SJC Bioenergia

# Sustainability report
## Crop Year 2023-2024

# SUMMARY

SJC Bioenergia



# OVERVIEW

## About the report

*GRI 2-2 | 2-3 | 2-4 | 2-5*

For the second consecutive time, we present our sustainability report, covering the period from April 1, 2023 to March 31, 2024.

The process for preparing our first report (unpublished) played a key role as a management tool, contributing to broadening our perspectives on our material topics and monitoring and recording mechanisms.

In this second edition, we continue this journey, aiming to understand and share with our stakeholders and society in general how we are contributing or intend to contribute to sustainable development.

To provide more transparency to the report and the entire reporting process arising from its production, we seek to meet the requirements and principles recommended by the Global Sustainability Standards Board (GSSB), through the Global Reporting Initiative (GRI), covering the revisions that have been made effective on January 1, 2023. Therefore, we consider the Universal Standards revised in 2021, the GR13 sectoral standards (agricultural, aquaculture, and fishing sectors) and the thematic standards, according to our material topics. The indication of the standards is found throughout the text and, in a consolidated form, in the GRI indicators booklet, attached to the end of the document.

The information covers consolidated data from the Cachoeira Dourada (Rio Dourado Plant) and Quirinópolis (São Francisco Plant) units, except where otherwise stated. The process of collecting, verifying and validating information had the support of key areas of the Company.

Any questions, suggestions and criticisms relating to this report can be sent to the email **qualidade@sjcbioenergia.com.br**.

# To our Stakeholders

*GRI 2-22*

Based on the knowledge acquired through the production process of our first sustainability report, it a great satisfaction to present this second edition, which is the first to be effectively shared with the market. Undoubtedly, this journey represents another crucial step towards our sustainable growth.

This report is a communication tool to share our practices with our stakeholders, but it is also, mainly, an essential management tool, which brings great opportunities for improvements, allowing us to expand our value generation process and mitigate possible adverse impacts and risks.

Throughout the process involving the production of this document, we were able to carry out a critical self-assessment, which is gradually contributing to our evolution, providing an increasingly clear understanding of our impacts, both positive and negative.

Materiality is one of the exercises we conduct to achieve this goal, through which we identify the most relevant and strategic topics for our main stakeholders. In this way, we were able to establish a clear focus for our analysis and our actions, guiding us in the search for greater sustainability and efficiency.

Through the publication, the positive impact inherent in the essence of our business is clearly evidenced, as we respond to highly relevant global challenges.

We are committed to the decarbonization of the planet and the growing demand for safe food, through our products and a highly efficient production process, fully in line with the dynamics of the circular economy and the concepts of Industry and Agriculture 4.0, which use technology to achieve efficiency.

This translates into the smart use and recovery of resources, transforming industrial process waste into valuable products. This approach is applied comprehensively, from the field to the industry, where we adopt a series of sustainable practices that aim to, on the one hand, mitigate risks and adverse effects and, on the other hand, expand positive impacts.

A remarkable example of that is the certification of our plants under Brazil's National Biofuels Policy (RenovaBio). In the crop year 2023/24 we issued 602,880 CBIOs (Biofuel Decarbonization Credit), 13.40% more than in the previous crop year. Considering that each CBIO is equivalent to one metric ton of CO2 avoided, we contribute to a reduction of over 600,000 metric tons of carbon equivalent. In this way, we are helping other companies to offset their emissions and contributing so that the country can achieve its decarbonization goals, combating global warming and its harmful effects.

Alongside our teams, suppliers, partners and the communities in which we operate, we are driven by our mission to promote development. Our foundation is built on interdependent relationships that are based on trust, where we join forces and knowledge to overcome challenges. We adopt a win-win model, triggering a virtuous cycle of prosperity for all parties involved.

We believe that sustainable development is not only essential to guaranteeing a prosperous future for our business, but also to contributing positively to society and the environment. We recognize that these factors are deeply intertwined. Therefore, we are committed to advancing our sustainability journey and facing any challenges that may arise with transparency, ethics, responsibility, and determination.

**Abel Uchoa**, CEO of SJC Bioernergia

# Materiality

*GRIs 2-29 | 3-1 | 3-2*

Following GRI principles, the content of this report is based on our material topics, identified through a methodology based on the materiality frameworks of the GRI and the Sustainability Accounting Standards Board (SASB) for agricultural products and biofuels, applied by a specialized external consultancy.

A new materiality review is planned for the crop year 2024/25.

## Assessment of our impacts

*GRI 413-2 | 13-12*

As part of the process of surveying our material topics, we also carried out an initial systematic self-assessment of our impacts.

The following is a list of the impacts related to strategic material topics.

# Material topics

**STRATEGIC**

**01.** Water and effluents;
**02.** Soil health;
**03.** Biodiversity and climate;
**04.** Waste and pollution.

**PRIORITIES**

**05.** Local communities and economic inclusion;
**06.** People;
**07.** Traceability of the value chain;
**08.** Governance, ethics and integrity;
**09.** Economic performance;
**10.** Food safety.

| Strategic topics | Overview of impacts on the economy, environment and society (including human rights) | Causes, contributes or is related? | Negative | | Positive | |
|---|---|---|---|---|---|---|
| | | | Actual (1) | Potential (2) | Actual (3) | Potential (4) |
| Water and effluents | Siltation and increased turbidity | Causes | High | | | |
| | Change in water flow | Causes | High | | | |
| Soil health | Increased soil fertility and soil biota by using biological agricultural pesticides | Causes | | | High | |
| Biodiversity and climate | APP recovery | Causes | | | Very high | |
| | Favoring species of epidemiological interest | Causes | | High | | |
| | Increase in the cultivated area in relation to the pasture area | Causes | | | High | |
| | Emission of particulate matter and gases when accidentally burning sugarcane fields | Contributes | High | | | |
| | Effects of emissions of particulate matter and gases from fixed and mobile sources | Causes | High | | | |
| | GHG emissions from the use of diesel in the fleet and use of fertilizers in agricultural practices | Causes | High | | | |
| | Reduction of GHG emissions when replacing gasoline with ethanol in consumer fleets | Contributes | | | Very high | |
| | Marketing of carbon credits in the RenovaBio Program | Causes | | | Very high | |
| | Reduction in agricultural productivity due to critical weather events | Causes | High | | | |
| | Suppression of native vegetation for the implementation of infrastructure, new and existing agricultural areas, and in partnership areas and proprietary areas | Causes | High | | | |
| | Suppression of native vegetation for the implementation of new and existing agricultural areas belonging to third parties (sugarcane suppliers) | Causes | High | | | |
| | Provision of electricity at AII | Causes | | | Very high | |
| | Marketing of electricity from renewable sources | Causes | | | Very high | |
| Waste and pollution | Use of internal waste (ash, vinasse, wastewater, and sugarcane bagasse) in the concept of the circular economy | Causes | | | Very high | |
| | Use of waste with calorific value in co-processing | Directly related | | | Very high | |
| | Impacts related to the use of pesticides, including the impact of their toxicity on organisms | Causes | | Severity: Very high; Probability: Medium | | |

Classification: Very high, high, medium, and low.

| Strategic topics | Overview of impacts on the economy, environment and society (including human rights) | Causes, contributes or is related? | Negative | | Positive | |
|---|---|---|---|---|---|---|
| | | | Actual (1) | Potential (2) | Actual (3) | Potential (4) |
| Local communities and economic inclusion | Reversal of the population decline in Gouvelândia, GO | Causes | | | Very high | |
| | Overload on local infrastructure due to immigration of temporary workers | Causes | | Severity: High; Probability: Low | | |
| | Hiring local labor | Causes | | | Very high | |
| | Regional economic growth | Causes | | | Very high | |
| People | Safety policies are intrinsically linked to certain environmental controls, such as pollutant emissions, chemical product management, toxic substances, etc. | Causes | | | Very high | |
| | Exposure of employees to risks | Causes | Very high | | | |
| | Exposure of employees to risks from handling agrochemicals | Causes | High | | | |
| | Health and safety policies can help reduce costs associated with occupational accidents and illnesses, as well as increasing productivity | Causes | | | Very high | |
| | Strengthening the corporate image, which can attract customers and talent, generating economic benefits | Causes | | | Very high | |
| | Job creation, contributing to the region's economic growth, as well as the adoption of sustainability policies | Causes | | | Very high | |
| | Reversal of the population decline in Gouvelândia, GO | Causes | | | Very high | |
| | Full use of available talents and income equality | Causes | | | | Very high |
| | Positive contribution to combating social inequality, in relation to generally marginalized groups and/or minorities | Causes | | | Very high | |
| | Increase in the number of jobs and the average income of the region's population | Causes | | | Very high | |
| | Increase in the number of jobs and average income | Causes | | | Very high | |
| | Positive impact on the economy and equitable society, improving working conditions | Causes | | | High | |

| Strategic topics | Overview of impacts on the economy, environment and society (including human rights) | Causes, contributes or is related? | Negative | | Positive | |
|---|---|---|---|---|---|---|
| | | | Actual [1] | Potential [2] | Actual [3] | Potential [4] |
| Value chain traceability | Economic impact on the raw materials supply chain (corn and sugarcane) | Causes | | | Very high | |
| | Our Food Quality and Safety Management Policy guarantees the supply of food in accordance with the highest standards of food safety requirements such as ISO 22000 and Codex Alimentairus | Causes | | | Very high | |
| Governance, ethics and integrity | Good corporate governance practices convert basic principles into objective recommendations, aligning interests with the purpose of preserving and optimizing the long-term economic value of the organization, facilitating its access to resources, and contributing to the quality of the organization's management, its longevity, and the common good | Causes | | | Very high | |
| Economic performance | Hiring local services | Causes | | | Very high | |
| | Good management and good performance in the sector's key agricultural and industrial indicators have a positive impact on economic performance and in the generation and distribution of value for society | Causes | | | Very high | |
| | Tax collection | Causes | | | Very high | |
| Food security | We contribute to people's access to safe, nutritious food in sufficient quantities throughout the year | Causes | | | Very high | |

# Highlights 2023/24

## Operational

Expansion of ethanol production capacity following the installation of three vats with a volume of 1,800 cubic meters each in the grain fermentation process at the Grain Processing Unit.

Expansion of grain storage capacity, with three new silos being implemented, totaling a capacity of 48,000 metric tons and with further expansions scheduled for the next crop year.

Gain in water efficiency from improvements in processes, controls, and equipment, enabling a 24.5% reduction at the São Francisco Unit, from 1.179 cubic meters/ton in the previous crop year, to 0.889 cubic meters/ton in the crop year 2023/24.

# Socio-environmental

13.40% increase in the number of carbon credits issued in RenovaBio, totaling 602,880. Considering that each CBIO is equivalent to one metric ton of $CO_2$ avoided, we contribute to a reduction of over 600,000 metric tons of carbon equivalent.

18% renewal of the agricultural fleet, which represents gains in efficiency, a lower environmental impact, and reduced costs.

Increase in the capacity of our native plant seedling nursery to 35,000 seedlings, with the expectation of reaching 50,000 by the next crop year.

Expansion of organically fertilized area instead of chemical fertilization, from 24% to 44% in the crop year 2023/24, compared to the previous crop year, reducing negative impacts on soil, water, biodiversity, GHG emissions, and food security, in addition to financial gains.

Expansion of the sugarcane field fertigated with vinasse by 131% in the crop year 2023/24, compared to the previous crop year, thanks to investments made in piping infrastructure.

Recovery of over 220 hectares of Permanent Preservation Areas (*Áreas de Preservação Permanente* – APP) and Legal Reserve through the planting of 335,000 seedlings native to the region, cultivated in its own nursery, since 2005.

Expansion of the production of biological inputs through an investment of R$2.2 million in the company's laboratory, with a further R$3.5 million in investments planned for the next crop year. In addition to the socio-environmental gains resulting from biological pest control and foliar fertilization, replacing the use of chemical pesticides, with lower costs, there is the possibility of commercial use based on a future investment estimated at R$35 million.

40% increase in the volume of seedlings grown, contributing to local biodiversity.

# The SJC Bioenergy DNA

# About us

*GRI 2-1 | 2-6 | 304-1 | 13.3 | 13.4*

SJC Bioenergia Ltda. is a company in the sugarcane and energy sector, resulting from the experience of the multinational Cargill Brasil Participações Ltda. in the global marketing of agricultural products, coupled with the knowledge of the U5J Group in the sugarcane industry.

Founded on September 11, 2011, it produces and sells VHP sugar (Very High Polarization – raw sugar), ethanol (in anhydrous and hydrated versions), bioelectricity, fibers, protein, and vegetable oil from sugarcane, corn and sorghum, operating in the Brazilian and international markets.

Headquartered in Quirinópolis, in the state of Goiás (GO), Brazil, we have two agro-industrial units – the São Francisco Plant (*Usina São Francisco* – USF), in the same municipality, and Rio Dourado Plant (*Usina Rio Dourado* – URD), in Cachoeira Dourada, also in the state of Goiás.

