGHT BOARD GRI 2-9

The Oversight Board's main responsibilities include overseeing management's activities, analyzing the Company's financial statements and forwarding their conclusions to the shareholders. Composed of permanent and alternate members, elected by the General Meeting, the Oversight Board meets ordinarily every three months.

MEMBERS*

Isabel Cristina Bittencourt Santiago
Serving Member

Maurício Curvelo de Almeida Prado
Serving Member

Maria Elvira Lopes Gimenez
Serving Member (elected by NCI)

Carlos Alberto Ercolin
Alternate Member

Camila Caçador Xavier Pereira
Alternate Member

*Elected at the Annual General Meeting held July 29, 2022.

EXECUTIVE BOARD GRI 2-9

Tasked with managing São Martinho's business and regular operations, in accordance with the Corporate Bylaws and strategic guidelines set by the Board of Directors. It currently has 11 members. and holds regular monthly meetings and extraordinary meetings when necessary. The Statutory Board is responsible for ensuring the disclosures in this report are consistent with our material topics and ESG guidelines.

MEMBERS*

Fabio Venturelli
CEO

Agenor Cunha Pavan
Vice President for Cane Field and Mill Operations

Carlos Fernando Zaneti de Andrade
Cane Field and Mill Operations Officer, Santa Cruz Mill

Elias Eduardo Rosa Georges
Chief Legal, Governance, Risk, Compliance and Institutional Relations Officer

Felipe Vicchiato
CFO and Investor Relations Officer

Helder Luiz Gosling
Commercial and Logistics Officer

Ivan Barcellos Dalri
Cane Field and Mill Operations Officer, Boa Vista Mill

Luciana Côrtes Carvas
Chief Human Resources and Health & Safety Officer

Marcos Helder Pavan Mônaco
Cane Field and Mill Operations Officer, Iracema Mill

Ricardo Azevedo Gonçalves
Cane Field and Mill Operations Officer, São Martinho Mill

Roberto Beraldo Melges
Administrative Officer**

*Elected at the Board of Directors' meeting held July 29, 2022.
**Elected at the Board of Directors' meeting held April 24, 2023.

To find out more about the credentials of our executives and Board members see the São Martinho IR website

COMPLIANCE AND INTEGRITY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 2-15, 2-16, 2-24, 2-25, 205-1, SASB FB-AG-430A.3, FB-AG-430A.3

São Martinho's history is steeped in a culture of ethics and integrity. Compliance is responsible for implementing and monitoring best compliance practices, overseeing ethical issues, and reporting to the Ethics and Compliance Committee about incidents of corruption, fraud and other non-compliances.

Compliance also reports through the GRC Tactical Committee, formerly known as the Tactical Compliance Committee, which has started to include Governance, Risks, ESG and Occupational Health and Safety (OHS) agendas and counts on the participation of managers and mill directors.

To enshrine an ethical culture, the Company has a Code of Ethics and Professional Conduct and policies with guidelines on conflicts of interest and respect for the environment. The Related-Party Transactions and Conflicts of Interest Policy establishes the procedures to be observed in the business conducted by the Company and its subsidiaries, which are supported by GRC in monitoring and complying with its guidelines, and analysis of the Audit Committee.

The Code and the Anti-Corruption Policy are made available to all employees and executives at the start of each term, through the Governance Handbook, including the main policies and rules of procedure. External stakeholders and business partners must follow the General Procurement Conditions, in which they agree to observe and respect São Martinho's internal rules and the Ethics Code. All policies, the Code and regulations undergo periodic reviews and are disclosed on the Company and Investor Relations' websites.

Compliance monitors and prevents non-compliance. For this, it has tools, such as the Ethics Channel and supplier monitoring mechanisms through due diligence actions and controls. To ensure even more safety, the risk management methodology is applied, through which compliance risks are periodically mapped.

All operations were assessed for risks related to corruption in the crop year. These risks are regularly monitored and mitigated by GRC.

In this crop year, six reported concerns were discussed at the Board level, involving strategic risks, financial issues, inputs, raw materials, environment, policies and controls, cybersecurity and regulation of the activity.

COMPLIANCE AIMS TO ENSURE THE ADEQUACY OF LAWS AND REGULATIONS, FOSTERING A CULTURE OF ETHICS AND INTEGRITY

Learn about our management policies here

SENSITIZATION

In the 2022-2023 crop year, we adopted a new compliance training model, in a virtual format, accessible via computer and mobile app, with the aim of reaching 100% of employees.

The course covers the Code of Ethics and Professional Conduct, Compliance Principles applied in everyday company situations, and a Compliance Game, with questions and answers to test this knowledge. The training embraced over 9,000 staff.

ETHICS HOTLINE GRI 2-25, 2-26

The Ethics Hotline is managed by an external independent firm, with internal management by Compliance, charged with analyzing and forwarding reports to the Working Groups of the units for investigation. The channel receives issues such as complaints, concerns, occupational and vehicular health (SSO), and compliments/inquiries. The channel ensures confidentiality and non-reprisals for whistleblowers.

In the 2022/2023 crop year, the channel received 395 reports*: 200 complaints; 161 concerns; 24 HSE; 10 compliments/ inquiries. As of March 31, 2023, 250 reports were finalized, with 133 being unfounded; 52 partially founded; 34 founded; and 31 inconclusive.

Contact information
0800 777 3131, toll free call
e-mail (etica@saomartinho.com.br)
site and Intranet.

* By the publication of this report, 97% of the reports had been finalized.

PERSONAL DATA PRIVACY AND SECURITY

Compliance is responsible for ensuring compliance with norms and guidelines regarding the protection of personal data of the Company, employees, suppliers, customers and business partners. Its core responsibilities include: implementation and management of policies and procedures related to personal data protection. These policies should cover aspects such as collection, use, sharing, storage and deletion of personal data; security in data sharing and transparency.

Please send any queries and questions to the communication channel on the email: privacidade@saomartinho.com.br.

395

reports were received through the Ethics Hotline, including compliments, inquiries, complaints and allegations

Employees who have received communications and training on anti-corruption, broken down by region[1] GRI 205-2

Region	Employees	Crop year 2020/2021		Crop year 2021/2022		Crop year 2022/2023	
		Informed	Trained	Informed	Trained	Informed	Trained
Midwest	number	2,500	0	2,535	0	2,571	2,388
	%	100	0	100	0	100	92.88
Southeast	number	10,233	0	10,117	0	9,932	7,186
	%	100	0	100	0	100	72.35
TOTAL	**NUMBER**	**12,773**	**0**	**12,652**	**0**	**12,503**	**9,574**
	%	**100**	**0**	**100**	**0**	**100**	**76.57**

1. Includes interns, apprentices and trainees.

INSTITUTIONAL AND GOVERNMENT RELATIONS

GRI 2-28, 2-29

As a means to strengthen our corporate governance and structure the our Institutional and Governmental Relations, in the 2022/2023 crop year the Institutional and Government Relations Policy (RIG) was approved by the Board of Directors. This policy sets out an updated agenda and relationship matrix and directs efforts towards monitoring topics considered relevant to our business and people, such as agriculture, sugar, cane and corn ethanol, energy and innovation. In addition, issues involving biodiversity, decarbonization and climate are also on the radar.

The main focus of our IGR work is to participate in associations that represent our business lines, in order to strengthen product development, markets and foster open innovation. An example of this interaction was our membership of the Brazilian Bioinnovation Association (Abbi), which represents companies and institutions from various sectors of the economy that invest in innovative technologies, based on biological and renewable resources.

Another highlight is the active participation in technical committees of entities such as the Brazilian Sugarcane Industry Association (UNICA), the State of Goiás Union of Ethanol Manufacturers (Sifaeg), the Brazilian Association of Listed Companies (Abrasca) and the Brazilian Innovative Business Research and Development Association (Anpei), coupled with the prompt response and collaboration in specific demands from government agencies.

RISKS AND OPPORTUNITIES

GRI 2-12, 2-13, 2-14, 2-25, 2-26, FB-AG-430A.3

São Martinho maintains a Risk Management structure to detect and assess the main threats that could undermine the solidity and longevity of its businesses. These procedures are systematized in our Risk Management Policy, in the guidelines of the ISO 31000 standard and best market practices.

The formal responsibility for detecting, analyzing and assessing threats and opportunities, including ESG issues, lies with senior leadership, with indicators reported monthly to the Executive Board and the Board of Directors. The process is coordinated by GRC and is supported by the advisory committees to the Board. A crisis committee can be convened for urgent important cases.

An important feat in the 2022/2023 crop year was the revision of the matrix's criteria and risks the due to the micro and macroeconomic context of the corn ethanol plant. 100 analysis criteria were established that guide the Company's risk assessment process and we defined strategic risks, which can significantly impact the business. Risks were also segregated by business areas, support areas, and mills, in order to provide a more dedicated and effective assessment.

Another improvement made was the permanent provision of risk assessment mechanisms for Senior Leadership. This change provides a prompt updating of the matrix and bolsters our risk management culture and the responsibility of leaders in managing the most material risks.

The current risk matrix includes 33 identified risks, of which eight are strategic, classified in terms of probability and impact into categories (very low, low, medium, high or very high). Limits, criteria and exposure to them are defined jointly with the departments and teams and weighted by senior management against corporate policies and performance indicator analysis.

In the 2022/2023 crop year, the following were the main risks

in the analysis routines:

Cybernetics: as in the previous crop year, this was a leading topic addressed by GRC routines. We ramped up our cyber security during the social isolation period required by the pandemic, and the measures have proven to be effective in thwarting cyber attacks.

Climate: although the 2022/2023 crop year enjoyed a positive rainfall and climate compared to the two previous cycles, São Martinho has to deal with the natural exposure to extreme events, climatic variations, droughts, excessive rainfall or heatwaves, which affect the yield and productivity of sugarcane and corn and can trigger water stress in the regions in which we operate. An immediate response to this risk can be seen in the Irrigation Master Plan, with measures and pilots to make us more self-sufficient and less dependent on new water intake (read more in Water resources).

Financial & market: monitored for the risk of price variations, rates, exchange and inputs, including inflationary pressure and exchange rate fluctuations. Exposure to the cyclical movements of commodities is significant and directly affects the macroeconomy and market conditions. The variations may be related to climate change, which impacts the availability of raw materials and price volatility. In light of these challenges, the company has commercial, financial and procurement policies related to the pricing of these products and holds weekly discussions, defining guidelines for price protection and greater cash flow predictability (see more in Climate Risk Management).

Regulatory and geopolitical: in the crop year, the tax relief on fossil fuels severely undermined the competitiveness of ethanol in the Brazilian market – and, although this measure was reversed in the last quarter, in 2023 it has already prompted a response, demonstrating the exposure of the bioenergy segment to public policies and/or decisions of those regulating the Brazilian market that can affect the competitiveness of ethanol and other products derived from sugarcane and corn. International conflicts, such as Russia's invasion of Ukraine and the diplomatic tensions between China and Taiwan also took their toll, which affect global production chains and can alter our cost and input base - a sensitive topic in the agricultural commodities sector.

See the Company's Risk Management Policy here

See here for a comprehensive analysis of risk factors described in our 2022/2023 Consolidated Financial Statements

SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 3-1, 2-6, 13.23.2, 12.23.4, 308-1, 408-1, 409-1, 414-1, FB-AG-430A.3

São Martinho monitors the impact generated in the supply chain and in conjunction with its partners has been working to implement ESG policies, encouraging good practices that reduce risks and bring socio-environmental and financial benefits, with a focus on sustainable development.

We have made significant progress in the processes of managing the supply chain for goods, services and raw materials. Leading events in the 2022/2023 crop year included projects that monitor the socio-environmental maturity of goods and services partners and that ensure the traceability of raw materials - topics emphasized in our Sustainability Ambitions and increasingly important for risk control and agribusiness development. Although we do not have specific improvement projects for supplier certification in international traceability standards, on Field Day (read more about the subject below), the topic of socio-environmental certifications is addressed.

All fronts related to compliance and upholding human rights are on the radar of our risk management processes, systems and supplier development tools. We did not identify incidents of child labor, slave labor or slave-like labor in our operations and/or suppliers.

In general, respect for socio-environmental laws, standards and commitments is provided for in incentive practices and in our contractual conditions. The required prohibition of forced or slave-like labor is an example of one of these conditions that must be followed by suppliers, with any non-compliance resulting in immediate contractual termination.

Furthermore, we use software for carry out due diligence processes for suppliers of goods, services and raw materials, ensuring constant monitoring of these items.

In the 2022/2023 crop year, we had 100% of new suppliers (including transporters and sugar cane contract growers) contracted based on environmental and social criteria.

GOODS AND SERVICES: PROGRESS IN THE CROP YEAR

GRI 204-1, GRI 410-1

São Martinho interacts with over 3,390 suppliers of goods and services, a base composed of 27% local partners, where local means within a radius of up to 150 km from our operations. The transactions for the 2022/2023 crop year totaled R$ 2.87 billion, which was spent on services and equipment, technology, products and supplies.

In terms of documents and guidelines, we have revised our Procurement Policy, adding sections related to compliance and governance, and structured our Purchasing Manual for operations, in order to ensure the development and results for the Company and its value chain. This Manual reinforced specific topics on risk assessments, third-party management and compliance.

In addition, the Sustainable Procurement Guidelines were made provided to all teams responsible for negotiations with the supply chain, in order to encourage an in-depth ESG perspective in interactions.

For the guidelines on selection, approval and onboarding of business partners, we anticipate an update in the 2023/2024 crop year to include sustainability criteria alongside the traditional factors in the analysis processes.

From a performance perspective, there is a program that assesses each company with a Supplier Qualification Rating (IQF) determined by pillars of punctuality, sustainability, performance, quality, occupational health and safety and commercial relationship.

SUSTAINABLE SUPPLIER MANAGEMENT

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 2-6

For the categories of goods and services, we structured the Sustainable Supplier Management Program during the crop year for more than 155 critical suppliers, according to criteria such as volume of expenses per crop year and relevance of the purchase made for the business. To form the process we drew inspiration from the methodology of the B3 Corporate Sustainability Index (ISE) questionnaire, applying to our partners a survey not unlike that carried out by the stock exchange on companies wishing to join the portfolio.

In the process, each supplier completed to a self-assessment questionnaire and was scored against the evidence submitted. Among the central topics are occupational health and safety, diversity and inclusion, human and labor rights, community relations, environmental policies, biodiversity, energy, water and effluents, waste, GHG emissions, risk management, code of conduct, whistleblowing channel, anti-corruption practices and supplier management. The project embraced 63 suppliers in this first cycle. In the 2023/2024 crop year, the feedback processes will be carried out with the base already included in the program, including engagement and development actions, and completing the assessment of the rest of the base.

In addition to advancements in management processes, we established a partnership with a leasing company that provided laptops and workstations through a partner computer distributor. The contract included the carbon neutral certificate, which offsets the carbon emissions generated during the manufacturing, distribution, use of devices and reverse logistics through investments in internationally recognized climate change mitigation projects. Through energy generation projects in solar farms, approximately 1,831 tons of carbon were offset in this commercial transition.

Check out the carbon neutralization certificate for this project at the link

IN THE FIRST CYCLE, 63 CRITICAL SUPPLIERS WERE ENGAGED.

RAW MATERIAL PRODUCERS

GRI 2-6, 204-1

The raw material supply chain is fundamental to our business routines. This crop year the Company interacted with over 1,172 contract sugarcane growers (versus 1,084 in 2021/2022) and 1,054 legal entities and individuals, including lessors and agricultural partners. The budget for sugarcane purchases was allocated to growers located within a radius of up to 150 km from the mills.

All negotiations for the purchase of sugarcane prioritize formal procurement and guidelines issued by the São Paulo State Association of Sugarcane, Sugar and Ethanol Producers (Consecana).

In the 2022/2023 crop year, actions were initiated to engage and build relationships with corn producers - an ingredient that has entered the Company's production chain with the new corn ethanol plant. During the period we used 31 corn growing partners, with a corn purchase budget composed of 85.6% local suppliers, i.e., those supplying within Goiás state, where the Boa Vista Mill is located.

As part of our Sustainability Ambitions, we urge our raw material suppliers to adopt good socio-environmental practices, including the regularization and provision of the Rural Environmental Registry (CAR) by contract growers.

Presentation of the CAR is a mandatory prerequisite for contracts with new growers, and São Martinho has been helping active partners in its base with some such issues. In relation to the last crop year, we reduced non-compliance with the CAR by 76%, leaving just 0.76% of the total properties by the publication of this report. We have defined plans and deadlines to resolve this pending issue.

Another leading action involves RenovaBio, a certification for efficient biofuel production based on life cycle assessment that is already part of our mills' set of certifications. It is worth noting that a portion of the proceeds from the sale of the generated credits is already passed through to the contract growers who have joined the program.

We maintain a routine of engagement and building a positive agenda with contract sugarcane growers, addressing issued related to quality, productivity and compliance. The list of engagement and relationship actions features the Field Day - which in this crop year returned to being in-person at all mills, after two editions blighted by the Covid-19 pandemic.

During this edition of the meeting, we shared experiences with our contract growers on topics such as sugarcane varietals, pest and weed control and new agricultural technologies for sugarcane cultivation. Field Day also gave us the opportunity to discuss the topic of Sustainability. The content covered included information about the history of sustainable development, ESG in the value chain, premises for grower self-assessment regarding Environment, Human Rights, Labor Standards, Production and Management and practical directions on water management, waste management and biodiversity.

WE HAVE MORE THAN 1,000 SUGARCANE GROWERS IN OUR CHAIN

RAW MATERIAL TRACEABILITY

GRI 2-6, 204-1

São Martinho's Sustainability Ambitions include a commitment to substantially advance in ensuring raw materials traceability in socio-environmental terms, by 2030.

The challenge of centralizing various ESG compliance data in a single system led São Martinho to implement in 2022/2023 a socio-environmental risk management procedure with third-party assessments and software that enables the mapping of all contractors, partners and suppliers. The tool merges information from public blacklists with satellite images, allowing compliance analyses of about 22 criteria, based on data overlays and cross-referencing. In 2022/2023, we had 2,259 raw material suppliers included in the platform. The priority criteria classified as unfit are recorded, investigated and addressed with suppliers through a defined management system.

We also maintain a monthly Working Group focused on managing these risks, bringing together professionals from the Company's raw material sourcing, GRC, ESG, and Legal departments.

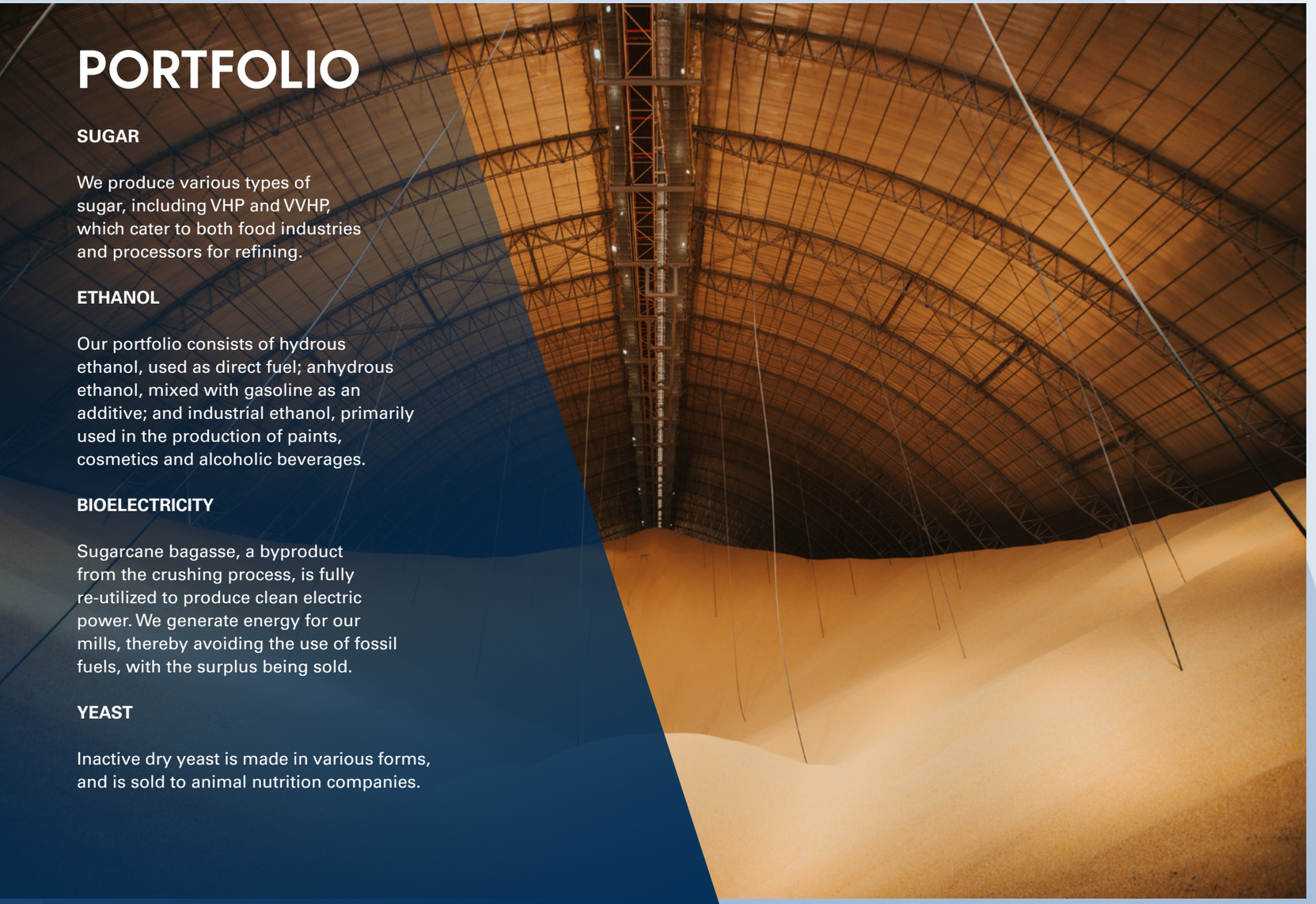
PRODUCTS, MARKET AND CUSTOMERS GRI 2-6

The relationships between São Martinho and its clients are guided by the Code of Ethics and Professional Conduct and by free market rules, with strict compliance and fair trade guidelines. We customer list includes customers across Brazil and in 26 other countries on four continents.

The crop year was marked by an increase in the export base from 15% to almost 33%, due to a more attractive situation for ethanol exports and competition from biofuel in the Brazilian market. Shaped by the Russia-Ukraine conflict, the demand for Bonsucro-certified anhydrous ethanol in regions like the European Union led São Martinho to increase exports.

To facilitate this, a logistical structure was set up to facilitate ethanol exports, from the port of Santos. Additionally, we have approved new logistic suppliers for safe and timely transportation of produce from the mills to the port. Unlike sugar, most ethanol is still transported by road. Maintaining certifications such as Bonsucro was also fundamental for the Company to meet the requirements of European markets, which require this certification for imports.

26
COUNTRIES
have customers of São Martinho



PORTFOLIO

SUGAR

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

ETHANOL

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

BIOELECTRICITY

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

YEAST

Inactive dry yeast is made in various forms, and is sold to animal nutrition companies.

