SUSTAINABILITY REPORT 2020/2021

Tereos

Tereos

Tereos Sugar & Energy Brazil

SUMMARY

WELCOME

Our first Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards, Core option, provides an account of our environmental, social, financial and governance performance in the 2020/2021 crop year, from April 2020 to March 2021. As an exception, GHG Protocol data covers the period from January to December 2020. The report also describes the lessons we learned and the hurdles we faced during this challenging period amid the COVID-19 pandemic. **GRI 102-50**

On the following pages, we present the performance of our seven sugarcane operations in Brazil. We also detail our different fronts of action and how we address material topics identified through stakeholder engagement, and the projects through which we deliver on our purpose to drive sustainability across our value chain. **GRI 102-45, 102-46, 102-52**

If you have any questions about the contents of this report, please do not hesitate to send us a message by email to: esg@tereos.com **GRI 102-53**

We hope you find this report useful and informative.

Stronger together!

Year 2020 was an especially challenging one and required new approaches to working as we learned to deal with the crisis and the uncertainties created by COVID-19. In our response, we immediately implemented health protection and social distancing measures in accordance with recommendations issued by the World Health Organization (WHO) and the Brazilian Ministry of Health. We provided emotional and social support to our employees and their families through a toll-free 24/7 hotline staffed by psychologists and social workers from the partner firm Social Consultoria. Hotline sessions are free and fully confidential.

We also set up a multidisciplinary committee to decide upon, implement and communicate measures to protect the health of our employees and our operational continuity. We monitored all confirmed COVID-19 cases among our employees and their families, who were asked to quarantine while receiving all required support.

Tereos also organized a range of initiatives to support our communities. This included donations of approximately 60,000 liters of 70% alcohol gel to public hospitals and health clinics in municipalities near our sites.

The photos used in this report are from the Company's archives. Photos of people shown without masks were taken prior to the COVID-19 pandemic.

MESSAGE FROM MANAGEMENT GRI 102-14

The United Nations (UN) adopted the Sustainable Development Goals (SDGs) in 2015 as a global agenda of challenges to be addressed by 2030. The SDGs provide a unique opportunity for us to consider our purpose as a company and how the Goals connect to our business.

We identified 12 of the 17 SDGs as being relevant to our business during our first materiality assessment, in which we used a structured process to engage with our internal and external stakeholders—to whom we have a genuine, long-term commitment to sustainable growth. A materiality exercise is an important tool to help understand our stakeholders' views on our impacts and how we manage them.

More than just a producer of sugar, ethanol (a clean fuel) and electricity, and being one of the leading player in Brazil's sugar and energy industry (a member of French group Tereos), we aim to increasingly become a supplier of sustainable solutions. We produce renewable electricity from sugarcane bagasse, helping to reverse the rising trend in CO_2 emissions. Clean energy is the future, and we are currently pursuing a wide range of initiatives to produce cleaner electricity, including potential power plant projects using biomethane in replacement of fossil fuels.

Our sustainability-related programs and policies enabled us to secure more than R$ 1 billion in green finance in the 2020/2021 crop year, a figure that rose to R$ 1.5 billion in the first half of 2021. Tereos pursues growth within a model that places the circular economy at the core of our business. This model enables us to extract maximum value from agricultural raw materials, using a measured and controlled environmental approach that prioritizes sustainability in our activities.

We aim to contribute to climate stewardship through operations run by diverse teams who are well equipped to deliver intelligent solutions to our markets.

This puts people management as a guidance of the initiatives and mindsets that make us the company we are today and the company we want to build in the future. Read on to learn about our crop year in 2020/2021.

Pierre Santoul
President-director
Tereos Sugar & Energy Brazil

We support the sustainable management by offering intelligent solutions we deliver to our markets

The 2020/2021 crop year at a glance

A score of 69 on EcoVadis, a business sustainability ratings platform designed to improve supply-chain sustainability performance

30% of raw materials assessed/certified as sustainable

48% of raw materials are sourced from sugacane producers and **52%** from our own operations

2,250 seedlings planted for voluntary spring rehabilitation

750 thousand seedlings donated over a five-year period

R$ 212 million in net profit

R$ 4.4 billion in net revenue

R$ 1.76 billion in EBITDA

R$ 1.5 billion in green finance until June 2021

1.2 million metric tons of sugar exported

7 agro-industries plants

1 distribution and packaging center

8,357 employees

670 sugarcane suppliers

20.9 million metric tons of sugarcane processed

29% of processed volume certified by Bonsucro, the foremost sustainability initiative in the sugar and energy industry

1.9 million metric tons of sugar produced

OUR ESSENCE

At our 7 plants

we produce sugar, ethanol, electricity and sustainable solutions

Welcome to Tereos Sugar & Energy Brazil

We are one of the leading players in Brazil's sugar and energy industry and a member of French group Tereos, the world's second-largest sugar producer. Our Brazil head office is based in Olímpia, São Paulo, and we rank as the second largest sugar producer in the country. **GRI 102-1, 102-3, 102-5**

We are committed to supplying high-quality products from each of our seven plants in the northwest of São Paulo State. Our product portfolio of sugar, ethanol and electricity serves customers in the food and beverage, energy and animal nutrition industries, in both local and international markets (Venezuela, United States, Netherlands and Asia). **GRI 102-2, 102-4, 102-6, 102-7**

Our purpose as a company, however, is not confined to business performance. We believe our company can only grow if we do so together with society and in an ethical, socially and environmentally responsible manner. In our efforts to enhance our positive impacts, we use an approach that is underpinned by four shared values—proximity, openness, a long-term commitment and an entrepreneurial spirit—and five guiding pillars.

SUSTAINABLY PERFORMING AGRICULTURE

Increase yields while reducing our environmental footprint.

POSITIVE INDUSTRY

Reduce water and energy consumption and recycle non-food by-products in our plants.

SAFETY

Make Health & Safety our Number One priority for our employees and suppliers.

NUTRITION

Develop innovative solutions that meet the nutritional needs of our customers.

LOCAL DEVELOPMENT

Support employment and skills development in the regions where we operate.

We support climate stewardship through operations run by diverse teams

SDGs

Looking to the future, the UN Sustainable Development Goals (SDGs) point the way for us to actively participate in building the legacy we want to leave for current and future generations—one that meets our stakeholders' expectations and society's demands for a more sustainable world, while creating value for the business and ensuring our strategies are successful in the long term.

Business Model

How we implement our value creation model in a way that is responsible, connected to our purpose and sustainable

financial capital
.loans and financing
.green bonds (Green CRAs)
.revenue under long-term contracts
.equity (global shareholder)

natural capital
.water resources, rainfall, soil and soil nutrients

manufactured capital
.industrial facilities
.farming equipment

social and relationship capital
.strategic network of agricultural partners and suppliers

human and intellectual capital
.8,357 employees and
.670 agricultural suppliers

circular reuse of process by products (filter cake, vinasse, yeast and ash) and bagasse (electric power)

KEY ACTIVITIES

know-how and expertise

business optimization through technological innovation and analytics

farm and mill automation and technology

Tereos

DELIVERING RESULTS (OUTPUTS)

affordable food and renewable energy to meet society's changing needs

VALUE CREATION (OUTCOME)

financial capital
.recurring investment, taxes and capital flows
.shareholder returns and financial security

natural capital
.environmental services (carbon capture)
.renewable electricity

manufactured capital
.value creation for customers (quality and differentiated services)

social and relationship capital
.long-term relationships (partners, customers, providers of capital and communities)
.production of sugar for food
.awareness raising about responsible sugar consumption
.social support

human capital
.jobs and income

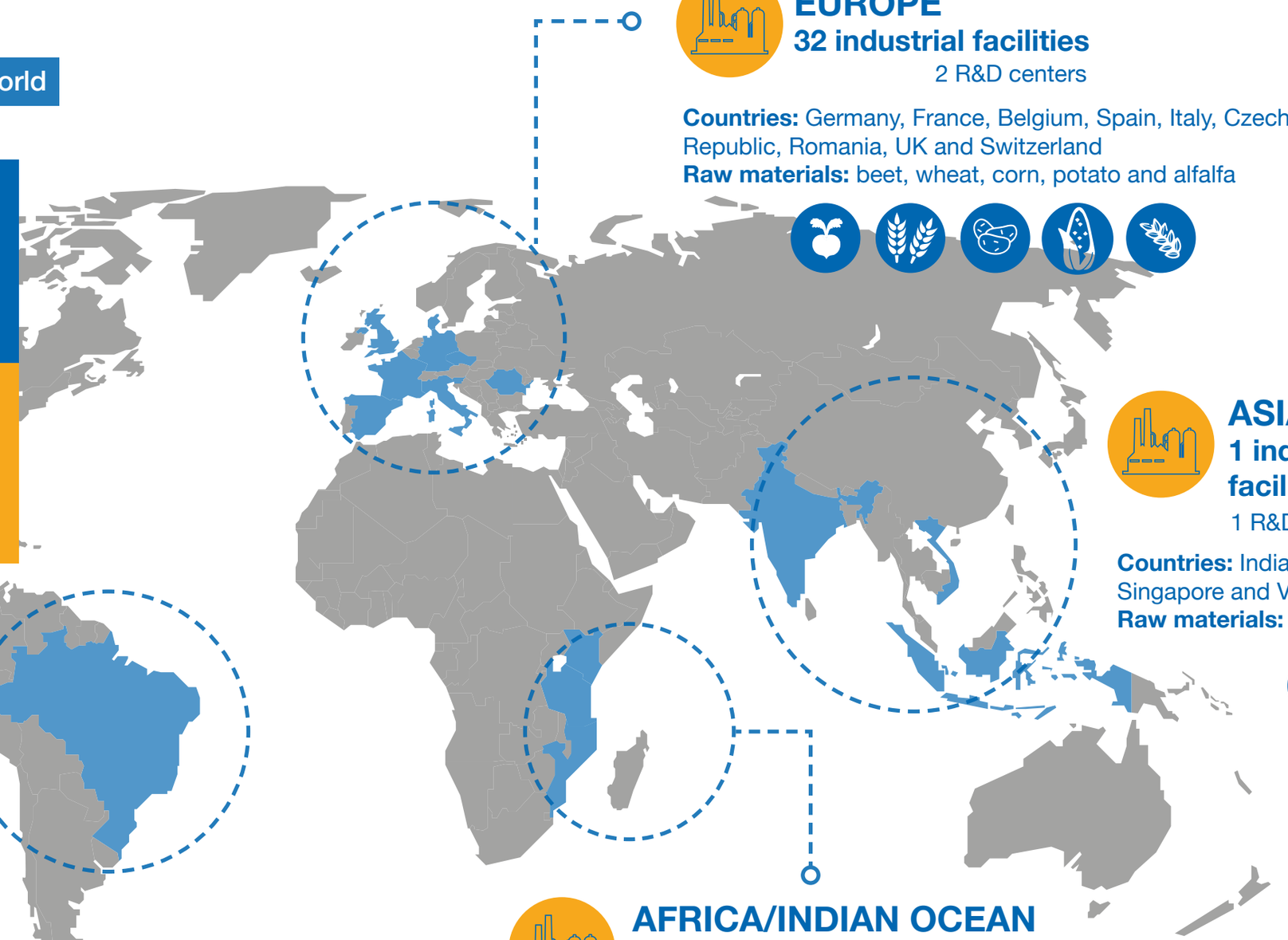
Global presence

Tereos Group operations around the world

46
INDUSTRIAL FACILITIES IN 11 COUNTRIES

PRESENT IN 17 COUNTRIES

- Tereos Commodities sales offices
- R&D centers



EUROPE
32 industrial facilities
2 R&D centers

Countries: Germany, France, Belgium, Spain, Italy, Czech Republic, Romania, UK and Switzerland
Raw materials: beet, wheat, corn, potato and alfalfa

ASIA
1 industrial facility
1 R&D center

Countries: India, Indonesia, Singapore and Vietnam
Raw materials: wheat and corn

LATIN AMERICA
8 industrial facilities

Country: Brazil
Raw materials: sugarcane, corn and cassava

AFRICA/INDIAN OCEAN
5 industrial facilities
1 R&D center

Countries: Reunion Island (France), Tanzania, Mozambique and Kenya
Raw materials: sugarcane

The scope of this report covers our seven sugarcane mills in Brazil only.