There are 177,081.99 square meters outside the environmental protection area (the USF has a leased area located 6 kilometers from the Serra da Fortaleza Wildlife Refuge Conservation Unit, located in Quirinópolis, GO.

The São Francisco Plant includes a Grain Processing Unit, operating in a flex model, which allows us to optimize production, aiming for the best operational, economic and financial results. Together, the units result in an installed capacity of over 9 million metric tons of sugarcane equivalent per harvest, with the expectation of reaching 12 million by 2025.

To achieve this goal, we have focused on efficiency gains and expanding our infrastructure.

In December 2022, we expanded the grinding capacity of the grain processing unit (USF) by 40.54%, from 370,000 metric tons to 520,000 metric tons per year, which makes it possible to increase ethanol production, which was already possible in the crop year 2023/24. Simultaneously, we managed to increase the efficiency of URD with operational improvements, standardization of processes, and investments in equipment, which enabled an increase in grinding of 10.3% above planned value and an increase in industrial efficiency by 1.76 percentage points.

To support this growth, we have other grain storage units, two of which are proprietary, with a total capacity of 83,000 metric tons, plus three outsourced units, with a total capacity of 152,000 metric tons.

Simultaneously, we have been gradually expanding our storage capacity. This crop year, we began construction of a grain silo, which is expected to be completed in the second half of 2024.

In the countryside, we are operating over 130,000 hectares of sugarcane crops, 60% of which are owned.

As the main component of this infrastructure, we have 4,520 employees, all hired under the Brazilian Consolidated Labor Laws (Consolidação das Leis do Trabalho – CLT) regime, on a full-time basis, with the exception of six interns.

In the crop year 2023/24, which was named the Determination Crop Year, we reached the mark of 7,569,035 metric tons of sugarcane crushed, plus another 411,245 metric tons of corn equivalent.

**2 agro-industrial units**
São Francisco Plant (USF) and Rio Dourado Plant (URD).

**5 grain storage units,**
with a total capacity of 235,000 metric tons.

**130,000 hectares of sugarcane crops**, 60% owned.

**4,520 employees.**

**10** national and international **certifications.**

**1 laboratory** for the production of biological inputs.

**Headquarters address:**
R. Joaquim Floriano, 466, andar 1, conj. 113, bloco b. Itaim Bibi District, São Paulo, SP, CEP: 04.534-002


### 1 USão Francisco Plant (USF+UPG)

Rod GO-206, s/n°, km 18, Bloco A, Fazenda São Francisco, Quirinópolis, GO, CEP:75860000

Production:
**Ethanol (from sugarcane and, since 2015, corn), animal nutrition, sugar, bioenergy**

Grinding capacity:
**650,000 metric tons per year**

Start of operation:
**2007**

### 2 Rio Dourado Plant (URD)

Rod GO-206, s/n°, km 25, Block A, Fazenda Boa Vista, Cachoeira Dourada, GO, CEP:75560000

Production:
**Sugarcane ethanol and bioenergy**

Grinding capacity:
**2,850,000 metric tons per year**

Start of operation:
**2013**

# Timeline

## 2011

Foundation of SJC Bionergia Ltda., on September 11, as a result of the joint venture between the USJ Group and multinational company Cargill. With 50% shared management, the company brought together the USJ Group's industrial assets in the state of Goiás: the São Francisco plants, in operation since 2007, in Quirinópolis, and the Rio Dourado plant, then under construction, in Cachoeira Dourada, both located in state of Goiás.

## 2012

Creation of the Sustainability Committee to act in the management of quality, environment, health and safety issues, using the Integrated Management System Policy as an instrument.

## 2013

Start of operations at the Rio Dourado Plant, in July, dedicated to the production of ethanol and bioenergy.

## 2015

Start of the construction of the Grain Processing Unit at the São Francisco Plant, which made it possible to take advantage of the installed industrial capacity and increase ethanol production from corn processing, generating new products with greater added value.

## 2016

Launch of the animal nutrition line. The line, named Flexy, covers products that are rich in grain protein and recommended for consumption by production animals. They diversify our product mix, adding value and minimizing our exposure to commodity risks.

## 2020

Certification from the National Biofuels Program (RenovaBio), which attests to the contribution of our plants to the mitigation of Greenhouse Gases (GHG).

## 2022

Increase in the grain processing unit's (USF) grinding capacity by over 60%, from 390,000 metric tons to 650,000 metric tons per year. Production of the first sustainability report, in accordance with GRI standards.

## 2023

Start of operations of the Biological Input Production Laboratory for Pest Control and Foliar Fertilization, adding more sustainability to sugarcane treatment, with reduced costs and a negative socio-environmental impact.

## Mission

To transform sugarcane and grains into a sustainable source of energy and food while promoting the development of employees, customers, institutions and generating profits for shareholders.

## Vision

To consolidate 12 million equivalent metric tons of sugarcane processed at the SJC Bioenergia units by 2025, with high efficiency, low cost, profitability, and strong cash generation.

## Values

### Ethics
To act with social, economic and environmental responsibility.

### Credibility
To promote trust in our external and internal relationships.

### Safety
To respect life.

### Synergy
To join efforts and create interdependence and knowledge to overcome challenges.

### Sense of ownership
To ensure excellence, quality of work and care for the company's assets.

### Commitment to results
To achieve established goals.

# Recognitions and certifications

Awards and certifications are important recognition of the efforts that we make on our journey and serve as guides for the process of generating value for our audiences. Learn more about some of them below:

## ISO 9001:2015 Certification

Prepared by the Quality Management and Quality Assurance Technical Committee (150/TC 176), the international standard translated and published in Brazil by the Brazilian Association of Technical Standards (*Associação Brasileira de Normas Técnicas* – ABNT) attests to the existence of a Quality Management System (QMS) focused on continuous improvement of quality and safety of our products.

## Renovabio

Since 2020 we have been certified in the National Biofuels Program (RenovaBio). Established by Brazil's Act 13,576, of December 26, 2017, and managed by the National Petroleum Agency (*Agência Nacional de Petróleo* – ANP), it certifies that our plants contribute to the mitigation of Greenhouse Gases (GHG).

## Bonsucro EU RED

Global multi-stakeholder initiative dedicated to reducing the environmental and social impacts of sugarcane production, aiming for excellence. The first global sugarcane standard, it includes criteria and indicators used to assess the compliance of the supply chain and its products. The additional EU RED requirements bring together the parameters of the European Union Renewable Energy Directive (EU RED) across all sectors.

## Environmental Protection Agency (EPA)

This certification certifies that sugarcane ethanol from the São Francisco Unit meets the federal regulation requirements of the United States Environmental Protection Agency.

## Halal Certification

Granted by the company SIIL HALAL following a careful evaluation process, the certification attests that our production, storage and marketing system for VHP sugar and crude corn oil meets, with excellence, the requirements of Islamic law. The certification opens the doors to the market of the 22 countries that make up the Arab League, predominantly located in the Middle East and North Africa, with a total population of over 380 million inhabitants, the majority of whom are Muslims.

## International Sustainability and Carbon Certification (ISCC EU)

Based on European and German standards, the International Sustainability and Carbon Certification (ISCC) attests to the compliance of biomass and biofuel companies in relation to environmental, social and traceability criteria, qualifying them for legal recognition under the criteria defined by the European Renewable Energy Directive (EU RED).

## International Sustainability and Carbon Certification (ISCC PLUS)

A globally acknowledged standard that certifies compliance of all types of agricultural and forestry raw materials with globally recognized ecological and social sustainability requirements, voluntary reductions in greenhouse gas emissions, and traceability throughout the supply chain.

## Biomass Biofuel Sustainability Voluntary Scheme (2BSvs)

Sustainability certification for soy and corn, focusing on complying with the European biofuels directive (EU RED).

## International Renewable Energy Certificate (IREC Standard)

A global renewable energy tracking system, which proves that our electricity produced comes 100% from a renewable energy source.

## Hazard Analysis and Critical Control Points (HACCP)

Although we do not have this certification, we have adopted the globally recognized management system, which maps food safety based on the analysis and control of biological, chemical and physical hazards in the production, acquisition, handling, manufacturing, distribution, preparation and consumption of raw materials for raw food products.

# Awards

## Brazilian Company of the Year

This award, granted by the Latin American Quality Institute (LAQI), acknowledges our commitment to good practices in the Q-ESG Model – Inspiring Responsible Business.

The model provides guidelines for the integral management of our business, encompassing quality and strengthening public commitment towards interest group, subsequently, raising our brand's reputation, in addition to enabling greater engagement of customers and employees on topics such as social responsibility, sustainability, and protection of the organization from risks. The award was made official during the international LAQI Impact Summit event, held in Brazil in May 2023.


## Agro Brazil and Center-South Vision 2023

Held by Instituto Visão Agro, this award acknowledges the advancement of our plants in the “industrial automation” category, in addition to recognizing our CEO Abel Uchoa as a leader in bioenergy.

## MasterCana Award 2023

The MasterCana Award acknowledges the merit of organizations and people who stand out in the search for technological, human and socioeconomic improvement in the sector, as well as in the provision of goods and services for this important economic activity. In the 2023 edition of the awards held by the Study Group on Human Resources in Agroindústria (GERHAI), in partnership with ProCana Brasil, we were awarded in the “technology and innovation” categories, both in agricultural and environmental preservation, as well as “automotive maintenance.”

## Best HR in the Center-West

The manager of our Human Resources area was acknowledged in the second edition of the Awards held by the Best HR Platform for implementing the HR 4.0 concept aimed at improving the employee experience.

## Forbes Agro100 Award 2023

Considering the results of the 2022 calendar year, with the exception of agro-energy companies, which release their numbers in the sugarcane crop year, this list is prepared by Forbes magazine, in partnership with S&P Global. SJC was considered the 86th largest agricultural company in Brazil, joining the list of the 100 largest companies.

# Our products

*GRI 2-6*

Through an agro-industrial process guided by efficiency and respect for people and the environment, our products contribute directly or indirectly to overcoming today's global challenges.

With a flex industrial plant, we incorporate value-added products into our portfolio, which allows us to operate based on high efficiency, low cost, profitability and strong cash generation, in addition to minimizing our exposure to the risks of market fluctuations typical of commodities.

## Ethanol

Volume produced

**620,658m³**

Revenue share

**61%**

## Sugar

Volume produced

**271,062 ton**

Revenue share

**25%**

## Energy

Volume produced

**599,368 mwh**

Revenue share

**5%**

## Animal nutrition

Volume produced

**71.488 ton**

Revenue share

**3%**

Other products account for 6%.

# Ethanol

Through the processing of sugarcane and corn, we produce anhydrous ethanol, which is used mainly as an additive in gasoline, and hydrous ethanol, which is sold directly as fuel for vehicles, with both being certified by the United States Environmental Protection Agency (EPA).

As a fuel made from renewable sources, biofuel is proven to be more sustainable, whether for socioeconomic reasons, as it has a more accessible value to the end public, compared to gasoline, but also for socio-environmental reasons, as it emits fewer polluting gases that cause the greenhouse effect into the atmosphere than fossil fuels.

In the crop year 2023/24, we implemented two new vats, which increased our fermentation production in the sugarcane process for ethanol production, and three new vats of 1,800 cubic meters in the corn ethanol process. This change places us in a prominent position in the domestic market, among the largest ethanol producers in Brazil, generating more jobs and increasing our profitability.

In the crop year 2023/24, taking advantage of our flexibility and thanks to our agility in decision-making, we adopted the strategy of prioritizing the production of anhydrous ethanol (which is added to gasoline), chemically transforming hydrous ethanol. Thus, we were able to take advantage of the increase in gasoline consumption in the market thanks to the lower price difference compared to ethanol, which leads flexible-fuel vehicle owners to opt for gasoline. We have also started implementing a molecular sieve, which should make this ethanol dehydration process more efficient and sustainable, as we will detail in the section “Sustainable practices, from field to industry.”

Thus, we produced a total of 620,657.241 cubic meters of ethanol, with a total of 269,808.42 cubic meters of anhydrous ethanol and 350,848.82 cubic meters of hydrous ethanol, obtaining an increase of 18.41% compared to the previous crop year.

Of the total volume produced, a total of R$1,581,158,000 in revenue was generated. The value is 3.84% lower than that recorded in the previous crop year, due to the reduction in the volume of anhydrous sales.

# Sugar

From sucrose extracted from sugarcane, we produce VHP (Very High Polarization) sugar. Intended for the foreign market, this product serves as raw material for the production of refined sugar or as an input for other industries.

In the crop year 2023/24, we produced 272,782 metric tons of sugar, taking advantage of the favorable price of the product on the international market, resulting from the deficit caused by crop failure in major global players, such as India and Thailand.

The volume is 12% higher than in the previous crop year. This production generated a total of R$653,926,000 in revenue. The value is 52.90% higher than that realized in the crop year 2022/23.

