



sustainability
report 2022 | 2023

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about this report [GRI 2-2 | 2-3]

We are presenting here our third Sustainability Report, based upon the Global Reporting Initiative (GRI) standard. Here, we are bringing together the main results of Tereos Sugar & Energy Brazil from the 2022 | 2023 harvest year (April 2022 to March 2023). This document has been checked by an independent external audit attesting to the integrity of the reported indicators. [The full Letter of Assurance can be found on this page 68.](#)

The content of the publication highlights our commitment to sustainable development, which provides us with access to unique opportunities and practices. Over three chapters, we present the company, our corporate governance practices, our model for the production and distribution of sugar, ethanol and energy, and our initiatives focusing on people, including employees, partners and communities.

We reinforce our commitment to a responsible and efficient operations, seeking sustainability throughout our value chain. Our ESG (Environmental, Social and Governance) strategy, connected to the global directives of the Tereos Group forms one of our business pillars. We also report on our successes and the challenges that were faced during the crop season, as well as the paths taken towards greater

competitiveness, whilst always focusing on good results for our stakeholders.

If you have any doubts about the content of this report, please write to: esg@tereos.com

We hope you enjoy your reading!





a message from the leadership [GRI 2-22]

During the 2022 | 2023 harvest, we strengthened our commitment to add value to the agricultural raw material, developing quality products, and investing in best practices, thereby ensuring the competitiveness, security and sustainability of the business. We began this cycle focused on the recovery of our agricultural production, after going through a challenging period involving climate issues that affected our production. We invested in solutions designed to optimize and increase the efficiency of the operations, and delivered milling at levels higher than those forecasted, demonstrating the resilience of our business and farming.

Due to our increased productivity and a favorable raw material pricing scenario during the period, it was possible to direct 67% of our sugarcane to the production of sugar, which was higher than the 46% production mix in the Brazilian Center-South region. We produced around 1.6 million tons of sugar, 480 million liters of ethanol, and generated 1,226 GWh of renewable energy from the sugarcane biomass. We also recorded an increase in the total amount of sugarcane processed, when compared to the previous harvest, a result that was due to a combination of investments in farming and more efficient agricultural practices, as well as beneficial weather conditions involving a better distribution of rainfall in the region

during the cycle.

During the harvest, we achieved record financial indicators for the company: the best adjusted EBITDA ever, the second highest recurring EBIT, and the second lowest level of financial leveraging.

Our efforts also led to significant results in the exportation of sugar and ethanol. This growth was possible due to the obtention of Bonsucro EU-RED certification (for the European market) and the maintenance of CARB certification (for California, in the US) that allowed us to move into new markets. The ethanol exported to these markets represents 15% of the company's annual production.

Another extremely important activity during the period was the beginning of operations of the first biogas plant at the Cruz Alta plant in Olímpia (SP), with an installed capacity of 1 MW, offering the potential to produce biogas and generate electricity through the biodigestion of vinasse. This biogas will also be used for biomethane production, a clean alternative to fossil fuels. Our target is to have 100% of the farming fleet running on this fuel by 2030. The project highlights even further the circularity of our production, by making use of the full potential of our raw-materials, and reinforces how sustainability lies at the heart of our strategy and is one of our main focuses.

In our operations, we have also invested in other initiatives designed to enable the reuse of the industrial resources, reinforcing our operations in the circular economy, an activity that is essential and of enormous value to the company.

Furthermore, in 2022, with the aim of increasing agility, logistical predictability and standardization of the indicators, we officially launched the Agribusiness Operations Center (COA). The project aims to standardize and monitor the different agribusiness activities, seeking out opportunities to expand the potential of the operations and boost the business.

Meanwhile, in the field, around R\$ 24 million has been invested in a project to broaden the use of vinasse, the waste arising from the production of ethanol, for fertilization of the plantations, thereby reducing the GHG (Greenhouse Gas) emissions. Another highlight was the I-REC Certificate that the Company received during the harvest, proving that the electricity we use is generated from renewable sources.

Also in line with our commitment to sustainable growth, we raised two green loans in the sum of USD 155 million, covering a term of five years, and tied to the reduction of greenhouse gas emissions, reduction in water consumption, increase in the percentage of certified sugarcane, and improvement of the health and safety at work indicators.

These are just some of the initiatives and solutions that have been promoting sustainable practices in every stage of our production chain and strengthening our economic growth tied to responsible operations. In each harvest, we continue to move ahead with programs and actions that demonstrate our desire to promote an inclusive and collaborative work environment. We invest so that our employees can achieve their

full potential, valuing their talents, and so that they can safely pursue their activities. This attention to care resulted in our certification by GPTW (Great Place to Work), in 2022, placing us alongside other companies recognized for their high level of quality in terms of work and organizational culture.

Throughout this publication, we present details of our performance in the sector, our short, medium and long-term commitments, and solutions for issues that are fundamental for the company and society. We are focused on achieving a greener and more sustainable future, and a fairer, safer and more equal society.

Enjoy your reading!

Pierre Santoul
CEO





highlights of the harvest year

We produced **1.6 million tons of sugar, 480K m³ of ethanol & 1,226 GWh of renewable energy**



We registered **17.3 million tons** of processed sugarcane

We increased the mix of **sugar production to 67%**, against the 62% registered during the previous harvest



We closed on two Sustainability Linked Loans, totaling **USD 155 million**



More than half the gross indebtedness was linked to sustainable funding



We began operations of the **biogas pilot plant**, at the Cruz Alta unit in Olímpia (SP)



We ended the harvest with **51% of our sugarcane** certified by Bonsucro and FSA-SAI



The **Bonsucro EU-RED and CARB certifications** allowed us to export around **15% of the ethanol production** to Europe and California, respectively



We were awarded the **GPTW (Great Place to Work)** certification



We began donating energy to the “São Vicente de Paulo” charity hospital, in Jundiaí (SP), aside from the “Hospital de Amor” in Barretos (SP), which has been receiving this donation since 2012



We donated over **R\$ 1 million** to social projects in communities located in the regions we operate, through tax-deducted funds



77% of the localized vinasse was applied to sugarcane roots, reducing the use of mineral fertilizers



We inaugurated the Agribusiness Operations Center (**COA**)



We reduced **water consumption by 12%** compared to the 2017 | 2018 harvest



Publication of the **Diversity Glossary**, a guide that purposes a more inclusive and respectful language within the company



67% of hirings took advantage of internal personnel





we think today about the solutions for tomorrow

about us

economic performance

corporate governance

ethics and compliance

sustainability management

innovation and technology:
greater production efficiency



about us [GRI 2-1]

Tereos Sugar & Energy Brazil

is amongst the biggest sugar manufacturers in the country and one of the leading companies in the Brazilian sugar and energy sector. We are part of the French group Tereos, the world's second biggest sugar producer, with 43 industrial units in 15 countries. In Brazil, our head offices are located in Olímpia (SP) and we have seven agribusiness units located in the northeastern region of São Paulo state.