Operations in Brazil

The seven agro-industries plants of Tereos Sugar & Energy Brazil are located in the northwest of São Paulo State. All sites are certified within RenovaBio, Brazil's National Biofuels Program, which aims to reduce greenhouse gas emissions in Brazil by expanding the production, marketing and use of biofuels (ethanol and biodiesel). *Read more on page 65.* **GRI 102-4**

FACILITIES	LOCATION
Andrade	Pitangueiras
Cruz Alta	Olímpia
São José	Colina
Severínia	Severínia
Mandu	Guaíra
Tanabi	Tanabi
Vertente*	Guaraci

**Tereos co-owns 50% in partnership with Humus Group*

We are one of the **leading player** in Brazil's sugar and energy industry

Our materiality topics

GRI 102-21, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-49

Our eight material topics are connected to Tereos Group's global strategy. Identifying these topics is important in understanding stakeholder perceptions of our impacts and management approach, and prioritizing the topics to be addressed by our leadership team and communicated to society through public documents such as this report.

Material topics were identified through structured stakeholder engagement, including a survey of internal and external stakeholders. In total, we received 841 survey responses and held seven interviews with senior leadership.

The materiality assessment used a four-stage approach—identification, prioritization, analysis and validation—and was reviewed by senior management. We also reviewed sector-specific documents such as the GRI Sustainability Topics for Sectors (Food Production and Agricultural Production); GlobeScan Sustainability; SASB; the Robeco SAM Sustainability Yearbook 2020; IFC-Bonsucro, as well as benchmarking sustainability reports from other companies in our industry.

Sustainability agenda

We believe companies can be important agents of economic development and play a significant role in shaping the future of our planet. We have a culture in place that helps to drive eco-efficiency in our operations and ensures we take care of our people, who are at the center of our strategy and our decisions. We recognize that sustainable development applied for business is the ethical acting, in a way that meets the needs of the present without compromising the ability of future generations to meet their own needs and the regeneration of our planet.

A sustainable business model is one in which economic growth, environmental preservation and social inclusion are in harmony and balance.

Our sustainability agenda is based on the UN Sustainable Development Goals (SDGs) a plan of action for people and organizations. The 17 SDGs and their 169 targets have an overarching goal of combating climate change and poverty through 2030. Our business is specifically connected to 12 SDGs:

GRI 103-1

Occupational Health & Safety

GRI 403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Implementing best practices in occupational health and safety; driving continuous improvement in safety management and reducing accidents and injuries; ensuring workers are provided with decent working conditions in our value chain.

Impact: within the organization.
2029/2030: *enhance our occupational safety culture.*

Diversity, Inclusion and Human Rights

GRI 405-1, 405-2, 406-1, 408-1, 409-1, 412-1, 412-2

Ensuring gender equity and representation at all levels of the organization; advancing social inclusion and human rights; supporting public policies that promote equal opportunity without discrimination; engage and maintain due diligence practices with respect to human rights.

Impact: within the organization.
2029/2030: *achieve 17.5% women in leadership positions and 15% women in our overall workforce.*

Innovation & Technology

GRI 418-1

Deploying remote crop monitoring technology; information security and data privacy; advancing research, development and innovation in product design; prioritizing renewable energy solutions and technologies; engaging in research and development on energy efficiency; innovation in services.

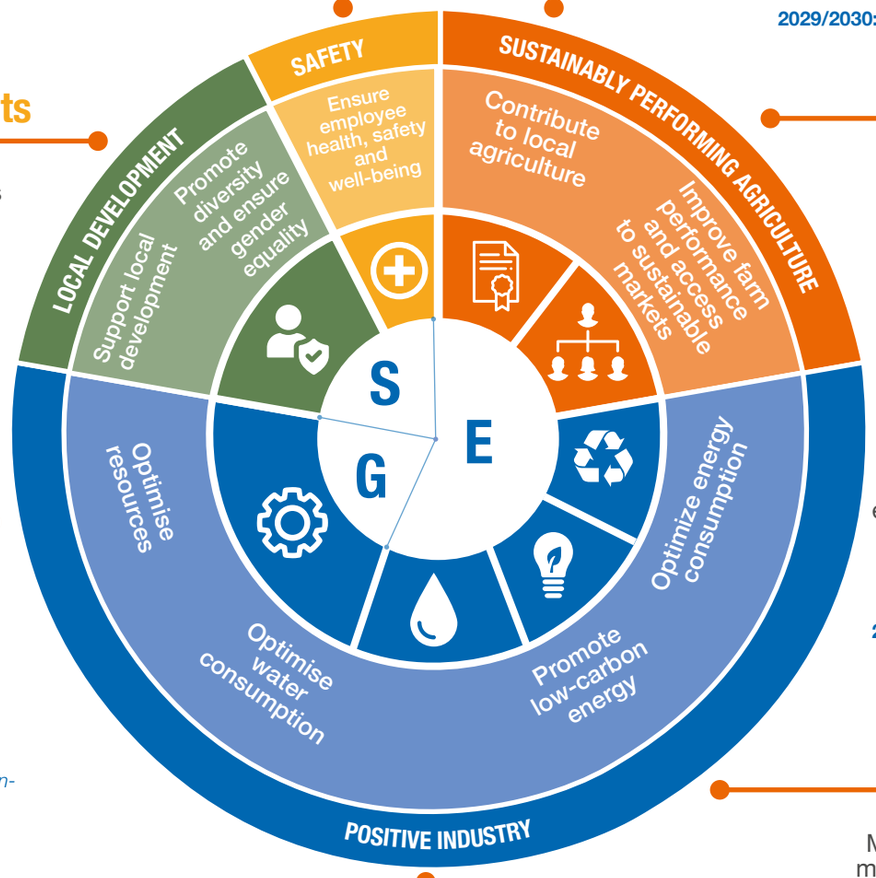
Impact: within and outside the organization.
2029/2030: *focus on chain integration; improve forecasting for better-informed decisions, through cooperation and collaboration.*

Water Stewardship

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Managing risks related to water withdrawals; effluents management; ensuring water is used efficiently; managing water stress, water permits and water quality; promoting policies on water reuse, treatment and efficiency.

Impact: within and outside the organization.
2029/2030: *reduce water withdrawals per metric ton of sugarcane by 21.5% from the 2017/2018 baseline.*



Social and Environmental Certification

(SASB) FB-AG-430 a.1

Implementing good agricultural and operational practices, audited and certified against social and environmental standards; enhancing credit worthiness and developing institutional partnerships.

Impact: within and outside the organization.
2029/2030: *maintain current certifications and obtain Great Place to Work certification.*

Sustainable Value Chain

GRI 102-9, 308-1, 308-2, 414-1

Promoting the qualification and selecting suppliers based on social and environmental criteria; implementing best practices for responsible sourcing in our supply chain.

Impact: outside the organization.
2029/2030: *achieve 75% of raw materials evaluated/certified as sustainable*

Circular Economy and Energy Efficiency

GRI 302-1, 302-2, 302-3, 306-1, 306-2, 306-3, 306-4, 306-5

Managing resources and inputs; driving operational excellence, including responsible waste management and higher value capture throughout the sugarcane lifecycle; generating energy from renewable sources.

Impact: within and outside the organization
2029/2030: *expand initiatives to use organic rather than chemical fertilizers; replace 100% of diesel fuel used in sugarcane haul trucks by biomethane.*

Climate Change and Air Emissions

GRI 201-2, 305-1, 305-2, 305-3, 305-4, 305-6, 305-7

Managing greenhouse gas (GHG) and pollutant emissions; managing climate-related risks and opportunities, including physical and transition risks (regulatory and carbon-tax risks); investing in climate-change mitigation and response initiatives; measuring progress on these initiatives and commitments; and climate governance (incentives, variable compensation, and roles and responsibilities).

Impact: within and outside the organization.
2029/2030: *embed climate-change aspects and air emissions in decision-making.*

**2029/2030: refers to targets set for this period.*

Corporate governance GRI 102-18

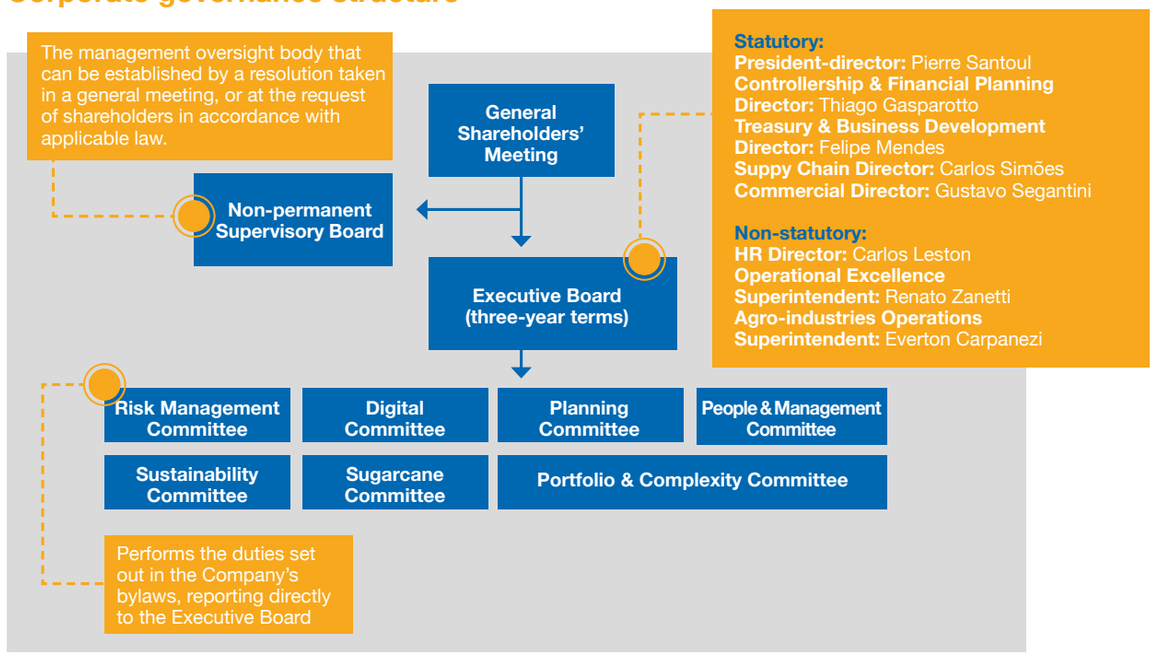
Tereos' governance bodies are responsible for setting our strategic direction in line with the Tereos Ethical Charter and our commitment to promoting sustainable development in our company. In 2021 we reformulated our Sustainability Committee to strengthen its efforts to design strategies and initiatives addressing environmental, social and governance (ESG) aspects.

Alongside the Sustainability Committee, we have the Water Committee focused on water stewardship; the Performance Committee to assess the performance of potential talents; and the Crisis Committee responsible for leading our response to crises within and outside the company.

We are committed to enhancing governance, risk management and compliance practices across our operations, including both employees and business partners. We aim to strengthen our culture of integrity, accountability and good commercial practices.

Sound governance underpins our efforts to improve performance, mitigate risks and track progress against strategic goals.

Corporate governance structure



Internal committees and policies support management decision-making at Tereos Sugar & Energy Brazil

Tereos Sugar & Energy Brazil is majority-owned by Brazilian holding company Tereos Internacional S.A., which holds a 57.27% equity interest, and minority-owned by Tereos Group company Tereos Participations S.A.S. (France), with a 42.73% interest. Tereos Group is controlled by Tereos SCA, a French agricultural cooperative with approximately 12,000 cooperative members.

Global group structure

As a member of Tereos Group, a French conglomerate with a presence in Brazil since 2000, we report to a global governance structure consisting of the following bodies:

- **Executive committee:** design group strategy to be submitted to Supervisory board;
- **Management committee:** ensure consistency in strategy implementation and monitor results;
- **Group leadership team:** executes business strategy and cascades matters from the leadership team across sites and functions;
- **Management forum:** share management challenges, milestones, good practices and execution of local strategic plans.

Ethics, compliance and risk management

GRI 102-11, 102-16

Ethics and integrity are a guiding principle at Tereos, as is compliance with applicable local and foreign laws and regulations in our business conduct and in our dealings with stakeholders. We recognize that disseminating a culture of ethics, as a tool for transparency and a best practice, is essential to our competitiveness and long-term sustainability.

To ensure these values are disseminated across the organization, we have a compliance function that is responsible for matters and initiatives related to our integrity and ethics programs and policies. These are important tools in raising awareness about compliance-related risks. The compliance function's role is to strengthen integrity as a value and standard of expected behavior among employees and business partners.

We regularly invest in training and communications, and have processes in place to address employees' questions about our Ethical Charter internal standards and guidelines, and other matters. Our Ethical Charter sets out standards of behavior that are adopted across the Tereos Group, and requires a clear commitment to upholding those standards. During onboarding, all employees are required to sign a statement of affirmation of the Ethical Charter.