NEW PRODUCTS

In March 2023, we began producing corn derivatives in a plant integrated with the Boa Vista Mill (GO). In addition to ethanol, two new products are manufactured at the mill:

DDGS (DRIED DISTILLERS GRAINS WITH SOLUBLES)

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

SMartDDG

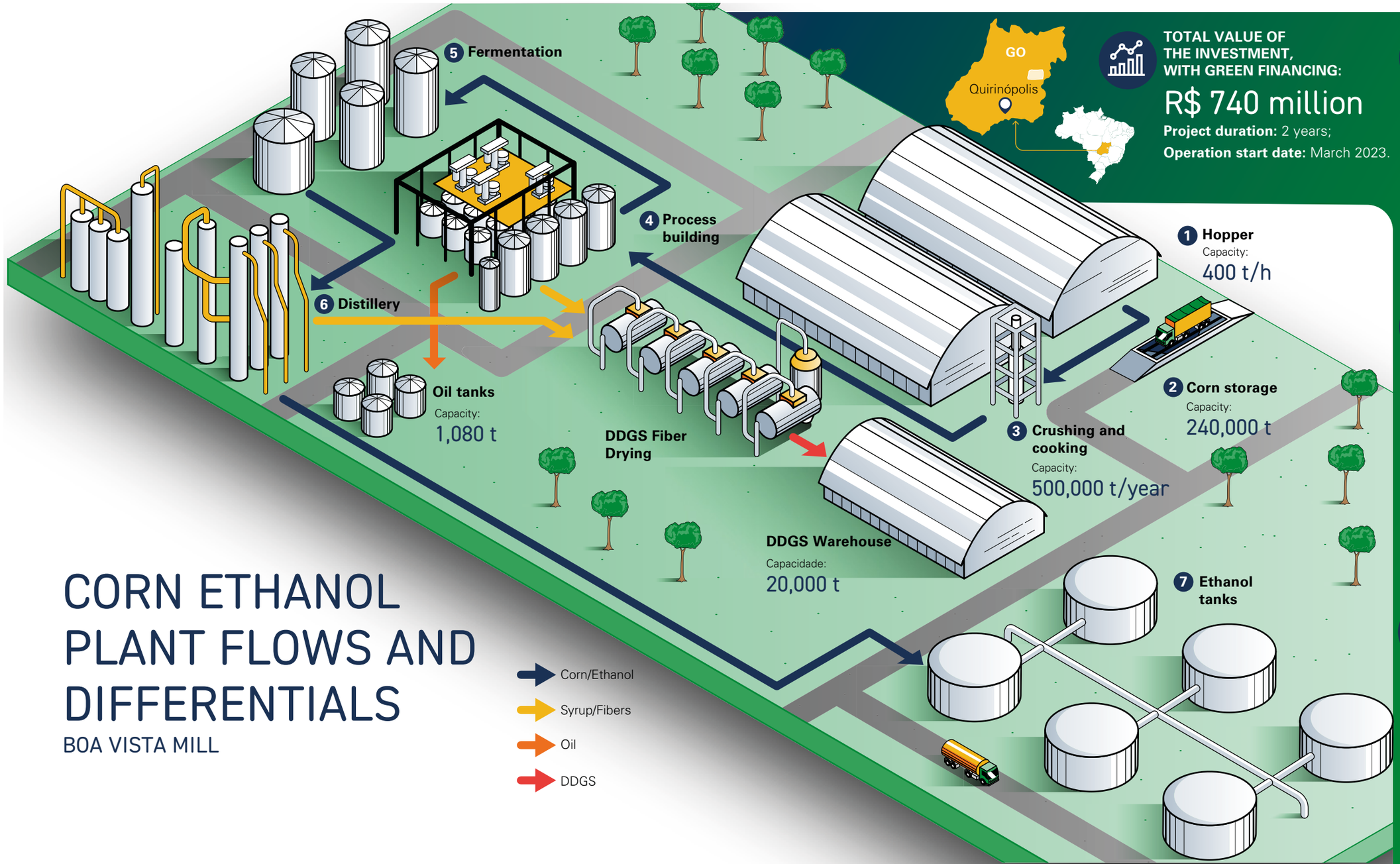
CORN OIL

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

SMartLiO

CORN ETHANOL PLANT FLOWS AND DIFFERENTIALS

BOA VISTA MILL



TOTAL VALUE OF THE INVESTMENT, WITH GREEN FINANCING:

R$ 740 million

Project duration: 2 years;

Operation start date: March 2023.

INNOVATION

- State-of-the-art equipment;
- Quality consistent production all year round;
- Adherence to the "Feed Safety" policy, which ensures the integrity of food manufacturing processes and compliance with food safety standards.

ENVIRONMENTAL

- The energy used in the processes is 100% derived from the burning of bagasse, originating from the same Mill;
- Increase in ethanol production, representing an increase in biofuels in the Brazilian energy matrix;
- Close proximity to corn suppliers and byproduct consumers, reducing CO_2 emissions in transportation.

SOCIAL

- Creation of some 3,800 direct and indirect jobs;
- Improvement and qualification of the workforce from communities adjacent to the Mill;
- Prioritization of local suppliers.

HOW CORN IS UTILIZED

ETHANOL

52%

- Biofuels;
- Alternative to fossil fuels.

DDGS
(DRY DISTILLERS GRAINS WITH SOLUBLES)

45% SMartDDG

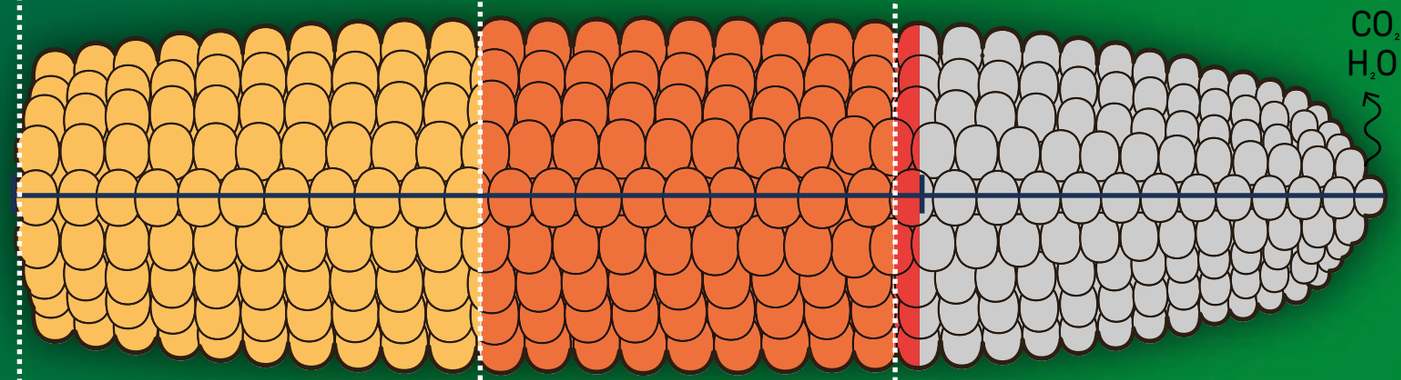
- High versatility and efficiency for the formulation of animal feeds and diets;
- Excellent source of proteins;
- It provides good palatability and digestibility for livestock feeding;
- Consistent supply all year round;
- Excellent balance of vitamins and minerals, including high phosphorus availability.

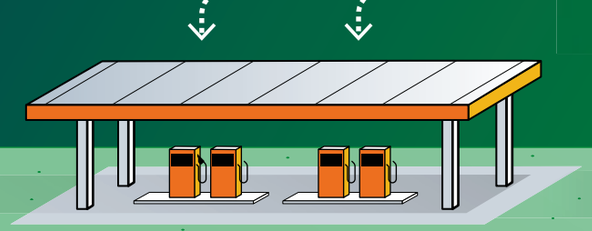
OIL

3% SMartLiO

- High concentration of metabolizable energy, comparable to soybean oil;
- BOS Technology (Brix Oil Separation), which results in a product with a lower acidity level;
- Consistent supply all year round;
- Rich in xanthophylls and beta carotene.

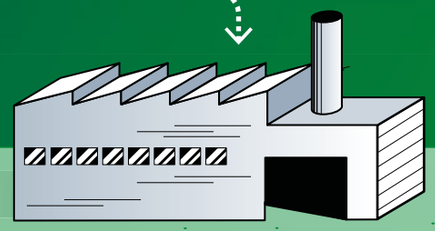
For every 1,000 kg of processed corn, **662 kg are converted into marketed products**



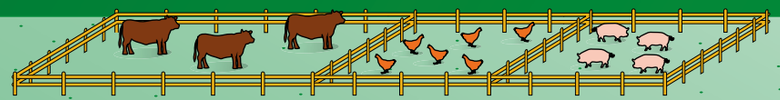


Hydrous ethanol (fuel)

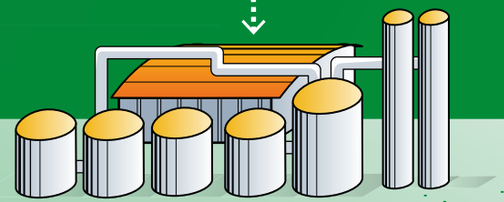
Anhydrous ethanol (blended into gasoline)



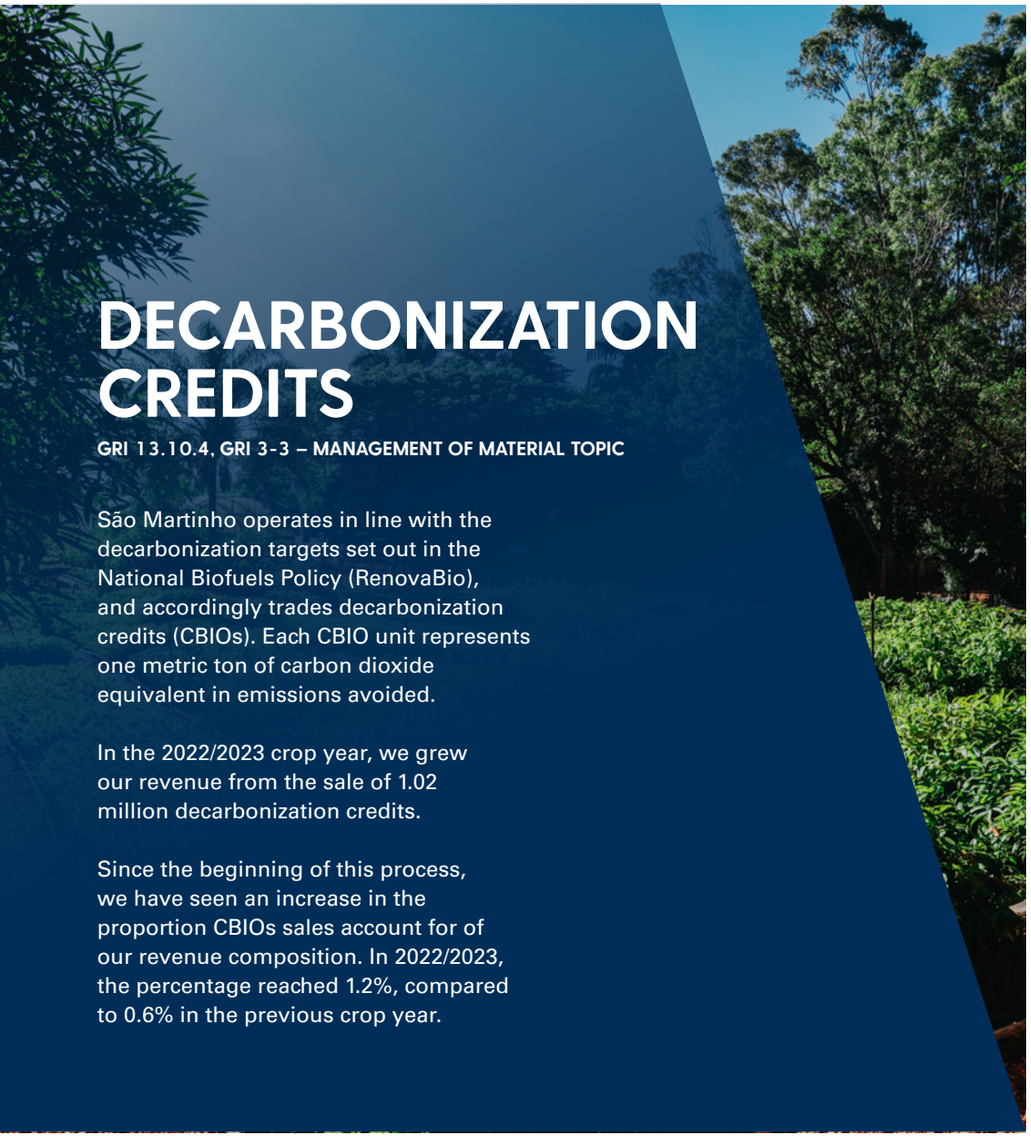
Industrial-grade ethanol (coatings, cosmetics and other uses)



Animal nutrition



Oleochemical and biodiesel industries



DECARBONIZATION CREDITS

GRI 13.10.4, GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC

São Martinho operates in line with the decarbonization targets set out in the National Biofuels Policy (RenovaBio), and accordingly trades decarbonization credits (CBIOs). Each CBIO unit represents one metric ton of carbon dioxide equivalent in emissions avoided.

In the 2022/2023 crop year, we grew our revenue from the sale of 1.02 million decarbonization credits.

Since the beginning of this process, we have seen an increase in the proportion CBIOs sales account for of our revenue composition. In 2022/2023, the percentage reached 1.2%, compared to 0.6% in the previous crop year.

CERTIFICATIONS

GRI 13.10.4

An essential tool for the Company's management is the set of certifications that attest to our internal business processes. During the crop year, the Boa Vista Mill obtained the Bonsucro seal, thus completing the certification process for our four mills that evaluates compliance with best socio-environmental practices. We also achieved the ISO 14001 environmental management certification for the São Martinho Mill. In the upcoming crop years we also expect to complete the process by also having the Boa Vista Mill certified in the upcoming crop years.

Also in the 2022/2023 crop year, we conducted an FSSC 22000 audit at the Santa Cruz Mill, covering the production and sale of neutral industrial hydrous ethanol. This certification attests to food safety and is internationally recognized for being approved by the Global Food Safety Initiative (GFSI).

The São Martinho, Boa Vista, and Santa Cruz mills process Dry Yeast from Sugarcane and are certified by the GMP (Good Manufacturing Practices) and FSA (Feed Safety Assurance) standards, which relate to the safety of products intended for animal feed. At the Iracema Mill, there is no yeast drying process, so this certification does not apply.

Percentage of sugarcane volume purchased and certified by internationally recognized product chain tracking standards.[1] **GRI 13.23.3, 13.23.4**

IRACEMA MILL:
63.4% RENOVABIO

SÃO MARTINHO MILL:
70.7% RENOVABIO

BOA VISTA MILL:
87.9% RENOVABIO

SANTA CRUZ MILL:
26.2% RENOVABIO

1. The figure is calculated as the % of sugarcane purchased from the mill's growers and certified, and calculated as the amount of RenovaBio-certified cane acquired from growers divided by the sugarcane volume purchased from growers.

Certification	Nature
Bonsucro	International certification against the Bonsucro Production Standard and Chain of Custody Standard.
RenovaBio	Certification that our biofuels are produced efficiently using a lifecycle assessment approach.
Etanol mais Verde ("Greener Ethanol")	A memorandum of intent to implement best practices in sustainability in the sugar and energy industry in São Paulo State.
Green Energy Label/Certification	This certification is awarded to facilities generating electricity from renewable sources.
I-REC	International certification that the electricity we produce is renewably sourced.
RFS2 Renewable Fuel Standard - EPA	Registration with the US Environmental Protection Agency to market ethanol in the U.S.
LCFS (Low Carbon Fuel Standard) - CARB	São Martinho is registered with the California Air Resources Board to market ethanol in the state of California.
GMP+ B2	Certification that the products we supply as animal nutrition ingredients are safe and compliant with Good Manufacturing Practices.
Kosher	Certification that our products are compliant with Orthodox Jewish dietary laws.
Halal	Certification that our products are manufactured in accordance with Islamic dietary laws.
ISO 9001	Quality Management Systems
ISO 14001	Environmental Management Systems
ISO 17025	Competence of testing and calibration laboratories

See details about all our certifications and the mills they cover on the Investor Relations website

PRODUCT QUALITY AND SAFETY

GRI 416-1, 416-2

Striving for the best possible quality and safety of our products underpins our actions from sourcing raw material to delivery to customers, covering technical quality specifications and factors that protect the health and safety of the end consumer.

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

Before shipment, each product batch is inspected to ensure it is compliant with customer specifications and applicable regulations. At the Company, 100% of our products are covered by consumer health and safety impact assessments.

Our animal nutrition products also follow good manufacturing practices to provide safe products, ensuring livestock health and well-being and the health of consumers in the other links of the chain.

Our Food Safety and Quality Policy formalizes our commitment to providing quality and safe products, complying with applicable laws and customer requirements, and the continuous improvement of our management system. Senior leadership is the main ambassador for the management of food quality and safety. Process control and good manufacturing practices are core parts of our routine, and employee awareness and training are determining factors for securing the intended results.

In the 2022/2023 crop year, we had no cases of non-compliance caused by our products on consumer health and safety that resulted in a fine, warning or any violation of voluntary codes.

BUSINESS PERFORMANCE

The 2022/2023 crop year witnessed climate recovery, with investment in the field alongside the tackling of challenges that included the temporary tax relief of fossil fuels and the conflict in Ukraine, with negative impacts on input costs and ethanol profitability. The control and efficiency measures were responsible for minimizing the impact on our earnings.

In the 2022/2023 crop year, we processed 20 million tons of sugarcane, an increase of 0.6% compared to the volume processed in the same period of the previous crop year. Productivity stood at 70.9 tons per hectare (down 1.2%), sugar production reached 1.2 million tons (- 7.4%), ethanol production reached 898,900 cubic meters (-1.6%) and energy reached 754,000 MWh (-0.7%).

Our sugarcane fields still felt the lingering effects of the adverse weather conditions of recent years, beset by droughts and frosts, which impaired our productivity. In revenue terms, ethanol became less competitive from July 2022, when the tax burden on Brazilian gasoline was eased.

Additionally, milling operations at the São Martinho Mill and Santa Cruz Mill were also delayed. TRS similarly fell by 4% due to the adverse weather conditions. The effect is seasonal, and is aligned with the production guidance we released to the market.

Our market cap hit R$ 9.6 billion on March 31, 2023, reflecting the positive perception of our business, which has been rated as Global Investment Grade by S&P since 2019. Adjusted EBITDA totaled R$ 917.1 million in 4Q23 (+19.0%), in line with the Company's growth trajectory.

YTD net revenue for the 2022/2023 crop year reached R$ 6,643.5 million, an increase of 15.2% compared to the same period of the previous crop year, due to higher sugar prices and a higher ethanol sales volume overseas throughout the crop year. The Adjusted Cash EBIT for the 2022/2023 crop year reached R$ 1.49 billion (0.2%).

The Company's net debt was approximately R$ 3.5 billion in March 2023, an increase of 20.6% on March 2022. The growth reflects the higher working capital in the period and the investments nearing completion.

15.2%
growth in net revenue

Value creation and distribution GRI 201-1

	2020/2021 Crop Year	Crop Year 2021/2022	Crop Year 2022/2023
Revenue			
Gross sales of goods and products	4,640,446	6,100,700	6,814,471
Revenue relating to construction of Company assets	1,227,260	1,365,635	1,684,768
Other revenue	19,804	12,817	8,705
	5,887,510	**7,479,152**	**8,507,944**
Inputs acquired from third parties			
Costs of goods sold	-1,049,716	-1,189,790	-1,567,513
Material, electricity, outsourced services and other operational expenses	-1,226,886	-1,545,975	-2,040,986
	-2,276,602	**-2,735,765**	**-3,608,499**
Gross value added	3,610,908	4,743,387	4,899,445
Depreciation and amortization	-671,008	-779,652	-1,075,457
Biological assets harvested	-715,282	-846,612	-1,049,119
Net added value produced by the entity	2,224,618	3,117,123	2,774,869
Transferred value added			
Share of profit (loss) of equity-accounted investees	5,776	7,358	5,033
Finance revenue	815,079	718,855	697,920
Other	450,945	476,187	565,155
Total added value to distribute	3,496,418	4,319,523	4,042,977
Distribution of added value			
Payroll and related charges	955,019	975,817	1,062,848
Taxes, fees and contributions	453,300	662,743	376,880
Lenders	1,160,975	1,200,095	1,587,505
Payment of dividends and interest on equity	120,000	507,564	255,000
Retained earnings for the year	807,124	973,304	760,744
Added value distributed	3,496,418	4,319,523	4,042,977

Learn more: See more about our financial performance on our Investor Relations website

Our operations year on year [1] SASB FB-AG-000.A, B and C, SASB RR-BI-430a.2

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Production by principal crop (t) - Sugarcane	22,522,029	19,899,014	20,024,140
Number of processing facilities	4	4	4
Total land area under active production (ha)	195,542	195,542	196,673

Summary financials (R$ thousand)	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023	Change[2]
Net Revenue	4,322,174	5,764,670	6,643,463	15.20%
Adjusted EBITDA	2,187,515	3,141,952	3,355,541	6.80%
Adjusted EBITDA Margin	50.60%	54.50%	50.50%	-4.0 p.p
Adjusted EBIT	1,021,885	1,795,348	1,704,103	-5.10%
Adjusted EBIT Margin	23.6%	31.1%	25.70%	-5.5 p.p
Copersucar Rights	383,040	415,476	475,761	14.50%
EBIT	1,208,802	1,939,241	1,193,612	-38.40%
Net Income net of IFRS 16 effects	952,166	1,406,064	1,130,904	-19.60%
Non-cash effect of IFRS 16 on Net Income	-25,042	74,804	-115,160	n.m
Net Income	927,124	1,480,868	1,015,744	-31.40%
Cash Income	996,504	1,528,575	1,291,396	-15.50%
Leverage (Net Debt to / EBITDA)	1.24 x	0.93 x	1.05 x	12.90%

1. By the end of the crushing period in the 22/23 crop year, the Company had processed approximately 20.0 million tons of sugarcane, virtually unchanged on the previous crop year's volume. The performance is due to the effects of the weather conditions that occurred throughout the 2021/2022 crop year - a prolonged period of drought and frosts (which occurred in July/21 in part of the sugarcane fields). The start of milling at São Martinho Mill and Santa Cruz Mill was postponed until the second half of April/22, a process partially offset by the late ending of the milling period (announced in a press release in December/22).
2. Change in 2022/2023 Crop Year in relation to 2021/2022.

Revenue by product (%)	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Sugar	46.9	40.7	39.3
Ethanol	49.1	51.9	52.0
Electricity	1.0	4.0	3.0
Yeast	0.5	0.8	0.9
Real estate	0.3	0.9	0.1
Cbios	-	0.6	1.2
Other	2.2	1.1	3.5
	100	**100**	**100**

Operational data	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023	Change (%)[1]
Processed Cane (thousand t)	22,522	19,899	20,024	0.6
Own ('000 t)	15,811	13,911	13,964	0.4
Grower ('000 t)	6,711	5,988	6,060	1.2
Yield in the period - (ton/ha)	80.7	71.8	70.9	-1.2
Average TRS (kg/t)	145.7	146.7	140	- 4.6

Production	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023	Change (%)[1]
Sugar ('000 t)	1,483	1,303	1,206	-7.4
Ethanol ('000 m³)	1,018	913	899	-1.6
Electricity exports (thousand MWh)	880	760	755	-0.7
TRS produced (thousand t)	3,282	2,920	2,804	-4.0
Sugar - ethanol mix	47% / 53%	47% / 53%	45% - 55%	

1. Change in 2022/2023 Crop Year in relation to 2021/2022

MARKET RELATIONS

With a structured Investor Relations department, we have been a publicly traded Company for 15 years and are part of the Novo Mercado of the Brazilian stock exchange (B3), attesting to our good practices and our commitment to professionalism in corporate governance.

On September 05, 2022 the Company's shares were listed in the B3 Ibovespa index, the main performance indicator for shares traded on B3, joining the leading companies in the Brazilian capital market.

Check out the indexes and segments where we are present with our actions:

IBOVESPA B3 ICO2 B3

IAGRO-FFS B3 IBRX100 B3

SMTO B3 LISTED NM INDX B3 IGC B3 IBRA B3 ITAG B3

IGCT B3 IGC-NM B3 ICON B3 SMLL B3

3

HUMAN AND SOCIAL CAPITAL

GRI 3-3 MANAGEMENT OF MATERIAL TOPIC, 2-29

IN THIS CHAPTER

People management and development
Health & safety
Community engagement

We cherish our relationships with our stakeholders, such as employees, suppliers, business partners and local communities, with the firm belief that human and social capital is a fundamental pillar for the success of our business model.

We understand the importance of our role in our geographies, directly impacting the local economy, be it through job creation, structuring our supply chain or even in tax revenues.

With this in mind, in the 2022/2023 crop year our Board of Directors approved our Social Responsibility Strategy, which addresses Human Capital and Social Capital.

Our strategising factored in the main drivers of the Company's long-term plan. We used this to cross-reference them with market sustainability benchmarks (such as the criteria of the B3 Corporate Sustainability Index, the requirements of the ISO 26000 standard and the GRI and SASB sustainability reporting standards). We have consequently developed our Social Responsibility Strategy, which uses the concept of Shared Value as a lever for growth.

Our strategy was defined on two work fronts:

- Bolstering Social Responsibility, with the aim of structuring the governance and management of related topics;
- Social Transformation through Education, includes activities for delivering the Sustainability Ambitions related to this topic.

We intend to ramp up Social Responsibility in the next crop year (2023/2024), emphasizing major topics related to this agenda, such as Private Social Investment, Community Engagement, Human Rights and Diversity and Inclusion.

In pursuit of improvements in our Private Social Investment strategy, we will enhance our investment decision-making processes, especially in terms of identifying challenges and opportunities in our geographies. Regarding Community Engagement, we will expand active listening with locals to better assess impacts, whether positive or negative, and to identify areas where we can partner with them.

As regards Human Rights, we will firstly take stock of our current situation to then define a positive and preventive agenda for the main risks of rights violations. Diversity and Inclusion will also be the subject of internal discussions with senior leadership, in order to establish a more strategic approach and define the next steps and advances in people management.

In relation to Social Transformation through Education, as a result of improvements in Private Social Investment and Community Engagement, we will identify areas of action aligned between local players and São Martinho. In the 2022/2023 crop year, we continued the Women's Qualification Project, in addition to running the Future Entrepreneurs Project.