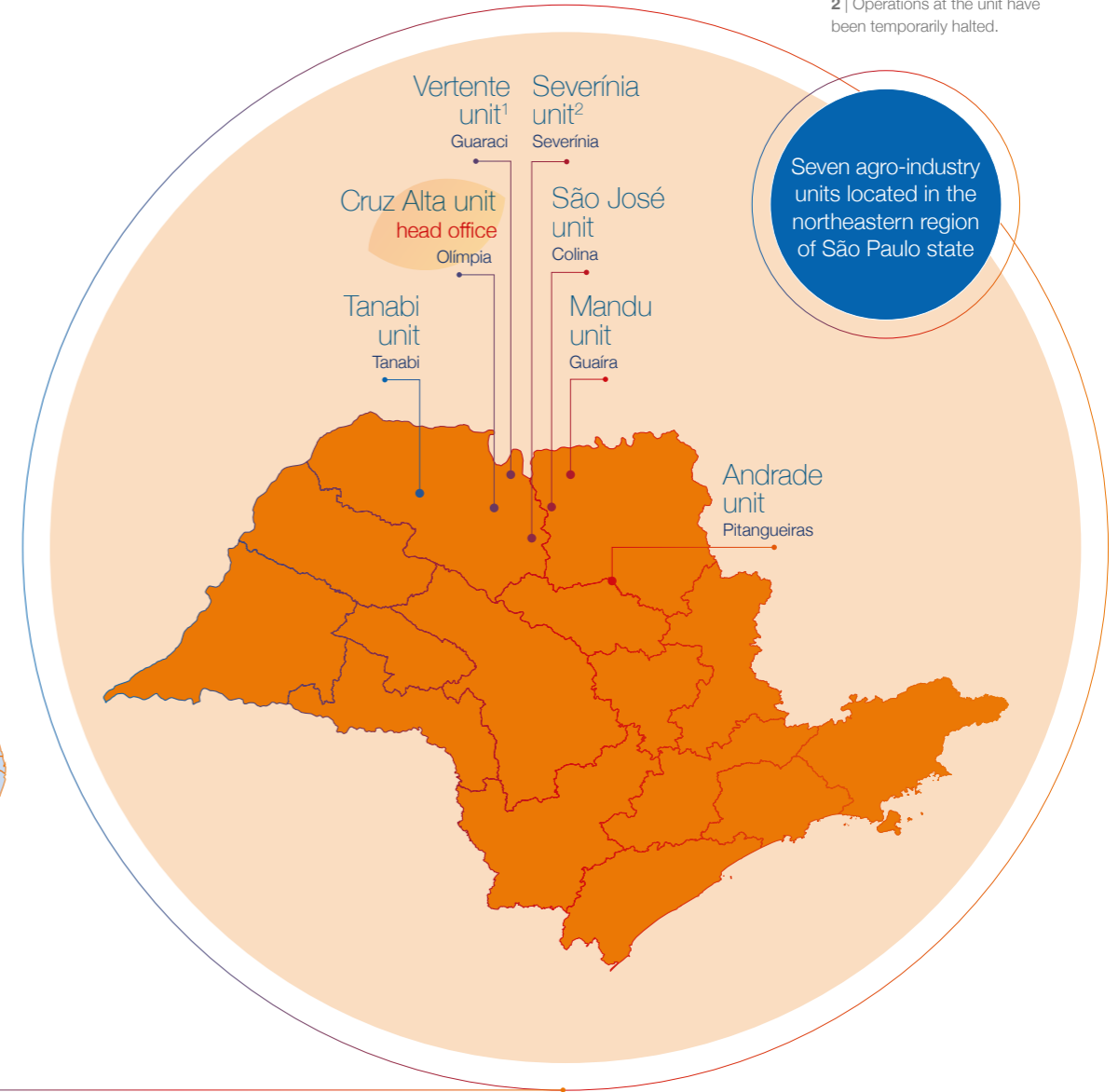
Besides from a strong presence in the food segment, supplying sugar, we also produce ethanol and renewable electricity, generated from sugarcane bagasse.

We have a business model that places the circular economy at the center of its activities, driving sustainable development, both for the company itself and the regions where we operate. Also forming part of our mission is the search for solutions that promote a low-carbon economy and other transformations in society.

We have around 300,000 hectares of planted area, with approximately 180,00 hectares being our own and 120,000 hectares belonging to our partner suppliers.

Operations in Brazil [GRI 2-6]

Our portfolio of products includes sugar, biofuel (ethanol) and renewable electricity. We have a portfolio of clients that includes Brazilian and international companies operating in the food and beverage, energy, and animal nutrition markets, amongst others.



We generate results by following good practices and maintaining good stakeholder relations, aiming at business sustainability and value for our entire chain.



business model

Financial capital

- ▶ Bank loans
- ▶ Issuance of securities (for example the CRA Green Bond)
- ▶ Revenue from short and long-term contracts
- ▶ Equity (global shareholder)

Natural capital

- ▶ Water resources, soil and its nutrients and biodiversity

Manufactured capital

- ▶ Industrial plants
- ▶ Agricultural operations equipment

Social capital and relationship

- ▶ Strategic network of agricultural partners and suppliers

Human and intellectual capital

- ▶ Around 8,000 employees

Key-attitudes

- ▶ One of the biggest sugar producers in Brazil
- ▶ We also manufacture ethanol and renewable electricity on a large-scale
- ▶ We seek solutions for a low-carbon economy
- ▶ We invest in automation, technological innovation and analytics

Production for the 2022 | 2023 harvest

- ▶ **Sugar** | 1.6 million tons
- ▶ **Biofuel** | 480,000 m³
- ▶ **Renewable energy** | 1,226 GWh
- ▶ **Circular economy** | Approximately 100% use of raw materials and their respective byproducts
- ▶ **Supply chain** | More than 3,500 business partners

Value generation

Generated and distributed value [GRI 201-1]

