



SUMMARY ANNUAL SUSTAINABILITY REPORT

2022/2023 CROP YEAR



See the *full version* of this report for details on our projects, investments and ESG performance in the 2022/2023 crop year



SÃO MARTINHO

We are a publicly traded company with a leading position in the Brazilian sugar and energy sector. We produce and market sugar, ethanol, bioelectricity and products derived from sugarcane and corn.

+ 12,600 EMPLOYEES

3,000 goods and services suppliers

+ 1,000 sugarcane growers

250,000 HECTARES of land under management and 100,000 hectares of contract grower land

70% OF THE SUGARCANE PROCESSED COMES FROM OWNED, LEASED AND PARTNERSHIP LANDS

100% HARVEST mechanization

4 MILLS: • Iracema – Iracemápolis (SP) • São Martinho – Pradópolis (SP) • Boa Vista – Quirinópolis (GO) • Santa Cruz – Américo Brasiliense (SP)

PORTFOLIO: SUGAR (SUCH AS VHP AND VVHP); ETHANOL (HYDROUS, ANHYDROUS, AND INDUSTRIAL); BIOELECTRICITY; YEAST; DDGS; CORN OIL.

A WORD FROM OUR LEADERSHIP

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.

We closed the crop year on a high, despite the challenges faced. We redoubled our focus on operational discipline, investment management (Capex) and agro-industrial excellence and productivity, underpinned by our increasingly mature ESG Ambitions.

We are always evolving and prepared for the future. The next cycle will undoubtedly bring great opportunities to continue redefining the country's energy matrix and to aid the transformation of our clients' businesses.

Fabio Venturelli
Chief Executive Officer

SUSTAINABILITY AND ESG

São Martinho focuses its efforts and investments on environmental, social and governance issues based on its Sustainability Ambitions, which are aligned with the Strategic Planning and connected to the United Nations Sustainable Development Goals. As part of our commitment to being a responsible company, we started supporting the United Nations Global Compact in 2022.

This agenda, validated by the Board of Directors, is coordinated by an ESG governance model composed of a dedicated management team, a multi-department Executive Committee and a Tactical Committee with management spanning multiple areas.

ESG PRINCIPLES

Innovation and efficiency

- Renewable energy
- Climate change
- Waste
- Water



Value Chain

- Forest restoration
- Traceable raw materials
- Supplier development



Social Transformation

- Social transformation through education
- People Management



Materiality assessment

Another important input for our ESG management is materiality, the process of prioritizing and identifying the most relevant sustainability topics from the perspective of stakeholders. In the 2022/2023 crop year, we revisited the matrix in light of the Double Materiality concept, linking the analysis of socio-environmental impacts to the perspective of financial risks related to our business.

4 steps conducted

+ 1,000 responses to online consultations and interviews

6 work meetings with internal experts

10 ESG topics prioritized

2022/2023 : RESULTS OVERVIEW

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

MATERIAL TOPICS



BIODIVERSITY, ECOSYSTEMS AND LAND-USE

428 MILLION BEES monitored in the 250,000 hectares under our management

70% OF PLANTINGS DONE USING THE MPB AND MEIOSIS METHODS with optimized land use

TOTAL INTEGRATED MANAGEMENT OF SUGARCANE FIELDS with 70% of pest and disease control done biologically

100% OF MILLS ARE BONSUCRO CERTIFIED



INNOVATION AND TECHNOLOGY

R\$ 174 MILLION invested in innovation projects this year

Inauguration of the **INNOVATION CENTER**

Corn ethanol plant comes online, with processing capacity of **500,000 TONS OF CORN/YEAR**

SMART FARMING: 5G connectivity advances at the São Martinho Mill



ENERGY EFFICIENCY

Advances in the project entailing the new São Martinho thermoelectric plant, with a projected increase of **20% IN ENERGY COGENERATION**

100% of the electricity consumed comes from renewable sources

96% of the **I-REC** certificates generated in 2022 successfully marketed



OCCUPATIONAL HEALTH AND SAFETY

REVITALIZATION OF THE BEM SAUDÁVEL PROGRAM

Launch of the **SOU PROGRAM**, strengthening the culture of occupational safety



WATER RESOURCE STEWARDSHIP

1.32 M³ OF WATER withdrawn per ton of processed cane

WE ACHIEVED MANAGEMENT LEVEL (B RATING) IN WATER SECURITY AT CDP



SUPPLY CHAIN MANAGEMENT AND TRACEABILITY

SUSTAINABLE SUPPLIER MANAGEMENT PROGRAM

63 critical partners engaged in the **SUSTAINABLE SUPPLIER MANAGEMENT PROGRAM**

Implementation of an ESG risk management system for raw material suppliers, with **MORE THAN 20 APPLIED CRITERIA**

Up-close and personal engagement with sugarcane products at Field Day, with self-assessment on ESG and practical guidance



CLIMATE STRATEGY AND AIR QUALITY

4.4% decrease in GHG emissions intensity for Scopes 1 and 2

100% of Scope 2 emissions offset through Wind Renewable Energy Certificates (I-REC)

Emissions inventory in line with the Brazilian GHG Protocol Program, obtaining **GOLD STATUS FOR THE 3RD CONSECUTIVE YEAR**

Approximately **1.02 MILLION CBIOS** sold



WASTE MANAGEMENT

99% OF PRODUCTION WASTE generated is reused in the form of: Vinasse (used in fertigation); Filter cake (used as fertilizer); Sugarcane bagasse (used as biomass in energy production)



COMMUNITY ENGAGEMENT AND LOCAL DEVELOPMENT

Defining the **COMMUNITY ENGAGEMENT** Strategy

Realization of the Community Engagement Panel, with **20 REPRESENTED INSTITUTIONS** and **77% OF FEMALE** participants

Opening of **160 QUALIFICATION** positions for the community



PEOPLE MANAGEMENT AND DIVERSITY

Beginning of **CYCLE TWO OF THE HR MASTER PLAN**

+ 394,700 HOURS of training administered in the crop year

BUSINESS PERFORMANCE

R\$ 6.6 BN in net revenue
(+15.2% on 2021/2022)

R\$ 1 BN in net income

R\$ 9.6 BN in market cap (Mar. 2023)
1.05X leverage

20 MN tons of sugarcane processed

70.9 TONS per hectare

Shares listed on the **B3 IBOVESPA INDEX**

CERTIFICATIONS



Indexes and segments our shares are listed in:

IBOVESPA B3 **ICO2 B3** **IAGRO-FFS B3**
IBRX100 B3 **SMT0 B3 LISTED NM** **INDXB3** **IGCB3** **IBRAB3** **ITAGB3**
IGCTB3 **IGC-NMB3** **ICONB3** **SMLLB3**

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Iracema Mill

Iracemápolis/SP
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Boa Vista Mill

Quirinópolis/GO
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Report production

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