Risk management is an essential tool to identify critical factors that expose our business protect our reputation, and inform improvements to our policies and strategies. In addition to mitigating risks, coordinated risk management by our Internal Audit function helps to strengthen our governance structure, enhance transparency in our relationships with stakeholders, and facilitate delivery on long- and short-term goals.

> We are committed to enhancing governance, risk management and compliance practices

CUSTOMER PRIVACY
GRI 103-2, 103-3 |418

The Tereos Ethical Charter provides guidance on dealing with customer privacy issues, and we also draw guidance from the Brazilian General Data Protection Regulation (BR GDPR) to ensure we are compliant with the rules governing the protection of personal and/or business data. We monitor complaints related to privacy violations and loss of customer data through a dedicated channel (contatolgpd@tereos.com), and we have appointed a Data Protection Officer (DPO) as required by the new regulations. **GRI 418-1**

Confidential reporting

GRI 103-2

OMBUDSMAN CHANNEL

Tereos Sugar & Energy Brazil has an Ombudsman Channel through which stakeholders can submit reports on any violations of Company policies or applicable laws and regulations. The channel is independently operated and is available to all stakeholders, both internal and external. In 2020 we received three reports on concerns related to sustainability and the environment. All three reports were resolved.

The Ombudsman Channel is communicated across our plants and to external stakeholders. All reports are kept confidential by the third-party firm engaged to operate the channel, and are investigated confidentially, independently and without retaliation against the whistleblower.

Our contact details:

Phone: 0800.424.1000
E-mail: ouvidoria@tereos.com
Website: https://denuncia.iaudit.com.br/sistema/tereos

HOW WE DO BUSINESS

29%

of processed sugarcane is Bonsucro certified

48%

of raw materials are sourced directly from sugarcane growers

Our business

Tereos Sugar & Energy Brazil grows and processes sugarcane into sugar, biofuel (ethanol), subproducts (from the sugar and ethanol production process) and renewable electricity (using sugarcane bagasse as fuel). Enhancing sustainability across our value chain is a key challenge for us.

Our success in delivering on our purpose is supported by the engagement of our leadership team and employees, the commitments and principles that guide our way of doing business, and our commitment to the long-term sustainability management.

Sugarcane

We ended the 2020/2021 crop year with a record sugarcane processed of 20.9 million metric tons, up 10% on the previous crop year.

Total Recoverable Sugar (TRS) yield was 12 metric tons of sugar per hectare, higher than the average for the Brazil' Center-South region. TRS is a measure of sugarcane quality and the capacity to transform into sugar or ethanol.

Seedling biofactory

In 2020 we started operation of our pre-sprouted seedling (PSS) biofactory in Guaíra (SP), to accelerate production of new varieties with high phytosanitary and genetic quality. The new biofactory—the largest in the sector—has been developed as part of our plan to improve sugarcane yields, alongside other initiatives such as crop management methods and technology-enabled harvesting.

Around 10 different sugarcane varieties will be multiplied at the biofactory. In the two previous crop years we expanded the amount of area planted with pre-sprouted seedlings by 50%.

Our seven plants have Green Ethanol certification from the São Paulo State Environmental Authority

Sugar and biofuel (ethanol)

Our production mix in the year was 62% sugar (1.9 million metric tons)—up 21% from the previous crop year—and 38% ethanol (738 thousand cubic meters), up 13% from the previous crop year. With the logistics partnership we recently established with VLI, our sugar exports expanded by 57% (1.15 million metric tons) in the year. On the Brazilian market, Guarani-branded sugar is sold to the leading supermarket chains, to achieve to end consumers.

The ethanol we produce has been certified by the Brazilian oil and biofuels regulator, ANP, within the RenovaBio program, which provides incentives for the production of biofuels in the form of decarbonization credits (CBios). Tereos Sugar & Energy Brazil has the best average CBios factor among the five largest certified group of mills.

We actively participate in RenovaBio, a Brazilian program to accelerate the production of biofuels

Guarani – More Than Sugar

Our Guarani-branded sugar products are in thousands of Brazilian homes, providing food security and nutrition, as highlighted in a campaign under the slogan *Tudo na medida faz bem* ("Everything in moderation is good for you").

Our industry-first e-commerce platform (www.aguarani.com.br), launched in 2018, provides a practical and convenient customer experience for small and medium-sized businesses to source products directly from our mills on special terms.

The platform has seen steadily improving figures year over year, with the number of registered customers increasing by more than 270% from 2020 to 2021, while also helping us to build closer relationships with merchants and consumers. The platform has also helped to expand our Guarani market share to second place in Brazil, according to the Brazilian Supermarket Association (ABRAS).

Guarani is an integral part of our environmental stewardship efforts. Guarani-branded products carry the *Eureciclo* stamp as part of a reverse logistics partnership that has supported post-consumer packaging return rates of 22%.

In crop year 2020/2021, 267 metric tons of paper and plastic were processed by dozens of cooperatives in Brazil through this partnership.

Guarani +Mais que Açúcar

Bioelectricity

Electricity output from sugarcane bagasse increased to 1,765 GWh from 1,531 GWh in the previous crop year. Electricity exports to the grid rose by 18% to 1,155 GWh, reflecting investments at our plants.

Tereos has invested in researching new technologies and implementing initiatives to efficiently produce electricity from other sustainable sources, including biogas.

Other products

Dry sugarcane yeast: through a partnership with ICC, a Brazilian animal nutrition company, the yeast produced at the Mandu site in Guaíra (SP) is now exported to more than 65 countries. The product, produced by drying the yeast-cream residue from the fermentation step in ethanol production, is rich in amino acids, vitamins and proteins, making it a valuable ingredient for animal feeds. In 2020, Tereos Sugar & Energy Brazil produced 4,500 metric tons of the product.

Guarani-branded products carry the *Eureciclo* reverse logistics stamp

Food quality and safety

Domestic and foreign markets for sugar are increasingly demanding quality attributes that extend beyond nutritional content. Among these requirements is food safety—providing assurance that products can be consumed without posing a health risk. Our products are audited against several different food quality and safety standards, including ISO 22000; FSSC 22000; Kosher and Halal (*read more in the section on Certifications, pages 78 and 79.*).

At Tereos Sugar & Energy Brazil, our continuous improvement initiatives are organized around three challenges: enhancing food safety and sustainability; capturing energy from all types of biomass; and improving field and mill processes.

Several actions, such as our product manual, help to improve transparency toward customers around our production processes

We have several policies in place on food quality and safety:

- The Quality Charter, signed by group chairman Philippe de Raynal, guides our efforts to ensure product quality and customer satisfaction
- The 8 Golden Rules/8 Quality Priorities guide employee behavior to achieve excellence in quality
- Our Safe Sugar Program foster's a safety culture in food (sugar) production, with monthly on-site assessments
- Testing Workflows establish food quality and safety assessment procedures for the teams at different departments
- Quality Incident Management is used to assess and address any quality deviations affecting different production steps
- Product Manual provides details on the production process for sugar, ethanol, electricity and yeast, for example, and information on customer-facing procedures;
- The Laundry Manual provides to the service providers instructions on washing packaging (big bags).

Our aim with these programs and policies is to enhance overall quality by standardizing processes, driving continuous improvement through multidisciplinary teams, and reducing costs—ultimately increasing customer satisfaction

Innovation and technology

We implement innovation initiatives to drive competitive advantage across the financial, agricultural and sustainability dimensions. Some of our key innovation fronts include, for example, new sugarcane varieties, pest and weed control, tilling and harvesting, in-field drone use, and real-time information for in-field decision support.

Our agricultural experimentation and new technology functions monitor our innovation and technology efforts using subject matter-specific assessment protocols and performance indicators.

We leverage development programs and initiatives such as the Sugar and Energy Industry Incentive Program (PAISS), research financing from the Brazilian Research Funding Agency (FINEP) and partnerships with the São Paulo State Research Funding Foundation (FAPESP) and the Brazilian Agricultural Research Corporation (EMBRAPA).

Among our innovation projects is Galileo, which uses artificial intelligence to support agile and accurate decision-making in our field operations. Another in-house project, Tereos' Business Opportunity Search System (B.O.S.S.), supports market analysis and faster commercial decision-making during negotiations.

Industry 4.0

We have extensively invested in digital technologies—including artificial intelligence, big data, advanced analytics, digital twin, real-time optimizers and the Internet of Things (IoT)—to strategically enhance business performance.

The Cruz Alta plant was the first Tereos Group facility to deploy these technologies to achieve operational, safety and other improvements. This has optimized the work organization by providing a real-time view of key production indicators. The benefits from these technologies are manifold, starting when employees arrive on site. After passing through access control via face recognition, personal protective equipment is checked out automatically, and employee routines are more agile and integrated, enabling real-time decision-making. This streamlines tasks and helps to improve productivity.

Galileo

INDÚSTRIA 4.0

projeto oasis

From field to mill

In the first half of 2021 we rolled out Oasis, our new agricultural operations system. This digital platform centralizes virtually all field-related information, including: grower contracts, harvest planning, operations records, harvest and price trends, and other data. Oasis allows to create "ID cards", that track sugarcane information from field to mill, reducing the likelihood of errors caused by manual data entry.

But even before implementing the new system, precision agriculture tool, technological resources, good practices and good tilling in our fields were already been used.

Economic performance

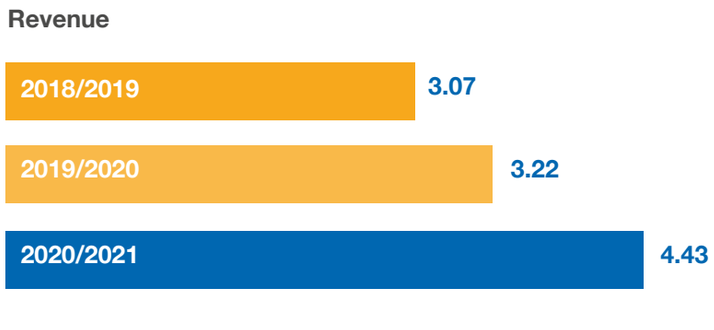
Although economic performance is not among our material topics, we address it as cutting across all material topics. This approach has made our operations more effective and has helped to position Tereos Group as the second largest producer of sugar globally. Net profit was R$ 212 million in the crop year, a 13.2-times increase from the previous crop year on the back of higher real-denominated sugar prices and higher crush volumes.

Adjusted EBITDA increased 56% from crop year 2019/2020 to R$ 1.76 billion. Revenue was R$ 4.43 billion, up 38%.

In Brazil, foreign-exchange movements were a major driver of higher prices on sugar exports, which totaled 1.2 million metric tons or 2/3 of our total sugar output. Out of our total sugarcane processed 62% was transformed into sugar.

In addition to better pricing on exports, we also set a sugarcane processing record: 20.9 million metric tons, up 10% on the previous crop year.

Direct economic value generated (billion R$)



Economic value distributed (billion R$)

Distributed	2018/2019	2019/2020	2020/2021
Operating expenses	2.73	2.42	3.29
Employee salaries and benefits	0.54	0.52	0.55
Payments to providers of capital	0.26	0.26	0.21
Payments to government[1]	NA	NA	NA
Community investments[2]	NA	NA	NA
Total	**3.53**	**3.20**	**4.05**

[1, 2] *Information not available.*

Economic value retained (billion R$)

	2018/2019	2019/2020	2020/2021
"Direct economic value generated" less "Economic value distributed"	-0.46	0.01	0.38

Economic value distributed (%)

Distributed	2018/2019	2019/2020	2020/2021
Operational expenses	77.31	75.44	81.11
Employees salaries and benefits	15.39	16.30	13.61
Payments to providers of capital	7.30	8.26	5.28
Payments to government[1]	NA	NA	NA
Community investments[2]	NA	NA	NA
Total	**100**	**100**	**100**

[1, 2] *Information not available.*

Climate change

We monitor the impacts from climate change on our business, with water stress being among the most important. The financial implications from climate change range from poor crop development to operating disruptions at our plants. To mitigate this risk, we have developed and implemented projects to reduce consumption and increase recycling in order to minimize water withdrawals and the production of wastewater. Another way we are addressing climate change is through projects to replace fossil fuels and to produce electricity from sugarcane bagasse. This has helped to lower our CO_2 emissions, and we also have the option to offset emissions in voluntary markets.