- ▶ Since 2020, we have raised more than R\$ 2.3 billion in green loans
- ▶ We established two Sustainability Linked Loans in the 2022 | 2023 harvest, totaling USD 155 million, for a term of five years and involving a total of seven banks
- ▶ We invested R\$ 15 million in our pilot biogas plant
- ▶ We received the I-REC Certification in 2021, due to our consumption of electricity generated from renewable sources
- ▶ We have invested in localized vinasse, thus reducing the use of mineral fertilizers and GHG emissions
- ▶ We offer a logistics service to our clients, ensuring greater agility through our own management of the routes taken by this chain
- ▶ By means of the 'Amigo Produtor' program, we encouraged the closer integration of our sugarcane production chain, offering our expertise in agronomic management and the procurement of agricultural inputs to boost our sugarcane production partners' results
- ▶ We assure our responsible practices and guarantee a quality product at the end of the process, with certification of 51.5% of our sugarcane
- ▶ We donated over R\$ 1 million to social projects in communities located in the regions we operate, through tax-deducted funds
- ▶ We hosted the Women in Agro Workshop, which brought together more than 200 women
- ▶ We promoted the Supplier Management Program, involving the 200 equipment and services suppliers that are most critical to our operation, aimed at guaranteeing compliance with our ESG policies, as we strive to constantly improve our levels of service and performance
- ▶ More than R\$ 2 billion (more than half the budget) was spent on local suppliers





economic performance

The biggest challenge for the 2022 | 2023 harvest involved the necessary plantation recovery work owing to the adverse weather conditions during the previous harvest, that affected the Center-South region of Brazil, where our units are located. During the 2020 | 2021 harvest, we processed around 20.9 million tons of sugarcane, whilst in 2021 | 2022 the figure was 15.6 million tons and, in 2022 | 2023, it hit 17.3 million tons. [Read more about these activities on page 24.](#)

The adjusted EBITDA reached R\$ 1,258 million (a 34% increase compared to the previous period), the net revenue was R\$ 5,204 million (18% more than 2021 | 2022), and the EBITDA margin was 24% (3 p.p. more than 2021 | 2022).

The company ended the 2022 | 2023 harvest with a net debt of R\$ 3,163 million, which remained at the same level for the 2021 | 2022 harvest, and showed a 25% reduction in the net debt x adjusted EBITDA ratio, which reached 2.5x. Considering a stable exchange rate, the net debt in the 2022 | 2023 harvest should be less, at R\$ 134 million, with leveraging of 2.4x.

The harvest was notable for the reconstruction of the volume of crushed sugarcane and the achievement of financial records for the company: the best adjusted EBITDA ever, the second highest recurring EBIT, and the second lowest level of financial leveraging.

Economic and financial performance

INDICATORS – IN MILLIONS OF R\$	2022 2023 HARVEST	2021 2022 HARVEST	VAR (%)
Net revenue	5,204	4,416	18%
EBITDA (adjusted) ^{1 2}	1,258	937	34
EBITDA margin (adjusted)	24%	21%	+3 p.p.
EBIT ¹	478	319	50%
EBIT margin	9%	7%	+2 p.p.
total of the asset	8,549	9,633	-11%
net worth	1,885	2,370	-20%
net debt ^{1 3}	3,163	3,151	0%
net debt ^{1 3} EBITDA (adjusted) ^{1 2}	2.5x	3.4x	-25%

1 | does not consider the effects of the IFRS 16 | CPC 06 (R2)
2 | does not consider the effects of impairment
3 | does not consider loans receivable from related parties

Green loans

The commitment to sustainable practices allows us to access different and unique financial opportunities linked to the future. Since 2020, we have raised more than R\$ 2.3 billion in green loans, through six operations linked to projects such as the first biogas plant, investments in ethanol production, encouragement of the use of clean fuels and energy, and the reduction of greenhouse gas emissions. We are always looking for sustainable alternatives for our structured financing operations, with approximately 50% of our total debt being tied to sustainable funding.

During the 2022 | 2023 harvest, we sealed two Sustainability Linked Loans, including one operation at the Vertente Mill. These two funding operations totaled USD 155 million, for a term of five years, and involve a total of seven banks. These loan agreements are tied to sustainability

targets and involve four key indicators: the reduction of GHG emissions, reduction in water consumption, an increase in the percentage of certified sugarcane used in the operations and a health and safety target (total rate of occurrence of accidents).





Growth in the international market

The certification of two industrial units (Andrade and Vertente) under the Bonsucro EU-RED (European Union Renewable Energy Directive), which requires sustainable practices in the agricultural production process, has enabled the exportation of ethanol to Europe. Maintenance of the CARB certification at the Tanabi unit, meanwhile, has guaranteed the export of ethanol to California, opening up new markets for the company. [Read more about the certifications on page 26.](#)

Another highlight of the harvest was our performance in VHP sugar exports, which is used as a raw-material in different processes. Our partnership with the VLI (Ferrovia Centro Atlântica – FCA) logistics company, focused on our VHP sugar exportation logistics processes, has continued providing positive impacts. Aimed at improving our autonomy, optimizing logistics, and ensuring greater flexibility, we have continued storing sugar at two storage facilities (one in the countryside, at Guar, and the other at the Port of Santos, both in So Paulo state), and operating in accordance with our exportation needs,

avoiding possible problems involving highway transportation. During the 2022 | 2023 harvest, the gross sugar prices reached an average of R\$ 2,445 per ton, against R\$ 2,059 per ton in the previous harvest, meaning an increase of 19%, largely driven by the limited global supply.

Activities on the domestic market

One of the challenges of the harvest was the alteration of the taxes in the fuels segment, which undermined the competitiveness of ethanol and reduced our profitability. We therefore had to be strong in the face of adversity. We increased the sugar production mix to 67%, against the 62% recorded during the 2021 | 2022 harvest.

70,000 m³ of ethanol were directed to the overseas market, and another 410,000 m³ to the domestic market.





Click on the figures to find out more about Tereos' logistics process

We believe that efficient production should be monitored through until final delivery. As such, at Tereos, we offer our customers a logistics service. Around 90% of our sales to retail, and 50% of the sales to industrial clients, include this service. When we are hired to provide delivery, we ensure greater agility through our own management of the routes taken by this chain. As such, we operate different programming options, guaranteeing greater efficiency in the use of vehicles, as well as the possibility of serving our customers that much faster. This is possible due to our extensive network and the increased offer of transportation companies. This infographic shows how we deliver each one of our products:

exportation logistics



types of transportation



trucks



trains



ships

Focus on the quality of the product and efficient delivery

We are committed to supplying sugar, involving important players in the food industry, and serving consumers all over the world, being dedicated to the quality and safety of the product, whilst always striving for customer satisfaction. We work to improve our products, promoting a culture of excellence which involves eight quality priorities:

- 1 reviewing procedures and guaranteeing compliance
- 2 ensuring compliance with regulations and specifications
- 3 taking action and communicating complaints and incidents involving products
- 4 defining functions and responsibilities
- 5 leading awareness-raising training
- 6 developing activities (indicators, practices and audits)
- 7 managing the activities of hired parties
- 8 applying the eight golden rules of quality

These improvements are directly reflected in the calculated indicators of customer complaints such as the CSI (Customer Satisfaction Index), which showed an evolution of 33%, and the I.R. (Complaints Index - Volume), which showed a reduction of 57% during the 2022 | 2023 harvest compared to the 2021 | 2022 harvest.