As major employers, we reaffirm our commitment to encouraging the hiring of local labor. For this reason, one of our challenges is the training of this workforce and the entire value chain. To achieve this, we maintain various initiatives that promote social transformation, employability and entrepreneurship.

We have an employee management model with guidelines associated with Strategic People Management (GEP), reporting to the Board of Directors and linked to the Executive Board and other company leaders.

Total workforce by employment contract and region[1, 2 and 3] GRI 2-7

Region	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total
MW	290	2,210	2,500	270	2,265	2,535	202	2,313	2,515
SE	946	9,287	10,233	845	9,272	10,117	811	9,316	10,127
TOTAL	**1,236**	**11,497**	**12,733**	**1,115**	**11,537**	**12,652**	**1,013**	**11,629**	**12,642**

1. The numbers were taken from the database at the end of the crop year (March/23), using SAP transaction ZHPA26 - Personal compensation data. The report presents the total number of employees selected for the period from March 01 to 31, and the people selection period of Mar 31, whose occupation status was 3 - Active.
2. This indicator does not include members of the Board, Executive Board and Third Parties, Apprentices, Interns and Trainees.
3. The number of employees did not vary significantly.

Workers who are not employees[1] GRI 2-8

	Crop year 2021/2022			Crop year 2022/2023		
	Men	Women	Total	Men	Women	Total
Apprentices	282	145	427	276	144	420
Interns	12	17	29	12	19	31
Trainees[2]	17	12	29	28	13	41
Contractors	00	00	00	342	72	414
TOTAL	**311**	**174**	**485**	**658**	**248**	**906**

1. The number of program employees was taken from databases for March/2023, using SAP transaction ZHPA26. In the report, data was selected for the period from March 01 to 31, and people were selected for the period 03/31, whose occupation status was 3 - Active.
2. The number of Trainees changed slightly during the last program (Mar/21 to Aug/22) in relation to the current situation.

See +
human capital indicators in the Appendix

PEOPLE MANAGEMENT AND DEVELOPMENT

GRI 3-3 - MANAGEMENT OF MATERIAL TOPIC, 404-2

The Our Way of Being pillar of São Martinho's ESG agenda calls for us to be a benchmark in people development and management. To achieve this, we focus our efforts on attraction and selection, training, retention, career and succession, organizational culture, and engagement. Beyond focusing on compensation and benefits issues, we respect labor and union relations.

We operate under the premises of safety, health, well-being, recognition and respect among all our people. At the end of the crop year, our team consisted of over 12,600 direct employees, 41 trainees, 420 apprentices and 31 interns, in addition to 414 contractors.

In the 2022/2023 crop year, we internally announced the second cycle of our HR Master Plan. Along with the formal HR guidelines - Compensation Policy, Health and Safety Policy, and DHO Policy - this plan steers our investments and priority topics. Our policies undergo annual review. During the period, we strengthened the change management processes under our digital transformation, and cultivated a diagnosis of culture and internal communication.

Our main professional development projects are:

- **Behavioral Awareness Program –** Nearing its 25th anniversary, the program has impacted thousands of employees over the years. It includes both theoretical and hands-on activities to instill our Culture and build awareness about risks and the importance of sound decision-making for a safe workplace. This crop year, the event lasted eight hours and impacted more than 10,400 employees.
- **Leaders Meeting –** In the 2022/2023 crop year, we were able to resume an in-person format. We gathered 650 leadership employees for three days for training and discussions to reflect on the challenges of the upcoming crop year such as productivity, Occupational Safety Continuous Improvement, Innovation and Sustainability.
- **Agroindustrial Meeting –** This brings together managers and directors alongside advisors, coordinators, managers, consultants and HSE, to align priorities and strategies for the next crop year, debating topics such as Occupational Safety, Governance and Innovation.
- **Leadership Academy –** Launched in the 2022/2023 crop year, it currently has development pillars that inform the contents. Among other activities, we conducted an ESG training course for our managers in partnership with Fundação Getulio Vargas.
- **Learning Platform –** Introduced last year, this tool has been optimized and is becoming ever more popular, as communications materials explains its multiplicative potential and the value it creates.
- **Trainee Program** - Initiated in 2008, it engages directly in the training of qualified labor. In 2023, we launched the largest program in our history, with 50 positions, with 33 for field and mill operations and management and 17 for administrative boards - almost double the positions offered in the previous cycle. During a 12-month period the trainees undergo four development paths: Behavior and Culture, Personal Development, Health and Safety and Business Development.
- **Internship Program -** Allows for a first contact with the Company's culture in different training areas.

There are also technical and regulatory training, on-demand training, and investments in scholarships available for employees at undergraduate, graduate or specialization levels.

We also maintain end-of-career management programs, focusing on retirement or termination of employment contracts. The Second Half Program prepares for employee layoffs, in a process of reflection and action among participants about phases of career change and physical, intellectual, social and financial aspects of the life project. Employees aged over 60 or retired due to length of contribution of any age are eligible. The training has a duration of approximately 20 hours and nine modules.

OVER 394,700 HOURS OF TRAINING ADMINISTERED IN THE CROP YEAR

Average hours of training per employee[1 and 2] GRI 404-1

	Crop year 2020/2021		Crop year 2021/2022		Crop year 2022/2023	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Men	203,433.0	17.9	433,490.0	37.6	369,814.8	32.2
Women	7,565.0	10.3	20,774.0	22.5	24,946.9	24.9
TOTAL	**210,998.0**	**17.5**	**454,264.0**	**36.5**	**394,761.6**	**31.6**

1. The workforce calculation includes active employees only. (Does not include employees terminated more than 1 year prior).
2. We do not consider the training hours of the directors, as they are not included in the employee database.

Percentage of employees receiving regular performance and career development reviews [1 and 2] GRI 404-3

	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Managers	74	100	75	76	100	78	68	67	68
Leaders/coordinators	98	100	98	93	80	92	89	71	87
Technicians/supervisors	57	60	57	71	64	71	53	31	52
Administrative	27	20	25	33	27	31	28	16	24
Operational	18	22	18	18	21	18	17	24	17
Support	96	78	93	99	89	97	54	29	50
TOTAL	**21**	**24**	**21**	**22**	**26**	**22**	**19**	**18**	**19**

1. Does not include the Board of Directors, outsourced workers, interns, apprentices and trainees.
2. Administrative employees have been included in the 2021/2022 crop year.

DIVERSITY, EQUITY & INCLUSION

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 406-1

Our guidelines for promoting respect in relationships and combating harassment and discrimination are stated in our Code of Ethics and Professional Conduct and in our Social Responsibility Policy. Any breaches of these guidelines can be reported through the Whistleblowing Channel (read more about the Ethics Hotline in Governance and Compliance). The verification procedure therefore aims to enable the adoption of corrective actions and disciplinary measures whenever non-compliance is duly identified and proven.

We understand that the agenda of diversity, equity, and inclusion offers important opportunities for improving São Martinho's performance. In business relationships and human capital management, the Company can contribute to impacting society by attracting and retaining diverse talents. There are no negative impacts associated with the topic identified, but there are opportunities to mature. As part of the Social Responsibility Strategy approved this crop year, an internal discussion with senior leadership is planned to assess our current situation regarding the topic. Based on the conclusions of this debate, we will map out challenges and opportunities for planning. This is how engagement with the public will serve as the basis for the measures taken on the subject. There are still no ways to track the effectiveness of the measures, as the plans are underway. (see more in Human and Social Capital).

This front is important both internally, when we look at our staff, and in São Martinho's social investment initiatives (see more in Community engagement). We are also working on identifying suitable jobs for people with disabilities so we can hire more of them.

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

Regarding the issue of People with Disabilities, São Martinho has a Judicial Agreement with the Ministry of Labor Prosecutor's Department, signed on 12/09/2020, committing to meet the 5% legal quota by 12/01/2024. In the 2022/2023 crop year, São Martinho met 72% of the Agreement's goal and is developing an Action Plan to fulfill the Agreement by the deadline. The Agreement also provides for the commitment to structural and procedural adaptations to ensure accessibility.

We combat all types of harassment and discrimination through compliance management structures. In 2022, we recorded two cases of discrimination through our whistleblowing channel. The first case was partially founded, with us then reinforcing the Company's ethical principles with the employee. In the second case, the complaint was found to be valid and the employee was dismissed.

HEALTH AND SAFETY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7

The focus on life, integrity and the well-being of São Martinho's employees is formalized in the Occupational Health and Safety Policy, within the Occupational Health and Safety Management System (HSE), an integral part of the Integrated Management System, with regular monitoring of indicators by the Executive Board and the Board of Directors. We have three committees formally dedicated to the topic:

- **Strategic Committee**, composed of a Managing Director, Agroindustrial Officers, HR and Admin. & CSC. Tasked with excellence in Safety, analyzing indicators to inform actions, monitoring the macro results of the HSE system and ensuring the effective allocation of resources. Meetings take place monthly and extraordinarily, when necessary.
- **Tactical Committee**, composed of Agricultural, Industrial and Administrative Managers, HSE Manager, HSE Coordinators and Safety Consultants. Its responsibility is to ensure compliance with our Occupational Health & Safety Management System (OHSMS), set priorities for necessary improvement actions and projects for the management system alongside the Operation, conducting a critical analysis of Accidents and Actions for the Strategic Committee. It is also responsible for the ongoing evaluation of opportunities to improve the processes of risk identification, assessment, elimination/mitigation and adopting the best standardized control measures. The meetings are monthly.
- **Operational Committee**, composed of Directors, Managers and Process Managers, HSE and Operations Coordinators. Tasked with ensuring compliance with OHSMS, implementing improvement actions and projects, updating the OHS indicator database, and monitoring the performance of OHS indicators. The meetings are monthly.

As a material topic for the Company, OHS management addresses procedures and processes to identify risks and ensure our operations are safe, and engagement activities to promote a safety culture. Issues related to the quality of life and physical integrity of our employees are also considered. In the 2022/2023 crop year, the major highlight was the launch of the SOU Program (find out more below) and the revitalization of the Bem Saudável program.

The HSE system consists of 13 elements/pillars ranging from leadership, hazard and risk analysis, inspections and training to emergency response standards, controls, contractor management, and vehicle and behavioral safety. Risk identification and detection is updated recurrently by real-time evaluation of routine activities and the causes of any incidents and accidents that may occur. The employees are involved and/or represented in the process of building the system and its guidelines.

In order to Bolster the culture of Safety, employees are trained and encouraged to apply from the outset of their journey a preliminary assessment of occupational risks to increase their awareness of risks in the workplace.

25%

was the reduction in the frequency rate in 2022/2023

São Martinho's occupational health and safety policy states that "No job is so important and no service is so urgent that we cannot take time to plan and perform our work safely." That's why our employees are entitled to refuse tasks in which they identify imminent serious risk. They are urged to report dangerous situations without fear of reprisal.

Concerns can be reported through the Ethics Hotline, where the whistleblower can remain nameless if they so desire, ensuring the anonymity and confidentiality of the whistleblowers and the investigations. In addition, monitoring is carried out through field inspections and dialogs between leaders and field and mill teams.

When serious incidents do occur, a process is immediately initiated of evaluating the procedure and searching for improvements in control measures. In the 2022/2023 crop year, we conducted a comprehensive review of the risk analysis system, including the authorization flow for critical field and mill operations. For the next crop year, a complete review of our root cause accident assessment system and its communication is planned, including leadership training.

HSE indicators performed better compared to the last crop year, with a 25% reduction in the frequency rate and a 20% decrease in the severity rate. Notwithstanding our multiple precautions and guidelines, there was a fatality during the crop year, resulting from a serious accident. The tragic incident took place at the Boa Vista Mill, during the harvest process, and was caused by a vehicle accident. The responsible authorities were immediately notified. During the internal investigation process, the following actions were adopted: (1) include requirements for evaluating waiting yards in continuous flow routes, (2) evaluate route maps of agricultural areas, (3) review criteria for hiring new drivers and (4) mandatory stop for logged brake tests.

Initiatives supporting safety include the Excellence Space, created for teams to analyze procedures and plan risk activities. We regularly organize awareness-raising activities—including campaigns, internal accident prevention weeks and events planned by our Internal Accident Prevention Committee (CIPA) and Rural Accident Prevention Committee (CIPATR).

Employees undergo training on regulatory standards according to the activities they perform. We require certificates demonstrating participation in specific training for contractors, and also have a manual for contractor management formally setting out requirements. The trainings are conducted in person, during work hours.

The Company's Bem Saudável Program is a leading health program. It was revamped in 2022/2023 to encompass all quality-of-life initiatives. There are eight areas of action: Preventive Health, Chronic Illness Management, Well-being, Integrated Health Management, Contingencies, Legal Requirements, Vulnerabilities and Governance. It covers all our direct employees and delivered multiple services during the crop year, with vaccination and blood donation drives, Yellow September, Pink October and Blue November, in addition to actions to prevent sexually transmitted diseases.

Our mills have on-site infirmaries with a team of more than 40 trained health professionals, including occupational physicians, occupational nurses, and occupational nursing technicians, who are on call 24/7. Employees can freely access our health department. All employees and their dependents also have health and dental insurance.

Our well-being pillar addresses topics such as workplace exercise, preventing and combating driver fatigue, especially during night shifts, with a service protocol available for 100% of these professionals. In the strategic management of people with chronic diseases, we also have a 100% digital program ("Healthy Telemonitoring: Let me help you take better care of your health?"). We also developed integrated health management, in order to provide comprehensive health care, in conjunction with occupational monitoring, preventive medicine and early detection of diseases.

As core values for São Martinho, health and safety deserve special attention. In the pursuit of HSE excellence, integrated health management is a strategic tool and is one of the areas of action of the Bem Saudável Program.

Employees' personal health information is confidential and protected as established by the Brazilian General Data Protection Regulation. We also have a Health Committee, which plans and monitors continuous improvement actions in the area.

Employee health and safety indicators [1, 2, 3 and 4] GRI 403-9

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Number of hours worked	-	-	24,988,344
Hours worked	1,000,000	1,000,000	1,000,000
Number of fatalities as a result of work-related injury	2	1	1
Rate of fatalities as a result of work-related injuries	0.08	0.04	0.04
Number of high consequence work-related injuries (excluding fatalities)	1	1	0
Rate of serious work-related injuries (excluding fatalities)	0.04	0.12	0
Number of recorded work-related injuries (including fatalities)	39	34	24
Rate of recorded work-related injuries (including fatalities)	1.55	1.4	0.96
Number of recordable near misses	182	191	222
Near-miss frequency rate (NMFR)	7.24	7.87	8.88

1. The measures taken or underway to eliminate other hazards and minimize the risk of workplace accidents were developed based on formal surveys using the monitoring mechanisms already in place at São Martinho.
2. The incidents that caused or contributed to serious work accidents were lower limb sprains, cuts and impacts against upper limbs, and vehicle rollovers.
3. The actions taken or underway to eliminate these hazards and minimize risks include: light therapy rooms for drivers, fatigue monitoring systems, awareness campaigns, and changes in work procedures. After identifying the risks, an action plan is generated to effectively control them. São Martinho always prioritizes the elimination of risk at its source by implementing engineering controls. However, when this action is impossible, in many situations the entire work methodology is altered through administrative measures, and as a last resort, new PPE is adopted for risk control. However, there are no risks without control measures at São Martinho SA.
4. Contractors are not included when calculating frequency and severity rates. However, all accidents or near misses or related unsafe behaviors are identified and calculated into specific rates and are managed by the Company's same health and safety system.

DATA RELATED TO EMPLOYEE HEALTH AND SAFETY ARE PROTECTED, IN ACCORDANCE WITH LGPD

SOU **PROGRAM**

The SOU Program was devised from a safety culture diagnosis carried out this crop year, and steers our efforts to assure a safe and healthy workplace, acting in risk management spanning five pillars: Value and Governance; People and Development; Maintenance and Changes; Risk Perception and Management; and Compliance. The Program's main activities in the 2022/2023 crop year included:

- Identifying opportunities for improvement from the safety culture diagnosis carried out by a contractor.
- Risk Factor Ambassadors Training, aimed at training employees skilled in risk awareness in all Company departments, with the training of 160 people in the four mills.
- Safety Recognition Program for better processes, departments, mills and employees.
- Introduction of a field inspection routine for officers and managers, focusing on health and safety.
- Conducting the Internal Occupational Accident Prevention Week (SIPAT) in all mills, with topics related to occupational health and safety.
- Review of critical activity procedures for standard Agricultural and Industrial activities.
- Conducting training and drills for the formation of agricultural, industrial and administrative emergency brigades.
- Awareness-raising prevention campaigns about occupational safety.
- Monthly visits by independent consultants contracted in the units, evaluating opportunities, practices, compliance with procedures/behavioral approaches of leadership.

WE ARE COMMITTED TO A SAFETY CULTURE

COMMUNITY ENGAGEMENT

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 203-2, 413-1

The consolidation of São Martinho's Sustainability Ambitions has strategically strengthened our communication, engagement and development initiatives with communities affected by the Company. We have the potential to economically impact the community by investing in programs and projects aimed at training and income generation, mainly focused on vulnerable people. We also operate through our mills in regions strongly impacted by our presence, boosting local and regional economies, aligned with the United Nations Sustainable Development Goals (SDGs) and the Company's Strategic Planning.

In the 2022/2023 crop year, we managed to carry out community engagement programs in all our mills. Assessment of impacts and continuous monitoring mechanisms are included in the Environmental Management Plan, available here. You can also check out the description of actual and potential impacts on page 122.

Our main engagement initiative with Local Communities is the Community Panel (see more below), aimed at creating a formal engagement agenda with stakeholders to map and develop actions that promote sustainable development. Our action plan with this group observes the best engagement practices and starts from stakeholder mapping in the materiality process to define the organizations to be invited to participate in the meeting.

The panel has two well-defined stages. Information about the ESG Agenda and ongoing projects is firstly presented. We then ascertain the agenda of our territories to guide social investments, taking into account local differences, focusing on education initiatives as a lever for transformation.

An improvement in the mapping of local stakeholders is expected in the 2023/2024 crop year. For this, interviews will be organized with institutions in our geographies to identify local challenges and opportunities for better allocation/realization of private social investments.

In addition, we have two more important engagement instruments. The Private Social Investment Platform, a tool for formalizing requests for donations, sponsorship and financial backing for projects; and the Ethics Hotline, available for reporting conduct considered unethical or that violates standards and/or internal rules.

In 2022, we made donations to 30 philanthropic institutions and 12 projects related to corporate social responsibility.

COMMUNITY PANEL STRENGTHENS OUR UNDERSTANDING OF DEMANDS

COMMUNITY ENGAGEMENT PANELS GRI 2-29, GRI 3-3

It is also part of our stakeholder engagement agenda to promote listening and dialog panels with social groups in the proximity of our mills. In its third cycle, the Community Engagement Panel was organized in February 2023, with live, digital meetings, covering the four mills.

Several representative institutions were invited, including Government officials - Health, Education and Social Welfare, for example. A total of 20 institutions were represented with active participation in the Communities. The definition of participating institutions was made considering the impacts (positive and negative) of São Martinho. To assess gender impacts, São Martinho ensures women participate in the panel. This cycle saw a majority participation of women representing their Institutions, totaling 77% of the total audience. This participation means São Martinho can obtain insights around specific impacts on this group.

The agenda also includes environmental issues and information on social issues and perceptions of community demands. In the case of the Boa Vista and São Martinho mills, the corn ethanol plant and the thermal power plant expansion were also positioned, respectively.

OUR PROGRESS IN 2022/2023

- Definition of the Community Engagement Strategy.

- We continued with the Women's Qualification Project, in addition to implementing the Future Entrepreneurs Project, with the opening of 160 positions for the communities surrounding our field and mill operations.

- We have consolidated our Community Engagement Panels.

SOCIAL TRANSFORMATION THROUGH EDUCATION GRI 404-2, GRI 3-3

São Martinho is committed to offering 3,000 positions in professional development and qualification initiatives for communities and social organizations in our geographies by 2030. Highlighted projects where São Martinho promotes voluntary investment include:

- **Qualification for Women:** in partnership with Senai, the program expanded the portfolio of courses offered from one to five and more than doubled the number of positions offered, from 54 to 114. Courses include: Instrumentalist 4.0 (16 positions), Automotive Electrician (16 positions), Agricultural Machinery Electrician (18 positions), Agricultural Machinery Mechanic (25 positions), Agricultural Machinery Operator (57 positions), Tractor Operator (25 positions). Four classes are planned for the next crop year, with 80 positions available.
- **Future Entrepreneurs:** with more than two decades, the program partners with the Limeira Development Institute (Ideli) to bring together volunteer consultants, including employees of São Martinho, to kindle the entrepreneurial mindset in young people. In the 2022/2023 crop year, 43 young people participated in the program. A new round with 45 positions is planned for the next crop year.

In addition to these projects, for the 2023/2024 crop year an expansion of voluntary social investment is planned for another line, called Agroindustry for the Future. This project aims to provide courses for professional qualification in agroindustry, in a drive to increase efficiency and agroindustrial productivity. There are plans to open two classes (total of 40 positions) for local communities.

Besides these projects, São Martinho is developing other fronts in education and development, such as a partnership with the social institution "Projovem" in Pradópolis, which helps 45 young people, aged 16 to 18, to enter the job market every year. Initiatives like Projovem, Aprendiz Projovem, Aprendiz Senai, and internship and trainee programs are among the main initiatives.

PRIVATE SOCIAL INVESTMENT GRI 3-3

We have a Private Social Investment platform that concentrates our voluntary guidelines for financial, human and material resources to support projects and actions in surrounding communities. We primarily focus on elementary and professional, cultural and sporting education. Planning is handled by Human Resources, and the budget for donations and sponsorships requires the annual approval of the Board of Directors.

The incentivized projects supported by São Martinho are defined based on the Company's Private Social Investment Policy, which guides the social development initiatives of its communities through education. In the 2022/2023 crop year, the company invested 100% of its incentivized resources in projects under the Culture Incentive Law, Sports Incentive Act, and Funds for the Rights of the Elderly and Children and Adolescents to be implemented in the next harvest. All supported projects were selected based on their scope, impact on the ESG agenda and sustainability potential. Sponsorships are addressed to initiatives or events of non-governmental organizations related to sustainability and local and Brazilian culture.

THE COMPANY INVESTS HEAVILY IN CULTURE, SPORTS AND EDUCATION

Click here for our Private Social Investment guidelines and policy.

RESULTS 2022/2023:

CORPORATE CITIZENSHIP

757
items of clothing collected in June 2022 in the Warm Clothing Campaign

7,118 KG
of food obtained in the 2022 Christmas Without Hunger campaign

R$ 493,000
voluntarily donated to community institutions in the vicinity of our mills

INCENTIVE LAWS

6 PROJECTS
supported through tax incentive laws, with a contribution of R$ 1.36 million in funds

4

THE ENVIRONMENT

GRI 3-3

IN THIS CHAPTER

Climate strategy and air quality
Biodiversity, ecosystems and land-use
Water resources
Waste and the circular economy

Aware of the impacts inherent to our business and sector, São Martinho has a corporate environmental management structure and mechanisms to mitigate risks, to use natural resources more efficiently and to ensure compliance with standards and regulations on emissions, energy, water resources, biodiversity and waste management.

Environmental issues are managed through governance composed of different committees with Operational, Tactical and Strategic scopes, with meetings at different frequencies.

In line with São Martinho's Environmental Policy, through the Environmental Management System – in the 2022/2023 crop year, three of our four mills were ISO 14001 certified, with full certification planned for the upcoming crop years. Other environmental certifications attest to our commitment to and transparency around the topic (see more in Products, Market and Customers).

The leading environmental risks identified are flooding and/or water damage caused by dam or slope failures, environmental damage, canefield fires, water crises and climate change, with loss of biodiversity and ecosystem collapse. The Risk Matrix considers the probability and possible impacts according to financial, operational, people, image and legal/regulatory criteria. The result is reported to business managers during updates or at least quarterly for assessments, inquiries and the implementation/sharing of information. **GRI 3-3**

ADVANCE IN ISO 14001 CERTIFICATION ATTESTS TO THE EVOLUTION OF SÃO MARTINHO'S MANAGEMENT SYSTEMS

CLIMATE STRATEGY AND AIR QUALITY

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 201-2, 305-5, TCFD.1.B, TCFD.2.A, TCFD.2.B, TCFD.2.C, TCFD.3.C, TCFD.4.A, SASB FB-AG-110A.2, FB-AG-440A.1

Programa Brasileiro GHG Protocol Membro 2023

Programa Brasileiro GHG Protocol GHG 2022 Inventário Verificado

Climate change directly impacts production and raw material quality in agroindustry. To minimize it, we have established monitoring protocols to identify reduction opportunities.

We annually conduct a greenhouse gas emissions inventory according to the Brazilian GHG Protocol Program guidelines, disclosing it in the Public Emissions Registry (the largest database of corporate inventories in Latin America, developed by PBGHG) since 2020, and undergoing independent audit. Meeting all the program requirements, we received the Gold Seal, achieving the highest level of certification for the third consecutive year.