# Energy

*GRI 3-3 I Theme 3 – Biodiversity and Climate*

In a closed circuit model, in which we use 100% of the sugarcane, the residue generated in the process of extracting the juice for the production of ethanol and sugar is transformed into a valuable product. Thus, high-efficiency boilers guarantee the clean burning of sugarcane biomass, without sulfur emissions, transforming it into bioenergy.

The energy generated is reused in the industrial process itself, in addition to being exported to the National Interconnected System (Sistema Nacional Interconectado – SNI), contributing to a cleaner, more sustainable energy matrix. This is because the electrical bioenergy cogeneration system is neutral in terms of greenhouse gas emissions, as opposed to energy generation in thermal power plants powered by fossil fuels, which are highly emitting.

There were 599,368.09 MWh produced in the crop year 2023/24 – an increase of 74.18% compared to the previous crop year. Of this production, 56.90% was used to supply our entire production process, while the remaining 43.10% was exported to the network. This amount of energy produced is capable of supplying a city with approximately 120,000 inhabitants. The exported energy generated revenue of R$653,926,000, 2.78% more than the previous crop year.

# Animal nutrition

Based on the grinding of grains (corn and sorghum) and with cutting-edge technology, we have developed a portfolio with six safe, high-performance solutions for animal nutrition. Thus, we contribute to the global challenge of feeding a growing population, without expanding the area and with guaranteed food security for humans, in addition to enabling the socioeconomic development of producers, as our products have an impact on the health and well-being of livestock, resulting in more productivity.

With animal nutrition products, we also diversify our portfolio with higher value-added products and minimize our exposure to commodity market risks.

In the crop year 2023/24, 71,488 metric tons of co-products were produced, amounting to around 13% less than in the crop year 2022/23. This production generated R$98,860,000 in revenue, lower than the amount generated in the previous crop year, due to the reduction of around 11,000 metric tons of co-product produced and in parallel with the drop in the price of corn.

| Product | Description | Benefits |
|---|---|---|
| biopass | A prebiotic additive from the fermentation of corn by the yeast *Saccharomyces cerevisiae*. It is a source of essential amino acids with high availability for the animal, with a high proportion of Rumen Undegradable Protein (bypass protein), high availability of phosphorus (P) – a crucial mineral in animal nutrition – and low fiber content. | Improvement in rumen fermentation;<br>Increased immunity;<br>Intestinal protection against pathogenic microorganisms, among others. |
| FlexPRO | Created from the grinding and fermentation of grains with exclusive technology in Brazil. It has a high content of excellent quality protein, is a source of inactivated yeast, and has an amino acid composition that fits into any formulation, as it contains one of the best sources of Rumen Undegradable Protein (RUP). | Meets the needs of high-performance animals;<br>Food safety;<br>Economic return. |
| FlexDDG | Produced from the fibrous content of the grain combined with concentrated soluble materials from ethanol distillation, they have excellent protein concentration and a large amount of fiber. | Versatility;<br>High digestibility;<br>Excellent energy source. |
| FlexWDG | | Excellent energy source;<br>Palatable food. |
| FlexMELAÇO | Composed mostly of the soluble part of the must after fermentation, it is an excellent source of energy and protein, being recommended for use in conjunction with other sources of protein in the ruminant diet. | Palatable;<br>High digestibility. |
| ÓLEO BRUTO VEGETAL | A highly energetic source and an intense red natural dye, which assists in the pigmentation of meat and eggs. | Valuable raw material in the formulation of diets. |

# Our vision of sustainability

*GRI 13-13*

We have an integrated vision of sustainability, covering its various perspectives, from the very nature of our products, which contribute to people's quality of life and the construction of a more sustainable society with a lower carbon footprint, to our agro-industrial practices, which seek to minimize negative impacts, while contributing to the socioeconomic development of the country, generating shared employment, income, dividends, technical knowledge, and environmental awareness. Supporting this entire value generation process, we have a corporate governance policy that works to ensure ethical, transparent and safe management, in accordance with legislation.

Although it is part of our business across the board, the topic covers the Sustainability Committee as its main organizational agent. Created in 2012, it brings together directors, shareholders, and the sustainability team. It operates mainly in the management of quality, environmental, health and safety issues, using the Integrated Management System Policy as an instrument. The document covers the three major dimensions of an integrated vision of sustainability: people, environment, and governance, encompassing economic and financial performance.

# Care for people

# Our employees

*GRI 2-7 | 3-3 | 13-20 | 13.21 | 2-7 | 2-30 A | 401-1 | 401-2*

Our 4,520 employees (3.5% more than in the previous crop year), considering the total amount calculated at the end of the reported crop year, are hired on a full-time bases under the CLT regime, being 100% covered by collective bargaining agreements and enjoying a package of market-compatible benefits. In addition to these, we have six interns. Of the total number of employees hired, 15% are women, an increase of two percentage points in female representation compared to the previous crop year.

With the aim of increasing female participation in our workforce, in the crop year 2023/24, in partnership with Brazil's National Service for Industrial Training (*Serviço Nacional de Aprendizagem Industrial* – SENAI), we held the "School for women – agricultural machinery operators." At the end of the course, 76% of participants were hired.

# Occupational health and safety

*GRI 3-3 | 13-19 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10*

**Occupational safety**

To preserve the health and safety of our employees and service providers, with assessments to control risks in activities.

The health and physical integrity of our employees are non-negotiable values.

On the one hand, we work to promote health through awareness-raising actions, such as holding the Internal Week for the Prevention of Accidents at Work and the Environment (*Semana Interna de Prevenção de Acidentes no Trabalho e Meio Ambiente* – SIPATMA) – an entire week of mobilization dedicated to topics related to health, whether inside or outside the organization. During the year, the topic is promoted by other specific campaigns, such as Pink October (breast cancer awareness), Blue November (prostate cancer awareness) and those carried out in conjunction with the Municipal Health Department.

On the other hand, our management is guided by the strengthening of a safety culture, starting, without limitation, the continuous engagement of our leaders, based on the Regulatory Standards provided for in labor legislation.

Our Health and Safety Management System, which encompasses 100% of our employees, also meets domestic and international standards, such as ISO 9001, which establishes the requirements for the Quality Management System (QMS), Bonsucro, Halal, and ISCC, among others presented in the “About us” section. Although they are not considered in the monitoring of indicators related to occupational safety, third parties are also included in our management system.

In accordance with the regulatory standards of the Ministry of Labor and Employment, we have an Occupational Risk Management Program, which is supported by the Specialized Service in Safety Engineering and Occupational Medicine (*Serviço Especializado em Engenharia de Segurança e Medicina do Trabalho* – SESMT), as well as employee representative bodies – the Internal Accident Prevention Committee (*Comissão Interna de Prevenção de Acidentes* – CIPA) and the Internal Committee for Accident Prevention in Rural Work (*Comissão Interna de Prevenção de Acidentes no Trabalho Rural* – CIPATR) – in addition to management committees for the topic with weekly meetings.

Aiming at a process of continuous improvement, in the crop year 2023/24, we are in the process of implementing the ISO 45001 standard, which defines the standards for the Occupational Health and Safety Management System (OHSMS).

With a focus on prevention, we rely on careful risk identification, analysis and control methods, as provided in our Occupational Risk Management Program. From them, we mapped ten critical activities, that is, those that present a high potential for loss and damage. For them, we developed mandatory safety standards, translated into six golden rules. Applicable to employees, suppliers, visitors and third parties, they are non-negotiable and must be respected at all times.

# Golden rules


### Hazardous energies

Correctly implementing locks and guaranteeing zero energy.

### Hot work

Hot-work activities, in classified areas, with authorization only.

### Mobile equipment and vehicles

Wearing a seatbelt and not using cell phones while the vehicle/equipment is moving.

### Work at height

Carrying out activities above 1.80 m (roughly 6 ft) with a properly anchored seat belt set.

### Confined space

Carrying out activities in confined spaces with mandatory documentation – Entry and Work Permit (*Permissão de Entrada e Trabalho* – PET) and Special Service Authorization (*Autorização de Serviço Especial*– ASE) – and with gas monitoring.

### Load lifting

Not moving and/ or remaining under suspended loads.

To increase our ability to anticipate and prevent accidents, we continually seek to develop risk perception. Part of this process includes the Daily Safety Dialogues (*Diálogos Diários de Segurança* – DDS) – a thematic conversation with the entire team on everyday issues related to health and safety – weekly dialogues with all professionals working in the industry, the practices of Behavioral Observations carried out by 100% of our leadership and training managed by the Power BI tool, which allows governance of the topic.

The same principle applies to the main diseases related to activities relevant to our business activity, which are systematically monitored with the help of Technical Reports on Working Conditions (*Laudos Técnico das Condições de Trabalho* – LTCAT), Risk Management Program (Programa de Gerenciamento de Risco – PGR), Ergonomic Work Assessment (*Análise Ergonômica do Trabalho* – AET), Hearing Conservation Program (*Programa de Conservação Auditiva* – PCA), and Respiratory Protection Program (*Programa de Proteção Respiratória* – PPR). All identified hazards are measured, quantified and addressed with specific and timely plans and actions.

An environment in compliance with the standards relevant to our business, as well as technical documents prepared based on the Globally Harmonized System (GHS) criteria, documents on transport, handling, storage and disposal of hazardous products (MSDS/FISPQ) and authorization procedure regarding the use of new chemical products and inputs are also instruments that aim to mitigate health and safety impacts specific to our type of activity. In the case of contractors, this is done through our approval process, as presented in the “Suppliers” section.

Furthermore, all our employees must know and strictly comply with our occupational health and safety policies, procedures, and practices. Therefore, we continually invest in training. In the crop year 2023/24, we held 134,290.43 hours of regulatory training.

Simultaneously, we identify hazards and risks in accordance with NR 1. Therefore, we have a Risk Matrix organized by area and activities.

From there, employees, through CIPA and CIPATR, are trained, not only so that they know how to identify the dangers and risks of their activities, but also so that they know how to use control measures. In the event that unsafe conditions for carrying out an activity are identified, they can communicate through a structured procedure.

Among the preventive tools for the systematized management of activities and tasks, we highlight the Work Permit (WP) and the Pre-Task Assessment (PTA), based on the regulatory standards of the Ministry of Labor of Brazil.

**In the crop year 2023/24, we held 134,290.43 hours of regulatory training.**


## Continuous improvement

The events that occur also encourage the process of continuous improvement, triggering corrective and preventive action plans, with a focus on reducing risk and exposure. In the crop year 2023/24, the adherence rate was 95%. To this end, we have a structured procedure for communicating, assessing and investigating incidents and accidents, which aims to identify related causes, in addition to establishing and implementing effective actions to prevent recurrence.

As part of this continuous improvement process, we disseminate accident frequency and severity rate indicators to area managers on a weekly basis, as well as at CIPA and CIPATR meetings on a monthly basis, so that committee members can participate in accident investigation assessments that are, in turn, managed through a software platform, alongside the actions defined in the occupational accident action plans, with real-time status monitoring.

When integrating new employees and service providers, accidents that occurred in the previous crop year are also reported, in accordance with the Accident and Incident Communication and Analysis procedure.

We also have the “Safety Guardian” (“O Guardião da Segurança”) and “Awarded Safety” (“Segurança Premiada”) programs at URD. The former empowers leaders and coordinators in the process of identifying risks and hazards in relation to the conditions, behaviors and housekeeping of the work area, as well as in the search for ways to mitigate risks and improve safety, while the latter comprises a means of involving teams in this process while recognizing their commitment to carrying out activities safely and within established procedures and standards.

*GRI 403-9-Work accidents*

| # | Employees | Workers who are not employees |
|---|---|---|
| Deaths (Number) | 3 | 0 |
| Fatalities as a result of work-related injury (index) | 0.31 | 0 |
| High-consequence work-related injuries (excluding fatalities) (number) | 17 | 7 |
| High-consequence work-related injuries (excluding fatalities) (rate) | 1.77 | 3.53 |
| Recordable work-related injuries (number) | 57 | 17 |
| Recordable work-related injuries (rate) | 5.95 | 8.58 |
| Number of hours worked (hours) | 9,574,774 | 1,980,000 |

Unfortunately, in 2024, we had three fatalities resulting from a road accident caused by a third party, who ran through the roadblock signs and hit people who were standing. We immediately activated the Emergency Plan, providing full assistance to the victims and their family members.

Following the occurrence, we activated the analysis committee, which was responsible for investigating the case, its causes, and circumstances, as well as identifying possibilities for improving procedures, controls, and equipment, feeding the cycle of improvements.

# Training and development

*GRI 401-1*

Caring for people also means creating an environment that encourages their integral development. In a win-win relationship, this impacts the improvement of our performance.

Due to its power of multiplication, we focus on forming strong leadership committed to our values and results.

In the crop year 2023/24, we held 3,359 hours of training, reaching 100% of the leadership. For the next crop year, we aim to expand the topics of the leadership development track, based on identified improvement opportunities.