A virtuous model

Tereos pursues growth within a sustainable model that places the circular economy at the core of our business. This enables us to extract maximum value from agricultural raw materials, and makes sustainability central to our activities

1

Sugarcane is sourced from our own plantations and suppliers

2

At our seven mills, harvested sugarcane is crushed to extract the juice from which we produce sugar and ethanol

3

Certification within RenovaBio entitles us to sell decarbonization credits (CBios), while our Bonsucro certification enables us to sell sustainability credits

sugar

ethanol

credits

4

Vinasse, a byproduct from sugarcane distillation, is used for fertigation in our sugarcane fields. Other waste materials, such as filter cake (from the sugar production process) and ash (from the boilers), are also used as fertilizers

5

Organic waste from our internal restaurants is composted and used as a fertilizer on our gardens and in seedling nurseries

6

Dry yeast, produced by drying yeast cream (a residue from the fermentation stage of ethanol production), is a valuable ingredient for animal feeds

animal nutrition
fish nutrition
organic fertilization

7

A project currently under development will produce a biogas (a renewable gas produced by biodigestion) that can fuel vehicles and generate electricity

biogas

8

Sugarcane bagasse is used to produce steam as heat energy that is then converted into electricity

electricity

9

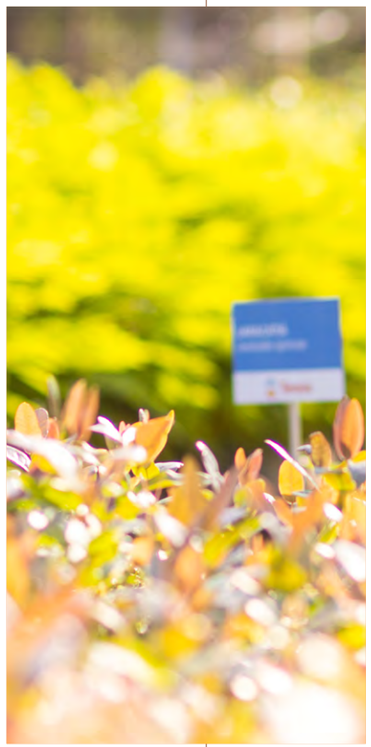
The gigawatt hours (GWh) that are not consumed on-site are exported to the grid

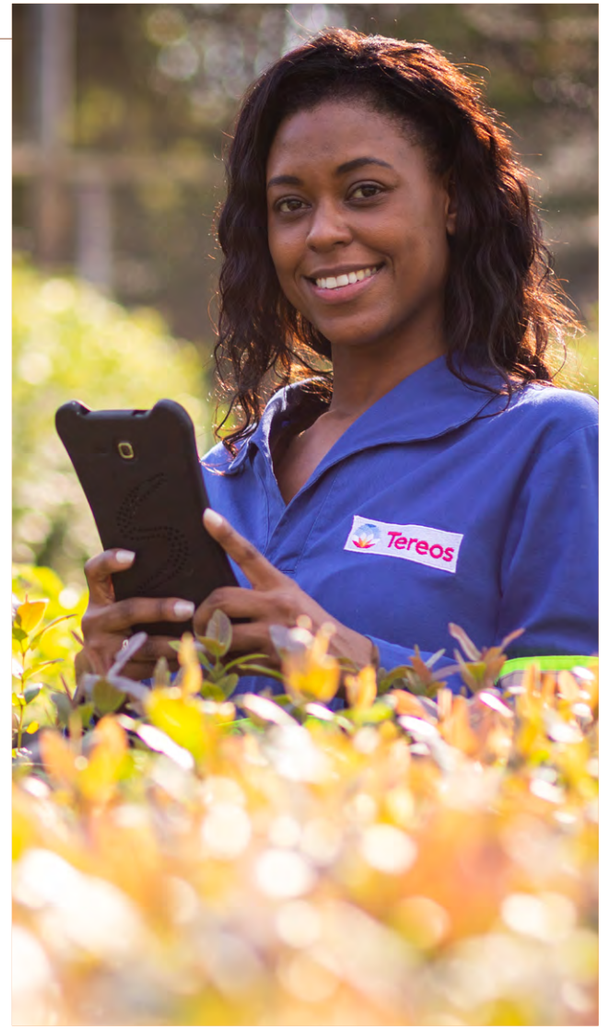
electricity output to the grid

10

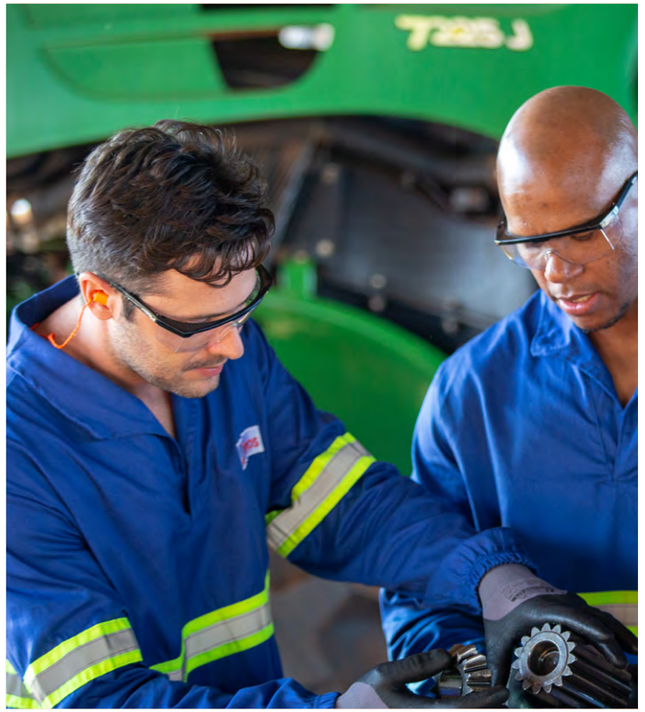
Part of the water we use in our industrial facilities can be recycled back to certain processes, or used for fertigation in our sugarcane fields

Holding tanks





PEOPLE



8,357
trained and committed employees in our workforce

Our people

GRI 102-8, 103-2, 103-3 |401|405|406|412

We recognize that a productive workplace environment that supports good business results hinges on ensuring employee development and well-being. This puts people management at the heart of the initiatives and mindsets that make us the company we are today and the company we want to build in the future.

One way we achieve this is by attracting, developing and retaining people who are aligned with our strategies and values. We have set a target of filling 70% of vacancies out of our internal pool of talents, as a way to recognize employee performance. We encourage employees to attend training in different areas—from technical to leadership skills—through the Tereos Academy.

We also invest in improving the organizational climate and work to identify opportunities for our people. One of the tools we use is the Mercer survey, which informs the "Best for People Management" awards organized in collaboration with Brazilian newspaper *Valor Econômico*.

For the fifth consecutive year we ranked among the five top companies in the awards (in the 7,001 to 17,000 employees category). This recognition can be largely credited to our highly engaged workforce, responsible leadership teams, our organizational agility and our workplace environment—four pillars to which we attach great importance.

We provide to our employees a range of benefits, including health and dental assistance, pharmacy discounts, among others. Seasonal harvest workers (from April to November) are hired under the same rules as for permanent employees, and have the opportunity to change the contract and pursue a career with Tereos. GRI 401-2

We are committed to diversity and equal opportunity, to respect human rights, with International Labor Organization (ILO) conventions, and with the UN Convention on the Rights of the Child. All our operations are subject to human rights reviews or impact assessments. GRI 412-1

Despite the challenges created by the pandemic, we preserved jobs and ended the crop year with a workforce of 8,357 trained and committed employees (4.05% more than in the previous crop year).

DiversificaTereos

We launched our *Diversifica Tereos* program, a set of initiatives to promote diversity and inclusion

Workforce by employment contract and gender[1]

Contract type	2018/2019			2019/2020			2020/2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent	6,742	475	7,217	6,715	511	7,226	6,878	540	7,418
Temporary	728	77	805	884	95	979	860	79	939
Total	**7,470**	**552**	**8,022**	**7,599**	**606**	**8,205**	**7,738**	**619**	**8,357**

[1] *All employees are based in the Southeast of Brazil.*

Workforce by employment type

Contract type	2018/2019			2019/2020			2020/2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full time	7,466	546	8,012	7,594	602	8,196	7,734	615	8,349
Part time	4	6	10	4	5	9	4	4	8
Total	**7,470**	**552**	**8,022**	**7,598**	**607**	**8,205**	**7,738**	**619**	**8,357**

Employees by age group

	2018/2019	2019/2020	2020/2021
Under 30	2,061	2,093	2,065
30 to 50	4,753	4,872	4,971
Over 50	1,208	1,240	1,321
Total	**8,022**	**8,205**	**8,357**

Workforce by employee category

	2018/2019	2019/2020	2020/2021
Executives	81	84	83
Managers	221	210	188
Leaders	449	488	552
Supervisors	45	59	79
Operational	6,549	6,635	6,790
Technical/ Administrative	677	729	665
Total	**8,022**	**8,205**	**8,357**

We are committed to diversity and equal opportunity

Developing talents

Tereos has a set of four talent gateway, training and career development programs. *Jovens Talentos* ("Young Talents") is a program for university students joining the Company as interns—in 2020 we had a total of 82 interns within the program, a 57.6% increase compared to the previous year. We also offer the Tereos Summer Experience, a summer internship program for undergraduate students. In 2020, seven students attended the program across our agricultural and industry operations.

Tereos' Apprentice Program helps to improve youth employability by offering theoretical courses at schools and hands-on training at our plants. A total of 315 students participated in the crop year, 2.5 times more than in the previous crop year.

In collaboration with the Pescar foundation, the program also offers courses to youth from disadvantaged backgrounds. Through this partnership, we offer theoretical training administered by volunteer employees.

Our Trainee Program gives newly graduated candidates an opportunity to learn about our processes and build a leadership career with Tereos. On an exceptional basis, no trainees were hired in 2020 as the program was undergoing a reformulation.

We also have a program for people with disabilities (PwDs), which in 2020 was attended by 95 professionals. Tereos has developed a diversity and inclusion handbook containing guidance based on International Labor Organization (ILO) conventions.

PROGRAMA Trainee 2021 Tereos

New hires and turnover GRI 401-1

Hired employees by age group	2018/2019		2019/2020		2020/2021	
	No.	Rate	No.	Rate	No.	Rate
Under 30	893	0.43	1,473	0.70	1,054	0.51
30 - 50	906	0.19	1,363	0.28	1,057	0.22
Over 50	160	0.13	207	0.17	133	0.10
Total	**1,959**	**0.24**	**3,043**	**0.37**	**2,244**	**0.27**

Hired employees by gender	2018/2019		2019/2020		2020/2021	
	No.	Rate	No.	Rate	No.	Rate
Men	1,688	3.06	2,632	0.39	1,962	3.17
Women	271	0.04	411	0.68	282	0.04
Total	**1,959**	**0.24**	**3,043**	**0.37**	**2,244**	**0.27**

Turnover by age group	2018/2019		2019/2020		2020/2021	
	No.	Rate	No.	Rate	No.	Rate
Under 30	804	0.39	839	0.40	990	0.48
30 - 50	1,268	1.05	1,219	0.98	1,138	0.86
Over 50	329	0.07	268	0.06	193	0.04
Total	**2,401**	**0.30**	**2,326**	**0.28**	**2,321**	**0.28**

Turnover by gender	2018/2019		2019/2020		2020/2021	
	No.	Rate	No.	Rate	No.	Rate
Men	2,128	0.28	2,030	0.27	2,048	0.26
Women	273	0.49	296	0.49	273	0.44
Total	**2,401**	**0.30**	**2,326**	**0.28**	**2,321**	**0.28**

Our turnover rate is calculated as follows: 1) the rate of hired employees by age group is the number of employees hired in the year by age group divided by the total headcount by age group; 2) the rate of hired employees in the year by gender is the number of hired employees by gender divided by the total headcount by gender; 3) the rate of employee turnover by age group in the year is the number of employees who left the company the year by age group divided by the total headcount by age group; 4) the rate of employee turnover by gender in the year is the number of employees who left the company in the year by gender divided by the total headcount by gender.