Over the years, our highest emissions are concentrated in Scope 1, which is addressed by multiple agricultural projects. Scope 2 emissions (electricity consumption) are relatively low, and were offset in their entirety by purchasing Renewable Energy Certificates (I-REC) from wind sources, which do not emit GHG in energy production. Scope 3 emissions are related primarily to purchased goods and services, such as agricultural and industrial inputs.

We have adopted metrics to measure and manage the risks associated with the topic, indicators such as GHG emission intensity (tCO_2e/t crushed cane) and energy intensity (GJ/t crushed cane).

We are currently accounting for the main emissions drivers and developing metrics to reduce them, but efforts are directed through other projects that indirectly contribute to driving down GHG emissions, notably from Scope 1. Examples include the monitoring and control of canefield operations through the Agricultural Operations Center (COA) of the units, and improvements in the application of inputs in the cane field, aiming at the rational use of fertilizers and chemical pesticides to increase productivity.

The strategic planning is reviewed annually and mobilizes efforts to reduce the intensity of GHG emissions across two fronts: studying and adapting the calculation methodology to reflect our practices, mainly agricultural, and selecting initiatives to effectively reduce emissions.

Climate responsibilities are assigned to the Tactical Sustainability Committee, responsible for discussing topics related to climate strategy. Managers, risk owners related to the topic, conduct the risk assessment of the process. The tracking of the measures' effectiveness is linked to the committees and the ESG area, through the analysis of indicators and presenting them to leadership. There are currently no formal mechanisms that relate the measures taken to the perspective of stakeholders, although the materiality process provides views and inputs from these audiences for decision-making.

Our overall gross emissions were 571,615 tCO_2e in 2022 while our gross global emissions for the previous baseline year were from 593,176 tCO_2e, a reduction of 3.6%. The percentage variation of Scope 2 was -52.8% and Scope 3 -2.9%. (see details on page 66).

The variation is attributable to two main reasons: a decrease in agricultural inputs and a decrease in the production of liquid effluents. The general weather conditions reduced the amount of raw material available, directly impacting our operations and agricultural processing. However, improvements in soil management practices have influenced the need for agricultural inputs, mainly lime and nitrogen fertilizers, resulting in lower emissions. The production of liquid effluents has decreased, due to the Water Plan at the São Martinho Mill, the main contributor to this category of emissions, as the updating of the water cooling process technology will optimize the operation and reduce the need for withdrawals in the coming years.

Specifically, our Scope 1 and 2 carbon intensity in 2022 contracted by 4.4% compared to 2021, to 28.6 kg CO_2e/tc.

In 2023, we acquired Renewable Energy Certificates (I-REC) for the portions of electricity we consumed from the grid in all our operations in the last two years, representing 17,754 MWh in 2021 and 21,668 MWh in 2022. Through these certificates, we track the origin of the electricity, specifically from wind sources, through which the emission of greenhouse gases per MWh consumed is equal to zero, a value reported in our Scope 2 according to the market-based approach.

Emissions (tCO_2e)[1, 2, 3, 4, 5] GRI 305-1, 305-2, 305-3, FB-AG-110a.1

Scope 1

2022	571,615
2021	593,176
2020	809,205

Change 2021 x 2022 -3.6%

Scope 1 Biogenic emissions

2022	5,569,670
2021	5,674,012
2020	6,213,024

Change 2021 x 2022 -1.8%

Scope 2 (location-based)

2022	934
2021	1,977
2020	1,382

Change 2021 x 2022 -52.8%

We calculate scope 2 emissions in two ways: Location-based approach (already represented here on the left) and Market-based approach (for this approach, our emissions began to be recorded in 2021, meaning that in 2021 and 2022 and the emissions are equal to zero (0), as we bought certificates from wind sources that have CO_2 emissions equal to zero.

Scope 3

2022	274,488
2021	282,494
2020	271,423

Change 2021 x 2022 -2.9%

Scope 3 Biogenic emissions

2022	3,844
2021	4,840
2020	5,786

Change 2021 x 2022 -25.9%

Find out more
See all of São Martinho's emissions indicators in greater detail in the Appendix

1. Tool of the Brazilian GHG Protocol Version 2023.0.1.
2. GHG Protocol Agricultural Calculation Tool - World Resources Institute (WRI Agriculture) version 3.11.5 of 05/2022.
3. Global Warming Potential GWP - AR5
4. The method used to consolidate Scope 1 and 2 emissions was operational control.
5. The gases included in the calculations above were CO_2 , CH_4 , N_2O, HFCs, PFCs, SF_6 and NF_3.

Greenhouse gas emissions intensity (kg CO_2e/ton of crushed cane)[1, 2, 3, 4, 5] GRI 305-4

Intensity Scope 1

2022	28.5
2021	29.8
2020	38.2

Change 2021 x 2022 -4.4%

Intensity Scope 2 (location-based)

2022	28.6
2021	29.9
2020	38.2

EMISSIONS OFFSET SINCE 2021

Intensity Scopes 1, 2 and 3 (location-based)

2022	42.3
2021	44.1
2020	50.4

Greenhouse gas emissions intensity[1, 2] GRI 305-4

Sugar:
2020 - 269.7 gCO_2e/kg
2021 - 222.2 gCO_2e/kg
2022 - 223.5 gCO_2e/kg

Ethanol:
2020 - 16.3 gCO_2e/MJ
2021 - 13.4 gCO_2e/MJ
2022 - 13.5 gCO_2e/MJ

Electric power:
2020 - 58.7 gCO_2e/kWh
2021 - 48.2 gCO_2e/kWh
2022 - 48.7 gCO_2e/kWh

1. The emissions intensity is for the civil year and includes scope 1 and 2 emissions (market-based).
2. The method used to consolidate emissions was operational control. The calculation includes all gases covered by the Kyoto Protocol: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. For the sake of comparability, we have revised the scope of the 2021 indicator presented in the 2021/2022 Sustainability Annual Report. The change between 2021 and 2020 is mainly due to changes in the calculation methodology.

ENERGY EFFICIENCY

GRI 3-3 MANAGEMENT OF MATERIAL TOPIC

With a performance guided by the optimization and rationalization of natural resources, São Martinho strives for energy and waste efficiency. Measures adopted included continuously spurring the development of good agricultural practices and the marketing of solutions based on renewable energy sources, stimulating the value chain and the formation of partnerships. In this regard, it is worth noting that 100% of the electricity consumed is renewable.

In two of our mills, the electricity produced from biomass is traced with the I-REC certification, which attests to the renewable origin of the source. We had sold 96% of the total certificates generated in 2022 by the publication of this report.

We also target the continuous improvement of fuel management in field and mill operations. Currently over 95% of the fuel used in our operations already derives from a renewable source. Actions are being taken to phase out the non-renewable portion, especially after the advent of COAs, aiming at rationalizing consumption, with efficiency and productivity gains in our farm fleet. This enables reductions in Greenhouse Gas emissions in these operations.

We also invested in increasing the supply of renewable energy in Brazil, expanding our biofuels production capacity and generating renewable electricity from biomass. Following the installation of cutting-edge equipment with high energy efficiency, the new Thermopower Plant (UTE) at the São Martinho Mill will now export more electricity to the grid, using the same amount of bagasse. This plant is at the final stages of construction.

Another notable energy efficiency project is the Corn Ethanol Plant at the Boa Vista Mill, which harnesses steam and electrical energy from the burning of sugarcane bagasse, derived from the mill's current operation. More ethanol will consequently be offered to the Brazilian energy matrix, without the need for additional fuel to produce it.

It is worth noting that these initiatives have led to the creation of direct and indirect jobs and upskilling of labor for the installation and operation of mills with these new technologies, positively impacting the surrounding area.

In assessing these energy efficiency projects, we understand that the negative impacts are those mapped in the Environmental Impact Assessment (EIA) and presented in GRI 304-2. The projects, by their nature, optimize the use of natural resources, increasing the availability of renewable energy. There are opportunities for further development in the assessment of impacts on the community, which are being addressed within the scope of the Social Responsibility Strategy (read more in Diversity, Equity and Inclusion).

The total energy consumed by the Company, excluding fleet vehicles, decreased compared to 2021 to 49,095,031 GJ in 2022, against 49,699,360 GJ in the previous year.

Find out more
See São Martinho's energy indicators in greater detail in the Appendix

CLIMATE RISKS, OPPORTUNITIES AND GOVERNANCE

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 201-2, TCFD 3.A, TCFD 3.B, FB-AG-440A.1, FB-AG-140A.2

The main climate-related risks that the Company is exposed to and that impact its financial and strategic planning are: water shortages in industry, which the Company responds to by activating a contingency plan to reduce demand for water withdrawals; fire outbreaks on our properties with possible legal impacts, including fines and warnings, as well as reputational impacts. We manage this risk through our Fire Prevention and Response Plan and Emergency Response Plans; and the change in rainfall volume and patterns, which influence the productivity and quality of agricultural produce.

Potential climate risks are monitored by the Risk Matrix. Ongoing evaluations identify opportunities for different time horizons. The horizon is divided into short (0 to 2 years), medium (2 to 5 years), and long (5 to 10 years) term. The Company's Strategic Planning schedule corresponds to the long-term period.

The tool enables monitoring through performance indicators that are conducive with the Company's corporate objectives and allow for periodic and/or specific evaluations, with the aim of ensuring timely reporting and appropriate treatment measures. We often assess the likelihood of events materializing and their possible impacts in the Financial, People, Operational, Image and Legal areas. This analysis considers a significant impact to be one that presents a financial loss above R$ 50 million.

The climate emergency can impact the supply of sugarcane from our own land, growers or suppliers, who will also be influenced by market price fluctuations. The impacts will be mostly felt in supply, as 30% of the processed cane is supplied by contract growers, with prices controlled by Consecana.

To adapt, we invest in research and development and are attentive to opportunities to test sugarcane varietals, which can adapt better to local conditions. One of the long-term partners is the Center for Sugarcane Technology (CTC).

In water availability, we highlight our Water Plan, which aims to reduce the volume of water withdrawn per ton of crushed cane (m^3/tc) and was defined to minimize vulnerability to the effects of climate change. The main efforts are being directed towards the São Martinho Mill, which has the highest water withdrawal intensity per ton of crushed cane (see more in Water Resources).

The climate issue also generates business opportunities, such as the issuance and trading of CBIOs (decarbonization credits, in accordance with the rules established by the RenovaBio program) and renewable energy (obtained from biomass). In the 2022/2023 crop year, the CBIOs generation factor increased by 8% at the Boa Vista Mill, 6.7% at the Santa Cruz Mill, and 4.2% at the São Martinho Mill (see more in Products, Market and Customers).

We also invested in increasing the supply of renewable energy in Brazil, expanding our biofuels production capacity and generating renewable electricity from biomass. These investments directly influence the company's financial planning and allow access to specific credit facilities for green investments, which have a longer term and lower cost than common loans.

8.0%

increase in the CBIOs generation factor at the Boa Vista Mill, of

6.7%

at the Santa Cruz Mill and

4.2%

at the São Martinho Mill

CLIMATE RISK MANAGEMENT: GOVERNANCE AND MONITORING

GRI 3-3 MANAGEMENT OF MATERIAL TOPIC, 201-2, TCFD 3.A, TCFD 3.B, FB-AG-440A.1, FB-AG-140A.2

The Board of Directors considers a number of climate change scenarios in decision-making, and the Company uses certain instruments to oversee climate-related issues, such as the business plan, annual budget and corporate risk matrix. The scenarios projected focus mainly on the availability of raw material and inputs for the production of sugar, ethanol and by-products.

The supply of sugarcane from our operations, partners or suppliers, and the sourcing of corn, are directly influenced by climate change. Through the Risk Matrix, specific indicators are periodically reported to the Board of Directors. In the 2022/2023 crop year, the risks were incorporated into the new corn ethanol plant, increasing the importance of climate change for this level of management.

In our value chain, we face the chronic risk of water scarcity in direct operations. This risk is due to climate change and represents a significant concern for the operation of our mills and canefields.

Water scarcity can affect our sugarcane fields and lower rainfall results in less water availability in water sources used for industrial purposes. Our surface or underground sources are located in legally licensed areas, as per GRI 303-1 (read more on pg.75).

To tackle this challenge, we have partnerships with companies specialized in meteorology and climate management systems. This provides us with crucial information about our mills, allowing us to make early decisions regarding the cane fields and milling capacity. We rely on the experience of our teams from the Agricultural Operational Centers (COA) to integrate this information into our operations.

It is important to highlight that water scarcity can bring significant financial impacts. Part of this impact can be observed from the perspective of the reforestation cost of Permanent Preservation Areas (APP), Legal Reserve and massive forest, which can reach approximately R$ 30,000/ha. We can incur fines in the event of fires in native areas. The loss resulting from a fire in a sugarcane area impacts the Company's financial health due to reduced production.

To mitigate this risk, we implemented a Water Plan, involving massive investments covering the acquisition of new equipment and the restructuring of certain Sugar Processing and Distillery systems of the São Martinho Mill. The maintenance of the structure of all four mills also demands high costs.

Currently, our mills present a reference water stress level classified as Low (<10%), indicating that they are not located in an area of significant stress. Although the scenarios show that water availability is sufficient for current and future use, we are committed to reducing our water dependence and promoting responsible reuse.

Another critical risk classified as chronic physical is related to fires that can occur in our areas, bringing possible operational and legal impacts if they destroy plantations, and penalties and fines if they reach lands such as Legal Reserve Areas or Permanent Conservation Areas (APPs).

Although sugarcane harvesting in our areas is almost 100% mechanized, without burning the cane, fires still occur of different natures, mainly due to accidents or third-party activities. However, lower rainfall levels could change this situation, causing a higher incidence of fires due to drought. The calorific value of sugarcane is high, which can generate sparks capable of starting a fire, and we identified that a large number occur in areas where roads meet fields.

To deal with this risk, all our mills have dedicated fire-fighting plans, with monitoring and surveillance systems, observation points, personal protective equipment needed for the activity, critical points, fire brigade map and location, criticality map and structure location, identification of local communities, maintenance of firebreaks, and an emergency plan with a description of people and resources.

At the São Martinho Mill, for example, we identified that most fires occur near the municipalities of Guariba, Pradópolis, Guatapará and Barrinha. In the latest assessment, 46 properties were identified as critical points that require greater monitoring. These points were classified based on the history of fires over several years and their proximity to urbanized areas with a large presence of people. For this reason, preferential measures were taken, such as prioritizing harvest planning and providing observation points for the fire-fighting team.

Many actions related to fire prevention and control are linked to compliance with standards and requirements of credit financiers with competitive rates for diligent organizations that take measures to mitigate risks related to climate change and its environmental impacts.

As for the time horizon, the fire risk is short-term and is likely to occur, with a medium magnitude impact, reduced by treatment measures. The potential financial value of the impact includes direct costs in operations, with a significant part related to reforestation of areas with an approximate expenditure of R$ 30,000/ha, provided that our clear liability for the damage event is proven. Another part of the impact considers fines and losses equivalent to the revenue of the products that would be produced from the raw material in case of fires in the cane field.

To respond to this risk, we invested R$ 30 million in fire prevention and response plans that involve training and recycling of teams during the off-season, and teams prepared to act at any time. In addition, we participate in a Mutual Assistance Plan in partnership with other mills, independent growers, associations and the Fire Department to assist communities in nearby locations. The risk is monitored through the maintenance of a fire brigade structure and a surveillance system in observation towers through cameras with artificial intelligence that automatically identify fire outbreaks and issue remote and real-time alerts through the Agricultural Operations Center (COA) of each mill.

One of the strategic risks, monitored monthly by the Board, also related to climate risks, can be represented by variations in prices of products sold, rates, exchange and inputs linked to uncertainties in the availability of raw materials.

São Martinho has a significant portion of its revenue linked to the export market. In the 2021/2022 crop year, this market represented 45% of revenue, rising to 56% in the 2022/2023 crop year. Last year, 36% of revenue came from sugar exports and 20% from ethanol exports. These commodities have prices determined by the international market, which, in addition to exposure to product prices, the dollar forex rate with the Brazilian currency directly influences the company's prices and results.

The sales department is responsible for product hedging and has a dedicated research team that works with those responsible for derivative operations. Currency exposure is managed by the financial department.

To reduce revenue volatility, the company carries out hedge operations with brokers or directly with its customers, and for its derivative instruments, which allows demonstrating the effect of the strategy directly in its operating result. Commercial and financial policies establish quantitative and temporal guidelines for the hedge strategy of products, interest and exchange.

In the local market, however, the most relevant product is ethanol, representing 74% of revenue in this market. Prices are directly shaped by supply and demand, regulatory changes and international gasoline prices. The liquidity of this commodity in the financial market is low, making the hedge strategy unfeasible. In this case, market monitoring and sales/production planning become essential.

As for the time horizon, the risk of uncertainties is short-term with a medium-high impact greater than R$ 50 million. The calculation was obtained from the unpriced volume of commodities and the respective currency hedge. The exposure is used to calculate the impact on net sugar revenue, comparing closing prices on the analysis date with the likely minimum price after applying the “drawdown at risk” method. The method is also applied to ethanol and the dollar. There are also more complex evaluation methods, such as Ebitda@Risk, which uses a “Monte Carlo” simulation with 10,000 rounds from which we can extract the standard deviation of Ebitda, and the minimum result based on a 95% confidence interval. This method uses historical data and the price volatility of products to determine the model's constraints.

In addition, we invest in expanding our storage capacity for our main products. This gives us a unique commercial advantage that, combined with robust financial management, creates a more favorable situation for sugar and ethanol sales when pricing and supply-demand conditions are ideal.

WE INVEST

R$30 MM

in fire prevention and response plans

BIODIVERSITY, ECOSYSTEMS AND LAND USE

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 304-1, 304-2, 304-3, 13.5, 13.6.1, 13.6.2

In the certainty that productive activity must occur in harmony with the environment, we pursue the best conservationist management practices, with low-impact agricultural techniques, such as minimal soil tilling, crop rotation and straw maintenance as soil cover, preserving organic matter and soil microbiota, promoting water infiltration and retention and allowing nutrient recycling. These are some of the procedures used in the Company's sugarcane fields that contribute to crop yields and longevity. These actions are complemented by efforts to expand the recovery and conservation of native vegetation areas, in aid of biodiversity.

In our minimal intervention management, we adopt practices aimed at combating erosion, promoting maximum water infiltration and storage in the soil, maximizing the productive useful area. All these premises are contained in a Soil and Water Conservation manual. Erosive events greatly affect the health of soil and water resources by dragging particles into watercourses and removing its most fertile layer. In the renewal of sugarcane fields, we adopt crop rotation to maintain soil coverage and prevent erosion. We also make every effort towards a circular economy using vinasse, filter cake, ash and soot as sources of nutrients for the sugarcane.

We maintain mitigating actions for our main potential impacts on biodiversity, which include risks of air pollution, damage to fauna and flora, contamination of soil and water resources due to the use of pesticides or vinasse, and vehicle flow, posing threats to local fauna (read more in the GRI Content Summary). Our properties have been surveyed for biodiversity classification according to the most relevant monitoring criteria. The Legal Reserve Project, which maps, plans and executes the environmental regularization of rural areas, also guides conservation actions for the fauna and flora in our geographies. All Permanent Conservation Areas (PPA) and Legal Reserves (LR) comply with the legislation, and 100% of São Martinho's rural properties have been included in the Rural Environmental Registry (CAR) - a similar effort is required of all suppliers (read more in Supply Chain Management and Traceability).

We are engaged in initiatives and actively involved in dialogs through the Awareness Campaign on Preventing and Responding to Fires with the Brazilian Agribusiness Association (Abag) (learn more here).

We have other projects directly aimed at environmental conservation, such as:

OUR CONSERVATIONIST MANAGEMENT VALUES ECOSYSTEM PROTECTION

- **Plant Nursery:** About 260,000 seedlings are produced from 210 native species every year for reforestation projects of riparian forests and native vegetation areas.
- **Wildlife Sighting**: This aims to record the number and location of biodiversity species around our mills. We have incorporated an easy internal management checklist for wildlife spotting. This allows real-time management and monitoring of the present species.
- **Beehive Mapping (Bee Project):** A project to identify beehives and engage with beekeepers in the region of São Martinho's four mills, aiming to help improve the spatial distribution of beehives through georeferencing, and the continuous improvements in agricultural practices, such as providing spraying alerts when the application of agricultural pesticides is scheduled (see infographic on pg. 73).
- ***Viva a Natureza:*** This project was created in 2000 to rehabilitate and protect riparian vegetation, manage springs, minimize siltation in water bodies and preserve native species. Nearly 5 million seedlings have been planted, with about 200,000 in the 2022/2023 crop season alone.
- **Protection and restoration of riparian areas:** We have several conservation and preservation actions for riparian forests, which help reduce the effects of possible flooding, maintaining the quality and quantity of water bodies and supporting local fauna and flora. These actions include: creating firebreaks according to current legislation between preservation areas and cane fields; protecting springs; supporting environmental recovery and conservation programs for PPAs; active participation in campaigns for the environment; and prohibiting hunting and predatory fishing in all areas managed by São Martinho.

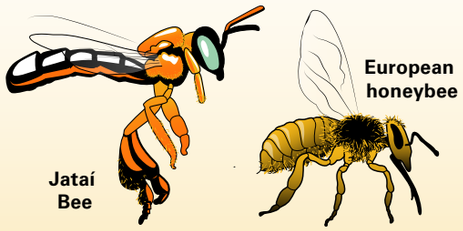
We have the following owned preservation areas, with conserved, under restoration, and yet-to-be-restored areas: Iracema Mill, 2,608 hectares (APP + native vegetation); São Martinho Mill, 3,608 hectares (APP + native vegetation); and Boa Vista Mill, 851 hectares (APP + native vegetation); Santa Cruz Mill, 181 hectares (APP + native vegetation).

ALMOST 5 MILLION SEEDLINGS HAVE ALREADY BEEN PLANTED UNDER THE VIVA A NATUREZA PROGRAM

ENVIRONMENTAL EDUCATION CENTER - CEA

The mills' Environmental Education Centers (CEAs) aim to engage and raise awareness among employees, students, and the community accessing the location. Our CEAs have attracted more than 132,000 visitors in total in the last 20 years.

PROTECTING BIODIVERSITY: THE IMPORTANCE OF BEES



THE IMPORTANCE OF BEES

Among the various pollinating agents, bees are responsible for almost 80% of this activity, ensuring the maintenance of biodiversity on the planet. In Brazil, there are both native species, such as Jataí (Tetragonisca angustula), and exotic species, like the European Bee (*Apis mellifera*).

WHERE ARE THEY FOUND?

In vegetation areas

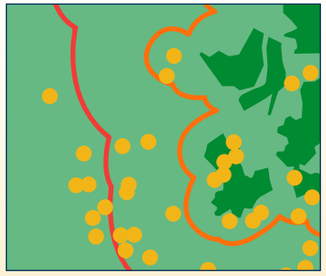
In beekeeping facilities in (towns and cities (schools, homes, etc).

Beehives in rural areas (within or around São Martinho's facilities).

Beekeeping facilities are shelters for different species of native stingless bees, with the Jataí (*Tetragonisca angustula*) being the most well-known.

Apiaries are sets of hives used for beekeeping, typically for honey harvesting, and the European honey bee (*Apis mellifera*) is the most commonly used species for honey sales.

HOW MONITORING IS DONE



1. Identify the area
Georeferencing of apiaries and sensitivity mapping in the surrounding area.

- Farms/mills
- *Buffer 1.5 km*
- *Buffer 6.0 km*
- Apiaries

250,000
hectares under our management monitored

6 km
radius monitored in our surroundings

428 million
bees monitored

2.5 million
bees are native

In addition to monitoring, São Martinho also carries out engagement and awareness actions for employees:
- **Holding of "Bee Day" at the 4 Mills**
- ***Webinar: Agriculture and Bees***

454
apiaries registered

2. Registering beekeepers
With the support of specialized consultants, beekeepers are registered and their apiaries are georeferenced through an application, deploying technology to their advantage.

3. Warning!
Beekeepers are informed about spraying in São Martinho canefields through an alert issued by the app, strengthening communication with transparency.

4. Service protocol
Technical support is offered to beekeepers in the event of incidents involving apiaries.

174
beekeepers registered

SMART SOIL USE: AGRICULTURAL INNOVATION

GRI 3-3 - MANAGEMENT OF MATERIAL TOPIC, 13.6.1

Technology, innovation and continuous improvement are our allies in sugarcane productivity and in adopting better soil use practices. We have over 40 years of macro and microbiological management, making the Company a leading benchmark in the sector.

DIFFERENTIATED TECHNIQUES AND PRACTICES

MPB and Meiosi methods

The Pre-Sprouted Seedlings (MPB) method, combined with Simultaneously Occurring Intercropping and Rotation (Meiosi), allows the "rapid modernization of the varietal collection." In 2022/2023, it made up about 70% of the planting. Through it, we optimize the use of the soil, cut costs and boost yields.