## Innovation at the service of people, HR 4.0

We have been improving the experience of our employees in recent seasons based on the HR 4.0 concept, which earned us recognition as Best HR in the Brazilian Center-West in 2023.

In the previous crop year, we had already implemented Minha 5JC (“My 5JC”), an application that enabled the digitization of processes and documents, facilitating employees’ access to information in a simple, fast, transparent and secure way. In the reported crop year, we added new technologies:

**DT Faceum:**

An Artificial Intelligence application capable of facial recognition of employees in the electronic time record using their own smartphones. It provides greater ease, agility, and security.

**Integrated Training List:**

The first application developed by us for People Management, which arose from the need to automate the lists of training programs carried out. In addition to recording attendance at training, it sends the information to the electronic timekeeping system.

**Checkpoint:**

Developed internally, the application allows leaders to make the necessary adjustments at their team’s point of view, including changes to work schedules, upon approval from the HR team, in a way that is fully integrated with the workday management system.

**D4Sign:** Adherence to the electronic signature platform, in compliance with current legislation. It made the hiring and termination process faster and more practical, avoiding employee displacement.

**Fluig:** A system that allows the creation of processes with activity flows, which can also be used for approval workflow.

# Local communities

*GRI 3-3 | 3-3 | 13-22 | 203-1 | 413-1*

## Socio-environmental responsibility

**Socio-environmental responsibility**

To evaluate and monitor aspects related to its activities, which may impact the relationship with its stakeholders while promoting ethics and sustainable development.

Care for the people who make up the communities in which we are located begins with the implementation of our units, when we hold a public hearing in order to identify our externalities. At this time, we also carried out the Environmental Impact Study, which gave rise to the Environmental Impact Report. This action encourages our management, guiding our actions to minimize negative impacts while increasing positive impacts. For the next cycle, a new process of listening and relationship with the community is planned, which should encourage the development of social actions. Our main positive impact is socioeconomic in nature, as we generate jobs and income, contributing to the development of the region as a whole.

As a way of expanding it, we joined the Young Apprentice Jovem Aprendiz (“Young Apprentice”) program, which trains young people for the job market. We have partnerships with colleges and institutions that offer technical courses, seeking to advertise vacancies, as well as training and hiring of local labor. The trainee, intern and agricultural machine operator programs – which was aimed at women in this crop year – were also part of the initiatives.

In parallel, we shared knowledge and information with the aim of engaging the community in a culture of sustainable development. One example was the “Pense Verde” (“Think Green”) program, through which we guide employees, partners/ suppliers, students and the community in general about the importance of preserving the environment and the sustainable use of natural resources in daily activities.

Since the start of the project, we have been present in 16 schools, impacting approximately 3,000 people from the municipalities that make up our area of influence. These meetings are also an opportunity to promote our environmental education programs.

Our work with communities also includes support for services, with donations of products, materials, native plant seedlings, and provision of equipment, as well as investments in infrastructure, such as the preparation of the road paving project carried out in the crop year 2023/24 and sent to the public authorities.

## GRI 203-1.B – DETAILS OF INVESTMENTS IN INFRASTRUCTURE AND SERVICES SUPPORTED

Since the beginning of the partnership with SENAI at the Quirinópolis Unit, we have made investments of **R$1,611,894** in general improvements that made it possible to carry out **14,221 hours** of training for the community.

# Customers

## Product quality

*GRI 3.3 Material topic 8 | 13-10 | 3.3 Material topic 24 | 13-9 | 13-9*

**Product quality**

To seek a continuous commitment to offering products with quality and food safety that meet regulatory requirements and parameters and/or parameters agreed with our customers, aiming to increase their satisfaction.

With our customers, the main demonstration of care is our commitment to the quality of our products, as evidenced by the ISO 9001 and Halal certifications. To achieve this, we rely on the Quality Management System Manual. Based on the ISO 9001:2015 standard, we also implement Policies and guidelines, in accordance with the requirements of ISO 22000 and Codex Alimentairus. We carry out monitoring with the same purpose as the PDCA cycle, through the SOL Program, implemented since 2014 in our units.

Specifically to guarantee the safety and quality of food, we rely on the integrated management system policy, the Hazard Analysis and Critical Control Point (HACCP), which consists of in a food safety control system, conducted through the analysis and control of biological, chemical and physical risks at all stages, from raw material production to manufacturing, distribution, and consumption. Management is done using software, which also enables the control and analysis of the effectiveness of food safety actions and programs. These, in turn, are mapped with the help of the Ishikawa diagram, also known as the Fishbone diagram – a tool that helps people identify possible causes for problems, being structured based on the 5w2h method – a simple structure composed of the questions “what,” “who,” “where,” “when,” “why,” “how,” and “how much,” which works as an administrative checklist of activities, deadlines and responsibilities. In the crop year 2023/24, all open actions were implemented and handled with 100% effectiveness.

We also have the Manual of Good Manufacturing Practices, Pest Control, and our Safety, Organization and Cleaning Program (*Segurança, Organização e Limpeza* – SOL). Based on the Japanese 5S methodology, it promotes the continuous improvement of our processes in five actions, which should be part of everyone’s daily lives:

# SOL Program – Security, Organization and Cleaning

## Seiri

### Sense of use

Separating the useful from the useless, eliminating what is not needed.

## Seiton

### Sense of organization

Organizing objects, equipment and materials so that they can be immediately accessed and used.

## Seisou

### Sense of cleaning

Thoroughly cleaning and investigating the workplace in search of routines that generate dirt or imperfections.

## Seiketsu

### Sense of normalization

Keeping all three first “Ss” standardized, so that they do not get lost.

## Shitsuke

### Sense of self-discipline

Having a sense of self-discipline, with compliance and personal commitment to the previous steps.

# Suppliers, strategic partners

*GRI 2-6 | 13.4 | 409-1 | 13-16 | 205-1 | 414-1 | 414-2 | 308-1 | 204-1 | 408-1 | 13-17 | 13.23*

With our 1,303 suppliers and partners, we seek to establish a relationship of transparency, respect and mutual development, following ethical, quality and safety principles. After all, credibility and synergy are part of our values, resulting in the promotion of trust in our external and internal relationships, the sum of efforts, and the creation of interdependence and knowledge to overcome challenges.

Whenever carrying out hiring or contract renewal processes, 100% of our agricultural partners undergo an image assessment, in which the distance between the property and the Industrial Unit and the access to sugarcane disposal are assessed, as well as the documentation – the Rural Environmental Registry (*Cadastro Ambiental Rural* – CAR), registration, and map – and whether there are activities in Permanent Preservation Areas (PPAs). Furthermore, seeking to ensure that they comply with our policies and commitments on the conversion of natural ecosystems, we have contract clauses, preservation policies, and procedures in the field.

New suppliers are also assessed under socio-environmental, child labor, and human rights aspects, with situations of compulsory labor, child labor or violation of children's rights being an impediment factor.

Specifically with regard to human rights, we carry out on-site inspections of the facilities to assess compliance with standards and the actual conditions of the accommodations. Our Code of Conduct includes these topics, highlighting our complete opposition to child labor and hazardous work practices for young people, integrating contractual clauses that specify obligations, responsibilities and punishments for suppliers who fail to comply with these principles. We apply all due corrective measures in the event of a violation.

**We have a policy of prioritizing local suppliers, who account for 40% of our transactions.**

This process of monitoring, assessing and developing suppliers is led by specially dedicated management. Periodically, a team carries out technical visits to investigate the suggestions and complaints received. They are subsequently brought to the attention of the Supply Management, which is responsible for providing the appropriate treatment and feedback to each one. Our reporting channel is also open to our suppliers and partners.

The direct exchange of information and knowledge is still present through lectures and training with specialists from the areas of pest control, plant nutrition and variety and harvest targeting, in order to improve agricultural practices with a focus on efficiency and sustainability, in addition to offering support and guidance regarding the management of sugarcane and the grain market in general.

Further fostering this relationship, we have a policy of prioritizing local suppliers, who account for 40% of our transactions, with a number of exclusive benefits:

- Sale of vehicles and deduction on sugarcane inputs;
- Discount on the purchase of WDG;
- Planting incentives;
- Cash advance;
- Sale of seedlings in installments;
- Application of vinasse.

# Commitment to the environment

# Sustainable practices, from the farm to the industry

*GRI 3-3 Tema material 4*

**Commitment to the environment**

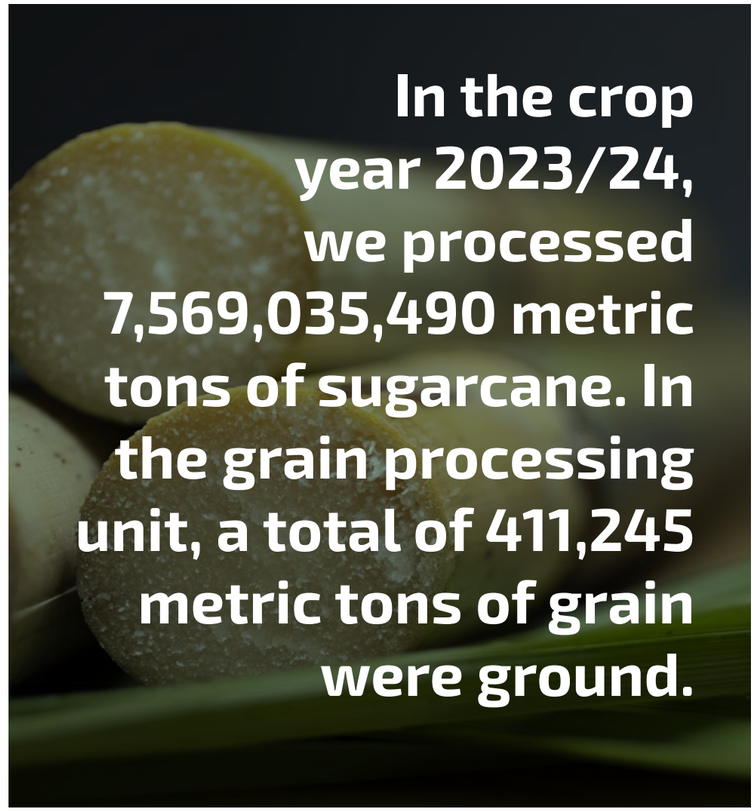
Respect the environment in all activities, through the rational use of energy and natural resources, minimizing and preventing pollution while appropriately disposing of waste.

In both the field and the industry, we invest in sustainable technologies and practices, which increase the positive impacts of our products and minimize the negative impacts of our agro-industrial activities.

Simultaneously, they provide more efficiency, productivity, and subsequently, greater profitability. The very design of the production process is an example of the intelligent use of resources. In a closed-loop model, 100% of waste is reused and transformed into valuable products.

In the crop year 2023/24, we processed 7,569,035,490 metric tons of sugarcane, with an average efficiency of 87.6%, within the established target and at the same level as the previous crop year, which was 87.95%. In the grain processing unit there were 411,245.10 metric tons of ground grain. Although it was not reflected in the average indicator, due to challenges faced at USF, we carried out a series of infrastructure improvements in the **industry** that contributed to efficiency gains at URD.

Among them is the implementation of the near-infrared spectroscopy (NIRS) treadmill. The technology ensures accurate assessments of possible contaminants in products outside laboratory premises, which are faster and more economical. During the reported crop year, we completed the installation of a tank, which expanded our ethanol production capacity.



These measures, which are in addition to others already implemented in the previous crop year, contribute to consolidating the concept of the Industry 4.0, ensuring gains in efficiency, safety, savings, and sustainability. This advance was recognized by the Visão Agro Brasil Awards in the “industrial automation” category.

For the next crop year, the installation of a molecular sieve in the grain processing unit is already planned.

In addition to expanding our anhydrous ethanol production capacity, it enables a more efficient and sustainable production process by replacing the use of chemical products in the ethanol dehydration process. Predominantly using low-pressure steam as a source, it offers greater energy efficiency and reduced operating costs, consuming less steam and water and contributing to more sustainable and economical practices. The process is also fully automated, with simplified and efficient operation.

We also have other opportunities for improvements underway, such as the implementation of a molecular sieve at the UPG distillery. The expansion of URD processes, implementing a white sugar factory, is also in the study phase.

For the next cycle, our goal is to maintain our industrial availability above 98% and consolidate the concept of the Industry 4.0 with the use of artificial intelligence.

Simultaneously, we have been gradually expanding our storage capacity. This crop year, we began construction of a grain silo, expected to be completed by the second half of 2024.

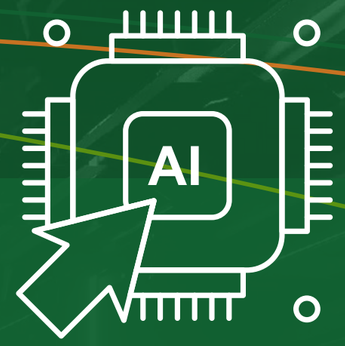
**In the field**, the principle of efficiency also governs our practices, qualifying us for the RenovaBio Program, through which we issued 602,880 carbon credits (CBIOs), 13% more than in the previous crop year, generating R$68,379,000,800 in revenue.