DATA	21 22 HARVEST	22 23 HARVEST	VARIATION (%)
Total n° of Customer Complaints	438	300	-32%
CSI	5.5	3.7	-33%
IR	6.8	2.9	-57%





corporate governance [GRI 2-9 | 2-10 | 2-12 | 2-13]

shareholding structure

The direct controlling shareholders of Tereos Sugar & Energy Brazil are the Brazilian holding company **NewCo Tereos Internacional (BR) Ltda., which holds a 56.3%** corporate interest, and the French company **Tereos Participations S.A.S, which holds 43.7%**. The Group is controlled by Tereos SCA, a French agricultural cooperative society, involving **11,200 members in France.**

We are a privately held company, with the Board's headquarters located in France and with specific criteria for the nomination of members. Our management team performs an essential role in the development and approval of sustainable policies, whilst our senior executives guarantee compliance with the Code of Ethics. During the 2022 | 2023 harvest, we focused on the evolution of the management, compliance and corporate governance processes, seeking competitiveness and sustainability in all our operations.

The highest corporate governance body in Tereos' operation in Brazil is the Executive Board, nominated and selected aligned with the criteria of the Acquisition of Talents Policy, set forth in paragraphs 1 and 2 of the General Directives. The document emphasizes that the processes should be conducted transparently, in compliance with current laws, and in accordance with the guidelines of the Human Resources Directorate, always observing the principles of impartiality and equality, eliminating discriminatory biases through predefined recruitment and selection processes. Whenever possible, the company prioritizes internal hiring, considering the skills, abilities and knowledge necessary for performing the function, and observing the strategic needs and objectives of the business. Nominations for the Board are submitted for approval by the Global Human Resources Department and the Global Director of each department. [GRI 2-10]

Advisory committees to TSEB Board

- ▶ **Internal Audit & Risks Committee** | this committee is responsible for supervising the activities of the internal auditor, revising the internal controls, guaranteeing the precision and integrity of the organization's business processes, evaluating strategic risks, and ensuring compliance with all laws, regulations and policies.
- ▶ **Fiscal Committee** | this committee works with the aim of discussing technical issues related

to tax matters, evaluating tax risks, responses and controls, as well as compliance with laws and regulations.

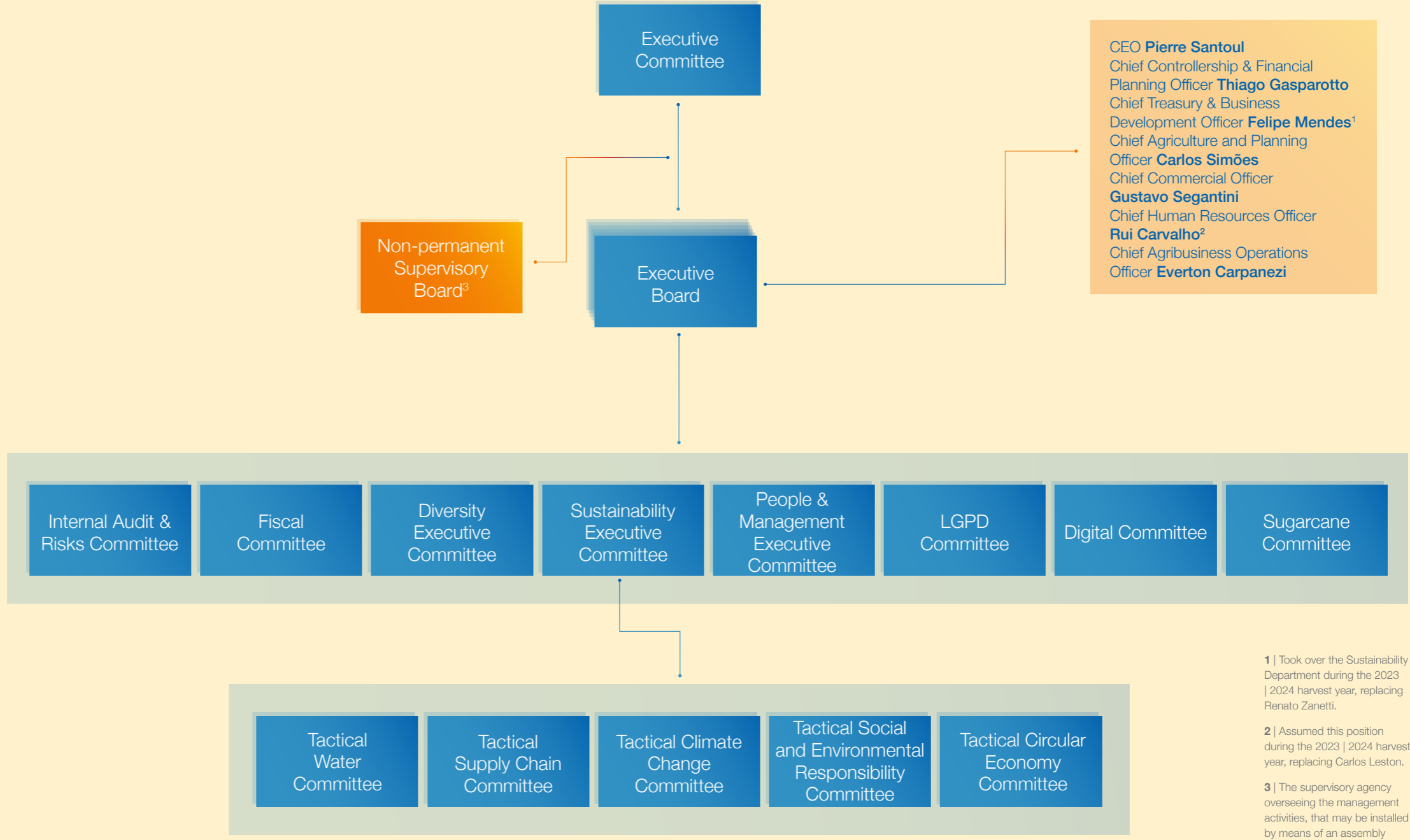
- ▶ **Diversity Executive Committee** | this committee is responsible for cross-sectionally moving the issue of diversity forward, as well as approving and encouraging initiatives aimed at establishing an inclusive and diverse environment.
- ▶ **Sustainability Executive Committee** | the focus of this committee is the implementation of the sustainability strategy, revision of the progress made, and resolution of the challenges involved in the topic, with the aim of guaranteeing that the company is continually advancing on cross-sectional sustainability, identifying areas for improvement, sharing good practices, and taking decisions that promote sustainable development.
- ▶ **People & Management Executive Committee** | this committee establishes strategies and develops initiatives relating to all matters concerning Personnel and Management.
- ▶ **LGPLD Committee** | this committee is responsible for promoting a culture for the protection of personal data within the company. It contributes to centralized decision-making, with the reduction of any possible conflicts of interest that may exist.

- ▶ **Digital Committee** | this committee discusses any topics related to information technology.
- ▶ **Sugarcane Committee** | this committee discusses opportunities for the improvement of agricultural productivity.