5G technology

Aligned with investment priorities in innovation **(read more on page 20)**, adopting high-speed data transfer technology allows a better understanding of the future of agribusiness technologies, which solutions will be enhanced and which will emerge based on this 5G connectivity. Examples include the use of autonomous vehicles, advancements in remotely and simultaneously operating machinery, the use of drones for smart pest and weed control, topographic surveys, monitoring and fire control, among others.

Less intensive soil tilling

Subsoiling is a soil tilling operation aimed at breaking up compacted layers without causing soil inversion. Applied in a localized manner, it aims to loosen soil in the planting bed only, reducing the number of stems and lowering soil mobilization, increasing operational yield, reducing fuel consumption and greenhouse gas emissions, and keeping carbon in the ground.

Fertilization with vinasse and organic fertilization

The use of co-products for soil fertilization reduces expenses on mineral fertilizers and allows for complete utilization of the sugarcane. We are pioneers in using localized vinasse (precision application over the sugarcane row). We also use filter cake, ashes and soot as nutrient sources for sugarcane and to improve the soil's chemical and physical properties.

WATER RESOURCES

GRI 3-3 – MANAGEMENT OF MATERIAL TOPIC, 303-1, 303-2, 303-3, 303-4, 303-5, SASB RR-BI-140A.2, RR-BI-430A.1, FB-AG-140A.1

An essential ingredient for field and mill operations, water is central to our environmental actions. As part of reuse, we have projects to reuse condensates and water from the vinasse concentration process. Wastewater and vinasse are used in fertigation.

Water is sourced from both surface and groundwater in areas where we have state and/or federal authorization, depending on the availability in each region where our facilities are located. The hydrogeological basins where the organization causes significant water-related impacts are: Drainage basins of the Piracicaba, Capivari and Jundiaí rivers; Drainage basin of the Grande river; Drainage basin of the Paranaíba river.

Water withdrawals at São Martinho are monitored against performance targets and analyses. Reported water volumes refer only to the sugarcane crush period. Our water intake is currently 1.32 m^3/tc, and our goal is to reduce it to 0.70 m^3/tc by 2030, considering our four mills. These mills must also comply with SMA 88/2017 legislation regarding water consumption (a maximum of 1 m^3/tc) monitored through the m^3/tc indicator. For this, a work plan is being developed separately in each mill to meet this legal requirement. Our established objectives and goals are therefore in line with those required by environmental agencies and watershed committees. Some of our key water management initiatives include measures to reduce water withdrawals and increase water reuse, and using groundwater as a water reserve. The water recycling/reuse rate is nearly 100% for the Iracema, Santa Cruz, and Boa Vista mills.

Using the "Aqueduct Water Risk Atlas" tool from the World Resources Institute (WRI), we analyze the risk of water stress in the region where our mills are located, enabling us to anticipate potential future water shortages. In addition, we continue to enhance our management on this topic through the Contingency Plan and actively participate in the water committees in our geographies. The risks of water stress in field and mill operations and the risks of environmental damage and climate change, are monitored in the corporate risk matrix and undergo continuous monitoring by the Board and Executive Board.

According to the WRI's Aqueduct tool, none of São Martinho's mills are located in areas of water stress classified as high or extremely high, based on our maximum radius for raw material acquisition.We assume that water stress conditions do not vary significantly within this radius, and therefore assess water stress for our suppliers based on the assessment for our mills.

In various forums and more specifically at our Annual Meetings, we distribute materials to our suppliers that focus on good environmental practices, including water withdrawal and the legal obligations of this topic, encouraging conscientious consumption. The supplier screening process involving the environmental management systems allows us to critically evaluate our suppliers even before entering into business agreements, ensuring that we do not engage suppliers that do not fundamentally support environmental policies.

Our water plan is structured around two pillars: intake and effluents. In order to reduce intake, a technological upgrade of the sugar and ethanol production circuit cooling process is being implemented at the São Martinho Mill. The project aims to optimize operations and halve the need for water intake in the coming years.

We monitor effluents quality in line with relevant environmental laws. At our São Martinho mill, wastewater is treated in stabilization ponds before being discharged into surface water bodies as permitted by the environmental regulator. This monitoring also follows procedures established in Cetesb standard P4231, and analysis results are included in the Vinasse Application Plan presented annually to the environmental agency.

At the Iracema Mill, we had notifications in 2022 due to non-compliance with deadlines or water intake above the hourly flow rate established in the DAEE grant ordinance. To prevent this type of occurrence, we have implemented a real-time monitoring system. To ensure better monitoring, we have a digital channel for recording any environmental incidents.

THE COMPANY RECEIVED A B GRADE IN THE QUESTIONNAIRE RELATED TO WATER SAFETY FROM CDP

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

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Surface water (total)	26,393.88	22,181.72	24,491.98
Groundwater (Total)	1,867.00	1,634.23	1,869.42
TOTAL	**28,260.88**	**23,815.95**	**26,361.41**
Processed cane (t)	22,522,028.75	19,899,013.29	20,024,040.41
Water withdrawal per metric ton of sugarcane (m^3/t)	1.25	1.20	1.32

1. Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress.All water withdrawals are freshwater.
2. The water withdrawal volumes are within the permits granted by the Water and Electricity Department (DAEE) of São Paulo state, the São Paulo State Department of Infrastructure and the Environment (SIMA), the State Environmental and Sustainable Development authority (Semad Goiás), and the National Water Agency (ANA).
3. Flow meters are installed at all collection points, which in turn integrate the data transmission to the SAP or MI systems, where the data is compiled and monitored monthly from the m^3/tc indicator.
4. We source water from both surface and underground sources, both classified as fresh water.

Total water discharge to all areas and area with water stress, and breakdown by the following sources (ML), if applicable [1, 2, 3 and 4] GRI 303-4

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Surface water	13,186.50	10,609.51	7,127.16

1. Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress. The wastewater is discharged into waters classified as fresh.
2. Twice yearly, the wastewater is analyzed at the exit of the stabilization pond to verify compliance with legal standards for discharge, CONAMA Resolution 430/2011 and Decree 8.468/76. There are no substances of concern in the treated wastewater, as it meets these legal standards.
3. water discharge by suppliers is neither controlled or monitored.
4. For the São Martinho Mill, the year 2022 marked the beginning of wastewater reuse in agricultural soil, thus reducing the discharge of this water into oxidation ponds.

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

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Water consumption	15,074.38	13,206.44	19,237.80

1. There were no changes in water storage volumes.
2. For the USM mill, Water consumption = Total water withdrawal - Total water discharge. For our UIR, UBV and USC mills, water consumption is equal to water withdrawal, as no wastewater is discharged into water bodies. Water recycled or reused refers to water separated from filter cake, filter press wash water, water contained in vinasse, and residual water.
3. According to the WRI's Aqueduct tool, none of São Martinho's mills are located in areas of water stress classified as high or extremely high, based on our maximum radius for raw material acquisition.

WASTE AND THE CIRCULAR ECONOMY

GRI 3-3 - MANAGEMENT OF MATERIAL TOPIC, 306-1, 306-2

Based on a business model that combines efforts to increase productivity and optimize waste use, we have developed a series of actions to reuse the byproducts generated in field and mill operations, creating value for the Company while minimizing our environmental footprint.

Our management follows the Solid Waste Management Plan (PGRS), and we recycle suitable materials, such as packaging and other materials generated within the company. We adhere to legal obligations and in all mills we utilize the Waste Transport Manifest (MTR) tool, allowing for the tracking of waste mass during generation, storage, transportation and disposal. We fill in a Waste Handling Statement (DMR) every quarter, a document that records waste generation and disposal volumes. The solid waste management guidelines also comply with the provisions of the National Solid Waste Policy (PNRS).

The circular economy concept to create value from process optimization has been practiced for a long time, and we reuse about 99% of the waste generated in internal production during the crop year. They are:

- Vinasse: liquid waste from distillation originating from the ethanol production process. As it is a product rich in potassium (a nutrient necessary for sugarcane fertilization), it is used in fertigation.
- Filter cake: a residue from the cane juice decantation process, is rich in phosphorus and organic matter. It is processed and receives other nutrients to be used in place of mineral fertilizers.
- Sugarcane bagasse: a byproduct of the sugar and ethanol production process, used as biomass in electricity generation.

This enables us to foster the recycling of macro and micronutrients while reducing greenhouse gas emissions and the cost of fertilizers. In the 2022/2023 crop year, we invested in the renovation of the sorting centers to achieve even greater efficiency there.

In the 2022/2023 crop year, 99.97% of our generated waste is classified as non-hazardous, according to NBR 10.004/04. In addition to the reused waste, we also manage that generated by supplies and maintenance activities, which are properly disposed of; these include packaging, scrap and various contaminated materials. The hazard classification is determined according to safety data sheets. We do not map waste in the upstream and downstream production chain.

Find out more
See our waste indicators in greater detail in the Appendix

Waste generated (t) GRI 306-3

TOTAL
6,504,468.73

NON-HAZARDOUS
99.98%

HAZARDOUS
0.02%

Waste generated diverted from disposal GRI 306-4

TOTAL
6,503,207.18

NON-HAZARDOUS
99.98%

HAZARDOUS
0.02%

Waste generated directed to disposal GRI 306-5

TOTAL
0.02%

5

CONTENTS & INDEX

IN THIS CHAPTER

GRI CONTENT INDEX

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

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
General disclosures							
The organization and its reporting practices							
GRI 2: General disclosures 2021	2-1 Organizational details	7, 8 and 9 São Martinho's entire production chain (properties, land and industrial, logistical and agricultural assets) is located entirely in Brazil. The Company has customers abroad that purchase its exports. Our customer list spans nearly 20 countries across four continents.					
	2-2 Companies included in the organization's sustainability reporting	6 The financial report scope includes eight companies that are 100% controlled by São Martinho S.A.: São Martinho Terras Agrícolas S.A.; São Martinho Terras Imobiliárias S.A.; Bioenergética São Martinho S.A.; Bioenergética Santa Cruz S.A.; Bioenergética Boa Vista S.A.; Bioenergia São Martinho; São Martinho Logística e Participações S.A.; and São Martinho Inova S.A.					

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 2: General disclosures 2021	2-3 Reporting period, frequency and contact point	6					
	2-4 Restatements of information	6					
	2-5 External assurance	6, 100 and 101 This report has undergone a third-party assurance process conducted by KPMG Auditores Independentes, demonstrating our concern for the accuracy and reliability of the information presented. The Board of Directors, Advisory Committee and Executive Board have validated this process and the final document. The independent auditors' limited assurance report is available on pages 100 and 101. The information regarding greenhouse gas emissions has been assured by Green Domus Desenvolvimento Sustentável. The Greenhouse Gas Emissions Inventory Assurance Statement is available on this link)					
Activities and workers							
GRI 2: General disclosures 2021	2-6 Activities, value chain and other business relationships	7, 8, 10, 37, 38, 39 and 40					
	2-7 Employees	52, 102 and 103					8, 10
	2-8 Workers who are not employees	52					8, 10

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
Governance							
GRI 2: General disclosures 2021	2-9 Governance structure and composition	28, 29, 30 and 31					5, 16
	2-10 Nomination and selection of the highest governance body	28 and 29					5, 16
	2-11 Chair of the highest governance body	29					16
	2-12 Role of the highest governance body in overseeing the management of impacts	12, 29 and 35					16
	2-13 Delegation of responsibility for managing impacts	12, 29 and 35					
	2-14 Highest governance body's role in sustainability reporting	12, 29 and 35 The Board of Directors is responsible for validating the report. This year, the Sustainability Report underwent formal validation by the Company's Management bodies (Executive Board, Advisory Committee - discussion, and Board of Directors).					
	2-15 Conflicts of interest	30 and 32 In situations of cross membership with suppliers and other stakeholders, if there is a risk of a conflict of interests, executives should follow the guidelines set out in the Related-Party Transactions and Conflicts of Interest Policy. In this case, they should refrain from participating in the discussions and resolutions on the subject, an abstention which will be recorded and published in the meeting minutes.					16
	2-16 Communicating critical concerns	29 and 32					
	2-17 Collective knowledge of the highest governance body	12 and 29					

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
	2-18 Evaluation of the performance of the highest governance body	29					
GRI 2: General disclosures 2021	2-19 Compensation policies	We operate in line with the best market practices, backed by salary and benefits research carried out in partnership with External Consultancy firms. We benchmark our wages against average wages in the industry: in addition to competitive fixed and variable compensation, we provide short-term incentives, profit sharing (for direct employees), bonuses (management-level employees), and long-term incentives and virtual stock options (executives). There are no attraction bonuses or recruitment incentive payments and termination payments follow current national legislation. There are no returns of bonuses and incentives (clawback). The Company's private pension is an optional benefit, participation in which is by subscription. For the Company's employees who join the plan, the company makes a matching contribution, in accordance with internal policy. Through indicators and goals that cover business, environmental, and social topics, a specific ESG-related indicator was implemented on the Bonus scoreboard.					

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 2: General disclosures 2021	2-20 Process for determining remuneration	Compensation is determined through the assignment of points to positions and comparison against market peers, with the support of the consultancy firm Mercer. The compensation of senior management (directors and officers), is subject to approval at a general shareholders meeting. At the annual general meeting, shareholders exercise their voting rights on the proposed compensation for senior management. Based on the Final Analytical Voting Map of the 2022 Annual General Meeting, published on July 29, 2022 and available on our website, approximately 89% voted in favor of the annual global compensation, not counting those who abstained. It's important to mention that the Shareholder Compensation Policy is approved by the Board of Directors, in accordance with the responsibilities outlined in the Bylaws.					
	2-21 Annual total compensation ratio	103					
Strategy, policies and practices							
GRI 2: General disclosures 2021	2-22 Statement on sustainable development strategy	4, 9 and 12					
	2-23 Policy commitments	12, 16 and 30					16
	2-24 Embedding policy commitments	12, 16 and 32					
	2-25 Processes to remediate negative impacts	12, 32, 33 and 35					
	2-26 Mechanisms for seeking advice and raising concerns	33, 35 and 129					

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	30 Significant cases are those with substantial value or particularly material topics, related to water quality or quantity, air quality, health and safety and working hours. In 2022/2023 there were 23 cases of non-compliance with laws and regulations where fines were imposed and 1 case of a non-monetary sanction. During this period, R$ 536,214.50 was paid in fines and R$ 259,541.62 was received in fines (which may or may not be appealed), totaling R$ 795,756.12.					
	2-28 Membership of associations	34					
Stakeholder engagement							
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement	14, 34, 50 and 60					
	2-30 Collective bargaining agreements	100% of direct employees were covered by collective bargaining in 2020/2021, 2021/2022 and 2022/2023. Does not include contractors, apprentices, interns and members of the Board of Directors and Executive Board.					8

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	14, 15, 16 and 37					
	3-2 List of material topics	14, 15 and 16					
Biodiversity, ecosystems and land-use							
GRI 3: Material Topics 2021	3-3 Management of material topics	15, 16, 63, 64, 71, 72, 73 and 74				13.3.1	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased or managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	71 and 121					
	304-2 Significant impacts of activities, products, and services on biodiversity	71 The significant impacts of the Company's activities present risks such as (i) vehicle traffic, which may pose a threat to local fauna diversity; (ii) the risk of soil and water resource contamination resulting from the use of agricultural pesticides; (iii) the risk of soil and water resource contamination due to the use of vinasse; (iv) air pollution risks and damage to fauna and flora due to fires; (v) air pollution risks from gas and particle emissions, with the most significant emissions resulting from the burning of bagasse in duly licensed boilers; and (vi) the risk of altering the quality of groundwater due to the use of vinasse from the mills in São Paulo state. The impacts of vehicle traffic and contamination of soil and water resources can be permanent, if they occur, while the others are temporary. The impacts of air pollution from fires and emissions of gases and particles, and the alteration of groundwater quality, are reversible, except for the fauna affected by fires, while the other impacts are considered irreversible, should they occur. Regarding fauna, mammals, reptiles and amphibians are the species affected by the impacts listed above, with the exception of the risk of pollution from gas and particle emissions, which impacts the air. These impacts can be seen in the Company's own areas, located in the states of São Paulo and Goiás, totaling about 55,000 ha.	B	Information not available.	The information is based on the Environmental Impact Assessment (EIA), which characterizes the fauna and flora in the venture's direct and indirect area of influence. However, there is no detail on the species of fauna and flora impacted, by type of impact.	13.3.3	6, 14, 15
	304-3 Habitats protected or restored	71 100% of our properties have been assessed by independent technicians. No restoration was requested by the environmental agency, and therefore this disclosure has not been evaluated. Assessments are carried out as part of the process for registration with the Rural Environmental Registry (CAR). Direct or outsourced labor. There is a partnership as per demand. There are preserved areas, areas under restoration, and areas to be restored. The premises adopted are provided for in Law No.18.104, dated July 18, 2013.				13.3.4	6, 14, 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations	According to the list published by the Brazilian Ministry of the Environment (MMA), we have identified vulnerable species: giant anteater, maned wolf, fox, deer, margay, tapir, jaguarundi and oncilla. Also listed is 1 critically endangered species: rusty-margined guan. No near threatened or least-concern species have been identified. According to the list from the São Paulo State Department of Environment, Infrastructure and Logistics (SEMIL/SP), ten vulnerable species have been identified: the giant anteater; maned wolf; puma; ocelot; red-crested woodpecker; fox; margay; caneleiro bird; tapir and jaguarundi. There is one critically endangered species: deer; eight endangered species: undulated tinamou; caica parrots; long-billed wren; collared tanager; tapir; king vulture; grey-headed tanager; and plumbeous seedeater. In addition, seven near threatened species are listed: helmeted manakin; rusty-margined guan; turquoise-fronted amazon; pale-breasted spinetail; rufous casiornis; capuchin monkey; and chopi blackbirds.				13.3.5	6, 14, 15

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 13.5: Soil health	Describe the soil management plan, including: a link to this plan, if it is available to the public; the main threats to soil health identified and a description of the soil management practices used; the approach to input optimization, including the use of fertilizers.	71				13.5.1	
GRI 13.6: Pesticide use	Describe the organization's pest control plan, including the rationale for the choice and application of pesticides and any other pest control practices. Describe the measures taken to prevent, mitigate and/or repair the negative impacts associated with the use of extremely and highly toxic pesticides. Describe the measures, initiatives or plans to switch to less toxic pesticides and the steps taken to optimize pest control practices. Describe the training provided to workers in pest control and the application of pesticides.	71 and 74				13.6.1	
	Report the volume and intensity of pesticides used by the following toxicity hazard levels: Extremely toxic; Highly toxic; Moderately toxic; Slightly toxic; Unlikely to cause acute harm.	71	13.6.2	Confidentiality constraints	The disclosure related to volume and intensity is deemed sensitive for our business and therefore confidential.	13.6.2	
Climate strategy and air quality							
GRI 3: Material Topics 2021	3-3 Management of material topics	15 to 17, 27, 44, 60, 64, 65, 67 to 71, and 126				13.1.1 13.2.1 13.3.1 13.8.1	

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 201: Financial performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	65, 68 and 69				13.2.2	13
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	66 and 118				13.1.2	3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	66 and 118				13.1.3	3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	66 and 118				13.1.4	3, 12, 13, 14, 15
	305-4 GHG emissions intensity	66				13.1.5	13, 14, 15
	305-5 Reduction of GHG emissions	65 The Scope 2 emissions reduction, according to the market-based approach, from the purchase of renewable energy certificates (I-REC) from wind sources, with an emission factor of 0.000 tCO_2/MWh, in order to trace the entirety of the electricity purchased in 2022, equal to 21,668 MWh. The calculation includes all gases covered by the Kyoto Protocol: The year 2020 was established as the baseline year as it was the first year our GHG Inventory underwent independent external assurance, despite not reporting Scope 2 emissions based on market-based approach. The Scope 2 result, according to the location approach, of 1,382 tCO_2e can be used as a proxy, as it is not possible to calculate a value based on the market-based approach for this year.				13.1.6	13, 14, 15
	305-6 Emissions of ozone-depleting substances (ODS)	120				13.1.7	3, 12
	305- 7 NOx, Ox, and other significant air emissions	120				13.1.8	3, 12, 14, 15
Water resource stewardship							
GRI 3: Material Topics 2021	3-3 Management of material topics	64, 71, 72 , 75 and 76				13.7.1	
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	75 and 76 At Iracema, we source water from the Paramirim and Iracema streams (Piracicaba Capivari Jundiaí Drainage basin); at the São Martinho Mill, we extract water from three sources: Mogi Guaçu River, Triste Creek and the Guarani Aquifer - five wells (Mogi Guaçu Drainage basin). Santa Cruz derives its water supply from the Paulino, João Mendes and Anhumas creeks and the Guarani Aquifer - two wells (Mogi Guaçu Drainage Basin). The Boa Vista Mill sources water from two water bodies: Preto River and the Guarani Aquifer - one well (Paranaita Drainage Basin). To further reduce water withdrawals, we are currently upgrading the water cooling system, which will optimize the process and minimize the requirement for water withdrawals over the coming years.				13.7.2	6.12
	303-2 Management of water discharge related impacts	75 and 76				13.7.3	6, 8,12
	303-3 Water withdrawal	75 and 76				13.7.4	6
	303-4 Water discharge	75 and 76				13.7.5	6
	303-5 Water consumption	75 and 76				13.7.6	6

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
Supply chain management and traceability							
GRI 3: Material Topics 2021	3-3 Management of material topics	37 to 39				13.23.1	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on locally-based suppliers	38, 39 and 129					8
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	37					
	308-2 Negative environmental impacts in the supply chain and actions taken	129 and 130					
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	37				13.17.2	8, 16
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	37				13.16.2	8
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	37					5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	130					5, 8, 16
GRI 13.23 Supply chain traceability	Describe the theoretical foundation and methodology used to track the source, origin or production conditions of the products purchased by the organization (such as raw materials and inputs acquired).	37 to 39				13.23.1	
	Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin (e.g., farms, hatcheries, and feed mill levels).	37 to 39				13.23.2	

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 13.23 Supply chain traceability	Report the percentage of sourced volume certified to internationally recognized standards that trace the path of products through the supply chain, by product and list these standards.	37 to 39, and 44				13.23.3	
	Describe improvement projects to get suppliers certified to internationally recognized standards that trace the path of products through the supply chain to ensure that all sourced volume is certified.	37 to 39, and 44				13.23.4	
People management and diversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	50, 51, 52 and 55				13.15.1	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	The Company's private HSE is an optional benefit, participation in which is by subscription. There is no pension plan liability funded by the organization. On retirement, pension benefits are paid to participants solely by the pension plan provider: Itaú Vida e Previdência, with no additional liability for the Company. The contribution is 1% for salaries up to 1 UR (R$ 5,643.08). For salaries above 1 UR, the contribution is up to 8% of the difference between the UR and the nominal salary. The percentage of salary contributed by the employee or employer totals 8%.					
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	We consider all four of the Company's producing mills as 'important operational units'.	A, B, C	Not applicable.	The salaries practiced are based on the base wage of the related job/union. The salary is set according to the collective agreement of the local union. Typically, minimum wages are provided for in collective agreements and are higher than the local minimum wage. The national minimum wage is used for the apprentice position.		1, 5, 8
	202-2 Proportion of senior management hired from the local community	100% of board members come from local communities. São Martinho defines the positions of CEO, Vice President, and all those who hold the position of Officer as senior management. We consider all four of the Company's producing mills as 'important operational units'.					8

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	106					5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	108					3, 5, 8
	401-3 Parental leave	105					5, 8
GRI 402: Labor/ management relations 2016	402-1 Minimum notice periods regarding operational changes	Any and all changes, and not only operational changes, are preceded by negotiations with unions and worker groups. Implementation periods are negotiable. We are currently in collective negotiations with unions to renew our collective bargaining agreements. In these meetings, we discuss wage adjustments and possible changes in contractual clauses. Negotiations begin close to the end of the agreements' validity, with the Boa Vista Mill starting in January and the other São Paulo mills starting in March. We are currently in collective negotiations with unions to renew our collective bargaining agreements. In these meetings, we discuss wage adjustments and possible changes in contractual clauses. Negotiations begin close to the end of the agreements' validity, with the Boa Vista Mill starting in January and the other São Paulo mills starting in March.					8
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	54 and 107					4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	53 and 61					8
	404-3 Percentage of employees receiving regular performance and career development reviews	54					5, 8, 10
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	102, 109, 110 and 111				13.15.2	5, 8
	405-2 Ratio of basic salary and remuneration of women to men	104				13.15.3	5, 8, 10
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	55				13.15.4	5, 8
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	There were no records of field and mill operations or suppliers where the right to exercise union freedom or collective bargaining could be at risk or under significant threat. The company respects and encourages the individual right to unionize and join trade associations, and this commitment is outlined in the Code of Ethics and Professional Conduct and in the Compliance Training provided to all employees.				13.18.2	8

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 13.15: Non-discrimination and equal opportunity	Report the ratio of the basic salary and remuneration of women to men for workers who are not employees and whose work is controlled by the organization.	104				13.15.3	
	Describe any differences in terms of employment contracts and approach to compensation based on nationality or migrant status of workers, broken down by location of operations.	104				13.15.5	
Innovation and technology							
GRI 3: Material Topics 2021	3-3 Management of material topics	16 a 20, 70 e 74					8, 12
Energy efficiency							
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 17, 27, 60, 64, 65, 67 to 71					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	115					7, 8, 12, 13
	302-2 Energy consumption outside of the organization	116					7, 8, 12, 13
	302-3 Energy intensity	116					7, 8, 12, 13
	302-4 Reduction of energy consumption		All	Information not available	The analysis of energy consumption reduction is being conducted by the relevant departments and it is currently not possible to classify it as directly resulting from conservation and efficiency improvements.		7, 8, 12, 13
	302-5 Reductions in energy requirements of products and services		All	Information not available	The analysis of the reduction in energy requirements for products is being conducted by the relevant departments and it is not currently possible to report this indicator.		