We are adept at various sustainable agricultural practices and rely on technologies that position us in line with the concept of Agriculture 4.0. In the crop year 2023/24, two projects stood out: the Engebio project and the optimization and expansion of vinasse application.

The first is a Biological Input Production laboratory that reproduces fungi and bacteria used in biological pest control and foliar fertilization, replacing the use of chemical pesticides. In this way, we reduce the negative impact on soil and water and GHG emissions, as well as reducing costs, resulting in a safer, healthier product. A total of R$2.2 million has already been invested in the project, with a further R$1.3 million expected to be invested in the crop year 2024/25. Thanks to the success of the initiative, the implementation of a new laboratory on the USF premises is currently being studied, with an expected investment of approximately R$35 million. With the expansion of our production capacity, this new unit will make it possible to transform this front into a new business unit, adding a new product to our mix.

Another highlight in the period was the increase in the use of vinasse in the sugarcane field by 131%, from 13,241 hectares, in the crop year 2022/23, to 30,685 hectares, in the crop year 2023/24, which enabled us to reduce our use of mineral fertilizer in 76% of the planted area, in the previous crop year, to 56% in the crop year 2023/24. This was possible thanks to investments made in piping and electric motors, which are responsible for driving the vinasse from the plants to the field, for fertigation.

Even the use of pesticides has been optimized with the aid of GPS-guided drones, which allow for a more precise application, reducing product dispersion – a more economical and less invasive process, which we should gradually expand in the next crop years.




## Digital transformation, the path to efficiency

In 2018, we began to use Artificial Intelligence at the Rio Dourado Plant following the implementation of S-PAA, the only Real-Time Optimization (RTO) software platform for sugar and ethanol plants worldwide, developed by Soteica do Brasil – a global leader in process optimization and operational excellence.

As the only tool that uses eight of the ten technologies that define the concept of Plant 4.0, it comprehensively controls continuous process plants, reducing variability, irrespective of the performance of advanced control.

The gains provided by this investment led us to also implement the technology at the São Francisco Plant, including the Grain Production Unit.

Another tool developed is the Cleide virtual assistant, which allows us to consult various indicators of the industrial process, as well as receiving alerts for stops and urgent procedures.

# Agro-industrial productivity indicators

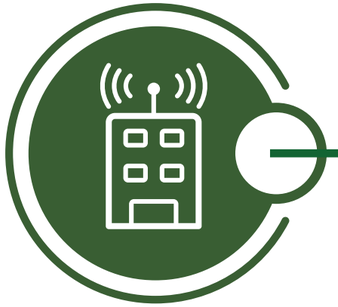
| Indicator | Unit of measurement | São Francisco Plant | Rio Dourado Plant |
|---|---|---|---|
| Ground sugarcane | ton | 4,259,392 | 3,309,643 |
| TRS (Total Recoverable Sugar) | kg/TC | 133.16 | 135.21 |
| Sugar produced | ton | 272,782 | N/A |
| Anhydrous ethanol produced | m3 | 0 | 247,536 |
| Hydrous ethanol produced | m3 | 170,316 | 34,622 |
| Energy exported | MWh | 159,602 | 181,448 |
| Sugar mix | % | 53.2 | N/A |
| Industrial efficiency | % | 87.51 | 88.24 |

| Indicator | Unit of measurement | Grain Processing Unit |
|---|---|---|
| Ground grain | ton | 411,245.10 |
| Ethanol yield (commercial basis) | l/ton | 411.75 |
| Industry availability | % | 85.12 |

# Sustainable practices

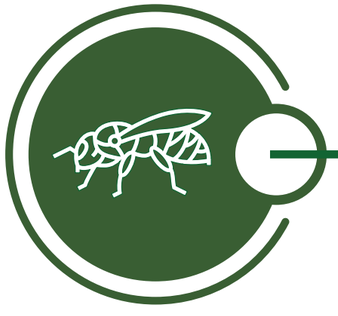
## In the field

*GRI Sector 13-6 | GRI 3-3 Material topic 3*



### Agricultural Intelligence Center

100% of our crops are monitored in real time, which allows for faster and more assertive decision making, in addition to reducing our incident response time.



### Use of biological pesticides

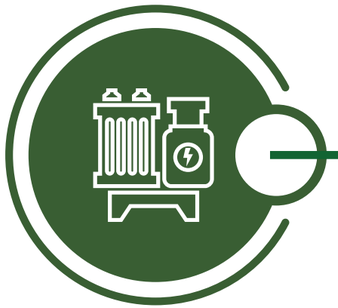
In the control of sugarcane pests, we replace chemical pesticides with biological ones, such as the Cotesia flavipes wasp, which feeds on the borer – a widely occurring pest in Brazil – and a self-produced biological package to control leafhoppers, white grubs, and nematodes, in addition to the use of light traps. The method avoids the harmful impact of chemical inputs on the soil, water, and the diversity of harmless insect species, as well as reducing the levels of GHG emissions from cultivation.

As they do not leave residues in food, they are safer for health and for rural producers, who are less exposed to pesticides, in addition to having a reduced cost.

In promoting this practice, we have our own biological laboratory, which has received investment in recent years and is expected to expand in the coming cycles.

### Conservation-based land use

Integrated soil management and conservation practices – such as construction and maintenance of contour lines, terraces on higher slopes, and the direct planting system – prevent land degradation and foster water infiltration, optimizing the use of rainwater and groundwater while favoring the preservation of nutrients.



## Electric agricultural implements

We are replacing diesel-powered agricultural implements with electric pumps. By 2024, 32 pieces of equipment will be replaced (13 have already been replaced in the reported crop year). As we are a company that produces clean energy, the reduction in $CO_2$ – one of the gases responsible for the greenhouse effect – is even more positive. The estimate is to complete this investment in the next crop year.

Simultaneously, we have renewed 18% of our motorized fleet. Because they are newer, they are more efficient, consuming less diesel and reducing emissions. The investment should also result in a reduction in maintenance costs and a 6% increase in the availability index, influencing the agricultural productivity index.

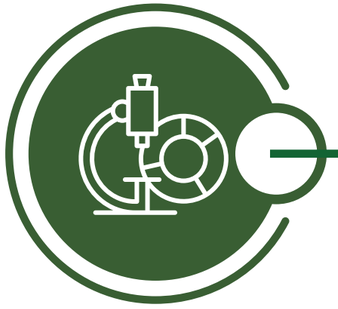
## Integrated pest management (IPM)

IPM consists of combining a number of strategies while prioritizing preventive and biological control methods. It is essential to ensure sustainable production and minimize damage caused by insects, diseases, and invasive plants, in addition to reducing dependence on agrochemicals and promoting balance in the agricultural ecosystem.

As part of this process, we continuously monitor cultivation areas to identify the presence of pests, diseases, and weeds, which allows us to detect problems early and determine the level of infestation, ensuring more assertive decision making.

## Mechanical harvesting

Mechanical harvesting, without the use of fire, avoids pollution and GHG emissions, in addition to reducing the risk of fire and producers' exposure to risk.



## Selective chemical control

The application of agrochemicals is carried out selectively, being specifically directed to target pests and applied at strategic times, aiming to avoid excessive damage to beneficial populations. Whenever possible, we opt for less toxic options, considering selectivity and environmental impact.

In parallel, we use drones and GPS technology for localized application.

## Use of pesticides *GRI Sector 13-6*

To promote the transition to less dangerous pesticides and optimize pest control practices in sugarcane production, we adopt a comprehensive and strategic approach, which includes, in addition to IPM, education and training programs through which we seek to increase awareness of the importance of adhering to more sustainable management practices.

Training is carried out in a practical and participatory way, with field activities, practical exercises and space for employees to share their experiences and ask questions. By investing in adequate training, we believe that employees will be better prepared to manage pests in a safe, efficient and sustainable manner. The program includes:

- Information on the risks associated with conventional pesticides;
- Safer alternatives available;
- How to identify the main pests and diseases that affect sugarcane, beneficial species, and natural enemies present in the agroecosystem;
- Pest and disease monitoring techniques throughout the crop cycle to determine the presence, level of infestation, and the need for intervention;
- Guidance on the correct selection of agrochemicals, reading and interpreting labels and appropriate dosage;
- The use of personal protective equipment (PPE) necessary for safe application;
- Warnings about the importance of avoiding resistance of pests and diseases to agrochemicals, providing guidance on the rotation of active ingredients and adoption of measures to prevent the selection of resistant populations;
- Instructions on the safe storage of agrochemicals, avoiding contamination and accidents;
- Instructions on the proper disposal of empty agrochemical packaging;
- Information on safety measures during the application of agrochemicals; and
- Instructions on first aid procedures in case of accidents.

The use of Advanced agricultural technologies, such as precision agriculture and sensors for pest monitoring, which allows for a more precise and efficient application of agrochemicals as necessary, are also part of this approach.

*Topic 13.6 Use of pesticides*

| Volume and intensity of pesticides, by toxicity risk levels | kg/l |
|---|---|
| Extremely hazardous | 0.00 |
| Highly hazardous | 0.00 |
| Moderately hazardous | 3,244.01 |
| Mildly hazardous | 3,773.62 |
| Unlikely to present an acute hazard | 10,446.36 |
| **Total** | **17,563.99** |

# Connected field

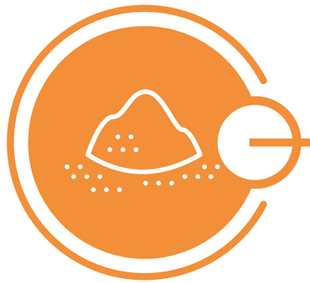
In the crop year 2022/23, we completed the implementation of six transmission towers to expand the 4G signal in our production units. The field connectivity project, developed by the telecommunications company Tim, also features Narrow Band IoT (NB-IoT) technology, which allows traditional coverage to be expanded by up to 50%, with low battery consumption.

We now have connectivity in 100% of our agricultural area, which has allowed us to integrate connectivity to 928 agricultural machines and communication tools. This technological advance contributes to faster and more assertive decision making, in addition to being a strategic step towards the adoption of Artificial Intelligence and Internet of Things technology, taking us to a new level in the concept of Agriculture 4.0.

The action also benefited the community that lives and works in adjacent regions, which now has quality 4G connection, contributing to the promotion of digital inclusion.

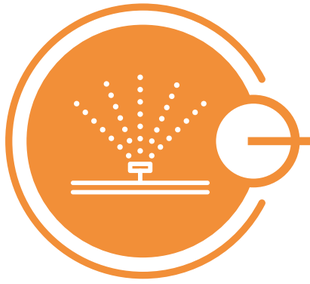
# Sustainable practices

## In industry



### Ash reuse

Because it is a product rich in nutrients, the ash from the burning of sugarcane bagasse in the process of cogeneration of electricity and steam is used as fertilizer. In addition to giving the residue a noble destination, this process assists in reducing soil acidity, benefiting agricultural productivity.



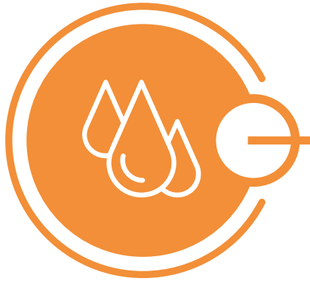
### Fertigation

The vinasse generated in the alcohol manufacturing process and the wastewater obtained after cleaning industrial equipment are reused in fertigation. This input is rich in organic matter and potassium, making it possible to reduce the application of chemical fertilizers, which are more harmful to the atmosphere, as well as reducing the use of water collected in springs.

In the crop year 2023/24, we expanded the area where vinasse is applied by 131%, which made it possible to reduce the use of mineral fertilizer by 20 percentage points, from the previous crop year to the one reported.

### Bioenergy generation

Sugarcane bagasse is used as biomass to generate steam. Some of this steam is used in the production of sugar and alcohol. The remainder is converted into clean and sustainable electricity to fuel the operation of the facilities and a surplus is still sold.



### Water reuse

Our cooling towers enable the reuse subsequent reduction of water consumption in the industry.

# Water and wastewater

*GRI 3-3 – Material topic 1 | GRI Sector 13-7 | GRI 303-1 | GRI 303-2 | GRI 303-3 | GRI 303-4*

Understanding the importance of conscious use of this increasingly scarce and primordial natural resource, we have a water management system that seeks to preserve quality and promote rational use in accordance with the Standard Operating Procedures, the guidelines outlined in our Environmental Manual, and a Wastewater Management Procedure Standard.

In the crop year 2023/24, we collected 10,673.74 megaliters of water, consisting of surface and groundwater, collected outside the water stress area and within the concession limits.