Tereos Sugar & Energy Brazil's corporate governance structure



CEO **Pierre Santoul**
 Chief Controllershship & Financial Planning Officer **Thiago Gasparotto**
 Chief Treasury & Business Development Officer **Felipe Mendes¹**
 Chief Agriculture and Planning Officer **Carlos Simões**
 Chief Commercial Officer **Gustavo Segantini**
 Chief Human Resources Officer **Rui Carvalho²**
 Chief Agribusiness Operations Officer **Everton Carpanezi**

1 | Took over the Sustainability Department during the 2023 | 2024 harvest year, replacing Renato Zanetti.
2 | Assumed this position during the 2023 | 2024 harvest year, replacing Carlos Leston.
3 | The supervisory agency overseeing the management activities, that may be installed by means of an assembly decision or at the request of the shareholders, under the terms of the law.



Risk management [\[GRI 2-23 | 2-24 | 2-12 | 2-13\]](#)

Risk management is one of the main paths pursued to strengthen and consolidate our corporate governance structure. We have an Internal Controls Department and an Internal Audit which is responsible for the independent and objective revision of the effectiveness of the risk assessments and controls. The department submits bimonthly reports to the Internal Audit and Risks Committee ([read more on page 13](#)), which includes members of the Executive Board, including the CEO. This ensures that all the decisions are communicated to the management team, every other month, at the meetings of the Committee. [\[GRI 2-12 | 2-13\]](#)

During the 2022 | 2023 harvest, we focused our efforts on reducing the operational risks, aimed at compliance with all laws and regulations, protecting against waste and inefficiency, and reducing organizational risks.

We have a Crisis Committee that operates across the company, evaluating situations that require the senior management to take a closer look at the solutions.

We also have an Incident Control Channel, a mechanism for reporting and addressing incidents related to internal control failures or violations. This tool helps to identify and resolve issues, ensuring compliance with regulations, mitigating risks, and promoting a culture of transparency and responsibility at Tereos.



ethics and compliance

GRI 2-23 | 2-24 | 2-15

From time to time, Tereos Sugar & Energy Brazil reviews its governance, ethics and compliance processes, with the aim of strengthening the company's good practices in Brazil.

The compliance challenges faced by the company are dynamic, and vary depending upon changes in the regulations, operational complexity and risk management. Tereos faces these challenges proactively, seeking to improve its processes and practices to ensure compliance with all applicable laws and regulations. Furthermore, it reinforces awareness and provides the proper training for all involved, with the intention of promoting a solid culture of compliance throughout the organization.

The compliance area is responsible for the continual evolution of the integrity program, made up of internal norms and policies, and for the dissemination of the Code of Ethics, whilst all areas of the company are responsible for implementing the principles outlined in the Code. In order to strengthen the culture of ethics and integrity, we hold internal discussions and training sessions on conduct and the Group's policies. Our communication and our internal engagement actions are directed to our different publics - agriculture, industry and corporate - through both online and offline channels (TV, corporate, murals, newsletter), as well as campaigns, events and meetings. The compliance team also works to support the employees, via e-mail, providing counseling and clarifying information on Tereos' operations or on the policies and/or integrity program, including in

situations regarding conflict of interest, such as the receipt of gifts or presents. **[GRI 2-26]**

All those who join Tereos sign the term of responsibility contained in the [Code of Ethics](#), and this document is also distributed around the operational units to ensure that everyone has access to it. Each year, the employees receive obligatory training related to the theme. The importance of equal treatment and non-discrimination, as well as respect for human rights and encouragement of compliance with internal norms and policies, are some of the matters addressed in the Code, which establishes the principles of integrity and ethics, aimed at assuring the long-term business sustainability.

The Code of Ethics is approved in the first instance by the Tereos Group's Board of Directors and, in the second instance, by the Executive Board in Brazil. The same process applies to the Anti-corruption Code of Conduct. At Tereos, the Code of Ethics also applies to the business partners and suppliers. The company has included a clause in the contracts that requires that they all commit to complying with the principles of the Code. Another approach involves requiring the business partner to have its own Code of Ethics containing similar commitments to those adopted by Tereos.

By means of the Tereos Group's Code of Ethics, the Anti-corruption Code of Conduct, the Guide to Best Business Practices, and the Diversity Booklet, we are reinforcing the management of our business, taking into account the risks,

and strengthening respect for the Brazilian and international legislation and regulations applicable to our operations.

To reinforce this activity, we have created the '*Pé no Chão*' ('Feet on the Floor') project, that arose from an initiative undertaken by a multi-disciplinary team, made up of the Legal, HR, Sustainability and Health and Safety departments, aimed at visiting the farms and work areas involved in the agricultural area, to understand whether the activities are being performed legally.





By doing so, the company is ensuring compliance with NR 24 (Regulatory Norm) and NR 31 (Regulatory Norm), whilst also focusing on work conditions and hours, and supporting the implementation of good practices, thereby guaranteeing preservation of the workers' health and safety through site audits. This project was turned into a program of routine inspections, which is currently monitored by the Health, Safety and HR teams. [Read more on page 43.](#)

Ombudsman Hotline **[GRI 2-26 | 2-13 | 2-25]**

The ombudsman hotline is an anonymous channel for reporting potential violations of the company's policies and currently applicable legislation, and can be accessed by all the employees, third parties and stakeholders, via telephone, e-mail or the company's website. Manned 24 hours a day, seven days a week, awareness around the channel is widely circulated by the company, with confidentiality and equality in the investigations being guaranteed.

The channel is an important tool to promote an ethical and transparent organizational culture, ensuring that all matters found to be in opposition to the company's principles are properly and fairly addressed, contributing to the ongoing improvement of the company's practices.

The accusations are received by an outsourced company and addressed to the company's compliance team. The complainant can follow the progress of the investigation via a protocol

number they are provided with at the time they make the complaint. During the 2022 | 2023 harvest, of the 243 reports received, 213 were investigated and concluded. The other 30 reports refer to cases in which the complainant themselves withdrew the complaint, or requests that we received by mistake and which should have been reported through the customer services channel.

ombudsman
channel

0800-424-1000
ouvidoria@tereos.com
<https://denuncia.iaudit.com.br/sistema/tereos>



Cybersecurity and 'LGPD' **[GRI 3-3 | INNOVATION AND TECHNOLOGY]**

In relation to the privacy of our employees, suppliers, third parties, customers and stakeholders in general, and compliance with the provisions of personal data protection, we work with Brazil's General Data Protection Law (LGPD) - n° 13,709/2018 - as the main guide for our activities. The privacy topic is also handled by the Personal Data Protection and Privacy Policy, by the Cookies and Pop-Up Management Panel, and by the Cookies Policy. All complaints relating to infringement of these conditions are monitored through an exclusive channel (contatolgpd@tereos.com). We also have a professional who is responsible for data protection (DPO) at the company, as required by law.