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
Waste management							
GRI 3: Material Topics 2021	3-3 Management of material topics	16, 17, 63, 64, 71 and 77				13.8.1	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	We do not map waste and its impacts in the upstream and downstream production chain. See page 77 for further information.				13.8.2	3, 6, 11, 12
	306-2 Management of significant waste-related impacts	77 The company's plants are registered in the MTR - Waste Transportation Manifest, which issues a form for each waste shipment. The final recipient issues the CDF - Final Disposal Certificate to ensure the proper disposal of solid waste. The DMR - Waste Handling Statement is generated quarterly and records the amount of waste generated, transported and disposed of, which the environmental agency can view in the National Solid Waste Management Information System. São Martinho complies with the guidelines of the National Solid Waste Policy (Law No. 12.305/2022). For the recipient, the CADRI - Environmental Waste Handling Certification (SP) and the CADRE - Certificate of Authorization for the Disposal of Special Waste (GO) are established.				13.8.3	3, 6, 11, 12
	306-3 Waste generated	77 and 123				13.8.4	3, 6, 12, 14, 15
	306-4 Waste diverted from disposal	77, 123 and 124				13.8.5	3, 11, 12
	306-5 Waste directed to disposal	77 and 125				13.8.6	3, 6, 11, 12, 14, 15
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	56 to 59				13.19.1 13.10.1	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Our Occupational Health and Safety Management System has been implemented across all field and mill operations and administrative sectors, covering all of the Company's direct employees. The implementation did not occur due to legal requirements and its development was the result of an internal initiative of the Company itself. See page 56 for further information.				13.19.2	8
	403-2 Hazard identification, risk assessment, and incident investigation	56				13.19.3	3, 8
	403-3 Occupational health services	56				13.19.4	3, 8
	403-4 Worker participation, consultation, and communication on occupational health and safety	56				13.19.5	8, 16

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
	403-5 Worker training on occupational health and safety	56				13.19.6	8
	403-6 Promotion of worker health	56				13.19.7	3
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56				13.19.8	8
	403-8 Workers covered by an occupational health and safety management system	105				13.19.9	8
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	58	B	Information not available	Contractors are not included when calculating frequency and severity rates, as the number of man-hours worked work is not controlled. However, all accidents or near misses or related unsafe behaviors are identified and calculated into specific rates and are managed by the Company's same health and safety system. We are looking into how we can implement this practice.	13.19.10	3, 8, 16
	403-10 Work-related ill health	Through the Risk Management Program (PGR) and the Exposure Matrix (frequency and severity), we map out the risks, hazards, risk mitigating and/or elimination actions, always following the criteria of the risk control hierarchy, aiming to provide increasingly safe and healthy workplaces. Among the hazards properly controlled are hazards due to exposures to the following risks: physical (heat, noise, humidity), chemical (ethanol and other chemicals related to the process, pesticides, dust and metal fumes), and mechanical and/or ergonomic (related to the nature of the activity, such as working at height, in confined spaces, handling parts and driving heavy vehicles). All mapped hazards or risks were addressed or eliminated and did not cause or contribute to cases of occupational disease during the reporting period. Various measures such as exposure control, layout adjustments, engineering controls, training and awareness about the correct use of PPE and necessary health precautions are adopted and practiced, in order to ensure the health and safety of all, thus avoiding unnecessary exposures. In 2022, we had no cases of occupational diseases and deaths resulting from these risks among our direct employees. The Company does not control occupational diseases in contractor professionals.	B	Information not available	Despite all accidents or near misses or unsafe behaviors being managed by the same health and safety system of the Company, man hours worked are not controlled. We are looking into how we can implement this practice.	13.19.11	3, 8, 16
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	38 In the 2022/2023 crop year, 49% of security personnel received formal training on human rights. A strategic shift was made in the profile of certain Security positions, replacing part of the Security Guards with Watchmen (Access Controllers), and these new professionals have not yet received formal training in Human Rights. Contractors are also included in the calculation.					16

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
Community engagement and local development							
GRI 3: Material Topics 2021	3-3 Management of material topics	50, 51, 60, 61, 62, 69, 113, 114, 116 and 122				13.12.1	
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	113				13.22.3	5, 9, 11
	203-2 Indirect economic impacts	60				13.22.4	1, 3, 8
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		All	Not applicable	The Company did not have any operations where indigenous peoples live	13.14.2	2
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	60				13.12.2	
	413-2 Operations with significant actual or potential negative impacts on local communities	122				13.12.3	1, 2
Additional Disclosures - indicators that are not part of materiality, but that São Martinho has chosen to report due to their relevance to the organization and to maintain historical consistency and comparability.							
GRI 201: Financial performance 2016	201-1 Direct economic value generated and distributed	48				13.22.2	8
	201-4 Financial assistance received from government	127					
GRI 205: Fighting corruption 2016	205-1 Operations assessed for risks related to corruption	The significant risks related to corruption identified are: fraud and/or embezzlement of money or goods and favoritism/ conflict of interests. See page 32 for further inform ation.				13.26.2	16
	205-2 Communication and training on anti-corruption policies and procedures	33, 127 and 128	C	Information not available.	The Company does not provide specific training to partners and goods and services suppliers, but it provides all of them with its Code of Ethics and Professional Conduct, the Anti-Corruption Policy, Policy for Transactions with Related Parties and conflict of interest, through the Suppliers Portal. The documents are also available on the Company's website, through the link.	13.26.3	16

GRI Standards	Disclosure	Location	Omission			Reference no. of GRI sector standard	SDGs
			Requirement(s) omitted	Reason	Explanation		
GRI 205: Fighting corruption 2016	205-3 Confirmed incidents of corruption and actions taken	There were no incidents of corruption in the 2022-2023 crop year.				13.26.4	16
GRI 207: Taxes 2019	207-1 Approach to tax	The Company complies with current tax and regulatory laws to the letter, but does not have a formal tax policy. Matters of great importance should be approved by the executive board, and in certain cases, by the Board of Directors. Aligned with other policies, the tax approach must ensure compliance with current tax regulations, supporting what is established in the Company's strategies.					17
	207-2 Tax governance, control and risk management	The Executive Board and the Board of Directors are responsible for tax compliance. Tax governance is integrated into the business, supported by industry entities, tax consultancies and the tactical tax committee. Annual reviews are conducted in fiscal governance, by internal experts, specialized consultancy firms and an independent audit. According to the Code of Ethics and Professional Conduct, we monitor the behavior of our tax employees on a daily basis. Tax reports are verified weekly through consultations on state and federal agency websites, in order to identify pending issues or observations that may impact the issuance of certificates and pose risks to the Company's tax compliance.					17
	207-3 Stakeholder engagement and management concerns related to tax	The fiscal and legal departments are responsible for liaising with tax authorities on topics related to compliance with audits. Every approach is accompanied by the Governmental Institutional Relations area. The approach for advocacy actions is carried out through sugar and ethanol industry entities and associations, and the processes to collect and evaluate the opinions and concerns of stakeholders (including external ones) is carried out by monitoring on tax consulting websites, entity linked to the industry, and external consultancy.					17
GRI 415: Public policy 2016	415-1 Political contributions		All	Not applicable.	We comply with Law 13.488/2017 which amended Article 31 (II) of Law 9.096/1995, prohibiting the financing of campaigns by legal entities of any nature.	13.24.2	16
GRI 416: Consumer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	46				13.10.2	
	416-2 Incidents of noncompliance concerning the health and safety impacts of products and services	46				13.10.3	16
GRI 13.10: Food safety	Report the percentage of production volume from sites certified to internationally recognized food safety standards, and list these standards.	44				13.10.4	

SASB SUMMARY

Topic	Code	Title	Response/ Location	Correlation to GRI
Renewable Resources & Alternative Energy: Biofuels				
Air quality	RR-BI-120a.1	Air emissions for the following pollutants: Nox (excluding N_2O), Sox, volatile organic compounds (VOCs), particulate matter (PM10), and hazardous air pollutants (HAPs).	120	GRI 305-7
	RR-BI-120a.2	Number of incidents of non-compliance associated with air quality permits, standards, and regulations.	127	GRI 2-27
Water management in manufacturing	RR-BI-140a.1	Total water withdrawn, total water consumed, percentage of each in regions with high or extremely high baseline water stress.	75 and 76	GRI 303-3, GRI 303-5
	RR-BI-140a.2	Discussion of water management risks and description of strategies and practices to mitigate those risks.	75	GRI 303-2
	RR-BI-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations.	127	GRI 2-27
Emissions Summary GHG in the life cycle	RR-BI-410a.1	Lifecycle greenhouse gas (GHG) emissions, by biofuel type.	118	
Sourcing & environmental impacts of feedstock production	RR-BI-430a.1	Discussion of strategy to manage risks associated with environmental impacts of feedstock production.	75	GRI 201-2 (partial)
	RR-BI-430a.2	Percentage of biofuel production third-party certified to an environmental sustainability standard.	48 and 117	
Management of the legal & regulatory environment	RR-BI-530a.1	Subsidies received through government programs.		GRI 201-4
	RR-BI-530a.2	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry.	The Company is subject to environmental, tax, labor, and health and safety regulations as well as other regulations applicable to the food, fuels, transportation, electric power and other segments (across the federal, state and municipal levels). Any changes in these regulations could affect our operations Our strategy takes into account current risks and opportunities as well as future trends. An example of this vision is the creation of specific programs to comply with legislation, the establishment of a compliance framework (compliance and LGPD departments), the hiring of specific software for risk management, legislation updates, and contractor monitoring, Sustainability Committees, GRC, Crisis Management and Risk/Position Management, among others.	

Topic	Code	Title	Response/ Location	Correlation to GRI
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 method used internally does not include the metrics needed to report this disclosure.	
Activity metrics	RR-BI-000.A	Biofuel production capacity.	117	
	RR-BI-000.B	Production of: (1) renewable fuel, (2) advanced biofuel, (3) biomass-based diesel, and (4) cellulosic biofuel	117	
	RR-BI-000.C	Amount of feedstock consumed in production.	117	
Food & Beverage: Agricultural Products				
Greenhouse gas emissions	FB-AG-110a.1	Gross global Scope 1 emissions.	66 and 118	GRI 305-1
	FB-AG-110a.2	Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emission-reduction targets, and an analysis of performance against those targets.	65	GRI 3-3 (Climate strategy and air quality), GRI 305-1
	FB-AG-110a.3	Fleet fuel consumed, percentage renewable.	116	
Energy Management	FB-AG-130a.1	Operational energy consumed, percentage grid electricity, percentage renewable.	116	
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	75 and 76	GRI 303-2, GRI 303-3, GRI 303-5
	FB-AG-140a.2	Discussion of water management risks and description of strategies and practices to mitigate those risks.	68 and 69	GRI 201-2 (partial)
	FB-AG-140a.3	Number of incidents of non-compliance associated with water quality and quantity permits, standards, and regulations.	84	GRI 2-27
Food safety	FB-AG-250a.1	Global Food Safety Initiative (GFSI) audit non-conformance rate and associated corrective action rate for (a) major and (b) minor non-conformances.	Our production operations are not certified to a GFSI recognized program.	
	FB-AG-250a.2	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program.	We have no implemented system for verifying whether suppliers are certified to a GFSI recognized food safety certification program. We use only sugarcane as raw material in the manufacture of our products and have implemented a good agricultural practices program, such as the use of pesticides approved by the Ministry of Agriculture (MAPA), product dosage requirements, and compliance with the withdrawal period.	
	FB-AG-250a.3	Number of recalls issued and total amount of food product recalled.	There were no recalls of our food products during the reporting period.	

Topic	Code	Title	Response/ Location	Correlation to GRI
Occupational health and safety	FB-AG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) seasonal and migrant employees.	The calculation method used internally does not include the metrics needed to report this disclosure.	
Environmental & Social Impacts of Ingredient Supply Chain	FB-AG-430a.1	Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard, and percentages by standard.	130	
	FB-AG-430a.2	Rate of non-compliance in social and environmental responsibility audit of suppliers and (2) associated corrective action rate for (a) major and (b) minor non-compliances.	129 and 130	GRI 308-2, GRI 414-2
	FB-AG-430a.3	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing.	12, 30, 32, 35 and 37	GRI 2-15, GRI 2-24, GRI 2-25
GMO Management	FB-AG-430b.1	Discussion of strategies to manage the use of genetically modified organisms (GMOs).	São Martinho currently works with genetically modified sugarcane exclusively at the Boa Vista Mill, in a small area and volume, still in the validation phase. In this mill, the raw material is used in the production of ethanol for fuel purposes and dry sugarcane yeast that is used in animal feed. The Boa Vista Mill was chosen to validate this technology as it does not produce sugar, and the prospects for using this technology are still being evaluated by the Company's technical area. In relation to other growers, no genetically modified sugarcane has been used in our mills to produce sugar or industrial-grade hydrous ethanol.	
Raw material sourcing	FB-AG-440a.1	Identification of principal crops and description of risks and opportunities presented by climate change.	65, 68 and 69	GRI 201-2
	FB-AG-440a.2	Percentage of agricultural products sourced from regions with high or extremely high baseline water stress.	Based on the Aqueduct Water Risk Atlas from the World Resources Institute (WRI), none of our four operations are located in regions with high or extremely high baseline water stress.	
Activity metrics	FB-AG-000.A	Production by principal crop.	48	
	FB-AG-000.B	Number of processing facilities.	Four operational units.	
	FB-AG-000.C	Total land area under active production.	48	
	FB-AG-000.D	Cost of agricultural raw materials sourced externally.	This disclosure is deemed sensitive for our business and therefore confidential.	

TCFD CONTENT SUMMARY

TCFD Recommendation	Correlation to GRI	Response/Page or URL
1. GOVERNANCE Disclose the Company's governance around climate-related risks and opportunities		
a) Describe the Board's oversight of climate-related risks and opportunities	2-9; 2-13; 2-12; 2-17; 2-14	12, 28, 29, 30, 31 and 35
b) Describe management's role in assessing and managing climate-related risks and opportunities	2-12; 2-14	12, 29 and 35
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		65
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	201-2	65
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		65
3. RISK MANAGEMENT Disclose how the organization identifies, assesses, and manages climate-related risks		
a) Describe the organization's processes for identifying and assessing climate-related risks	201-2	68 and 69
a) Describe the organization's processes for managing climate-related risks		68 and 69
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management		65, 68 and 69
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	201-2	65
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	305-1; 305-2; 305-3	118
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets		126

ASSURANCE LETTER

GRI 2-5

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Independent auditors' limited assurance report on non-financial information included in the Annual Sustainability Report

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

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

Introduction

We have been engaged by São Martinho S.A. ("Company") to present our limited assurance report on the non-financial information included in the "Annual Sustainability Report crop year 2022/2023" of São Martinho S.A., for the period between April 1, 2022 and March 31, 2023 (crop year 2022/2023).

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

Responsibilities of São Martinho S.A.'s management

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

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

Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the Annual Sustainability Report crop year 2022/2023, based on the limited assurance engagement conducted in accordance with Technical Communication CTO 07/2022, and based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, issued by the CFC, which is equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the Annual Sustainability Report crop year 2022/2023, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to São Martinho S.A.'s management and other São Martinho S.A.'s professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Annual Sustainability Report, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation, materiality and presentation of the information contained in the Annual Sustainability Report 2022, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the Annual Sustainability Report crop year 2022/2023 where material misstatements could exist. The procedures comprised, among others:

a. planning the work, considering the materiality of the aspects for São Martinho S.A.'s activities, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for the preparation of the information contained in the Annual Sustainability Report crop year 2022/2023.

b. the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;

c. the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the Annual Sustainability Report crop year 2022/2023; and

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d. for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.

e. analysis of the processes for preparing the Report and its structure and content, based on the Content and Quality Principles of the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, with the Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products), of Sustainability Accounting Standards Board (SASB);

f. evaluation of the sampled non-financial indicators;

g. understanding the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information;

h. analysis of the reasonableness of the justifications for the omission of performance indicators associated with aspects and topics indicated as material in the Company's materiality analysis.

The limited assurance work also comprised adherence to the guidelines and criteria of the GRI - Standards elaboration framework applicable in the preparation of the information included in the Annual Sustainability Report crop year 2022/2023.

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

Scope and limitations

The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. These standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

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Conclusion

Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the Annual Sustainability Report for the period between April 1, 2022 and March 31, 2023 (crop year 2022/2023) of São Martinho S.A., have not been prepared, in all material respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, the Sustainability Accounting Standard – Renewble, Resources & Alternative Energy (Biofuels) and Food & Beverage (Agricultural Products), of the Sustainability Accounting Standards Board (SASB).

São Paulo, August 31st, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in portuguese signed by

Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4

DISCLOSURES APPENDIX

Check out the details of all indicators reported by São Martinho regarding its strategy, management, and its ESG and economic-financial material topics.

HUMAN CAPITAL

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

Contract type	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	10,657	840	11,497	10,672	865	11,537	10,716	913	11,629
Temporary	1,200	36	1,236	1,075	40	1,115	949	64	1,013
TOTAL	**11,857**	**876**	**12,733**	**11,747**	**905**	**12,652**	**11,665**	**977**	**12,642**

1. The numbers were taken from the database at the end of the crop year (March/23), using SAP transaction ZHPA26 - Personal compensation data. The report presents the total number of employees selected for the period from March 01 to 31, and the people selection period of Mar 31, whose occupation status was 3 - Active.
2. This indicator does not include members of the Board, Executive Board and Third Parties, Apprentices, Interns and Trainees.
3. The number of definite-term employees (called temps in this report) varied between the harvest season and the off-season.

Total workforce by employment type[1, 2 and 3] GRI 2-7

Employment type	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	11,851	874	12,725	11,740	904	12,644	11,659	975	12,634
Part time	6	2	8	7	1	8	6	2	8
TOTAL	**11,857**	**876**	**12,733**	**11,747**	**905**	**12,652**	**11,665**	**977**	**12,642**

1. The numbers were taken from the database at the end of the crop year (March/23), using SAP transaction ZHPA26 - Personal compensation data. The report presents the total number of employees selected for the period from March 01 to 31, and the people selection period of Mar 31, whose occupation status was 3 - Active.
2. This indicator does not include members of the Board, Executive Board and Third Parties, Apprentices, Interns and Trainees.
3. The number of employees did not vary significantly.

Workforce by age group[1] GRI 405-1

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Under 30	2,504	2,418	2,448
Between 30 and 50	7,812	7,853	7,807
Over 50	2,417	2,381	2,387
TOTAL	**12,733**	**12,652**	**12,642**

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

Employees, by employee category[1] GRI 2-7

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Board of Directors	10	10	10
Executive Board	12	12	12
Management	36	37	37
Leaders/coordinators	57	63	68
Technicians/supervisors	427	430	452
Administrative	798	846	916
Operational	11,304	11,163	11,033
Support	111	113	136
TOTAL	**12,755**	**12,674**	**12,664**

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

Total workforce, by gender and region GRI 2-7[1234]

Region	2022/2023		
	Men	Women	Total
Midwest	2,300	215	2,515
Southeast	9,365	762	10,127
TOTAL	**11,665**	**977**	**12,642**

1. The numbers were taken from the database at the end of the crop year (March/23), using SAP transaction ZHPA26 - Personal compensation data. The report presents the total number of employees selected for the period from March 01 to 31, and the people selection period of Mar 31, whose occupation status was 3 - Active.
2. This indicator does not include members of the Board, Executive Board and Third Parties, Apprentices, Interns and Trainees.
3. The number of employees did not vary significantly.
4. There are no historical data available in this section, as there was no information available for this period.

Total workforce by employment type and region GRI 2-7[1234]

Region	2022/2023		
	Full time	Part time	Total
Midwest	2,514	1	2,515
Southeast	10,120	7	10,127
TOTAL	**12,634**	**8**	**12,642**

1. The numbers were taken from the database at the end of the crop year (March/23), using SAP transaction ZHPA26 - Personal compensation data. The report presents the total number of employees selected for the period from March 01 to 31, and the people selection period of Mar 31, whose occupation status was 3 - Active.
2. This indicator does not include members of the Board, Executive Board and Third Parties, Apprentices, Interns and Trainees.
3. The number of employees did not vary significantly.
4. There are no historical data available in this section, as there was no information available for this period.

Percentage increase in annual total compensation[1,2,3] GRI 2-21

Amount	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Ratio	166.1	183.56	187
Ratio of the percentage increase of the highest-paid individual to the median annual total compensation percentage increase	5.0	2.1	1.25

1. Up to the managerial level (reporting to Compensation and Benefits), the following items are considered: Basic salary, overtime, night-work bonus, safety hazard bonus, commuting hours, bonus / bonus time, sick / injury leave, institutional overtime, indemnified hours, payments for banked hours, maternity pay, profit-sharing and manager variable compensation (bonuses).
2. The data were taken from the database for the crop year's accrual periods, using SAP transaction ZHPA26 - Personal compensation data. Data selection period from 01 to 31 and people selection on the 31st of each month, occupation status 3 - active.
3. Executive level (Payroll report), considered: Salary, profit sharing, manager variable compensation (bonus), management fees and virtual stock options. Data extracted from SAP transaction PC00_M99_CWTR - Distribution of wage items.

Ratio of basic salary and remuneration of women to men, by employee category[1,2,3]

GRI 405-2, GRI 13.15.3

		Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Executive Board	Salary	0.66	0.75	0.82
	Salary + Variable compensation	0.66	0.73	0.81
Management	Salary	0.88	1.01	1.02
	Salary + Variable compensation	0.94	0.96	1.03
Leaders/coordinators	Salary	0.79	0.81	0.78
	Salary + Variable compensation	0.77	0.76	0.75
Technicians/supervisors	Salary	1.02	1.09	1.05
	Salary + Variable compensation	0.87	0.94	0.84
Administrative	Salary	0.93	0.93	0.95
	Salary + Variable compensation	0.86	0.86	0.85
Operational	Salary	0.86	0.92	0.92
	Salary + Variable compensation	0.75	0.75	0.74
Support	Salary	0.78	0.84	0.84
	Salary + Variable compensation	0.65	0.07	0.66
Trainees	Salary	1.04	1	1
	Salary + Variable compensation	1.04	0.97	0.95
TOTAL	**Salary**	**1.25**	**1.31**	**1.33**
	Salary + Variable compensation	**0.98**	**1.01**	**1.01**

1. The company does not practice differences in contracts and compensation based on nationality or migrant status of workers.
2. Workers who are not employees are apprentices, trainees, and interns, who are allocated to the Company's Programs. The respective proportions are: Apprentice: salary 1.05 / salary + compensation 1.04, Trainee: salary 1.00 / salary + compensation 0.95, Interns: salary 1.02 / salary + compensation 1.02. Trainees and apprentices work under CLT employment contracts, and the % of the collective agreement is therefore applied annually, according to the base dates of each mill.
3. We consider all four of the Company's producing mills as 'important operational units'.