In agriculture, we adopt practices that aim to minimize the risk of contamination and increase the rate of use of rainwater, in addition to having a strict policy of not disposing of effluents (wastewater and vinasse) from the industrial process into water bodies. Instead, we adopt the sustainable practice of reusing them, directing them to fertigation of sugarcane crops, according to the application rate provided in our Vinasse Application Plan (VAP), calculated for each crop year. It is worth noting, however, that this application does not occur in areas close to permanent preservation and legal reserves – an additional measure to guarantee the protection of aquatic ecosystems and the preservation of sensitive areas around our operations.

As part of this policy to preserve the quality of water sources, the water bodies that are located around our units are monitored through samples collected every six months by qualified companies, which also carry out assessments in accordance with the parameters established by the Resolution of the Brazilian National Environmental Council (*Conselho Nacional do Meio Ambiente* – CONAMA) No. 357/2005.

In the industry, we employ cooling towers to reuse the water used in the cooling process of the fermentation and evaporation tanks for sugar manufacturing, which allows us to make 100% use of this resource.

With the implementation of our molecular sieve, scheduled for completion in the next crop year, this relationship should become even more efficient, as this equipment enables a reduction in steam/water loss.

With the aim of improving our management system for this important resource, the implementation of the Water Management Plan is planned for the next crop year, which should allow us to visualize and measure our indicators, enabling management that is more focused on reducing the use of this resource, among other benefits.

## GRI 303-3-WATER WITHDRAWAL IN MEGALITERS(ML)

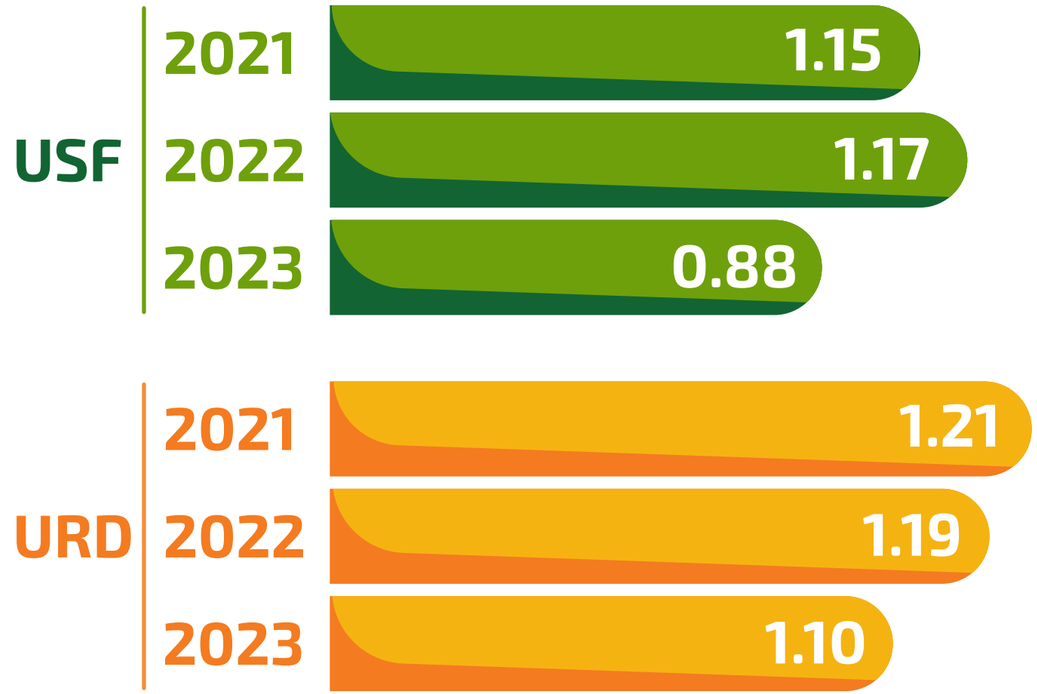
| Water withdrawal (Areas outside of water stress) | Crop year 2022/2023 | Crop year 2023/2024 |
|---|---|---|
| Surface | 17,722.63 | 10,596.93 |
| Underground | 436.85 | 76.80 |
| Produced | – | – |
| Thid parties | – | – |
| Oceans | – | – |
| **Total** | **18,159.48** | **10,673.74** |

## GRI 303-4-WATER DISCHARGE IN MEGALITERS (ML)

There has been no discharge.

In the crop year 2023/24, we were able to significantly reverse consumption at USF, from 1.17 cubic meters per metric ton of sugarcane (2022) to 0.88 cubic meters per metric ton of sugarcane (2023). At URD, we had another reduction, from 1.19 cubic meters per metric ton of sugarcane to 1.10 cubic meters per metric ton. This improvement in water efficiency occurred thanks to our continuous monitoring, with KPIs previously established in each sector. Thus, we identify and eliminate leaks and opportunities to reuse the steam generated in the ethanol condensation process through improvements in processes and equipment.

## WATER CONSUMPTION (CUBIC METERS/TON OF CANE)



# Soil health

*GRI 3-3 – Material topic 2 | GRI Sector 13.5 | GRI 13-13*

Soil is the source of life and the basis of our business. In addition to being a source of nutrients for plant growth, healthy soil also uses photosynthesis to extract carbon from the atmosphere, improve water quality, increase resilience to drought, and improve agricultural profitability.

Therefore, we adopt and disseminate, alongside our partners, sustainable practices that aim to protect, regenerate and restore the soil, subsequently preserving the biodiversity of natural ecosystems.

It all starts with soil analysis. Through it, we gather information about the physical, chemical and biological attributes of the soil, such as the level of fertility, nutrients, and pH. In this way, we can carry out rational fertilization and liming, according to the needs of the soil and the crop.

The control of agricultural pests through the use of their natural enemies, favoring the fertility of the soil and soil biota, construction and maintenance of contour lines, also known as contour planting, installation of terraces in reliefs with greater slopes, according to with the characteristics of the area, use of the direct planting system and implementation of mechanical harvesting are other examples of protective actions, as they benefit the infiltration of water into the soil, reduce surface water runoff and soil erosion resulting from it, and minimize the risks of contamination, pollution, and fire.

Similarly, we adopt a crop rotation system. By alternating sugarcane planting with other crops, soil nutrients are replenished and the presence of sugarcane-specific pests and diseases is reduced.

To ensure the efficiency of these practices, we monitor, through analysis, 46 areas that receive vinasse in the two industrial plants.

When assembling structures for the construction of roads and conveyors, we build water outlets, speed bumps, and retention basins.

In the crop year 2023/24, in an area of approximately 14,000 hectares at the URD and USF units, we consolidated the following practices.

**Planting in curves:** Cultivation in rows at different altitudes, according to the characteristics of the terrain, in order to preserve the soil against erosion and contribute to the runoff and infiltration of rainwater, in addition to preventing landslides. By balancing the speed of rainwater, this practice prevents the loss of minerals and helps retain soluble elements, allowing increased production.

**Terracing:** A technique for containing rainwater, so that it has a higher infiltration rate into the soil. By reducing the volume of runoff, the rate of erosion is also minimized.

Wells: also known as boreholes, they comprise a shallow excavation made in the main bed of a river or stream, with the aim of taking advantage of the groundwater close to the surface or for collecting rainwater in the form of dams.

# Biodiversity

*GRI 3-3 – Material topic 3 | GRI Sector 13.3 | GRI Sector 13.4 | GRI 304-1 | GRI 304-2 | GRI 304-3 | GRI 304-4*

Through surveys and studies, we identify the species present in the areas under our responsibility, as well as their associated habitats and ecosystems, through fauna inventories, habitat mapping, and ecosystem analyses, in full compliance with the legislation.

In fauna monitoring, four species were recorded from the current List of Brazilian Endangered Fauna Species (MMA Ordinances No. 444/2014 and No. 445/2014) and one species on the list of the International Union for Conservation of Nature (IUCN, 2016) classified as near-threatened (NT). Regarding bird species, none were classified as threatened in the MMA lists (2016), while two are classified as threatened on the IUCN list, one being considered near-threatened (NT) and the other being considered vulnerable (VU).

If, on the one hand, industrial activities present risks in relation to air quality and water resources – all objects of mitigation actions as demonstrated throughout this report – the use of sugarcane fields by wildlife offers opportunities for the preservation and diversity of life wild. Nevertheless, this occupation also presents challenges, especially during the sugarcane cutting cycle, which may result in the temporary elimination of the habitats and niches created.

To mitigate this negative impact, the maintenance of native vegetation connected to sugarcane fields is essential (Legal Reserves and Permanent Preservation Areas), as they constitute local refuge corridors for these periods, allowing the recolonization of cultivation areas and their surroundings at a later time.

Our program for the recovery of Permanent Preservation Areas (PPA) and the "*Margem Verde*" ("Green Margin") Legal Reserve makes an important contribution. Since 2005, we have restored over 220 hectares through the planting of 335,000 seedlings native to the region cultivated in our own nursery, whose production capacity reached 35,000 seedlings in the crop year 2023/24, with the expectation of reaching 50,000 by the next crop year. It should be noted that monitoring is part of this recovery process, aiming to ensure its effectiveness.

In the crop year 2023/24, on a voluntary basis, we carried out the restoration of 11.68 hectares at the Monte Azul Farm, located in Quirinópolis, planting a total of 19,475 seedlings of native species in a Permanent Preservation Area. Similarly, 17.30 hectares were restored at the São Francisco II Farm, also located in Quirinópolis, with the planting of 28,616 seedlings in another Permanent Preservation Area. Moreover, at the Boa Vista Farm, located in Cachoeira Dourada, SJC Bioenergia restored 43.38 hectares, with the planting of 72,243 seedlings in a Legal Reserve area.

In addition to the 40% increase in the volume of seedlings cultivated, we added nine more native species, contributing to the preservation of diverse terrestrial ecosystems, including areas of the Cerrado and Atlantic Forest biomes, which make up the areas adjacent to the location of our operations, which is especially important considering that they have species listed as threatened according to the national environmental protection legislation.

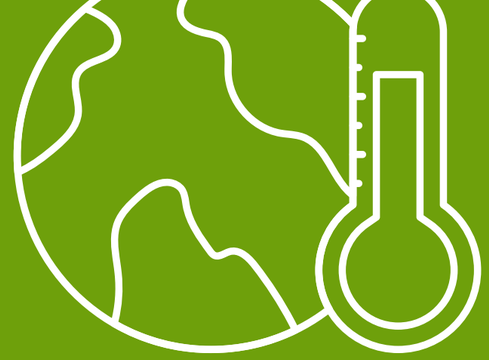
Seeking to engage the community in this process, approximately 12,400 seedlings were donated to partners, sugarcane suppliers, and schools, among other institutions.

This engagement work also takes place through our "*Pense Verde*" ("Think Green") education program, which addresses topics such as the circular economy (see more in the "Local Communities" section).

Nevertheless, care begins at the beginning, even before leasing the area, when we carry out a field assessment and as well as provision of the documentation – Rural Environmental Registry (CAR's), registration, and map – in addition to finding out if there are activities in Permanent Preservation Areas (PPAs). Additionally, in order to ensure that they comply with our policies and commitments on the conversion of natural ecosystems, we have contractual clauses, preservation policies, and procedures applied in the field.

# Climate and emissions

*GRI 3-3 – Material topic 3 | GRI Sector 13.1*



One of today's global challenges is to contain climate change and its harmful effects, reducing our carbon footprint in the atmosphere. The biofuel and bioenergy we produce help society overcome this challenge. Both are generated from a renewable resource and contribute to a cleaner energy matrix.

Through sustainable practices in the field and industry (see section "Sustainable practices"), we are also able to minimize the carbon footprint of sugarcane and corn growing, as well as the manufacturing process. The utilization of 100% of the waste generated in the industrial process contributes to the circularity of the planet, the replacement of diesel-powered equipment with electric options emits less polluting gases, and our focus on efficiency, productivity and profitability results in the rational use of resources in general.

Thanks to this set of factors, we have had the RenovaBio certification since 2020. In October 2022, we underwent recertification, obtaining energy-environmental efficiency scores of 68.49 $gCO_2eq/MJ$ for hydrous ethanol and 68.84 $gCO_2eq/MJ$ for anhydrous ethanol at the São Francisco Plant; and 57.88 $gCO_2eq/MJ$ for hydrous ethanol and 58.23 $gCO_2eq/MJ$ for anhydrous ethanol at the Rio Dourado Plant. In the crop year 2023/24, 602,880 CBIOs credits were issued, 13% more than in the previous crop year, due to the expansion of the area fertigated with vinasse instead of chemical fertilizer, the exchange of the agricultural equipment fleet for more efficient options, and the exchange of motorcycles diesel-powered pumps with electric options. This means that we contributed to a reduction of more than 600,000 metric tons of carbon emissions.

In addition to helping other companies and equalizing their emissions, carbon credits are sources of funds for our business.

With the support of a specialized company, we monitor atmospheric emissions from fixed sources (boilers), which allows us to state that, in the reported period, we kept NOx and particulate matter emissions below the limit: respectively, at 640.98 $mg/Nm^3$ and 142.33 $mg/Nm^3$.