Compensation and promotions

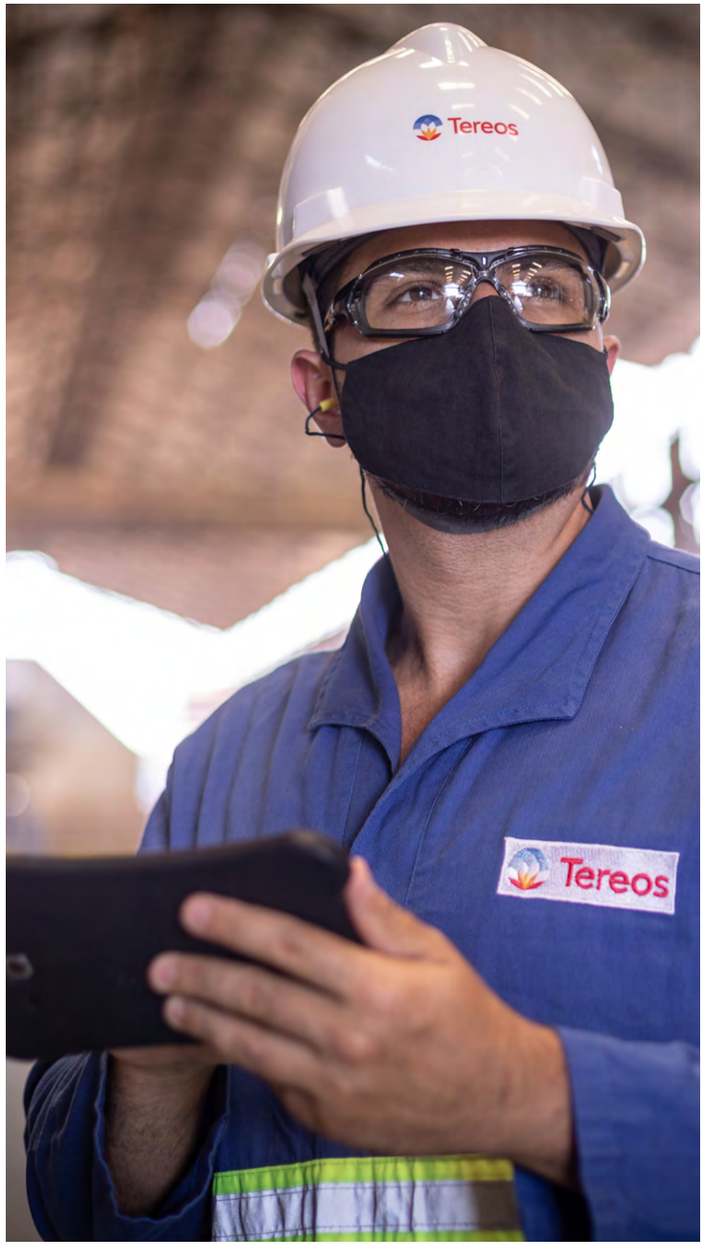
GRI 103-2, 103-3 |202

Employee compensation is managed in line with our business needs, our culture and the market practices. The local minimum wage is not used as a basis for employee wages, other than for apprentices.

We use a merit-based approach that includes offering competitive salaries, merit-based promotions, employee mobility opportunities, and variable compensation programs based on performance against targets, results and overcoming.

We take a mature and constructive approach to our relationships with the unions representing our employees. Every year we hold negotiations to review our collective bargaining agreement for the next 12-month period.

We offer our employees cross-functional mobility, promotions and other opportunities that support retention



Women in our workforce

We recognize that women participation in our workforce (and in agribusiness broadly) needs to improve, and have taken initial steps in this direction.

We have implemented a Women in Agribusiness Affinity Group (GAMA) that collaborates with other initiatives to leverage the women representivity and careers in the Group.

Another initiative is linked to Tereos' Young Apprentice Program, which trains women for technical (agricultural and industry) positions through courses developed in partnership with industry-led training services. In 2020, a group of 119 young women attended training.

We have set a target to have **15% women in our workforce** by the 2029/2030 crop year

Ratio of basic salary and remuneration of women to men by employee category

GRI 405-2

	2018/2019	2019/2020	2020/2021
Managers	0.96	0.94	0.97
Leaders	0.89	0.96	0.85
Supervisors[1]	-	0.90	0.94
Operational	0.91	0.89	0.89
Technical/Administrative	0.93	0.93	0.96

[1] In crop year 2018/2019 there were no women in supervisory positions.

Workforce by employee category and gender (%) GRI 405-1	2018/2019		2019/2020		2020/2021	
	Men	Women	Men	Women	Men	Women
Managers	86.99	13.01	82.16	17.84	81.05	18.95
Leaders	97.92	2.08	98.20	1.80	98.79	1.21
Supervisors	98.11	1.89	100.00	0.00	98.33	1.67
Technical/Administrative	70.80	29.20	71.68	28.32	71.26	28.74
Operational	94.30	5.70	94.07	5.93	94.17	5.83
Apprentices	77.23	22.77	66.94	33.06	66.98	33.02
Interns	41.46	58.54	50.00	50.00	55.56	44.44
Trainees	60.00	40.00	14.00	86.00	0	0
Total	**91.93**	**8.37**	**91.05**	**8.95**	**91.32**	**8.68**

Workforce by employee category and age group (%) GRI 405-1	2018/2019			2019/2020			2020/2021		
	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50	Under 30	30 to 50	Over 50
Managers	18.25	70.44	11.31	13.62	77.93	8.45	13.16	77.37	9.47
Leaders	3.79	15.09	81.12	15.23	68.34	16.43	15.69	68.81	15.49
Supervisors	28.30	62.26	9.43	26.42	62.26	11.32	18.33	68.33	13.33
Technical/ Administrative	52.44	47.56	0.00	50.41	46.48	3.12	48.74	47.70	3.56
Operational	33.52	66.13	0.35	26.63	54.25	19.13	25.53	54.28	20.19
Apprentices	100.00	0.00	0.00	100.00	0.00	0.00	100.00	0.00	0.00
Interns	100.00	0.00	0.00	100.00	0.00	0.00	97.78	2.22	0.00
Trainees	100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
Total	**34.71**	**60.31**	**5.12**	**30.30**	**53.12**	**16.59**	**29.20**	**53.27**	**17.43**

Employees in minority groups, by employee category (%) GRI 405-1	2018/2019		2019/2020		2020/2021	
	PwDs	Black	PwDs	Black	PwDs	Black
Managers	2	16	3	12	5	13
Leaders	1	20	2	25	2	22
Supervisors	0	18	0	14	0	11
Technical/Administrative	2	17	2	18	3	18
Operational	1	42	2	42	3	42
Apprentices	0	28	0	23	0	47
Interns	0	10	0	18	0	13
Trainees	4	0	0	0	0	0
Total	**1**	**37**	**2**	**38**	**3**	**38**

Hotline

Tereos' Ethical Charter supports our commitment to promote diversity and inclusion, and fight all forms of discrimination. Our Ombudsman Channel is our contact point for reports relating to these issues. In crop year 2020/2021 we received two reports on discrimination, which were investigated in accordance with Company procedures. GRI 406-1

Training incentives

We invest in employee training to drive excellence in each of our processes. An internal training policy sets out guidelines on training and professional and technical development courses. Employees have individual plans outlining the hard and soft skills they need to be better equipped to perform their tasks.

We also encourage employees to acquire new skills through specialization courses. In 2020, we invested approximately R$ 2.2 million in professional training and development. Due to the pandemic, these initiatives were largely delivered through distance learning. We have also established training performance indicators (an average of 29 hours per employee in 2020/2021) to measure employee achievement in training programs, and provide clear information on development opportunities within the Company.

Internal communications and employee engagement

Our internal communications function is responsible for employee induction and engagement. Through campaigns, newsletters and internal marketing efforts across different communications channels, this function keeps employees informed about our projects, operational results and different initiatives. We also organize educational campaigns on different topics, such as health and safety.

Working with our HR department and Executive Board, the internal communications function organizes activities to strengthen our organizational culture and provide line of sight to our global business strategy, creating a sense of belonging among employees.

Tereos' Ethical Charter supports our commitment to promote diversity and inclusion, and fight all forms of discrimination

Occupational Health & Safety

GRI 103-2, 103-3|403, 403-1, 403-2, 403-3

Safety, accident prevention and protecting the health of our employees are our number one priority. This is supported by global efforts to bolster our safety culture through training, programs, thematic groups and education workshops under a common theme: “Safety starts with me!”.

As part of our safety management approach, we track safety indicators on a daily basis and support initiatives around active prevention. We recognize the important role and responsibility we have for identifying, managing and controlling risks. We inform employees of their right to refuse to perform tasks that pose a risk, and of their duty to immediately report any unsafe condition they identify in the workplace. But we also believe that safety is a personal responsibility.

We are supported by formal committees that work together to disseminate information about health, accident prevention and emergency preparedness. Other safety-related practices include our: Sustainability Policy; Internal Accident Prevention Committee (CIPA); Specialized Occupational Health and Safety Engineering Service (SESMT); and the use of personal protective equipment (PPE).

Risk management tools are also in place to identify and take action to eliminate and mitigate occupational risks.

Tereos has established global principles on risk reduction based on the assumption that all accidents can be avoided and lives preserved. To assist employees in implementing best practices, we have developed a safety reference manual that is distributed to all employees, and we have a training program on health and safety. Each of our sites has a team of firefighters, safety engineers and technicians, doctor and occupational health analysts.

Our goal is to continuously improve our procedures, practices and safe behaviors in order to further strengthen our health and safety culture.

Joint workplan

During the crop year our different departments jointly developed a Safety Workplan for implementation in 2021. Employees provided inputs and ideas on ways to prevent injuries, including targets and commitments on identifying and managing employee health and safety risks and implementing related controls The Workplan is managed as part of employees’ daily routines.

Although we do not have formal occupational health and safety committees, Tereos Sugar & Energy Brazil organizes weekly and monthly meetings that are attended by sustainability managers, superintendents of operations and operational excellence, executive and site managers, and the president director. We provide training on risk awareness, critical tasks, accident investigation, occupational health and other topics to enhance our behavioral practices and the use of proactive safety tools to protect people’s integrity. GRI 403-4, 403-5

All employees are covered by an occupational health and safety management system, and risk assessments are carried out for each position and related programs. We regularly monitor cases of work-related illness, of which none were recorded in the previous three crop years. We recorded 30 high potential incidents, and 828 near misses in 2020/2021. During the crop year, we recorded one fatality and 38 work-related injuries.

We regularly engage our employees in national campaigns, such as White January (mental health), Purple February (Alzheimer’s Disease), Lilac March (cancer), and so forth. GRI 403-6, 403-7, 403-8, 403-9, 403-10

Our three global principles

Adapting our organizations and procedures

- Roles and responsibilities are defined at each level of the organization to improve health and safety for all employees
- Process and site safety is ensured through a clear approach to identifying and managing risks
- Lessons learned from incidents are addressed and communicated to prevent recurrence at any other Tereos sites

Developing and strengthening our health and safety culture

- Each Tereos Group employee receives information and training on maintaining a safe work environment
- Personal and operational safety practices are based on Group standards and initiatives that are adapted to the local setting
- Best practices are shared across sites to optimize operational safety as part of a continuous improvement process

Taking ownership of our responsibilities

- Each of us is responsible for identifying risks, preventing them, and protecting ourselves and our coworkers
- Each of us abides by the rules and procedures in place to ensure we perform our tasks safely
- Each of us is fully transparent in reporting any incidents we have experienced or witnessed

Work-related injuries[1,2] GRI 403-9

	2018/2019		2019/2020		2020/2021	
	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization
Number of hours worked	19,361,441.25	5,375,382.47	20,514,165.11	5,860,186.035	19,793,726.81	5,703,129.182
Rate of fatalities as a result of work-related injury	0.10	0.18	0	0.17	0.05	0
Rate of serious work-related injuries (excluding deaths)	0.30	0.18	0.34	0	0.15	0
Rate of recorded work-related injuries (including deaths)	8.26	2.60	6.92	6.28	5.40	2.27

[1] Based on 1,000,000 hours worked.

[2] Our most significant risks are related to loss of containment (hot liquids), pinch points (missing machine guards) and falling from heights. We recorded one fatality in the 2020/2021 crop year.

Tereos has invested in a range of programs related to our employees safety

Suppliers

GRI 102-9, 103-2, 103-3 |308|408|409|414

We research for potential suppliers for the different products or services required by each department. All supplier contracts contain provisions on human rights; child, degrading or forced labor (no significant risks have been identified among our suppliers); and anti-corruption, labor and social security requirements. Our Social Responsibility Code provides suppliers with guidance on complying with environmental laws and regulations, and helps them to minimize impacts from their activities. GRI 408-1, 409-1

Currently around 50% of the sugarcane we process is sourced from 670 sugarcane growers. To help growers to engage in sustainable agriculture, we support them in third-party Farm Sustainability Assessments (FSA) within the global SAI (Sustainable Agriculture Initiative) Platform. In 2020, three sugarcane suppliers achieved silver and gold performance levels, and we have set a target of processing 75% sustainable certified/ evaluated sugarcane by 2029/2030.

Percentage of agricultural raw materials that are certified to a third-party environmental and/or social standard SASB FB-AG-4309.1

Certification	2018/2019	2019/2020	2020/2021
Bonsucro	21%	29%	29%
Farm Sustainability Assessment (FSA-SAI Platform)	0	0	1%

Amigo Produtor program

In our operations, we are closely connected to the world of agriculture, and take into account the needs of each link in our value chain. We offer long-term prospects to our agri-cultural partners and support them in creating value in their products and developing farming practices that reconcile performance with sustainability.