We have a cybersecurity department that protects the assets involving information, systems, computers, and servers against cyber-threats and malicious attacks. Working in conjunction with these initiatives, our compliance team provides training sessions and develops procedures relating to personal data protection.

This harvest-year, there were no proven complaints relating to the infringement of customers' privacy. **[GRI 418-1]**



sustainability management

We are a company that creates and shares solutions for a more sustainable future. Transformation, renewal and constant improvement are part of our DNA. We are focused on the low-carbon economy through the processing of sugarcane, in the increased use of biofuels, the growth of clean energy and the decarbonization of the Brazilian energy grid, amongst other actions. We are continually investing in this field and we are committed to acting responsibly and sustainably in the long-term, adding value to our production chain and providing our shareholders, stakeholders, financiers, customers, suppliers, employees and the community with results.

With clear targets for society and the environment, we have a sustainability strategy connected to the Group's directives.

Our agenda, with targets by 2030, runs throughout the company's management processes, our operations, risks and opportunities, and the development of our value chain, as well as our institutional commitments, in line with the UN's Sustainable Development Goals.

Below you can find information on the implementation and evolution of actions in each one of the five pillars of our sustainability strategy.



Tereos' sustainability pillars

Sustainable agriculture



AMBITION | To combine ecologically correct agricultural practices with the economic sustainability of our producers.

KPIs | 75% of agricultural inputs are assessed and certified as sustainable.

STATUS | 51.5% of sugarcane is certified (our own lands – Bonsucro; suppliers' lands – SAI platform).

Responsible, healthy and quality nutrition



AMBITION | To be a lead partner for our clients in the reformulation and development of education programs focused on the conscientious sugar consumption.

KPIs | To guarantee that our sugar packaging provides the public in general with information on conscientious consumption.

STATUS | The sugar packaging contains information on nutrition and recommendations for daily amounts of consumption.

Protecting the environment



AMBITION | To preserve biodiversity and make maximum use of the waste from our agricultural raw materials.

KPIs | To have at least one project focused on protecting biodiversity at each of our units.

STATUS | All units have an Apicultural Project, and five municipalities in the company's operating region receive spring recovery projects.

KPIs | To continue investing to make maximum use of the raw materials, in accordance with the principles of the circular economy.

STATUS | Expansion of the structure of localized application of vinasse, and standardization and optimization of the performance of the applicators.

KPIs | Add aspects of climate change and atmospheric emissions in the decision making process.

STATUS | We carefully take the climate factors into consideration, an advance that has been possible thanks to the use of weather forecasts. By forecasting the possible impacts, we have managed to perform more effective planning and achieve better results. In this harvest, one of the central focus areas was the improved development of mathematical models and optimization of the elements incorporated into these models.



Positive industry



AMBITION | To optimize the consumption of water and energy at our industrial units and reduce our carbon footprint.

KPIs | To reduce water consumption (m³/ton of sugarcane) at our industrial units by 21.5% compared to the 2017 | 2018 harvest.

STATUS | 12% reduction of consumption in relation to the base year.

KPIs | Ensure 100% of the plantation fleet is fueled by biomethane

STATUS | Generation of biomethane has not yet begun, however there is a biomethane plant in operation and tests on equipment fueled by biomethane have been performed (trucks and tractors).

Local development and wellbeing of our employees



AMBITION | To ensure the health and safety of our employees and partners. To promote diversity and equality of opportunities, and fight discrimination. To positively influence the communities where we operate.

KPIs | To ensure that 17.5% of the senior management are women and women occupy 15% of the positions in the total workforce.

STATUS | 6.4% of the senior management are women and women occupy 9.8% of the positions in the total workforce.

Materiality [GRI 3-1]

Our first materiality matrix was built during the 2020 | 2021 harvest, in line with the norms of the Global Reporting Initiative (GRI), thus formalizing our path towards sustainability. We believe that the sustainable development applied to business is the ethical way of working and the model within which economic growth, governance, environmental preservation and social inclusion find harmony and balance.

Identifying eight priority topics that impact our value creation in the short, medium and long terms involved the company's principal internal and external stakeholders. The process was divided into four stages (identification, prioritization, analysis and validation) and went through a review by the senior management and evaluation of benchmark sector documents. Each one of the topics was linked to the GRI disclosures as well as to the UN's Sustainable Development Goals (SDGs).

material topics [GRI 3-2]

- Innovation and Technology
- Certifications and Socio-environmental Seals
- Circular Economy and Energy Efficiency
- Sustainable Supply Chain
- Water Management
- Climate Changes and Atmospheric Emissions
- Diversity, Inclusion and Human Rights
- Health and Safety at Work

MATERIAL TOPIC ¹	DEFINITION	GRI	SDGs	2029/2030 TARGET
Water management	Manage the risks connected to water consumption: improve use and consumption efficiency; manage water stress, permissions and quality. Effluent management: promote policies for the reuse, treatment and efficiency in use.	303-1, 303-2, 303-3, 303-4, 303-5	6 12	Reduce the withdrawn water by 21.5% per ton of sugarcane in relation to the 2017 2018 harvest.
Certifications and socio-environmental seals	Guarantee good agricultural and operating practices in line with the certified, audited and licensed socio-environmental standards; make the company attractive in terms of credit and institutional partnerships.	(SASB) - FB-AG-430 a.1	2 15	Continue to hold the current certifications and aim to receive the Great Place to Work certification.
Sustainable Supply Chain	Promote the qualification and selection of suppliers based upon the socio-environmental criteria; guarantee best responsible supply practices in the supply chain.	2-6, 308-1, 308-2, 414-1	8 12 15	Make 75% of inputs sustainable.
Circular economy and energy efficiency	Manage resources and inputs; promote operational excellence, including responsible management of waste and making better use of the sugarcane life cycle; guarantee the availability of energy from renewable sources.	302-1, 302-2, 302-3, 306-1, 306-2, 306-3, 306-4, 306-5	7 8 15	Increase the initiatives designed to replace chemical fertilizers with organic ones; replace 100% of the diesel used in plantation trucks with biomethane.
Climate change	Manage greenhouse gas (GHG) emissions and air pollutants; manage the risks and opportunities connected to climate change, including physical and transition risks (regulatory and assessment of emissions); invest in climate change response and mitigation actions; gauge these initiatives and the commitments assumed.	305-1, 305-2, 305-3, 305-4, 305-6, 305-7	7 13	Insert aspects of climate change and atmospheric emissions in the decision making.
Health and safety at work	Adopt best practices in health and safety at work; continually improve the management of safety and reduction of accidents and injuries; guarantee decent working conditions in the value chain.	403-1, 403-2, 403-3, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	3	Increase the culture of safety at work.
Diversity, inclusion and human rights	Guarantee gender equity and representativeness at all levels of the company; promote social inclusion; support public policies that promote equal opportunities, without discrimination; discuss, engage and maintain diligence practices in relation to human rights.	405-1, 405-2, 406-1, 408-1, 409-1, 412-1, 412-2	5 8 10	Ensure that 17.5% of the senior management are women and women occupy 15% of the positions in the workforce.
Innovation and technology	Guarantee online monitoring technologies in the farmed areas; ensure data security and privacy; promote product research, development and innovation; privilege solutions and technologies based upon renewable energies; encourage the development and research of energy efficiency; boost innovation in services.	418-1	7 8 9	Focus on the integration of the chain; establish forecasts to be able to plan decisions involving cooperation and collaboration.