Also, in accordance with the methodology for calculating the purchase and consumption report informed in the Montreal Protocol to the System of the Brazilian Institute of the Environment and Renewable Natural Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis* – IBAMA), we do not produce ozone-depleting substances (ODS).

# Waste Management

*GRI 3-3 – Material topic 4 / GRI Sector 13.8 / GRI 306-1 / GRI 306-2*

Our business model is based on the principle of circular economy, as it uses 100% of the waste arising from the production process.

Therefore, we consider waste as resources for the production of new items, aiming to eliminate waste, add value, and reduce the impacts of extracting raw materials.

Examples includes the use of vinasse, generated in the ethanol-manufacturing process, in fertigation. Similarly, sugarcane bagasse is completely reused as biomass for steam generation, with a portion used in the production of sugar and ethanol, while the rest is converted into clean and sustainable electricity used to maintain the operation of facilities, with a surplus that is sold. Finally, the ash from the burning of sugarcane bagasse in the steam-generation process. They are rich in nutrients and are used as fertilizer in sugarcane fields, helping to reduce soil acidity, guaranteeing benefits for sugarcane planting.

We also have our own waste and effluent management system, in accordance with the Solid Waste Management Plan (*Plano de Gerenciamento de Resíduos Sólidos* – PGRS) and the legislation in force.

The system encompasses all stages, from generation to final disposal of waste, including proper segregation, packaging, and treatment, as well as the implementation of control and monitoring strategies for production processes, with the aim of avoiding any inadequate disposal that may cause environmental pollution and harm public health.

Thus, common waste is referred to landfills, scrap waste is sold, and Class I (hazardous) waste is destined for co-processing.

It is important to highlight, however, that before any contract for the treatment or sale of waste, the Environmental Management Sector analyzes the legal documentation and technical training of companies, in order to ensure the correct destination of the materials.

Thus, all waste destinations and outputs are duly registered and inventoried, accompanied by the issuance of a manifest and destination certificate, which, at year end, are reported in annual reports and sent to supervisory/regulatory bodies.

In addition to the waste generated in our units/activities, upstream suppliers (e.g., suppliers of agricultural inputs, packaging) or by downstream customers (e.g., packaging waste from final products) also impact the generation of waste, as well as those generated at the throughout the service life of products by end consumers, such as the inadequate arrangement of packaging or products. In these cases, we also seek to apply the concept of circularity through the optimization of processes to reduce waste, develop eco-efficient packaging, and promote the recycling of materials.

One example is our annual participation in the “National Clean Field Day” event, held by the National Institute for Empty Packaging Processing (*Instituto Nacional de Processamento de Embalagens Vazias* – INPEV), based in Quirinópolis, GO. On the occasion, approximately 300 students from state, municipal and private schools in the city are engaged in the topic through a cultural-educational competition. The event is part of a nationwide project that aims to raise consumer awareness regarding the correct return of Empty Crop Protection Packaging. For our part, 100% of the packaging of the products used are destined for the Institute.

In the crop year 2023/24, we had an increase in the production of waste generated, reflecting the non-hazardous waste indicator – reuse (with a greater number due to vinasse and sugarcane bagasse production). We expect to evolve on this topic with the implementation of annual goals in our waste management plan, starting in the next crop year.

## GRI 306-3-WASTE GENERATION IN METRIC TONS (T)

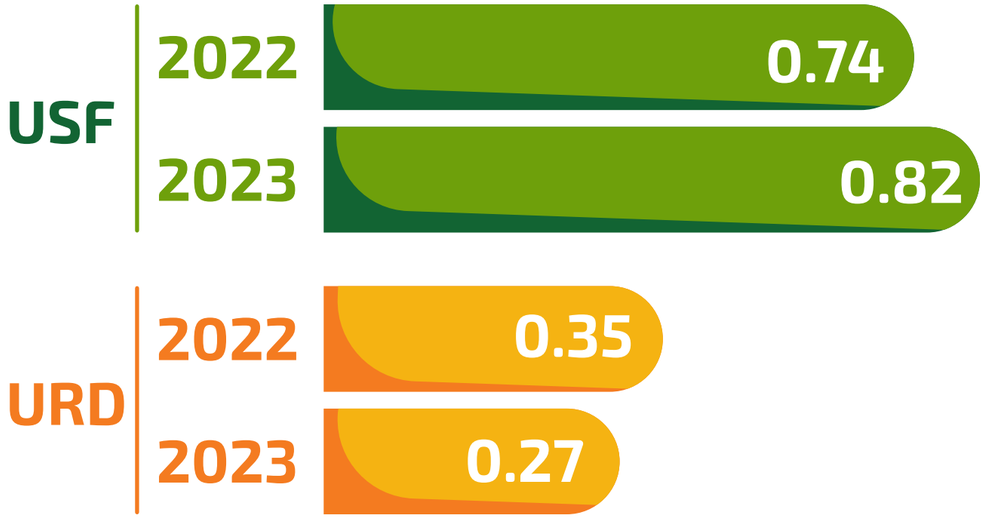
| Waste generation | Crop year 2022/2023 | Crop year 2023/2024 |
|---|---|---|
| Hazardous | 335.77 | 422.82 |
| Non-hazardous | 6,189,609.21 | 7,118,838.32 |
| **Total** | **6,189,944.98** | **7,119,261, 14** |

## GRI 306-5-WASTE DIRECTED TO DISPOSAL IN METRIC TONS (T)

| # | Within the organization | Outside the organization | Total |
|---|---|---|---|
| Hazardous waste | – | – | – |
| Non-hazardous waste | – | 543.37 | 543.37 |
| **Total** | **–** | **543.37** | **543.37** |

Sanitary and oily wastewater is directed to the respective treatment plants. Once treated, the sanitary wastewater is incorporated into the vinasse and the oily effluent is pumped to the water reservoir used to wash the equipment.

## WASTEWATER GENERATION (CUBIC METERS OF WASTEWATER PER METRIC TON OF SUGARCANE)




# Corporate governance

*GRI 2-16 | GRI 406-1 | GRI Sector 13-15 | GRI 2-17 | GRI 2-18 | GRI 205-2 | GRI 205-3*

# Corporate governance

**Applicable laws and requirements**

To fully comply with legal requirements, internal requirements, and requirements agreed with customers and suppliers.

Our corporate governance is premised on ethics and responsibility formalized in our internal policies, such as equity between stakeholders, transparency in information and compliance with laws, with the goal of consciously developing our business and mitigating economic, social and environmental risks.

As part of our documentary apparatus, we highlight our Code of Conduct. This document serves as a fundamental guideline for our employees regarding our ethical and compliance standards, establishing criteria for appropriate behavior and issues that may have significant legal implications, both for the company and for those involved, including, for example, the fight against corruption – a topic shared by 100% of our employees.

Although we do not have a specific assessment of operations regarding risks related to corruption, as a form of prevention, all employment, commercial and financial contracts include anti-corruption clauses and guidelines on good practices related to the topic. In the reported crop year, there were no cases of corruption or discrimination registered/confirmed.

As part of our governance, we work to identify potential risks and address them in their particularity with the aim of mitigating them. Part of this process is the communication of crucial concerns that, according to our Articles of Incorporation, are held at member meetings and recorded in the minutes.

For adverse conduct, we propose action plans to avoid recurrences, also treating them as learning through the continuous improvement process based on the PDCA methodology (Plan, Do, Check, Act). If applicable, we implement a new procedure and/or update internal policies.

For the next crop years, a stakeholder policy is already being developed that will cover processes to repair negative impacts. The positive points are disseminated in order to encourage their applications.

# Governance structure

*GRI 2-9 | RI 2-10 | GRI 2-11 | GRI 2-12 | GRI 207-1 | GRI 207-2*

Go guide this management, we have a governance structure composed of a Board of Directors, including representatives of the two companies that make up the corporate list, being the Chair and two Directors, as stipulated in the 11th Amendment to our Articles of Incorporation. The Chair, therefore, despite being part of the Company's membership, does not play an executive role within it.

Below this level is the Company's Executive Board, which is composed of the general manager, financial manager and commercial manager appointed by the partner companies to hold their positions for two-year terms.

The highest level of governance is responsible for supervising administrative activities, issuing opinions on strategies and helping to evaluate results and impacts, approving and managing the resources necessary to achieve the goals and targets set in line with sustainable development.

To this end, it has internal mechanisms, such as the Ethics Committee and dialogue channels with stakeholders, as established in our Code of Conduct, promoting ethics, compliance and transparency in its practices. It also plays a crucial role in the development, approval and updating of the statement of values, mission, and policies, particularly in relation to sustainability.

Another six committees are part of this governance structure:

- **Risk Management Committee;**
- **Sugarcane and Grain Origination Committee;**
- **Human Resources Committee;**
- **Sustainability Committee;**
- **Operational and Agro-Industrial Technology Committee;**
- **Tax Committee.**

## Tax Committee

Established in 2023, it is composed of members from the tax, legal, accounting sectors, and the Board of Directors. Dedicated to tax analysis and planning, with the aim of providing opportunities for gains with strategy and calculations, based on current legislation. An example is the generation of CBIOs, which generates revenue for the company, in addition to expanding our social and environmental approaches, with the decarbonization resulting from the use of biofuel. Each month, a meeting is held to analyze and send information for decision-making by the partners.

Before the creation of the committee, meetings and presentation of opportunities were held on specific occasions. Alongside the Boards, Legal Management and Compliance areas, the Tax Committee carries out annual tax reviews in accordance with our tax strategy, with the support of an active tax consultancy with professionals who are experienced in the sector.

## Reporting channel

*GRI 2-251 GRI 2-26 | GRI Sector 13-15*

Our reporting channel is open to our employees and the community, being publicized through billboards, our website, social networks, and internal communication walls. Through this channel, we seek to understand, analyze, and resolve issues relating to misconduct and violations of our Code of Conduct, such as harassment, corruption, bribery, fraud, aggression to the environment, false information, inadequate accounting records, misuse of assets, discrimination, and unethical procedures, in addition to clarifying doubts regarding the interpretation of the Code's guidelines.

To guarantee impartiality and confidentiality in the handling of complaints received, the channel is managed by a specialized outsourced company, which makes the records and directs them to be processed by a strategic group composed of the CEO, the partners, and the HR manager, for the appropriate treatment, where necessary, with support from the Property Security area in the investigation. Regarding topics directly related to business activities, the complaint is forwarded to Internal Audit for treatment.

## Risk management

*GRI 2-25*

Through Risk Management with continuous maintenance of the Risk Map, we analyze, evaluate, treat and monitor risks that may negatively affect the achievement of our goals.

Risk Management contributes to improving performance by identifying opportunities and reducing the probability and/or impact of risks, through Internal Audits, which keep the Risk Map always up to date regarding the controls verified in the organization's operations and activity, ensuring agents' compliance with ethical principles and legal standards.

# The crop year of determination

*INCOME STATEMENT*
*FINANCIAL YEARS ENDED MARCH 31, 2023 AND 2024*

| (In thousands of reais) | 2023 | 2024 |
|---|---|---|
| Net operating revenue | 2,361,042 | 2,426,822 |
| Change in the fair value of biological assets | 34,380 | 56,478 |
| Cost of goods sold | (1,814,727) | (1,949,951) |
| **Gross profit** | **580,695** | **533,349** |
| Sales expenses | (89,661) | (98,428) |
| Reversão de provisão para perda por redução ao valor recuperável | - | 1,305 |
| Administrative and general expenses | (43,655) | (53,995) |
| Other operating income | 5,238 | 55,145 |
| Other operating expenses | (4,325) | (9,968) |
| **Profit before net financial income (expenses) and taxes** | **448,292** | **427,408** |
| Financial income | 89,242 | 84,926 |
| Financial expenses | (377,198) | (314,100) |
| **Net financial expenses** | **(287,956)** | **(229,174)** |
| **Income before taxes** | **160,336** | **198,234** |
| Deferred income tax and social contribution | (1,421) | (7,473) |
| **Net profit for the year** | **158,915** | **190,761** |
| **Items that can be subsequently reclassified to profit or loss** | | |
| Cash flow hedge - effective portion of changes in fair value, net of taxes | 29,223 | 22,254 |
| **Total comprehensive result** | **188,138** | **213,015** |