Our *Amigo Produtor* (Farmers' Friend) program helps to strengthen our relationships with farmers by offering services at lower costs, facilitated access to loans from solid financial institutions, special perks at our industrial facilities, special arrangements with cooperatives, among other benefits.

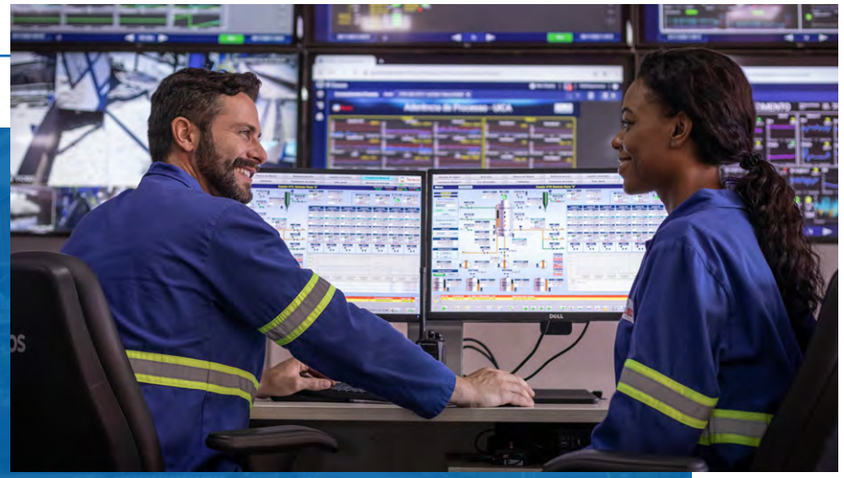
Supplier Management Program

Our Supplier Relationship Management (SRM) department works with the Procurement and Operations departments to build a solid and engaged partner network with the capabilities to innovate and deliver on our values.
To this end, we have developed a supplier management program that has expanded with each crop year, with a focus on transparency, development and innovation. Tereos Sugar & Energy Brazil has also worked to foster closer collaboration with our partners. Periodic supplier assessments allow us to closely monitor their performance and support their growth, so that we achieve excellence together.

COMMUNITY ENGAGEMENT

We recognize that corporations can be important agents of more than just economic development. That is why we work to positively influence the communities we interact with. We support local development through dialog and initiatives that leverage local diversity and knowledge.

As part of these efforts, we have partnered with the Pescar foundation to provide skills training to young students to equip them for the job market, including positions within the Company. We continued our support for the Barretos Cancer Hospital in the crop year by donating PCR COVID-19 tests and 1.05 million MWh of electricity in 2020.



OUR INITIATIVES IN 2020

Professional cooking courses administered by a mobile school that toured 13 cities, in a partnership with the Industrial Training Service (SESI) and a local TV network;

23rd Free Art Conference (ECAL), in Guaíra (SP), supporting local cultural development;

Support for Alma, **a free music and art academy** in Ribeirão Preto (SP) that helps to identify and recognize talents.

Olímpia Folk Festival (SP), helping **to preserve local folklore**;

Support for the Horse Festival in Colina (SP), as a way to **promote culture and sport** and maintain the tradition of equestrian competitions in the city and the surrounding region;

Encestando um Sorriso, a project that offers basketball training to communities in São José do Rio Preto (SP);

The Women's Soccer Championship organized by the São Paulo Soccer Federation, as a way to **promote diversity and women's inclusion in sports;**

Mais Esporte—annual support for the Guaíra (SP) basketball team;

Donation of **four metric tons of sugar** to victims of the explosion in Lebanon;

Donation of **2 thousand** grocery kits; **7.1 metric tons** of sugar; and **91 thousand liters** of 70% alcohol to charities surrounding our seven mills.

PLANET

R$ 1.5 billion
in green finance as of the first half of 2021

Environmental stewardship

We deliver on our commitment to sustainable agriculture by adopting and helping farmers to implement environmentally friendly agricultural practices. These practices are recognized by standard-setting organizations such as Bonsucro (the foremost sustainability initiative in the sugarcane industry) and EcoVadis (a sustainability rating platform), and aligned with circular economy principles. Our value chain operates within a virtuous model that covers approximately 99% of the raw materials we process. (*see infographic on p.40*).

Significantly, our sustainability-related programs and policies enabled us to secure more than R$ 1 billion in green finance in the 2020/2021 crop year, a figure that rose to R$ 1.5 billion in the first half of 2021. In line with our efforts around sustainability and green finance, we have since taken a step further and issued our first infrastructure debentures, raising R$ 480 million. This is the largest of our five issuances to date (a total offering of R$ 640 million).

The proceeds will be used to fund investments in sugarcane planting and ethanol production. Under the infrastructure debenture prospectus, the funding is earmarked for biofuels investments, with the issuance receiving a second party assessment from Sitawi, a consulting firm specialist in sustainable finance.

With a six-year maturity, the issuance was arranged by XP Investimentos, BTG Pactual and UBS BB, with FG/A as financial advisor to Tereos. We received an AA- rating on the national scale from S&P Global Ratings.

Accelerating projects

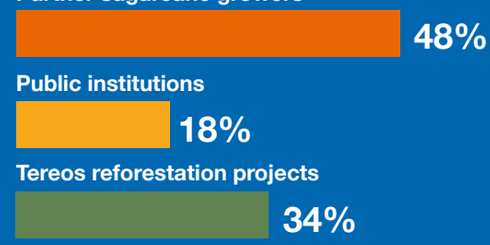
We completed an issuance of R$ 348 million in Agribusiness Receivables Certificates (CRAs)—with a second-party assessment issued by Sitawi—and we received US$ 30 million from the French Development Finance Institution (PROPARCO) to fund renewable energy, water savings and other projects.

We also completed the first sustainable finance transaction in Brazil's sugar and energy industry—a long-term loan of US$ 105 million from a syndicate of seven banks. The loan is linked to four ambitious environmental targets: annual reduction in GHG emissions per metric ton of processed cane; annual reduction in water consumption per metric ton of processed sugarcane; an annual increase in sustainable certified sugarcane and an score improvement for environmental, social & corporate governance (ESG).

As part of the facility, Tereos will earn an interest rate margin reduction for each year it meets its sustainability performance targets, as verified by independent auditors. Several milestones have already been reached: in crop year 2020/2021, CO_2 emissions and water consumption decreased to respectively 35 kg of CO_2 equivalent and 771 liters, a reduction of respectively 13% and 8%. The share of Bonsucro- and FSA-SAI Platform-certified sugarcane out of total sugarcane processed increased to 30% (a 7 percentage-point improvement from the baseline), and we achieved a score of 69 (out of 100) in the EcoVadis platform assessment, compared to a target of 64.

Seedlings for reforestation

Our seedling nursery in Olímpia (SP) has a capacity to produce 350,000 native seedlings per year, which are used for reforestation and spring rehabilitation, both on our properties and elsewhere. In the space of five years, we have donated more than 750,000 seedlings to partner sugarcane growers and public institutions.



Bee conservation

Working with three partner organizations (SAA, UNICA and Orplana) and Syngenta, we launched the *Projeto Apícola* to protect these beneficial insects, which are responsible for pollinating hundreds of native plant species and some of Brazil's flagship crops, including soybeans, coffee, beans and oranges. Despite their importance, these insects are currently threatened by deforestation and pesticides.

We have identified 43 beekeepers surrounding our seven mills which we plan to invite to attend training programs on productive bee management.

Environmental services

Recognizing that our operations are highly reliant on agriculture and ultimately the environment, we have programs in place to maintain, rehabilitate and improve vegetation cover and preserve water resources.

We are participants in Brazil's largest carbon market, RenovaBio, which provides incentives for the production of biofuels and is helping Brazil to achieve its greenhouse gas emissions reduction targets under the Paris Agreement.

Through this program, biofuels producers are eligible to issue CBios certificates after they have been audited by firms accredited by the Brazilian oil regulator, ANP. A CBio certificate represents one metric ton of CO_2 equivalent in emissions avoided through the use of biofuels. Companies selling fossil fuels commit to purchase CBios certificates as a way to offset their greenhouse gas emissions. CBios certificates can be purchased voluntarily by companies looking to reduce their carbon footprint.

Emissions

GRI 103-2, 103-3 |305

Tereos Sugar & Energy Brazil has a robust program for calculating and monitoring greenhouse gas emissions (carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) from our seven plants, led by our Sustainability function. Quantifying emissions is important for buiding mitigation strategies and management and process improvements. This is especially important given that our sustainability-linked loans are conditional on meeting targets to reduce our emissions intensity (tCO_2e per metric ton of sugarcane) by 3% per year through 2023.

We have launched a number of initiatives to this end, such as replacing nitrogen-based fertilizers (which are more GHG-intensive) and minimizing or replacing fossil fuels. We are increasingly investing in GHG mitigation projects and work to ensure compliance with related recommendations, regulations and standards, including those issued by the Intergovernmental Panel on Climate Change (IPCC), the Brazil GHG Protocol Program and ISO 14064-1.

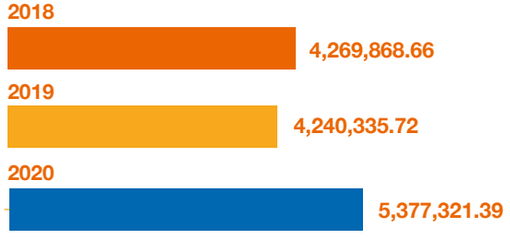
Direct (Scope 1) GHG emissions GRI 305-1
(tCO_2 equivalent)

	2018	2019	2020
Production of electricity, heat or steam	374,891.84	373,790.71	450,300.68
Physical-chemical processing[1]	285,865.52	182,758.10	181,598.76
Transportation of materials, products, waste, employees and passengers	87,237.67	97,271.79	109,131.80
Fugitive emissions	4,998.26	877.28	1,018.33
Total gross CO_2 emissions	752,993.29	654,697.88	742,049.57

Source of factors: Brazilian GHG Protocol Program. Reference standards: IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

[1]Refers to emissions from field operations and waste processing by composting.

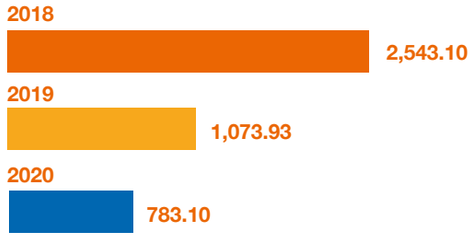
Biogenic GHG emissions - Scope 1 GRI 305-1
(tCO_2 equivalent)



Source of factors: Brazilian GHG Protocol Program. Reference standards: IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

[1]The higher emissions are primarily explained by increased sugar cane processing throughput, which resulted in higher point-source biogenic emissions due to the increased volume of bagasse produced and used to generate energy.

Indirect (Scope 2) GHG emissions GRI 305-2
(tCO_2 equivalent)



Source of factors: Brazilian GHG Protocol Program. Reference standards: IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

[1]The reduction in 2020 compared with the previous year reflects increased production of sugarcane bagasse as a result of higher sugarcane throughput. This reduced the amount of purchased electricity from one year to another. Our target for 2021 is to reduce Scope 1 and 2 emissions by 3%.

Biogenic GHG emissions - Scope 3 GRI 305-3
(tCO_2 equivalent)

Source of factors: Brazilian GHG Protocol Program. Reference standards: IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

The most significant sources of Scope 3 emissions are sugarcane haulage and transportation of end products.

Other indirect (Scope 3) GHG emissions GRI 305-3
(tCO_2 equivalent)

	2020
Goods and services purchased	38,333.83
Fuel- and energy-related activities	26,360.18
Transportation and distribution (upstream)	22,000.91
Waste generated in operations	338.48
Business travel	20.00
Commuting	5,613.34
DOWNSTREAM	
Transportation and distribution (downstream)	119,796.23
Total	**212,462.97**

Source of factors: Brazilian GHG Protocol Program. Reference standards: IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

Replacement of road by rail transportation in a partnership with VLI has supported GHG emissions reductions of more than 70%, or approximately 7,000 metric tons of Scope 3 CO_2e emissions.

GHG emissions intensity[1,2] GRI 305-4 (tCO_2 equivalent)

	2018	2019	2020
Total GHG emissions	755,536.39	655,771.81	955,295.64
tCO_2 equivalent/metric ton of sugarcane	0.043	0.035	0.045

Source of factors: Brazilian GHG Protocol Program. Reference standards: IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

[1] This disclosure includes Scope 1 and 2 emissions for 2018 and 2019, and Scope 1, 2 and 3 emissions for 2020.

[2] The denominator used to calculate emissions intensity was metric tons of sugar cane processed (2018 = 17,565,571; 2019 = 18,803,004; 2020 = 21,077,907), from January to December.