Total employees entitled to parental leave[1] GRI 401-3

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Men	335	313	300
Women	27	23	34
Total employees who took parental leave			
Men	335	313	300
Women	27	23	34
Total employees who returned to work after parental leave ended			
Men	339	313	305
Women	27	19	30
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work			
Men	323	295	291
Women	16	20	9
Rate of return			
Men	101.19%	100.00%	101.67%
Women	100.00%	82.61%	88.24%
Retention rate			
Men	95.28%	94.25%	95.41%
Women	59.26%	105.26%	30.00%

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

Occupational health and safety management system based on legal requirements and/or recognized standards/guidelines [1, 2, 3 and 4] GRI 403-8

		Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Total number of individuals	N°	12,287	11,994	11,743
Individuals covered	N°	12,287	11,994	11,743
	%	100	100	100
Workers covered by an internally audited health management system	N°	0	0	0
	%	0	0	0

1. For HSE indicators, all active employees are considered. [1]Not including contractors
2. The number of employees is the sum of the months of the crop year (April/22 to March/23)
3. Taking into account the employees from all four mills, 100% are being included.
4. There are no employees and non-employee workers whose work and/or workplace is controlled by the organization that are covered by this system that has been internally audited or certified by an external party.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER GRI 401-1

	Crop Year 2020/2021		Crop Year 2021/2022		Crop Year 2022/2023	
	Number	%	Number	%	Number	%
New employee hires and hiring rate by gender [1-2]						
Men	1,964	15.42	1,954	15.44	2,180	18.64
Women	125	0.98	149	1.18	252	25.45
TOTAL	**2,089**	**16.41**	**2,103**	**16.62**	**2,432**	**19.18**
Total number and rates of new employee hires, by age range [1-2]						
Below 30	964	7.57	944	7.46	1,114	44.77
Between 30 and 50	993	7.80	1,032	8.16	1,209	15.48
Over 50	132	1.04	127	1	109	4.57
TOTAL	**2,089**	**16.41**	**2,103**	**16.62**	**2,432**	**19.18**
Total number and rate of new employee hires by region [1-2]						
Midwest	489	3.84	581	4.59	634	25.10
Southeast	1600	12.57	1,522	12.03	1,798	17.70
TOTAL	**2,089**	**16.41**	**2,103**	**16.62**	**2,432**	**19.18**

1. The data were compiled from our employee database as of March 2023 (active employees).
2. Not including third-party employees, apprentices, interns and members of the Board of Directors and Executive Board.

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
	Number	Number	Number
Total terminations and turnover rate by gender [1-2]			
Men	2,099	2,015	2,194
Women	138	113	177
TOTAL	**2,237**	**2,128**	**2,371**
Total terminations and turnover rate by age group [1-2]			
Below 30	670	686	1,101
Between 30 and 50	1,094	1,066	1,125
Over 50	473	376	145
TOTAL	**2,237**	**2,128**	**2,371**
Total terminations and turnover rate by region [1-2]			
Midwest	527	546	648
Southeast	1,710	1,582	1,723
TOTAL	**2,237**	**2,128**	**2,371**

1. The data were compiled from our employee database as of March 2023 (active employees).
2. Not including third-party employees, apprentices, interns and members of the Board of Directors and Executive Board.

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
	%	%	%
Turnover rate, by gender [1, 2, 3 and 4]			
Men	17.13	16.89	18.70
Women	15.01	14.48	21.67
TOTAL	**16.99**	**16.72**	**18.93**
Turnover by age group [1, 2 and 3]			
Below 30	32.63	33.71	44.51
Between 30 and 50	13.36	13.36	14.95
Over 50	12.52	10.56	5.32
TOTAL	**16.99**	**16.72**	**18.93**
Turnover by region [1, 2 and 3]			
Midwest	20.32	22.23	25.38
Southeast	16.17	15.34	17.33
TOTAL	**16.99**	**16.72**	**18.93**

1. The data were compiled from our employee database as of March 2023 (active employees).
2. Not including third-party employees, apprentices, interns and members of the Board of Directors and Executive Board.
3. Calculation methodology: [(hired + terminated)/2]/total headcount (indicator 2-7)
4. Changes in employee turnover reflected the nature of agricultural operations. There are typically two periods of peak turnover: from February to April, when we hire new employees ahead of the crop season, and from November to December, when some employees leave the company at the end of the crop season because of our "Second Half" Program, while others are hired for planting using the MEIOSI system.

EMPLOYEE DEVELOPMENT GRI 404-1

Average hours of training per employee by employee category[1 and 2]

	Crop year 2020/2021		Crop year 2021/2022		Crop year 2022/2023	
	Hours of training	Average hours of training	Hours of training	Average hours of training	Hours of training	Average hours of training
Management	254.0	7.1	785.0	21.2	2,302.8	62.2
Leaders/Coordinators	851.0	14.9	1,824.0	28.9	3,883.8	58.0
Technicians/Supervisors	8,049.0	19.1	18,653.0	43.9	23,253.4	52.0
Administrative	7,614.0	6.9	18,387.0	21.9	23,818.6	26.4
Operational	191,273.0	18.0	402,097.0	38.3	326,754.0	31.3
Support	2,393.0	21.6	5,433.0	48.1	10,136.3	74.5
Trainees	563.0	14.1	4,394.0	151.5	1,026.4	25.0
TOTAL	**210,997.0**	**17.5**	**451,573.0**	**37.6**	**391,175.3**	**36.5**
Interns	-	-	1,127.0	37.6	892.1	28.8
Apprentices	-	-	1,594.0	3.7	2,694.2	6.7
TOTAL (INCLUDING APPRENTICES AND INTERNS)	**210,997.0**	**17.5**	**454,294.0**	**36.5**	**394,761.6**	**31.6**

1. The workforce calculation includes active employees only. (not including employees terminated more than 1 year prior).
2. We do not consider the training hours of the directors, as they are not included in the employee database.

OUR BENEFITS GRI 401-2

Benefits provided to full-time employees that are not provided to temporary or part-time employees [1, 2, 3 and 4]

Benefits	Apprentices	Interns	Doctor	Crop year contract
Funeral assistance (included in the life insurance policy)	Yes	Yes	Yes	Yes
Supplementary health benefits (reimbursement for classes, contact lenses, braces and prosthesis)	Yes	No	Yes	Yes
Shopping cards / advances	No	No	Yes	Yes
Christmas hampers	Yes	Yes	Yes	Yes
Executive checkup	N/A	N/A	N/A	N/A
Benefits Club	Yes	Yes	Yes	Yes
Credit Cooperatives	No	No	Yes	No
Parking	Yes	Yes	Yes	N/A
Workplace exercise	Yes	Yes	Yes	Yes
Education initiatives	No	No	Yes	No
Parental leave	Yes	Yes	Yes	Yes
School supplies	Yes	No	Yes	Yes
Health insurance plan	Yes	Yes	Yes	Yes
Dental insurance plan	Yes	Yes	Yes	Yes
Pension plans	No	No	Yes	No
Segundo Tempo ("Second Half")	N/A	N/A	Yes	No
Residential moving reimbursement	No	No	Yes	No
Restaurant at the mills	Yes	Yes	Yes	Yes
Life insurance	Yes	Yes	Yes	Yes
International travel insurance	No	No	No	No
Medication subsidy (PBM card)	Yes	No	Yes	Yes
Mobile Phones	No	No	No	No
Employee commuting	Yes	Yes	Yes	Yes
Flu vaccination	Yes	Yes	Yes	Yes
Food voucher	Yes	No	Yes	Yes
Additional food vouchers	N/A	No	N/A	Yes
Meal voucher (SP HUB)	No	Yes	N/A	N/A
Company car	No	No	No	No

1. Fixed-term contract: Apprentice, intern, crop year contract and fixed term.
2. Part-time work: apprentice, intern and doctor.
3. In cases reported as 'N/A', the benefit does not apply to the mentioned people.
4. We consider all four of the Company's producing mills as 'important operational units'.

DIVERSITY, EQUITY AND INCLUSION GRI 405-1

Percentage of people with disabilities in governance bodies and among workers, by employee category and gender GRI 405-1

	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board[1]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Executive Board	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Management	2.94	0.00	2.78	2.94	0.00	2.70	8.82	0.00	8.11
Leaders/Coordinators	1.85	0.00	1.75	1.72	0.00	1.59	1.64	0.00	1.47
Technicians/ Supervisors	2.64	0.00	2.58	3.34	0.00	3.26	2.96	0.00	2.88
Administrative	5.41	5.73	5.51	6.56	6.03	6.38	7.05	5.94	6.66
Operational	2.37	10.15	2.77	2.83	10.71	3.25	2.83	10.49	3.25
Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Trainees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Apprentices	0.34	0.00	0.24	0.35	0.00	0.23	0.36	0.00	0.24
Interns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**2.44**	**7.19**	**2.81**	**2.93**	**7.40**	**3.29**	**2.96**	**7.17**	**3.33**

1. Includes Board of Directors and Oversight Board

Percentage of people in governance bodies and among workers, by employee category and race/ethnicity GRI 405-1

	Crop year 2020/2021						Crop year 2021/2022						Crop year 2022/2023					
	Asian	White	Black	Mixed race	Indi genous	Not informed	Asian	White	Black	Mixed race	Indi genous	Not informed	Asian	White	Black	Mixed race	Indi genous	Not informed
Board[1]	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
Executive Board	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00
Management	0.00	86.11	0.00	13.89	0.00	0.00	0.00	78.38	0.00	21.62	0.00	0.00	0.00	97.30	0.00	2.70	0.00	0.00
Leaders/Coordinators	0.00	78.95	0.00	19.30	0.00	1.75	1.59	76.19	1.59	19.05	0.00	1.59	1.47	82.35	1.47	5.88	0.00	8.82
Technicians/ Supervisors	0.00	64.17	4.92	29.51	0.23	1.17	0.70	52.79	3.02	42.79	0.00	0.70	1.11	58.63	3.54	34.51	0.00	2.21
Administrative	0.25	65.16	3.13	29.32	0.00	2.13	1.65	57.68	4.49	34.40	0.12	1.65	1.42	62.45	4.69	22.82	0.11	8.52
Operational	0.24	43.43	6.63	47.45	0.13	2.11	0.99	34.28	8.66	54.25	0.30	1.52	1.24	38.21	10.30	46.15	0.38	3.72
Support	0.00	81.98	0.90	17.12	0.00	0.00	0.88	62.83	2.65	32.74	0.00	0.88	2.21	69.85	3.68	19.85	0.74	3.68
Trainees	0.00	32.50	0.00	67.50	0.00	0.00	0.00	72.41	0.00	27.59	0.00	0.00	0.00	46.34	0.00	26.83	0.00	26.83
Apprentices	0.00	41.20	5.30	50.12	0.00	3.37	0.23	37.00	8.67	52.93	0.23	0.94	0.24	35.71	7.38	44.76	0.24	11.67
Interns	0.00	6.67	0.00	93.33	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	48.39	3.23	16.13	0.00	32.26
TOTAL	**0.22**	**45.95**	**6.19**	**45.43**	**0.12**	**2.09**	**0.99**	**37.22**	**8.03**	**52.01**	**0.27**	**1.47**	**1.22**	**41.40**	**9.37**	**43.27**	**0.34**	**4.40**

1. Includes Board of Directors and Oversight Board

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

GRI 405-1

	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Board[1]	90	10	100	90	10	100	70	30	100
Executive Board	92	8	100	92	8	100	92	8	100
Management	94	6	100	92	8	100	92	8	100
Leaders/Coordinators	95	5	100	92	8	100	90	10	100
Technicians/ Supervisors	98	2	100	97	3	100	97	3	100
Administrative	67	33	100	67	33	100	65	35	100
Operational	95	5	100	95	5	100	94	6	100
Support	84	16	100	86	14	100	82	18	100
Trainees	60	40	100	59	41	100	68	32	100
Apprentices	70	30	100	66	34	100	66	34	100
Interns	27	73	100	41	59	100	39	61	100
TOTAL	**92**	**8**	**100**	**92**	**8**	**100**	**91**	**9**	**100**

1. Includes Board of Directors and Oversight Board.

Percentage of individuals by age group in governance bodies and among workers, by employee category GRI 405-1

	Crop year 2020/2021			Crop year 2021/2022			Crop year 2022/2023		
	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[1]	0	30	70	0	20	80	0	10	90
Executive Board	0	33	67	0	31	69	0	33	67
Management	0	69	31	0	76	24	0	73	27
Leaders/ Coordinators	2	82	16	3	87	10	4	84	12
Technicians/ Supervisors	7	74	19	7	75	18	10	73	17
Administrative	33	58	9	33	58	9	36	56	8
Operational	19	61	20	19	61	20	19	61	20
Support	20	73	7	12	80	8	15	79	7
Trainees	98	3	0	97	3	0	98	2	0
Apprentices	100	0	0	100	0	0	100	0	0
Interns	100	0	0	97	3	0	100	0	0
TOTAL	**22**	**59**	**18**	**22**	**60**	**18**	**22**	**59**	**18**

1. Includes Board of Directors and Oversight Board

INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED GRI 203-1, 3-3

Development and impact of infrastructure investments and services supported[1, 2] GRI 203-1

Project/ Activity	Investment status	Expected actual impacts	Nature of expenditure	Expenditure (in R$)	Impacted groups and communities	Investment model[3]	Sites covered
Tax-deductive funding	Project ongoing	The incentivized projects supported by São Martinho are defined based on the Company's Private Social Investment Policy, which guides the social development initiatives of its communities through education. In the 22/23 crop year, the company accordingly invested 100% of its incentivized resources in projects under the Culture Incentive Law, Sports Incentive Act, and Funds for the Rights of the Elderly and Children and Adolescents to be implemented in the next harvest. All supported projects were selected based on their scope, impact on the ESG agenda and sustainability potential.	Cash	1,369,713.99	Children, adolescents, and elderly individuals at socioeconomic disadvantage in the municipalities of Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis	Tax-deductive investment	USM, UBV, UIR, USC
Entrepreneurs for the Future	Project completed	The project aims to arouse the entrepreneurial mindset in young people while still at school, stimulate personal development, providing the first contact with the business world, and also encourage corporate volunteering, as the training modules are carried out by company employees. In the 22/23 crop year, the project served 43 young people and included the collaboration of 5 volunteer professionals who dedicated 40 hours of volunteer work (the same workload as the entrepreneurship training module).	Cash	8,000.00	Municipality of Iracemápolis	Private Social Investment Project (ISP)	UIR
Winter Clothing Campaign	Project completed	In order to support people in situations of social vulnerability, the voluntary initiative 'Warm Clothing Campaign' is promoted annually. In the campaign, employees are encouraged to adopt a family to donate new blankets and/or coats, or donate winter clothes in good condition. In 2022, 751 items of winter clothing were donated, including 66 blankets.	Free	757 items	The donations were given to families registered in the municipal social assistance networks of Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis.	Voluntary donation	UIR, UBV, USM, USC
Natal Sem Fome ("Christmas without Hunger")	Project completed	With the aim of supporting the socially vulnerable, the voluntary initiative 'Christmas without Hunger' is promoted annually, with food donations being made by the employees and mills of São Martinho Group. In 2022, 6.7 tons of food were collected and donated, benefiting 9 social assistance institutions.	Free	7118.1kg	The donations were given to non-profit institutions and municipal social assistance networks of Pradópolis, Américo Brasiliense, Iracemápolis and Quirinópolis.	Voluntary donation	UIR, UBV, USM, USC

Corporate Social Apprentice program	This program is organized on an annual basis	In compliance with the law, the São Martinho apprentice program is developed in partnership with the National Industrial Training Service (SENAI) and other local institutions qualified for teaching in the apprenticeship model. The young professionals are chosen through a selection process and undergo qualification for work in the company's milling and administrative activities. Around 480 apprentices participated in the program in crop year 22/23.	Cash	1,214,174.00	Young people from the municipalities surrounding USM, UIR, USC, and UBV.	Legal requirement	UIR, UBV, USM, USC
Women Training Program	Project completed	Since 2019, the company has been a signatory of the WEPs (Women's Empowerment Principles), a commitment proposed by UN Women in the pursuit of gender equality. To strengthen actions outlined in the 6th principle of the commitment, which promotes equality through initiatives and community advocacy, the São Martinho Women's Qualification Program was launched in May 2021. This program provides professional qualification courses for women from municipalities surrounding the São Martinho mills. In the 22/23 crop year, 6 new courses were launched in partnership with SENAI, offering 116 training spots of which 96% were filled, with women making up 63% of the total. Since the outset, the São Martinho Women's Qualification Program has created 9 courses and offered 170 spots.	Cash	147,760.00	Local communities surrounding our operations	Private Social Investment Project (ISP)	UIR, UBV, USM, USC
First job "*Projovem*"	This program is organized on an annual basis	Created in partnership with the charity Pradópolis, this program helped 68 students aged 16 to 18 to find jobs during the 2022/2023 crop year. The program offers training and professional development opportunities to students from public schools. At the end of the program, students are given the opportunity to either remain with the Company or participate in recruiting programs within a year of completing the program. For more than two decades this program has provided opportunities to program participants. Several of our current employees were hired through the program.	Cash	1,110,800.00	Pradópolis Community	Legal requirement	USM
Donations Relations	Project completed	As a boost to their local social agenda, in the 2022/2023 crop year, the mills continued to support public welfare institutions in their surroundings by donating supplies or sponsoring social assistance projects or activities.	Cash	492,636.70	Charitable institutions in the vicinity of the operations of USM, UIR, USC and UBV.	Voluntary donation	UIR, UBV, USM, USC

1. São Martinho conducts the Community Panel with the aim of creating a formal engagement agenda with its stakeholders in order to identify and develop actions that promote more sustainable socio-environmental development. In the 2022/2023 crop year, 04 Panels were held, 1 per mill, and the highlighted topics were:
Environmental Education (waste and recycling)
Professional qualification for women towards independence and empowerment (combating violence)
Professional qualification for young people (technical and socio-emotional skills)
Training of local suppliers
Promotion of local entrepreneurship
Promotion of mental health and quality of life actions (combating drug use/abuse)
2. The Investment Model refers to the nature of the investment, whether voluntary or mandatory.
3. The ISP Projects are supported by the Social Responsibility and Private Social Investment Policy.

ENVIRONMENT & NATURAL CAPITAL

ENERGY GRI 302-1

Nonrenewable fuel consumption (GJ)[1, 2, 3]

	2020	2021	2022
Diesel (pure diesel fraction)	2,596,972	2,481,677	2,505,872
Gasoline (pure gasoline fraction)	5,194	4,602	5,971
Compressed Natural Gas	478	2,969	2,601
Liquefied petroleum gas (LPG)	3,105	3,404	4,176
TOTAL	**2,605,749**	**2,492,652**	**2,518,620**

Renewable fuel consumption (GJ) [1.2-3]

	2020	2021	2022
Hydrous ethanol	82,664	91,172	131,642
Anhydrous ethanol (contained in gasoline)	1,329	1,178	1,528
Sugarcane bagasse	52,076,415	49,558,337	48,677,976
Biodiesel (contained in diesel)	309,774	291,315	259,921
TOTAL	**52,470,182**	**49,942,002**	**49,071,066**

Energy consumed (GJ)

	2020	2021	2022
Electricity	65,500	63,915	78,002

Energy sold (GJ)[1,2,3]

	2020	2021	2022
Electricity	3,092,908	2,926,551	2,639,228

Total energy consumed (GJ)[1,2,3]

	2020	2021	2022
Nonrenewable fuels	2,605,749	2,492,652	2,518,620
Renewable fuels	52,470,182	49,942,002	49,071,066
Electricity consumed	65,500	63,915	78,002
Electricity sold	3,092,908	2,926,551	2,639,228
TOTAL	**52,048,523**	**49,572,017**	**49,028,460**

1. The data for fuel consumption and electricity consumption and exports are for the calendar year, as the information is derived from our GHG Inventory within the Brazilian GHG Protocol Program (PBGHG). The conversion factors are obtained from the National Energy Balance (EPE, 2022). Emissions from renewable and non-renewable fuels are calculated as: Volume consumed (L) x Density (kg/L) x Lower Calorific Value (LCV) (GJ/t) /1000
2. No power was used for heating or steam in 2022.
3. No power was sold for heating, cooling or steam in 2022.

Energy consumed outside the organization (GJ) [1, 2 and 3] GRI 302-2

	2020	2021	2022
Category 1: Purchased goods and services: agricultural and industrial inputs	2,188,069	2,392,830	2,241,071.22
Category 2: Capital goods	5,670	229	57,723.77
Category 3: Fuel- and energy-related activities not included in Scope 1 or Scope 2: LPG (cafeterias)	1,765	1,785	2,410.88
Category 7: Employee commuting	71,593	54,226	2,114.43
TOTAL	**2,267,097**	**2,449,070**	**2,303,320.30**

1. Energy consumption outside the organization is for the calendar year, as the information is derived from our GHG Inventory within the Brazilian GHG Protocol Program.
2. The conversion factors are obtained from the National Energy Balance (EPE, 2022). Emissions from renewable and non-renewable fuels are calculated as: Volume consumed (L)*Density (kg/L)*Lower Calorific Value (LCV) (GJ/t) /1000.
3. There are no standards that regulate the reporting of energy outside the organization, however, São Martinho does follow the methodology recommended by the Brazilian GHG Protocol Program to prepare its GHG Inventory.

Energy intensity[1,2] GRI 302-3

	2020	2021	2022
Specific metric (GJ/tc)	22,522,029	19,899,014	20,024,140
Within the organization	2.31	2.49	2.44
Outside the organization	0.10	0.12	0.12

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

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

	2020	2021	2022
Total fuel consumed by fleet vehicles	3,108,044	3,004,263	3,014,382
Percentage of fuel consumed by fleet vehicles that is renewable (%)	12.94	13.15	13.38

Energy consumption SASB FB-AG-130a.1

	2020	2021	2022
Total energy consumed, except fleet vehicles (GJ)	49,699,360	49,699,360	49,095,948
Percentage grid electricity (%)	0.13	0.13	0.16
Percentage renewable (%)	99.74	99.91	105.23

OPERATIONS AND PRODUCTION

Biofuel production capacity[1] SASB RR-BI-000.A

Biofuels (Mgal)	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Anhydrous ethanol	214.2	207.5	218.2
Hydrous ethanol	390.9	377.6	401.0

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

Advanced biofuel production SASB RR-BI-000.B

(Mgal)	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Production of advanced biofuel	269.0	241.1	238.2

Amount of feedstock consumed in fuel production (T)[1] SASB RR-BI-000.C

	Crop year 2022/2023
Sugarcane consumed	20,024,140.00

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

CERTIFICATIONS & STANDARDS

Percentage of biofuel production third-party certified to an environmental sustainability standard[1] SASB RR-BI-430a.2

	Crop year 2020/2021				Crop year 2021/2022				Crop year 2022/2023			
	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill
Percentage of biofuels certified - Bonsucro	33.5	NA*	76.7	NA*	44.4	0**	78	NA*	ND***	ND***	ND***	ND***
Percentage of biofuels certified - RenovaBio: anhydrous ethanol	95.4	98.5	85.9	96.2	95.4	98.5	85.9	96.2	95.4	98.14	91.68	99.42
Percentage of biofuels certified - RenovaBio: hydrous ethanol	95.4	98.5	85.9	96.2	95.4	98.5	85.9	96.2	95.4	98.14	91.68	99.42

1. The biofuel production is certified according to the Bonsucro and RenovaBio standards.
*Operations flagged with "NA" were not Bonsucro-certified during the relevant period.
**Our São Martinho operation received Bonsucro certification in January 2022, during the 2021/2022 crop year, but did not generate credits during the crop year.
*** Bonsucro data for the 2022/2023 crop year is not yet available due to an ongoing audit.

EMISSIONS GRI 305-1, 305-2, 305-3, TCFD.4.B, SASB RR-BI-410A.1, FB-AG-110A.1

Lifecycle greenhouse gas (GHG) emissions, by biofuel type SASB RR-BI-410a.1 [1, 2, 3, 4, 5, 6]

	Crop year 2020/2021				Crop year 2021/2022				Crop year 2022/2023			
	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill	Iracema Mill	São Martinho Mill	Santa Cruz Mill	Boa Vista Mill
NEEA Hydrous ethanol (gCO_2 eq/MJ)	58.22	60.6	62.5	62.7	58.22	60.6	62.5	62.7	58.22	63.44	62.40	65.47
NEEA anhydrous ethanol (gCO_2 eq/MJ)	58.57	61	62.8	63	58.57	61	62.8	63	58.57	63.79	62,76	65.82
Hydrous Ethanol Carbon Intensity (gCO_2e/MJ)	29.18	26.8	24.9	24.7	29.18	26.8	24.9	24.7	29.18	23.96	25	21.93
Anhydrous Ethanol Carbon Intensity (gCO_2e/MJ)	28.83	26.4	24.6	24.4	28.83	26.4	24.6	24.4	28.83	23.61	24.64	21.58
CBIO Emission Factor - Hydrous ethanol (tCO_2e/L)	0.001185	0.001274	0.001145	0.001287	0.00118534	0.001274	0.001145	0.001287	0.001185343	0.001328717	0.001220907	0.001068553
CBIO emission factor - Anydrous ethanol (tCO_2e/L)	0.001249	0.001343	0.001205	0.001355	0.00124903	0.001343	0.001205	0.001355	0.001249028	0.001399417	0.001286193	0.00061773

1. The São Martinho and Santa Cruz mills are registered with the California Air Resources Board (CARB), according to the guidelines of the Low Carbon Fuel Standard (LCFS) program, for the sale of anhydrous ethanol in the state of California, USA.
2. Data for the 2022/2023 crop year refers to the latest certified values for the period.
3. A CBIO unit represents 1 metric ton of CO_2 equivalent in biofuel emissions avoided.
4. The carbon intensity of ethanol, calculated under the RenovaBio Program through RenovaCalc, can be verified by subtracting the Environmental-Energy Efficiency Score (NEEA) from the carbon intensity of gasoline, the equivalent fossil fuel, which is 87.4 gCO_2e/MJ.
5. The NEEA and the CBIO Emission Factor are available in the Efficient Biofuels Import and Production Certificate on the 'Certifications' page.
6. For Scopes 1 and 2, the consolidation approach we use for emissions is operational control.