¹ | The limits of the impacts of the eight topics lie both within and outside the company.




innovation and technology greater efficiency in production

[GRI 3-3 | INNOVATION AND TECHNOLOGY]

The commitment to promoting ongoing improvement in our operations requires frequent investments in technology and innovation. Balancing agricultural production and climate change has made the agribusiness sector extremely complex, since it is a sector that deals with different scenarios over the course of the year. Aiming to ensure competitiveness and increase agricultural productivity, we are constantly investing in studies and advanced technologies. This allows us to study new strains of sugarcane, implement strategies for pest, disease and weed control, improve crop handling and optimize harvesting, amongst other essential activities.

We invest in digital technologies - artificial intelligence, big data, advanced analytics, digital twin, real optimizer and the Internet of Things (IoT) - to provide our business with more strategic results. The use of drones, satellites and sensors in the farming, with access to information in real time, contributes to increasing assertiveness in decision-making in the field - a management software based on geolocation helps us with precise data and gains in efficiency.

To monitor and support the development of these activities, we have implemented the Support and Incentive Program for the Sugar-Energy Sector (PAISS), research funding lines via the Studies and Projects Funder (Finep), and partnerships with the São Paulo State Amparo Foundation for Research (Fapesp) and the Brazilian Agriculture Research Company (Embrapa).

 **Read more about our innovation projects over the course of this report.**





digitization of processes

SuPLEX | An optimization system for planning operations and sales, which involves the entire production chain, from the sugarcane to the end customer, and the whole portfolio of the Group's products (sugar, ethanol, energy and biomass) always aiming to maximize the financial result.

E-commerce Guarani | This promotes greater reach and digitization of the sales process, transforming the way in which our products reach our customers.

SimpleFarm | This is an agricultural operations platform, located entirely in a cloud, and which has digitalized and georeferenced aspects noted in the field, operated by our on-site team using mobile devices. The tool ensures the geospatial control of our operations, reliability in the management of the data and agility in decision-making.

Boss | This is a tool that processes thousands of pieces of internal and external information, streamlining the understanding of the dynamic of the

market and allowing business decisions to be taken more quickly in order to seize opportunities and maximize the margins of our products.

Galileo | This is an artificial intelligence platform applied to satellite and drone images, allowing the development of the plantations to be monitored, through the use of NDVI, and the automatic detection of irregularities, such as the presence of weeds or deficiencies.



Constructing a culture of innovation

We have areas that are structured to use and encourage innovation and technology. The team responsible is committed to applying the resources in the form of innovation hubs, internal developments, partnerships with startups and companies, and academic partnerships. We perform an annual diagnosis of each tool that is applied and we map the initiatives we have worked on.

This harvest year, we invested in a partnership with an innovation hub (AgTech Garage), hired personnel qualified to work with technology, created areas focused on the monitoring and control of information, structured the Digital Committee, invested in strategic partnerships with technology companies, and invested in infrastructure, computer networks and computing clouds.





we have been working
with sustainability
since the beginning

- our main raw material
- commitment to agricultural practices
- circularity of the process
- responsible and efficient consumption
- producing renewable energy



At Tereos, we understand that improving our production chain is an ongoing task, involving the evolution of our operations each harvest year. In this chapter, we will be demonstrating how our sugarcane production is integrated with innovative practices, the circular economy, regenerative agriculture and the mitigation of environmental impacts, as well as our strategy to take full advantage of the agricultural raw materials and place sustainability at the core of our business.

our main
raw material

Sugarcane is responsible for up to 80% of the world's production of sugar. We grow sugarcane on around 300,000 hectares of farmland. The harvest takes place, on average, every 12 months, when the sugar concentration is at its highest. One ton of crop can produce up to 115kg of sugar. During the 2022 | 2023 harvest, we processed 17.3 million tons of sugarcane.

We are pioneers in the introduction of new technologies, whether it is in precision agriculture, using techniques for variable-rate fertilizer and lime application based on soil sampling, or in the use of data analytics, with data captured by tablets and drones. We aim to implement technological solutions that reduce costs, increase employee safety in the field and productivity.

this harvest allowed us to produce:
1.6 million tons of sugar,
480,000 m³ of ethanol & **1,226** GWh of renewable energy

The 2022 | 2023 crop season was notable for the start of the Agribusiness Operations Center (COA) operations, which began concentrating the agricultural control activities in a single location, whilst also guaranteeing support for the operations. The project is ensuring synergy between the units.

In addition to this, we have implemented a georeferencing system that uses advanced technology to track and monitor all the activities performed in our agricultural areas. From the planting to the harvest, each stage is registered and reported in real time to our Center of Operations, with the automatic and precise collection of data, thus allowing a complete and detailed vision of the agricultural activities. This automation increases the reliability of our records, helping those responsible make more grounded, strategic and quicker decisions.

By doing so, we have managed to implement more conscientious and sustainable practices, including the reduction of the use of inputs, correct management of natural resources, and protection of fragile areas in need of preservation.



saplings for reforestation



We have our own sapling nursery which produces native trees for reforestation actions at the units, on our agricultural partners' properties and on public institutions. Over the course of a year, around 180,000 saplings are produced.

fire prevention and fighting

We are signatories of the Agro-environmental Protocol of the São Paulo Sugar and Energy Sector and, voluntarily, since 2014, have ceased the use of burning for sugarcane harvesting. Furthermore, we have plans for fire fighting and prevention, with the assistance of active fire departments, and we are constantly reassessing the situation with the intention of promoting and encouraging continued improvement. We have adopted a comprehensive approach to dealing with fires, involving preventive and response measures. We have a communication plan designed to disseminate information quickly and we perform regular inspections to identify

risk areas. Our team receives training to act promptly and we prioritize early harvesting in areas at risk of fire. We operate an advanced monitoring system to detect signs of fire in advance, and we always keep a firefighting team on standby to act in a coordinated manner.

During the 2022 | 2023 harvest, we also set up booths in eight towns neighboring our operations for distribution of informative materials. We also gave talks at schools to help children and young people understand how they can prevent fire flashpoints and, on Environment Day, we brought our employees together to raise awareness of this issue amongst the fishermen working on the rivers

near our units, as part of the 'Fazenda Acontecer' ('Making it Happen') engagement movement.