Significant air emissions (t)[1,2] GRI 305-7

	2018/2019	2019/2020	2020/2021
NO_x	2,773.00	2,541.87	2,029.80
SO_x	332.00	477.08	390.96
Particulate Matter (PM)	5,034.00	5,168.26	3,954.82

[1]Source of emissions factors: sugarcane bagasse-fueled boilers.

The methods used to calculate significant air emissions are in line with internal operational procedures for air emissions (PO-PATM 001, 002, 004, 005, 008 and 009) and technical guidelines issued by the local environmental authority, CETESB (L9.221, L9.222, L9.223; L9.224 and L9.229).

[2]The lower NO_x, SO_x and PM emissions are the result of boiler optimization through improvements in the gas scrubber systems and water recycling via the ashes scrubber system.

Energy GRI 103-2, 103-3 |302

We produce renewable electricity from sugarcane bagasse and sell it in the Free Contracting Environment (ACL)—directly to end consumers—and in the Regulated Contracting Environment (ACR), such as in government-organized auctions. Our main investment focus is currently on renewable energy certification, such as the Green Label awarded by the Brazilian Sugarcane Industry Association (UNICA) and, in 2021, our certification against the International REC (I-REC) Standard, a global system for renewable energy certificates.

Our cogeneration plants are located within the service area of local utility CPFL Paulista. In total, we have a capacity to export 1,454 GWh per year.

In consuming and producing electricity, we ensure compliance with all power-sector regulations and standards issued by the Brazilian Ministry of Mining and Energy (MME), the Power Sector Regulator (ANEEL), the National Grid Operator (ONS) and the Electric Energy Trading Chamber (CCEE), which is responsible for accounting and financial settlement in the spot electricity market.

Energy consumption within the organization GRI 302-1

Non-renewable fuel consumption (GJ)	2018/2019	2019/2020	2020/2021
Diesel	827,607.48	1,281,002.00	1,434,346.00
Gasoline	936.82	1,139.21	739.00
Total	**828,544.30**	**1,282,141.21**	**1,435,085.00**

Renewable fuel consumption (GJ)	2018/2019	2019/2020	2020/2021
Sugarcane bagasse	35,426,728.74	37,638,275.62	41,360,258.91
Ethanol	1,6032.11	3.9704.00	4.7641.00
Biodiesel	85,801.09	132,806.00	182,500.00
Total	**35,528,561.94**	**37,810,785.62**	**41,590,399.91**

Energy consumed (GJ)	2018/2019	2019/2020	2020/2021
Electricity	1,824,139.44	2,093,081.69	2,251,311.77
Heating	26,873,350.13	29,026,418.83	33,597,289.27
Steam	34,261,210.18	34,307,811.20	37,062,542.98
Total	**62,958,699.75**	**65,427,311.72**	**72,911,144.02**

Energy sold (GJ)	2018/2019	2019/2020	2020/2021
Electricity	3,127,274.49	3,510,202.73	4,159,720.59
Total	**3,127,274.49**	**3,510,202.73**	**4,159,720.59**

Total energy consumed (GJ)	2018/2019	2019/2020	2020/2021
Non-renewable fuels	828,544.30	1,282,141.21	1,435,085.00
Renewable fuels	35,528,561.94	37,810,785.62	41,590,399.91
Electricity consumed	1,824,139.44	2,093,081.69	2,251,311.77
Electricity sold	3,127,274.49	3,510,202.73	4,159,720.59
Total	**35,053,971.19**	**65,427,311.72**	**72,911,144.02**

The year-on-year increase across all indicators reflects the higher availability of sugarcane and increased operational demand, which resulted in higher consumption of steam and electricity.

Energy consumed outside the organization (GJ)[1] GRI 302-2	2018/2019	2019/2020	2020/2021
Diesel	25.6024.00	571,097.00	576,581.00
Biodiesel	26,543.00	59,208.00	73,362.00
Total	**282,567.00**	**630,305.00**	**649,943.00**

[1]*Reporting basis: National Energy Balance*

Energy intensity (GJ)[1,2] GRI 302-3

	2018/2019	2019/2020	2020/2021
Within the organization	34,123,593.69	36,221,154.57	39,451,850.08
Energy intensity within the organization	2.00	2.00	1.95
Energy consumption outside of the organization	282,567.00	630,305.00	649,943.00
Energy intensity outside the organization	0.02	0.03	0.03
Total energy consumption	35,336,538.19	38,306,110.79	41,767,019.08
Total energy intensity	2.01	2.04	1.98
Energy intensity ratio within/outside the organization	124.06	59.77	63.27

[1]*Denominator used for the calculation: metric tons of sugarcane (2018/2019 = 17,565,571.20; 2019/2020 = 18,803,006.50 and 2020/2021 = 21,077,906), from January to December. The following formula was used to calculate electricity consumption: electricity produced + electricity imported from the grid - electricity exported to the grid. Types of energy included in the intensity ratio: fuels, electricity, steam and biomass.*

[2]*The year-on-year increase across all indicators reflects the higher availability of sugarcane and increased operational demand, which resulted in higher consumption of steam and electricity.*

Water and effluents

GRI 103-2, 103-3 |303

Responsibility for managing water and effluents is shared by our Sustainability (responsible for legal compliance) and Utilities (responsible for operational aspects) departments. However, all departments participate in our Water Committee, in which significant water-related matters are discussed. The committee meets on a monthly basis at our different sites to review water-related sustainability indicators such as: water withdrawal, environmental monitoring (during the crop year we invested R$ 1.2 million in water and effluent monitoring), action plans, wastewater treatment plant efficiency, among other aspects. Each site has targets set for reducing wastewater and water withdrawals.

A number of initiatives have been planned within our Water Treatment, Optimization and Management (G.O.T.A) program, including the installation of flow meters at water withdrawal points and other points requiring water metering. We plan to subsequently install water meters by sector to support analysis of water requirements in plant processes and the development of water budgets for our plants.

Our water requirement increased in 2020/2021 due to the record of sugarcane processed in the crop year. However, our water intensity—or water withdrawals per metric ton of processed sugarcane—was 3% lower, demonstrating improved process efficiency.

Industrial use and human consumption

Water withdrawals for industrial use are taken from surface and groundwater bodies. Following industrial use at our plants, the resulting wastewater is used for fertigation in our sugarcane plantations, along with the vinasse byproduct. Water for human consumption is obtained from deep cased wells. Sewage is treated at wastewater treatment plants prior to being discharged into recipient water bodies. GRI 303-1

Each of our plants has a permit from the relevant environmental authorities to discharge effluents into water bodies, and is compliant with related regulations (article 16 of CONAMA and article 18 of Decree 8.468). The use of vinasse and wastewater for fertigation is monitored to ensure compliance with established standards. Sewage discharged into water bodies has been treated at wastewater treatment plants with an average removal efficiency of 80%, in accordance with applicable regulations. GRI 303-2

Total volume of water withdrawal across all areas and in areas with water stress, by source (ML)[1,2,3] GRI 303-3

	2018/2019	2019/2020	2020/2021
Source	**All areas**	**All areas**	**All areas**
SURFACE WATER (TOTAL)			
Freshwater (≤1000 mg/l of Total Dissolved Solids)	10,467.59	10,219.04	11,071.07
GROUNDWATER (TOTAL)			
Freshwater (≤1000 mg/l of Total Dissolved Solids)	3,558.35	3,758.58	3,487.77
Total	**14,025.94**	**13,977.62**	**14,558.84**

[1] Data compiled from the GATEC system.
[2] Our water withdrawal intensity target for the 2021/2022 crop year is 0.739 m^3 per metric ton of sugarcane.
[3] Our water requirement increased in 2020/2021 due to the record sugarcane processed in the crop year. However, our water intensity—or water withdrawals per metric ton of processed sugarcane—was 3% lower, demonstrating improved process efficiency.

We invested **R$1.2 million** in water and effluent monitoring during the crop year

Waste

GRI 306-1, 306-2

Tereos Sugar & Energy Brazil' sustainability policy sets out a number of commitments, such as compliantly disposing of 100% of the waste we produce. We have a performance indicator that tracks class I waste volumes generated on a weekly basis, and have set a target to reduce hazardous waste volumes by 5%. In the 2020/2021 crop year, we implemented a composting system for organic waste materials generated at internal restaurants. The resulting compost is used to fertilize the gardens and at seedling nurseries. Filter cake and boiler ashes (which are rich in organic matter) are used as a fertilizer in our sugarcane fields.

The circular economy is at the core of our business model. This enables us to valuably reutilize other waste materials, such as vinasse for fertilization, and dry yeast (from ethanol fermentation) as an ingredient for animal feeds.

Waste disposal is managed by a third-party company, which is responsible for on-site collection and compliant disposal. We have an effective waste management system that supports end-to-end waste traceability. This system undergoes independent as well as internal audits. In addition, as a condition of onboarding, suppliers are required to demonstrate a commitment to sustainability and compliance with applicable regulations.

Total waste generated by composition (t) GRI 306-3

Category[1]	Type (hazardous or non-hazardous) (supplementary information)	2018/2019	2019/2020	2020/2021
Category A	Hazardous	582.65	477.54	534.30
Category B	Non-hazardous	452.26	362.77	316.73
Category C	Non-hazardous	5,356.29	3,268.45	3,028.20
Category D	Non-hazardous	0	0	36.82
Category E	Non-hazardous	1,369.53	1,121.14	2,479.75
Total		**7,760.73**	**5,229.90**	**6,395.79**

[1] Category A: Class 1 hazardous waste – waste characterization and sorting processes have been improved since 2019 compared to previous years, optimizing the current management/sorting/disposal system;

Category B: Landfills – landfilled waste volumes were reduced in the period through internal waste management programs that have optimized the sorting and reuse of recyclable, recoverable (composting) and reusable waste materials;

Category C: Third parties (metal scrap) - In 2018 we launched a project to dispose of inactive and obsolete assets. These materials were sent to a scrap metal salvaging company along with metal scrap from off-season plant maintenance activities;

Category D: Recovery (Composting) - In 2020 we introduced an on-site composting program for organic waste materials. This has helped to reduce waste disposal expenses, as well as producing compost for use in landscaping on our grounds;

Category E: Third party (Recyclables) – volumes increased in the period through internal waste management programs that have optimized the sorting and salvaging of recyclable and reusable waste materials.

Waste diverted from disposal GRI 306-4

Total waste diverted from disposal, by composition, in metric tons (t)	2018/2019	2019/2020	2020/2021
Category[1]			
Category A	582.65	477.54	534.30
Category B	5,356.29	3,268.45	3,028.20
Category C	0	0	36.82
Category D	1,369.53	1,121.14	2,479.75
Total	**7,308.47**	**4,867.13**	**6,079.06**

[1]Category A: Class 1 hazardous waste; Category B: Third party (Metal scrap); Category C: Recovery (Composting); Category D: Third party (Recyclables).

Total waste diverted from disposal, by recovery operation (t)

	2018/2019			2019/2020			2020/2021		
Category[1]	**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**
NON-HAZARDOUS WASTE									
Preparation for reuse	0	0	0	0	0	0	36.82	0	36.82
Recycling	0	6,725.82	6,725.82	0	4,389.59	4,389.59	0	5,507.95	5,507.95
Total	0	6,725.82	6,725.82	0	4,389.59	4,389.59	36.82	5,507.95	5,544.77
HAZARDOUS WASTE									
Co-processing	0	582.65	582.65	0	477.54	477.54	0	534.30	534.30
Total	0	582.65	582.65	0	477.54	477.54	0	534.30	534.30
Total waste diverted from disposal	**0**	**7,308.47**	**7,308.47**	**0**	**4,867.13**	**4,867.13**	**36.82**	**6,042.25**	**6,079.06**

[1]Category A: Class 1 hazardous waste; Category B: Landfill; Category C: Third party (Metal scrap); Category D: Recovery (Composting); Category D: Third party (Recyclables).

Waste directed to disposal GRI 306-5

Total waste directed to disposal, by composition, in metric tons (t)	2018/2019	2019/2020	2020/2021
Composition			
Category A	452.26	362.77	316.73
Total	**452.26**	**362.77**	**316.73**

Total waste directed to disposal, by operation, in metric tons (t)[1,2]

	2018/2019			2019/2020			2020/2021		
	Onsite	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**	**Onsite**	**Offsite**	**Total**
NON-HAZARDOUS WASTE									
Landfill	0	452.26	452.26	0	362.77	362.77	0	316.73	316.73
Total	0	452.26	452.26	0	362.77	362.77	0	316.73	316.73
HAZARDOUS WASTE									
Total	0	0	0	0	0	0	0	0	0
Total waste directed to disposal	**0**	**452.26**	**452.26**	**0**	**362.77**	**362.77**	**0**	**316.73**	**316.73**

[1,2] The reduced volumes in the period reflect internal waste management programs that have optimized the sorting and reuse of recyclable, recoverable (composting) and reusable waste materials. An on-site composting program helped to reduce waste disposal volumes from crop year 2019/2020 to 2020/2021. In addition, new waste disposal alternatives were identified in the 2018/2019 and 2019/2020 crop years that further reduced landfilling volumes.