# Attachments

# GRI indicator book

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| GRI2 GENERAL CONTENTS 2021 | 2-1 Organization details | Page 13 | | | | |
| | 2-2 Entities included in the organization's sustainability reporting | Page 3 | | | | |
| | 2-3 Report period, frequency and contact point | Page 3 | | | | |
| | 2-4 Restatements of information | Page 3 | | | | |
| | 2-5 External assurance | Page 3 | | | | |
| | 2-6 Activities, value chain and other business relationships | Pages 22 and 41 | | | | |
| | 2-7 Employees | Page 30 and Indicator Booklet | | | | |
| | 2-8 Workers who are not employees | Not applicable | | | | |
| | 2-9 Governance structure and composition | Page 65 and Indicator Booklet | | | | |
| | 2-10 Nomination and selection of the highest governance body | Page 65 and Indicator Booklet | | | | |
| | 2-11 Chair of the highest governance body | Page 65 and Indicator Booklet | | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | Page 65 and Indicator Booklet | | | | |
| | 2-13 Delegation of responsibility for managing impacts | Indicator booklet | | | | |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| | 2-14 Role of the highest governance body in sustainability reporting | Indicator booklet | | | | |
| | 2-15 Conflicts of Interest | Indicator booklet | | | | |
| | 2-16 Communication of critical concerns | Page 63 and Indicator Booklet | | | | |
| | 2-17 Collective knowledge of the highest governance body | Page 63 and Indicator Booklet | | | | |
| | 2-18 Evaluation of the performance of the highest governance body | Page 63 and Indicator Booklet | | | | |
| | 2-19 Remuneration policies | Indicator booklet | | | | |
| | 2-20 Process to determine remuneration | Indicator booklet | | | | |
| | 2-21 Annual total compensation ratio | Indicator booklet | | | | |
| | 2-22 Statement on sustainable development strategy | Page 4 | | | | |
| | 2-23 Policy commitment | Indicator booklet | | | | |
| | 2-24 Embedding policy commitments | Indicator booklet | | | | |
| | 2-25 Processes to remediate negative impacts | Page 66 and Indicator Booklet | | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | Page 66 and Indicator Booklet | | | | |
| | 2-27 Compliance with laws and regulations | Indicator booklet | | | | |
| | 2-28 Membership associations | Indicator booklet | | | | |
| | 2-29 Approach to stakeholder engagement | Page 6 and Indicator Booklet | | | | |
| | 2-30 Collective bargaining agreements | Indicator booklet | | | | |

# MATERIAL TOPICS

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| GRI 3 MATERIAL TOPICS 2021 | 3-1 Process to determine material topics | Page 6 and Indicator Booklet | | | | |
| | 3-2 List of material topics | Page 6 and Indicator Booklet | | | | |
| **MATERIAL TOPIC 1: WATER AND EFFLUENTS** | | | | | | |
| | 3-3 Management of material topics | Pages 54 and 55 and Indicator Booklet | | | | 13.7.1 |
| GRI 303 Water 2018 | GRI 303-1 Interactions with water as a shared resource | Pages 54 and 55 and Indicator Booklet | | | | 13.7.2 |
| | GRI 303-2 Management of water discharge-related impacts | Pages 54 and 55 and Indicator Booklet | | | | 13.7.3 |
| | GRI 303-3 Water withdrawal | Pages 54 and 55 and Indicator Booklet | | | | 13.7.4 |
| | GRI 303-4 Water discharge | Pages 54 and 55 and Indicator Booklet | GRI 303-4 Water discharge | Not applicable | There is no water discharge at 5JC Bioenergia. All wastewater and vinasse is used in fertigation. | 13.7.5 |
| | GRI 303-5 Water consumption | Pages 54 and 55 and Indicator Booklet | GRI 303-5 Water consumption | Not applicable | There is no water discharge. Consumption = withdrawal | 13.7.6 |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| **MATERIAL TOPIC 2: SOIL HEALTH** | | | | | | |
| | 3-3 Management of material topics | Page 56 | | | | |
| GRI 13.5 Soil Health – GRI 13 2022 | GRI 13.5.1 | Page 56 | | | | 13.5.1 |
| **TEMA MATERIAL 3: BIODIVERSIDADE E CLIMA** | | | | | | |
| | 3-3 Management of material topics | Pages 25, 57, 58 and 59 | | | | 13.3.1 |
| GRI 304: Biodiversidade 2016 | GRI-304-1 Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas | Page 57 and Indicator Booklet | | | | 13.3.2 |
| | GRI-304-2 Significant impacts of activities, products and services on biodiversity | Page 57 and Indicator Booklet | | | | 13.3.3 |
| | GRI 304-3 Habitats protected or restored | Page 57 and Indicator Booklet | | | | 13.3.4 |
| | GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations | Page 57 and Indicator Booklet | | | | 13.3.5 |
| GRI 13.4 Natural ecosystem conversion – GRI 13 2022 | | Page 57 and Indicator Booklet | | | | 13.4.1, 13.4.2, 13.4.3, 13.4.4, and 13.4.5 |
| GRI 302: Energy 2016 | GRI 302-1 Energy consumption within the organization | Page 25 and Indicator Booklet | | | | |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| GRI 305: Emissions 201 | GRI 305-1 Direct (Scope 1) GHG emissions | Page 59 and Indicator Booklet | | | | 13.1.2 |
| | GRI 305-2 Energy indirect (Scope 2) GHG emissions | Page 59 and Indicator Booklet | | | | 13.1.3 |
| | GRI 305-3 Other indirect (Scope 3) GHG emissions | Page 59 and Indicator Booklet | | | | 13.1.4 |
| | GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (Sox) and other significant air emissions | Page 59 and Indicator Booklet | | | | 13.1.8 |
| GRI 201: Economic performance 2016 | GRI 201-2 Financial implications and other risks and opportunities due to climate change | To be reported in the coming years | | | | 13.2.2 |
| **MATERIAL TOPIC 4: WASTE AND POLLUTION** | | | | | | |
| | 3-3 Management of material topics | Pages 60, 61 and 62 and Indicator Booklet | | | | 13.8.1 |
| GRI 306 – Waste 2020 | GRI 306-1 Waste generation and significant waste-related impacts | Pages 60, 61 and 62 and Indicator Booklet | | | | 13.8.2 |
| | GRI 306-2 Management of significant waste-related impacts | Pages 60, 61 and 62 and Indicator Booklet | | | | 13.8.3 |
| | GRI 306-3 Waste generated | Pages 60, 61 and 62 and Indicator Booklet | | | | 13.8.4 |
| | GRI 306-4 Waste diverted from disposal | Pages 60, 61 and 62 and Indicator Booklet | | | | 13.8.5 |
| | GRI 306-5 Waste directed to disposal | Pages 60, 61 and 62 and Indicator Booklet | | | | 13.8.6 |
| GR113.6-Use of pesticides – GR113 2022 | | Page 51 and Indicator Booklet | | | | 13.6.1,13.6.2 |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| **MATERIAL TOPIC 5: LOCAL COMMUNITIES AND ECONOMIC INCLUSION** | | | | | | |
| | 3-3 Management of material topics | Page 37 and Indicator Booklet | | | | 13.12.1, 13.22.1 |
| GRI 413 – Local communities 2016 | GRI 413-1 Operations with local community involvement, impact assessments, and development programs | Page 37 and Indicator Booklet | | | | 13.12.2 |
| | GRI 413-2 Operations with significant actual and potential negative impacts on local communities | Page 6 and Indicator Booklet | | | | 13.12.3 |
| GRI 203 – Indirect economic impact | GRI 203-1 Investments in infrastructure and supported services | Page 37 and Indicator Booklet | | | | 13.22.3 |
| **MATERIAL TOPIC 6: PEOPLE** | | | | | | |
| | 3-3 Management of material topics | Page 30 | | | | 13.15.1, 13.16.1, 13.17.1, 13.18.1, 13.20.1, 13.21.1 |
| GRI 401 Employment 2016 | 401-1 New employee hires and employee turnover | Page 30 | | | | 13.20.1 |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Page 30 | | | | |
| GRI 404 – Training and education 2016 | 404-1 Average hours of training per year, per employee | Data not available | | | | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | Data not available | | | | |
| | | Data not available | | | | |
| GRI 405 – Diversity and equal opportunities 2016 | 405-1 Diversity of governance bodies and employees | Indicator booklet | | | | 13.15.2 |
| | 405-2 Ratio of basic salary and remuneration of women to men | Indicator booklet | | | | 13.15.3 |
| GRI 406 – Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | Indicator booklet | | | | 13.15.4 |
| 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 | Indicator booklet | | | | 13.18.2 |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| GRI 13.21 Income and living wage – GRI 13 2022 | | Page 30 | | | | 13.21.2 and 13.21.3 |
| GRI 403 Occupational health and safety 2018 | GRI 403-1 Occupational health and safety management system | Pages 31 to 35 and Indicator Booklet | | | | 13.19.2 |
| | GRI 403-2 Hazard identification, risk assessment, and incident investigation | Pages 31 to 35 and Indicator Booklet | | | | 13.19.3 |
| | GRI 403-3 Occupational health services | Pages 31 to 35 and Indicator Booklet | | | | 13.19.4 |
| | GRI 403-4 Worker participation, consultation, and communication of occupational health and safety | Pages 31 to 35 and Indicator Booklet | | | | 13.19.5 |
| | GRI 403-5 Worker training on occupational health and safety | Pages 31 to 35 and Indicator Booklet | | | | 13.19.6 |
| | | Pages 31 to 35 and Indicator Booklet | | | | 13.19.7 |
| | GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pages 31 to 35 and Indicator Booklet | | | | 13.19.8 |
| | GRI 403-8 Workers covered by an occupational health and safety management system | Pages 31 to 35 and Indicator Booklet | | | | 13.19.9 |
| | GRI 403-9 Work-related injuries | Pages 31 to 35 and Indicator Booklet | | | | 13.19.10 |
| | GRI 403-10 Work-related ill health | Pages 31 to 35 and Indicator Booklet | | | | 13.19.11 |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| **MATERIAL TOPIC 7: VALUE CHAIN TRACKING** | | | | | | |
| | 3-3 Management of material topics | Pages 41 and 42 13.23.1 | | | | |
| GRI 308 – Supplier environmental assessment 2016 | GRI 308-1 New suppliers that were selected based on environmental criteria | Indicator booklet | | | | |
| | GRI 308-2 Negative environmental impacts of the supply chain and actions taken | Indicator booklet | | | | |
| GRI 414: Supplier social assessment 2016 | GRI 414-1 New suppliers that were selected based on social criteria | Indicator booklet | | | | |
| | GRI 414-2 Negative social impacts of the supply chain and actions taken | Data not available | | | | |
| GRI 13.23 Supply chain traceability – GRI 13 2022 | | Pages 41 and 42 and Indicator Booklet | | | | 13.23.2, 13.23.3, 13.23.4 |
| GRI 408 Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | Pages 41 and 42 and Indicator Booklet | | | | 13.17.2 |
| GRI 409 Forced or compulsory labor 2016 | 409-1 Operations and suppliers with significant risk for incidents of forced or compulsory labor | Pages 41 and 42 and Indicator Booklet | | | | 13.16.2 |
| **MATERIAL TOPIC 8: GOVERNANCE, ETHICS, AND INTEGRITY** | | | | | | |
| | 3-3 Management of material topics | Pages 63 to 66 | | | | |
| | GRI 2.9 to GRI 2.21 | | | | | |
| GRI 205 Anti-corruption 2016 | GRI 205-1 Operations assessed for risks related to corruption | Page 41 and Indicator Booklet | | | | 13.26.2 |
| | GRI 205-2 Communication and training about anti-corruption policies and procedures | Page 63 and Indicator Booklet | | | | 13.26.3 |
| | GRI 205-3 Confirmed incidents of corruption and actions taken | Page 63 and Indicator Booklet | | | | 13.26.4 |
| GRI 206 Anti-competitive behavior | GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | Indicator booklet | | | | 13.25.2 |

| GRI STANDARD / OTHER SOURCE | CONTENT | LOCATION | OMISSION | | | INDUSTRY STANDARD REFERENCE |
|---|---|---|---|---|---|---|
| | | | OMITTED REQUIREMENT | REASON | EXPLANATION | |
| **MATERIAL TOPIC 9: ECONOMIC DEVELOPMENT** | | | | | | |
| | 3-3 Management of material topics | Page 67 13.22.1 | | | | |
| GRI 201 Economic performance 2016 | GRI 201-1 Direct economic value generated and distributed | Data not available | | | | 13.22.2 |
| **MATERIAL TOPIC 10: FOOD SECURITY** | | | | | | |
| | 3-3 Management of material topics | Pages 39 and 40 and Indicator Booklet | | | | 13.10.1 |
| GRI 416 – Customer health and safety 2016 | GRI 416-1 Assessment of the health and safety impacts of product and service categories | Indicator booklet | | | | 13.10.2 |
| | GRI 416-2 Incidents of non-compliance concerning health and safety impacts of products and services | Indicator booklet | | | | 13.10.3 |
| GRI 13.10 – Food Safety | | Pages 39 and 40 and Indicator Booklet | | | | 13.10.4 |

## Applicable topics in the GRI Sector Standards determined to be non-material

| Topic | |
|---|---|
| GR113.11 Animal health and welfare | Not applicable to SJC Bioenergia's business |
| 13.14 Rights of indigenous peoples | SJC Bioenergia's operations are not located close to indigenous areas |
| 13.24 Public policies | SJC Bioenergia does not make political contributions |

# Credits

Indicator data collection
**Combustech System**

Project management and indicators
**Combustech Tecnologia da Combustão**

Graphic design and layout
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