Direct greenhouse gas emissions, Scope 1 (tCO_2e)[1, 2 and 3]

	2020	2021	2022	Change 2021 x 2022
Production of electricity, heat or steam - stationary combustion	105,864	97,226	97,351	0.13%
Waste and wastewater	8,514	14,416	6,596	-54.25%
Transportation of materials, products, waste, employees and passengers (mobile combustion)	189,611	182,553	182,672	0.07%
Fugitive emissions	29,712	15,042	17,077	13.53%
Agricultural practices	475,504	283,939	267,919	-5.64%
TOTAL GROSS CO_2 EMISSIONS	**809,205**	**593,176**	**571,615**	**-3.63%**
Biogenic emissions	6,213,024	5,674,012	5,569,670	-1.81%

Indirect greenhouse gas emissions, Scope 2 (tCO_2e) [1, 2 , 3, 4]

	2020	2021	2022	Change 2021 x 2022
Indirect emissions from the acquisition of electricity based on location (location-based)	1,382	1,977	934	-52.76%
Indirect emissions from the acquisition of electricity based on purchase (market-based)	N/A	0	0	0

Other greenhouse gas emissions, Scope 3 (tCO_2e)[1, 2 and 3]

	2020	2021	2022	Change 2021 x 2022
Goods and services purchased	207,867	227,319	212,902	-6.77
Capital goods	6,025	12,780	23,181	44.87
Activities related to purchased electricity (not included in Scope 1 or 2) and fuels	112	113	152	25.66
Upstream transportation and distribution	25,400	14,268	15,161	5.89
Transportation and distribution (downstream)	27,280	24,381	22,839	-6.75
Business travel	-	18	253	92.89
Employee transportation	4,739	3,615	-	-
TOTAL	**271,423**	**282,494**	**274,488**	**-2.92**
Biogenic emissions	5,786	4,840	3,844	-25.91

1. The calculation includes all gases covered by the Kyoto Protocol: CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. Other greenhouse gases not embraced by the Kyoto Protocol: HCFC-22 (R22): 2,030 tCO_2e; HCFC-141b: 80 tCO_2.
2. The baseline year chosen was 2020, as it was the first year our Greenhouse Gas inventory was assured according to the methodology of the Brazilian GHG Protocol Program (PBGHG), Tool of the Brazilian GHG Protocol Program version 2023.0.1.
3. There were no significant changes in emissions that triggered recalculations of base year emissions.
4. Market-based emissions began to be recorded for electricity purchased in 2021. In 2021, we retired 17,754.150 I-REC Certificates, with the REC Brazil Seal, representing 17,754.150 MWh of electricity and in 2022, we retired 21,668.000 I-REC Certificates, representing 21,668.000 MWh of electricity. For both years, this guarantees that the electricity was generated from a wind source, with an emission factor equal to 0.000 tCO_2/MWh.

Emissions of ozone-depleting substances (ODS) [1, 2, 3 and 4] GRI 305-6

	2020	2021	2022
Total ODSs produced in metric tons - HCFC-22	2.0920	0.8574	1.1400
Total ODSs produced in metric tons - HCFC-141b	0.1218	1.5701	0.1000
Total ODSs produced in tCFC-11 eq - HCFC-22	0.0114	0.0343	0.0456
Total ODSs produced in tCFC-11 eq - HCFC-141b	0.0146	0.1884	0.0040
Production of ODS	0.4634	0.2227	0.0576

1. The substances included in the above calculations HCFC-22 (R22) and HCFC-141b. HCFC-22 is used to refill air conditioners and chillers, compressors and air dryers, while HCFC-141b is used in agricultural machinery.
2. The source of the emission factors used are PDO/ODP from the WMO (World Meteorological Organization), 2011: Scientific Assessment of Ozone Depletion: 2010. Global Ozone Research and Monitoring Project—Report No. 52, Geneva, Switzerland, 516 pp, as reported by the United States Environmental Protection Agency (EPA) at https://www.epa.gov/ozone-layer-protection/ozone-depleting-substances.
3. The standards, methodologies and assumptions adopted are the amount of gas used (in tons) multiplied by the Ozone Depletion Potential (ODP) of the gas: HCFC-22 = 0.04, HCFC-141b = 0.12.
4. There were no significant changes in emissions that triggered recalculations of base year emissions.

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

	2020	2021	2022	Change 2021 x 2022
NOx	3,109.65	2,322.18	2,667.74	12.95%
Particulate Matter	2,706.37	2,408.94	3,607.57	33.22%

1. The emission factor sources were extracted from the monitoring reports of the existing fixed sources in the group's units (boilers). Every year, we conduct collections/samplings of atmospheric emissions from our fixed sources, analyzing the parameters of particulate matter and nitrogen oxides. In the case of UBV, sampling is carried out semi-annually.
2. The standards, methodologies, and assumptions adopted were based on studies conducted by a third-party firm, semi-annually at the UBV mill and annually at the other three mills. The emission rate of MP and NOx (g/h or kg/h) is obtained from stationary sources (boilers). The boiler's operating time is obtained as follows: 24 (hours/day) x n (days/crop year).
3. The same methodology is followed in all mills, with the only variation being the emission limit legislation for each boiler, which depends on its manufacturing date. The legislation followed is stated in each report.

BIODIVERSITY GRI 304-1

Area name	Geographic Location	Subsurface and underground land that may be owned, leased or managed by the organization (what type of area)	Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas	Type of operation (office, manufacturing or production, or extractive)	Unit size (ha)	Biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem)	Biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation)
Iracema Mill	Iracemápolis - SP	SP Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland Edmundo Navarro de Andrade State Protected Area	Located outside protected areas	Manufacturing/ production	15,877	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (Geofloresta: Priority Areas Map; IPÊ: Inventory of Native Vegetation in SP state, Atlas 2.1 Simbiota and DataGeo territorial environmental information).	There is no characterization of this type.
São Martinho	Pradópolis - SP	SP Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland 3 Conservation Units, including 2 Sustainable-Use Conservation Units (Estação Experimental de Luiz Antônio and RPPN Toca da Paca) and 1 fully protected areal (Estação Ecológica de Jataí)	Containing portions of the protected area	Manufacturing/ production	33,715	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (Geofloresta: Priority Areas Map; IPÊ: Inventory of Native Vegetation in SP state, Atlas 2.1 Simbiota and DataGeo territorial environmental information).	There is no characterization of this type.
Santa Cruz Mill	Américo Brasiliense - SP	SP Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland 3 Conservation Units, including 2 Sustainable-Use Conservation Units (Estação Experimental de Luiz Antônio and Estação Experimental de Araraquara) and 1 fully protected area (Estação Ecológica de Jataí).	Containing portions of the protected area	Manufacturing/ production	2,074	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (Geofloresta: Priority Areas Map; IPÊ: Inventory of Native Vegetation in SP state, Atlas 2.1 Simbiota and DataGeo territorial environmental information).	There is no characterization of this type.
Boa Vista	Quirinópolis - GO	GO Protected Area - Reforestation Areas / Forest Offset Protected Area - Around headwaters / permanent waterholes Protected Area - Around natural lakes and lagoons Protected Area - Around reservoirs, adjacent areas affected by the operation, such as farmland Serra da Fortaleza Wildlife Refuge (Conservation Unit).	Containing portions of the protected area	Manufacturing/ production	2,229	All São Martinho Group properties have been assessed and mapped to classify the biodiversity they contain (Geofloresta: Priority Areas Map; IPÊ: Inventory of Native Vegetation in SP state, Atlas 2.1 Simbiota and DataGeo territorial environmental information).	There is no characterization of this type.

SOCIAL RELATIONS

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

Location of operation	Location of impact	Description of the significant actual and potential negative impacts of operations in this location
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	AID - Direct Area of Influence	Increase in truck traffic on highways Classification: - Actual/Potential: Actual - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Temporary
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	AID - Direct Area of Influence	Disturbance caused by dust Classification: - Actual/Potential: Actual - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Temporary
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	AID - Direct Area of Influence	Noise and tremors from cane trucks Classification: - Actual/Potential: Potential - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Temporary
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	AID - Direct Area of Influence	Foul odors from the use of vinasse and pesticides. Classification: - Actual/Potential: Potential - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Permanent

Location of operation	Location of impact	Description of the significant actual and potential negative impacts of operations in this location
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	ADA - Directly Affected Area AID- Direct Area of Influence	Surface water pollution by runoff Classification: - Actual/Potential: Potential - Reversibility: Irreversible - Significance: Significantly Adverse - Timing: Permanent
São Martinho Mill Santa Cruz Mill Iracema Mill Boa Vista Mill	AID - Direct Area of Influence	Health risks to workers from working with pesticides Classification: - Actual/Potential: Potential - Reversibility: Reversible - Significance: Significantly Adverse - Timing: Permanent
São Martinho Mill Santa Cruz Mill Boa Vista Mill	ADA - Directly Affected Area AID- Direct Area of Influence	Commitment of water resources to meet mill demands Classification: - Actual/Potential: Potential - Reversibility: Irreversible - Significance: Significantly Adverse - Timing: Temporary
Iracema	ADA - Directly Affected Area AID- Direct Area of Influence	Commitment of water resources to meet mill demands Classification: - Actual/Potential: Actual - Reversibility: Irreversible - Significance: Significantly Adverse - Timing: Temporary

WASTE

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

Non-hazardous	2022
Sugarcane bagasse	5,518,985.71
Rubber	25.24
Wood	467.76
Other sludge and filter cake	712,458.46
Fiberglass-based waste materials	49.26
Ferrous scrap metal	4,501.34
Non-ferrous scrap metal	83.92 t
Municipal waste	999.87
Ash and Soot	264,371.42
Uncontaminated paper, plastic and glass	50.34
Tires	1,161.25
Other uncontaminated waste	19.53
Uncontaminated packaging	59.26
TOTAL NON-HAZARDOUS WASTE	**6,503,165.38**

Hazardous	2022
Fluorescent, sodium and mercury vapor, and mixed lamps	0.41
Construction materials containing asbestos (for example, tiles, pipes, etc.)	3.42
Used or contaminated oil from engines, transmissions and lubrication	420.10
Waste containing hazardous substances	729.68
Contaminated packaging	87.44
Batteries	62.30
TOTAL HAZARDOUS WASTE	**1,303.35**
TOTAL WASTE GENERATED	**6,504,468.73**

1. Information extracted from the waste inventory and compiled in specific waste control spreadsheets.

Total waste diverted from disposal, by type and composition (t) [1]

GRI 306-4

Non-hazardous	2022
Sugarcane bagasse	5,518,985.71
Wood	286.25
Tires	1,161.25
Metallic and non-metallic scrap	4,517.28
Recyclables (glass, paper, plastic, cardboard)	34.26
Ash, soot and filter cake	976,829.88
Rubber	20.18
Uncontaminated packaging	59.26
Fiberglass-based waste materials	19.84
Other uncontaminated waste	19.53
TOTAL NON-HAZARDOUS WASTE DIVERTED FROM DISPOSAL	**6,501,933.44**

Hazardous	2022
Light bulbs	0.41
Used or contaminated oil from engines, transmissions and lubrication	420.10
Batteries	62.30
Contaminated packaging	87.44
Waste containing hazardous substances	703.49
TOTAL HAZARDOUS WASTE DIVERTED FROM DISPOSAL	**1,273.74**
TOTAL	**6,503,207.18**

1. Information extracted from the waste inventory and compiled in specific waste control spreadsheets.

Waste diverted from disposal, by type and recovery operation (t) [1 and 2] GRI 306-4

	2020			2021			2022	
Nonhazardous	**Within the organization**	**Outside the organization**	**Total**	**Within the organization**	**Outside the organization**	**Total**	**Within the organization**	**Outside the organization**	**Total**
Recycling, reuse or recovery	-	6,144.00	6,144.00	-	5,605.03	5,605.03	0.00	6,104.53	6,104.53
Incorporation into agricultural soil	1,114,366.00	-	1,114,366.00	1,128,827.50	-	1,128,827.50	976,697.92	3,005.32	979,703.24
Use in boilers	4,809,210.00	-	4,809,210.00	5,406,895.00	-	5,406,895.00	5,192,973.57	322,361.88	5,515,335.45
Use in animal feed	-	-	-	-	-	-	0.00	648.82	648.82
Co-processing	-	-	-	-	-	-	0.00	141.16	141.16
TOTAL	**5,923,576.00**	**6,144.00**	**5,929,720.00**	**6,535,722.50**	**5,605.03**	**6,541,327.53**	**6,169,671.49**	**332,261.72**	**6,501,933.21**
Hazardous	**Within the organization**	**Outside the organization**	**Total**	**Within the organization**	**Outside the organization**	**Total**	**Within the organization**	**Outside the organization**	**Total**
Recycling, reuse or recovery	-	212.00	212.00	-	117.17	117.17	0.00	190.33	190.33
Re-refinement of oil	-	419.00	419.00	-	416.62	416.62	0.00	417.10	417.10
Co-processing	-	-	0.00	-	-	0.00	0.00	473.11	473.11
Wastewater treatment[3]	-	-	0.00	-	-	0.00	0.00	192.84	192.84
TOTAL	**0.00**	**631.00**	**631.00**	**0.00**	**533.79**	**533.79**	**0.00**	**1,273.38**	**1,273.38**
TOTAL NON-HAZARDOUS AND HAZARDOUS WASTE	**5,923,576.00**	**6,775.00**	**5,930,351.00**	**6,535,722.50**	**6,138.82**	**6,541,861.32**	**6,169,671.49**	**333,535.10**	**6,503,206.59**

1. Within the Organization: operations conducted by the mill. Outside the Organization: operations carried out by contractors, under supply / sale contracts.
2. Information extracted from the waste inventory and compiled in specific waste control spreadsheets.
3. The amount of waste directed to Effluent Treatment is included in line with data reported to the National Solid Waste Management Information System (SINIR) and the Goiás State Environmental and Sustainable Development authority (SEMAD Goiás).

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

Waste	Total
Miscellaneous contaminated materials	27.09
Wood	181.51
Non-recyclable waste	1,000.07
Rubber	5.06
Construction materials containing asbestos	3.42
Fiberglass-based waste materials	29.42
Plastic and paper	16.56
TOTAL	**1,263.13**

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

	2020	2021	2022
Nonhazardous			
Landfilling	1,037.00	873.6	1,232.14
Incineration without energy recovery	-	-	0
Incineration with energy recovery	-	-	0.48
TOTAL	**1,037.00**	**873.6**	**1,232.62**
Hazardous			
Incineration without energy recovery	244.00	-	0
Incineration with energy recovery	21.00	0.04	0.91
Coprocessing in cement kilns	456.00	423.79	0
Landfilling (Class 1)	-	5	29.60
TOTAL	**721.00**	**428.83**	**30.51**
TOTAL NON-HAZARDOUS AND HAZARDOUS WASTE	**1,758.0**	**1,302.43**	**1,263.13**

1. All types of disposal are outside the organization.
2. Includes blending for coprocessing.
3. Information extracted from the waste inventory and compiled in specific waste control spreadsheets.

Targets used by the organization to manage climate-related risks and opportunities and performance against targets[1] TCFD.4.C, GRI 3-3

Goal	Metric	Target	Is the goal absolute or intensity-based?	Time frames	Baseline	Reduction from baseline (%)	Performance indicators (KPIs) used
Water use	Cubic meters of water drawn per ton of processed cane	0.7	Intensity-based	2030	2020	5.6%	KPI: volume of water drawn (m^3); processed sugarcane tonnage (tc) Baseline year value (2020): 1.25 m^3/tc; Current crop year value (2022): 1.32 m^3/tc There was a 5.6% increase in water consumption intensity compared to the baseline year.
GHG Emissions	Tons of carbon equivalent per ton of processed sugarcane	We do not have a public goal.	Intensity-based	2030	2020	0	KPI: ton of carbon equivalent (tCO_2e); ton of processed sugarcane (tc)

1. The volume of water drawn is one of the main environmental performance indicators and is used to track improvements in site efficiency. We have flow meters at the points of withdrawal for surface water and groundwater, i.e., by source. For the flow meters integrated into the supervisory system of the Industrial Operations Centers (COI), it is possible to fully monitor the withdrawal flow in real time, while in a smaller number of flow meters, the daily reading is carried out on site. For both, the flows are recorded daily in industrial management reports.
This indicator is monitored monthly by the four mills and disclosed externally in our Annual Sustainability Report. The water withdrawal volumes are within the permits granted by the Water and Electricity Department (DAEE) of São Paulo state, the São Paulo State Department of Infrastructure and the Environment (SIMA), the Goiás State Environmental and Sustainable Development authority (Semad Goiás), and the National Water Agency (ANA).

COMPLIANCE GRI 205-2

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

Region	Governance body members	Crop year 2020/2021		Crop year 2021/2022		Crop year 2022/2023	
		Informed	Trained	Informed	Trained	Informed	Trained
Southeast	number	10	0	10	0	10	7
	%	100	0	10	0	100	70
TOTAL	**NUMBER**	**10**	**0**	**10**	**0**	**10**	**7**
	%	**100**	**0**	**100**	**0**	**100**	**70**

Financial assistance received from government [1 and 2] GRI 201-4

Total monetary value of financial assistance (R$)			
Type of assistance	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Tax incentives and tax credits	194,504	1,330,597	2,223,423
Lei do Bem [3]	11,751,644	16,281,788	N/A
Granted	81,932,503	141,274,236	183,939,260
Other financial assistance received	-	709,000	709,000
TOTAL	**93,878,651**	**159,595,620**	**186,871,683.54**

1. The countries that received the reported financial assistance above refer only to Brazil.
2. The government is not present in the shareholding structure of our organization.
3. Value still under investigation at the time of publication of this report.

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

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Air quality[1]	2	0	2
Water quality and/or quantity[2]	1	12	2

1. The air quality incidents were cases of arson or fires of unknown cause in sugarcane fields, and are being handled administratively.
2. The water quality incidents refer to changes in standards due to accidental leakage of vinasse and construction of dams not in accordance with the project.

Employees who have received communications and training on anti-corruption, broken down by employee category[1, 2] GRI 205-2

Categories	Employees	Crop year 2020/2021		Crop year 2021/2022		Crop year 2022/2023	
		Informed	Trained	Informed	Trained	Informed	Trained
Middle Management	number	36	0	37	0	37	36
	%	100	0	100	0	100	97
Leaders/coordinators	number	57	0	63	0	68	61
	%	100	0	100	0	100	90
Technical/supervisor	number	427	0	430	0	447	400
	%	100	0	100	0	100	89
Administrative	number	798	0	846	0	910	871
	%	100	0	100	0	100	96
Operational	number	11,304	0	11,163	0	10,414	7,801
	%	100	0	100	0	100	75
Support	number	111	0	113	0	136	137
	%	100	0	100	0	100	101
TOTAL EMPLOYEES	**NUMBER**	**12,745**	**0**	**12,664**	**0**	**11,973**	**9,300**
	%	**100**	**0**	**100**	**0**	**100**	**78**
Interns	number	-	-	-	-	31	32
	%	-	-	-	-	100	103
Apprentices	number	-	-	-	-	419	211
	%	-	-	-	-	100	50
Trainees	number	-	-	-	-	41	20
	%	-	-	-	-	100	49
TOTAL NON EMPLOYEES	**NUMBER**	**-**	**-**	**-**	**-**	**283**	**252**
	%	**-**	**-**	**-**	**-**	**100**	**89**
TOTAL EMPLOYEES AND NON-EMPLOYEES	**NUMBER**	**-**	**-**	**-**	**-**	**12,503**	**9,819**
	%	**-**	**-**	**-**	**-**	**100**	**78.53**

1. In line with what is reported in the other training and development disclosures, we consider the functional categories Trainees, Interns and Apprentices, classified as non-employees.
2. For communicated employees, we only consider those who were active in March/2023. For trained employees, we consider all employees who were active during the reporting period, from April 2022 to March 2023. The ratio of trained employees to informed employees can therefore exceed 100%.
3. The Executive Board was not included among the functional categories, as it does not fit into the classification of 'employees' of the Company.

Ethics Hotline GRI 2-26

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Reported in the period	270	280	395
Processed in the period	270	280	395
Closed during the period	255	219	250
Inconclusive or Not substantiated	35	42	31
Percentage of reports received, addressed, resolved or deemed unsubstantiated during the period	94%	78%[1]	63%[2]

1. The data has been reviewed.
2. By the publication of this report, 97% of the reports had been finalized.

Local supplier spend by operation (%)[1, 2, 3] GRI 204-1

	Crop Year 2020/2021	Crop Year 2021/2022	Crop Year 2022/2023
Iracema Mill	67%	66%	56%
São Martinho Mill	53%	39%	33%
Santa Cruz Mill	65%	60%	29%
Boa Vista Mill	15%	9%	8%

1. We consider suppliers who are up to 150 km from the operational units as local.
2. Important operational units are all four mills of the Company.
3. The notable reduction in local procurement rates was due to a methodological restructuring, which incorporated the application programming interfaces (APIs) of Google Maps to measure distances, replacing the previous straight-line calculation criterion. This refinement of the evaluation process contributed to a more accurate and comprehensive analysis of the transactions.

SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

Suppliers of goods and services with negative environmental impacts[1] GRI 308-2, FB-AG-430a.2

	Crop year 2021/2022	Crop year 2022/2023
Number of suppliers assessed for environmental impacts	3,382	3,390

1. For goods and services suppliers, potential adverse impacts are Ibama fines and/or environmental embargoes and issues. No significant environmental real or potential impacts were identified. We did not terminate any business relationship with goods and services suppliers due to environmental impacts. The values published in the latest Report for 2021/2022 have been corrected due to the gathering of new evidence that proved the resolution of environmental issues during the previous period.

Sugarcane growers with negative environmental impacts [1] GRI 308-2, FB-AG-430a.2

	Crop year 2021/2022	Crop year 2022/2023
Number of growers assessed for environmental impacts	1,212	1,212
Number of growers identified as having significant actual and potential negative environmental impacts	3	3

1. For sugarcane growers, potential adverse impacts are Ibama fines and/or environmental embargoes and issues. We did not terminate any business relationship with sugarcane growers due to environmental impacts.

Corn suppliers with negative environmental impacts[1] GRI 308-2, FB-AG-430a.2

	Crop year 2022/2023
Number of suppliers assessed for environmental impacts	31

1. For corn suppliers, no significant environmental real or potential impacts were identified. We did not terminate any business relationship with corn suppliers due to environmental impacts.

Suppliers of goods and services with negative social impacts[1] GRI 414-2

	Crop year 2021/2022	Crop year 2022/2023
Number of suppliers assessed for social impacts	3,382	3,390

1. For goods and services suppliers, potential negative impacts are the risk of slave labor, the Labor Debts Certificate from the TST (Superior Labor Court), and the Labor Debts Certificate from the SIT (Ministry of Labor and Employment). No significant real or potential social impacts were identified in 2022/2023. We did not terminate any business relationship with goods and services suppliers due to social impacts.

Sugarcane growers with negative social impacts [1] GRI 414-2

	Crop year 2021/2022	Crop year 2022/2023
Number of growers assessed for social impacts	1,184	1,212
Number of growers identified as having significant actual and potential negative social impacts	93	0
No. of growers identified as having actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment	93	N/A
Percentage of growers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why	100%	0%

1. For sugarcane producers and corn suppliers, no significant real or potential social impacts were identified in 2022/2023. We did not terminate any business relationship with sugarcane growers or corn suppliers due to social impacts.

Corn suppliers with identified negative social impacts [1] GRI 414-2

	Crop year 2022/2023
Number of growers assessed for social impacts	31

1. For sugarcane producers and corn suppliers, no significant real or potential social impacts were identified in 2022/2023. We did not terminate any business relationship with sugarcane growers or corn suppliers due to social impacts.

Percentage of agricultural products sourced that are certified to an environmental and/or social standard[1,2,3] SASB FB-AG-430a.1

	Crop year 2020/2021	Crop year 2021/2022	Crop year 2022/2023
Iracema Mill	92.2	88.5	63.6
São Martinho Mill	85.9	79.1	70.6
Boa Vista Mill	87.0	86.2	88.5
Santa Cruz Mill	46.9	44.7	25.9

1. Each of our four operations has been certified within the RenovaBio program. This certification attests that their raw materials are sourced from farms complying with environmental requirements, including active or pending Rural Environmental Register (CAR) registration and zero clearing of native vegetation.
2. The percentage is calculated as the cost of sugarcane purchased from suppliers with whom we directly negotiate that have been certified by RenovaBio divided by the total cost of sugarcane purchased from suppliers with whom we directly negotiate.
3. The changes observed in the percentages of the Iracema Mill and Santa Cruz Mill reflect the variation in the type of sugarcane purchase contract during the observed period, with an increase in spot sugarcane purchases.

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