Institutional commitments and certifications GRI 102-12, 102-13

Global Compact: Tereos Group signed up to the United Nations Global Compact in 2017, committing to its fundamental principles in the areas of human rights, labor law, the environment and fighting corruption.

Bonsucro: a certification program created by a multi-stakeholder organization with the aim of reducing environmental and social impacts from sugarcane production. In crop year 2020/2021, certification coverage in our sugarcane field operations increased by 13% from the previous crop year.

Farm Sustainability Assessment (FSA-SAI Platform): an independent organization that regularly assesses the sustainability of our agricultural raw materials along three lines: environmental protection and economic and social management.

ISO 9001 (Quality Management): process optimization, agile product development, and more efficient production to achieve customer satisfaction and sustained success.

ISO 14001 (Environmental Management Systems): specifies requirements on environmental management systems, enabling organizations to develop environmental protection frameworks and to respond promptly to changing environmental conditions.

ISO 22000 (Food Safety): sets out the requirements for food safety management systems, covering all organizations in the food chain from harvest to consumer.

FSSC 22000 (Food Safety System Certification): used to monitor safety in the production and distribution of foods.

Kosher: certification attesting that processes and products are compliant with Jewish dietary law.

Halal: certification attesting that processes and products are compliant with Islamic dietary law.

Organic: certification attesting that processes and products are compliant with regulatory requirements issued by the Brazilian Ministry of Agriculture and Food Supply (MAPA) and the requirements of the certifying organization.

GMP PLUS (Feed Safety): sets out requirements for feed safety management systems.

SMETA – SEDEX (Sedex Members Ethical Trade Audit): a set of good practices for ethical trade audits.

CARB: certification required to export ethanol to California (USA).

EPA: certification required to export ethanol to the USA.

Green Energy Label: a bioelectricity certification program.

Etanol Mais Verde **("Greener Ethanol"):** a set of targets set within the São Paulo Environmental Protocol for the Sugar and Ethanol Industry (2007), building on our existing practices.

RenovaBio: a Brazilian renewable fuel certification program.

CERTIFICATIONS

SITE	SUGARCANE		ETHANOL				ELECTRICITY		SUGAR						YEAST
	Bonsucro	SMETA	EPA	CARB	Greener Ethanol	Renova-Bio	I-Rec	Green Energy Label	Fssc 22000	Iso 9001	Iso 14001	Kosher	Halal	Organic	Gmp Plus
Cruz Alta	●				●	●	●	●	●			●	●	●	
Severínia	●				●	●		●				●	●		
Tanabi			●		●	●	●	●					●		
Mandu			●		●	●	●						●		●
São José	●		●		●	●	●						●		
Andrade	●		●	●	●	●		●				●	●		
Vertente	●	●	●	●	●	●		●	●	●	●	●	●		

We support our suppliers in FSA-SAI Platform assessments

GRI Content Index

GRI 102-55

GRI Standards	Disclosure	Page/URL	Omission	SDGs
General disclosures				
GRI 101: FOUNDATION 2016				
GRI 101	none			
GRI 101: FOUNDATION 2016				
GRI 102: General disclosures 2016	102-1 Name of the organization	12		
	102-2 Activities, brands, products, and services	12		
	102-3 Location of headquarters	12		
	102-4 Location of operations	12 and 18		
	102-5 Ownership and legal form	12		
	102-6 Markets served	12		
	102-7 Scale of the organization	12		
	102-8 Information on employees and other workers	44	Tereos has not reported the number of members of governance bodies as its Board of Directors is based in France.	
	102-9 Supply chain	23 and 58		
	102-10 Significant changes to the organization and its supply chain	None		
	102-11 Precautionary principle or approach	26		
	102-12 External initiatives	78		
	102-13 Membership of associations	78		
STRATEGY				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	6		
ETHICS AND INTEGRITY				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	26		
GOVERNANCE				
GRI 102: General disclosures 2016	102-18 Governance structure	24		
STAKEHOLDER ENGAGEMENT				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	20		
	102-41 Collective bargaining agreements	100% of our employment contracts are covered by collective bargaining agreements.		
	102-42 Identifying and selecting stakeholders	20		
	102-43 Approach to stakeholder engagement	20		
	102-44 Key topics and concerns raised	20		
REPORTING PRACTICES				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	4		
	102-46 Defining report content and topic Boundaries	4 and 20		
	102-47 List of material topics	20		

GRI Standards	Disclosure	Page/URL	Omission	SDGs
GRI 102: General disclosures 2016	102-48 Restatements of information	Not applicable as this is the company's first GRI report.		
	102-49 Changes in reporting	20		
	102-50 Reporting period	4		
	102-51 Date of most recent report	Tereos Group publishes sustainability reports on an annual basis. This is Tereos Sugar & Energy Brazil's first GRI sustain-ability report.		
	102-52 Reporting cycle	4		
	102-53 Contact point for questions regarding the report	4		
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards—Core option.		
	102-55 GRI content index	80		
	102-56 External assurance	None		

Material topics

GRI Standards	Disclosure	Page/URL	Omission	SDGs
MARKET PRESENCE				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	49		
	103-3 Evaluation of the management approach	49		
GRI 202: Market presence 2016	202-1 Ratio of standard entry level wage by gender compared to local minimum wage		Not applicable, as the local minimum wage is not used as a basis for employee wages, other than for apprentices.	
ELECTRICITY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	69		
	103-3 Evaluation of the management approach	69		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	23 and 70		
	302-2 Energy consumption outside of the organization	23 and 71		
	302-3 Energy intensity	23 and 71		
WATER & EFFLUENTS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	72		
	103-3 Evaluation of the management approach	72		

GRI Standards	Disclosure	Page/URL	Omission	SDGs
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	22 and 72		
	303-2 Management of water discharge related impacts	22 and 72		
	303-3 Water withdrawal	22 and 73		
	303-4 Water discharge	22	The company has no flow meters from which to compile this information.	
	303-5 Water consumption	22	The company has no historical information or plans to compile the information required for this disclosure. The company has determined that the arrangements required to compile this information would be complex and require investment in software and developing/ updating internal methodologies.	
EMISSIONS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	66		
	103-3 Evaluation of the management approach	66		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	23 and 66		
	305-2 Energy indirect (Scope 2) GHG emissions	23 and 67		
	305-3 Other indirect (Scope 3) GHG emissions	23 and 67		
	305-4 GHG emissions intensity	23 and 68		
	305-6 Emissions of ozone-depleting substances (ODS)	23	Tereos has no equipment with the potential to release ozone-depleting substances. All refrigeration equipment uses R-410A, R-22 and R-141B as refrigerants.	
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	23 and 68		
EFFLUENTS AND WASTE				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	23 and 74		
	306-2 Management of significant waste-related impacts	23 and 74		
	306-3 Waste generated	23 and 75		
	306-4 Waste diverted from disposal	23 and 76		
	306-5 Waste directed to disposal	23 and 77		
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	58		
	103-3 Evaluation of the management approach	58		

GRI Standards	Disclosure	Page/URL	Omission	SDGs
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	23	Tereos does not screen new suppliers using environmental criteria.	
	308-2 Negative environmental impacts in the supply chain and actions taken	23	Tereos does not assess suppliers on negative impacts.	
EMPLOYMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	47		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44		
	401-3 Parental leave	100% of employees have returned to work from parental leave. The company does not currently measure employee retention rates after parental leave.		
OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	54		
	103-3 Evaluation of the management approach	54		
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	22 and 54		
	403-2 Hazard identification, risk assessment, and incident investigation	22 and 54		
	403-3 Occupational health services	22 and 54		
	403-4 Worker participation, consultation, and communication on occupational health and safety	22 and 55		
	403-5 Worker training on occupational health and safety	22 and 55		
	403-6 Promotion of worker health	22 and 55		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	22 and 55		
	403-8 Workers covered by an occupational health and safety management system	22 and 55		
	403-9 Work-related injuries	22, 55 and 57		
	403-10 Work-related ill health	22 and 55	Absolute injury figures have not been reported in the current reporting period. Only injury rates have been reported.	
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	22, 51 and 52	The company does not report information on diversity of governance bodies.	
	405-2 Ratio of basic salary and remuneration of women to men	22 and 50		

GRI Standards	Disclosure	Page/URL	Omission	SDGs
NON-DISCRIMINATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	22 and 53		
CHILD LABOR				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	58		
	103-3 Evaluation of the management approach	58		
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	22 and 58		
FORCED OR COMPULSORY LABOR				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	58		
	103-3 Evaluation of the management approach	58		
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	22 and 58		
HUMAN RIGHTS ASSESSMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	44		
	103-3 Evaluation of the management approach	44		
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	22 and 44		
	412-2 Employee training on human rights policies or procedures	Human rights training is provided as part of Ethical Charter training. In the following crop year, the company will report information on the total number and percentage of training hours.		
SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	58		
	103-3 Evaluation of the management approach	58		

GRI Standards	Disclosure	Page/URL	Omission	SDGs
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	23	Not applicable, as there are no social criteria established for screening suppliers. The Procurement department is currently developing draft contract provisions addressing social criteria as well as issues related to labor relations, diversity and equal opportunity, freedom of association and collective bargaining, child and forced labor, safety practices and non-discrimination.	
CUSTOMER PRIVACY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	22 and 23		
	103-2 The management approach and its components	27		
	103-3 Evaluation of the management approach	27		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	23 and 27		

SASB – Agricultural Products

GRI Standards	Disclosure	Page/URL	Omission	SDGs
Environmental & Social Impacts of Ingredient Supply Chains	FB-AG-430a.1 Percentage of agricultural raw materials that are certified to a third-party environmental and/or social standard	23 and 28		

SUSTAINABLE DEVELOPMENT GOALS

Tereos

Tereos Sugar & Energy Brazil

Credits

General Coordination
Julie Miwa Itamoto and Silvia Renata Santini Yoshida

Support
Alberto Belomi Camacho, Amanda Velone de Rensis, Ana Claudia de Araujo Lima, Ana Paula de Castro Zacharias Orlando, Anderson de Souza Cardoso, André Campos Margoto, Andressa de Souza Lima, Antonio Carlos Ferreira do Amaral, Augusto Cesar Arakawa de Almeida, Bruno Henrique Tobasi, Carlos Leston Belmar, Carlos Martins Simões Júnior, Ciro Barbosa Cury, Cleiton Ernesto dos Santos, Diogo Anghinoni Tutida, Douglas Leonardo Correia de Souza, Everton Luiz Carpanezi, Fabiana Andressa Daroz Jebra Sarri, Felipe Fernandes Mendes, Fernanda de Menezes Ferreira Queiroz, Fernando Martins de Mello, Gabriel Andrade Ferreira de Moura, Giovani Henrique Alves dos Santos, Gislaine Maria Gratão Miranda, Jonas Soares Gutierres, José Carlos Monteiro Junior, José Ferreira de Lima Junior, José Olavo Bueno Vendramini, Julianne Cardoso Versiani, Karen Cristina de Lima Volpato, Larissa Barcelos Campos, Leonardo Amaral Wernke, Lucas Sant´Anna Trevizan, Luciana Rodrigues de Oliveira, Luciano Rangel Pinheiro Neto, Maira da Silva Souza, Maria Julia Gabrigna Rosa, Murilo Barcelos Pessanha da Silva, Paulo Augusto Gutierrez Hernandes Júnior, Paulo Cesar Rodrigues Nazareth, Renato Napoleão Zanetti Neto, Rodrigo Malho E. Simonato, Rodrigo Seles David, Samuel Custodio de Oliveira, Simoni Branco Guimarães, Tássio José Domingues de C Silva Junior, Telmo Aparecido Camolesi, Teo Gebrim de Oliveira, Thiago Gasparotto, Tuany Guglielmo Muniz, Uilian Rogerio Bergamo, Victor Igor Vieira, Vinícius Cavinato, Wellington Jose de Araujo.

GRI Consulting, Content and Design
grupo report - rpt.sustentabilidade

Project management
Fábio Valverde

GRI Consulting
Adriana Couto

Design and layout
Leandro Lopes and Pedro Andrade

Infographics
Marcelo Pliger

Photos
Tereos Sugar & Energy Brazil image archives

Proofreading
Alícia Toffani