Through these actions, we reduced the burnt production areas by 69% in relation to the previous harvest. Ensuring employee safety, protecting the environment, and preserving our assets is our priority, reinforcing our commitment to minimizing the risks of fire quickly and responsibly. In relation to the occurrence of fires on the sugarcane plantations, we have filed appeals in all cases in which we disagree with the application of fines in the 2022 | 2023 harvest. **[GRI 2-27]**



commitment to agricultural practices

[GRI 3-3] SOCIO-ENVIRONMENTAL CERTIFICATIONS AND SEALS

At Tereos, we believe in obtaining and keeping certifications as a way of reinforcing our commitment to responsible, socially beneficial and economically viable environmental management practices. These credentials are a tangible demonstration of our dedication to achieving the highest standards of sustainability.

The certifications ensure that our practices are responsible, that our operations are in compliance with Brazilian and international legislation, and that we respect human and labor rights.

It is through the Bonsucro certification of our own sugarcane plantations, and the recognition of the SAI (Sustainable Agriculture Initiative) platform for our suppliers, that we aim to achieve our target of obtaining certification for 75% of our sugarcane by the 2029 | 2030 harvest season. During the 2022 | 2023 season, we achieved a percentage of 51.5%, taking into account the sugarcane drawn from our own operations and that acquired from suppliers.

Percentage of agricultural products that are certified to a third-party environmental and/or social standard (%) [SASB FB-AG-430 A.1]

	2020 2021	2021 2022	2022 2023
Certified sugarcane (%) ¹	32.34	45.15	51.45

¹ | The percentage takes into account our own sugarcane and that acquired from suppliers.

The certifications we have been awarded are listed below:

CA **Bonsucro**
S
M
T²
SJ
Awarded by a multi-stakeholder association and created with the aim of reducing the environmental and social impacts caused by the production of sugarcane.



² | The Tanabi unit was certified by Bonsucro in July 2023, during the production of this report, which is being published during the 2023 | 2024 harvest.

A **Bonsucro EU RED**
V
Aimed at ethanol and other products that demonstrate compliance with the EU's Renewable Energy Directive (RED) and the EU's Fuel Quality Directive (FQD – 2009/30/CE). This is a requirement for us to be able to market ethanol within the European Union.



CA **Farm Sustainability Assessment**
M
SJ
A
V
(FSA-SAI Platform)
This is an independent organization that assesses the sustainability of the agricultural raw materials on three axes: environmental protection, economic management and social management. Our units are served by suppliers that are recognized by the platform.



CA **I-REC**
M
T
SJ
The International Renewable Energy Certificate proves that the electricity consumed is drawn from renewable energy sources.



CA **FSSC 22000** (Food Safety System Certification)
This defines the requirements for a food safety management system, covering all stages involved in the food supply chain.



CA **Kosher**
A
This attests to the processes and products being in compliance with the legal requirements and specific criteria of the food regulations according to the values of the Jewish religion.



CA **Halal**
M
T
SJ
A
V
This attests to the processes and products being in compliance with the legal requirements and specific criteria of the food regulations according to the values of the Islamic religion.



CA **Organic**
This attests to the processes and products being in compliance with the regulations established by the Ministry of Agriculture, Livestock and Supply (MAPA) and the requirements of the certifying agency for organic food standards.



CA **Green Energy Seal**
T
A
V
This Bioelectricity Certification Program is the first in Brazil to focus strictly on electricity produced from sugarcane biomass.



- CA** Cruz Alta unit
- S** Severinia unit
- M** Mandu unit
- T** Tanabi unit
- SJ** São José unit
- A** Andrade unit
- V** Vertente unit



M **GMP+FSA** (Feed Safety Assurance)
This is an animal feed certification scheme, developed to guarantee safety in feed produced for animals.



CA **SMETA – SEDEX**
(Sedex Members Ethical Trade Audit)
A set of good practices in ethical auditing.



T **CARB**
A certification awarded by the California Air Resources Board for exportation of ethanol to the state of California (USA).



S **EPA**
Registration from the *Environmental Protection Agency* for exportation of ethanol to the United States.



CA **Etanol Mais Verde** ('Greener Ethanol')
This is a seal that consolidates the targets assumed within the sphere of the Agro-environmental Protocol (2007), that directs actions to encourage the adoption of sustainable practices in the sugar and energy sector, such as elimination of the use of fire during the sugarcane harvest, preservation of water resources, soil and ciliary forests, amongst others.



CA **RenovaBio**
This is the national biofuels policy, aimed at contributing to fulfilling the commitments assumed by Brazil under the Paris Agreement; promoting the correct expansion of biofuels in the energy grid, with an emphasis on the regularity of fuel supply; and ensuring predictability for the fuels market, providing gains in energy efficiency and a reduction of the greenhouse gas emissions that cause the greenhouse effect in the production, marketing and use of biofuels.

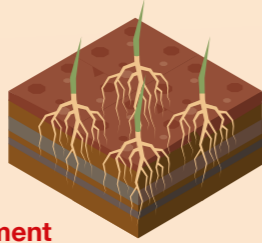


The UN Global Compact
We have been signatories to the UN's Global Compact since 2017, committing ourselves to this international code that defines guidelines for the promotion of sustainable development, involving principles related to human rights, labor relations, the environment and tackling corruption in all business practices.



- CA** Cruz Alta unit
- S** Severínia unit
- M** Mandu unit
- T** Tanabi unit
- SJ** São José unit
- A** Andrade unit
- V** Vertente unit





Land management Practices

- 1 | Soil cover crops (crotalarías and soybean);
- 2 | Crop rotation system (depending upon the susceptibility of the soil to erosion and the time of planting);

3 | Crop residue management;

4 | Conservation tillage, eliminating the previous crop with minimum tillage of the soil;

5 | Nutrient management (4R): all the fertilizer and soil improvement recommendations are based upon soil analysis and precise applications;

6 | Reduction of the cultivation area by increasing sugarcane crop yield through precision agriculture

Benefits

- 1 | Assistance in the biological nitrogen fixation, thereby reducing the need for application of nitrogenous fertilizers;
- 2 | Avoids specialization of the environment, introducing a wide range of species into the system, having a direct effect on the physical, chemical and microbiotic improvement of the soil and nutrients fixation, whilst also avoiding erosion;

3 | Maintenance of the organic material as a form of protection, increasing the humidity and reducing soil erosion;

4 | Promotion of more stable conditions for the development of the roots and organisms that live in the soil. This significantly increases the organic matter, improving fertility and ability to support the agricultural production;

5 | Contributes to the soil health and preservation of the water quality. Efficient management of the nutrients can also optimize agricultural profitability;

6 | Keeps high conservation value areas preserved.

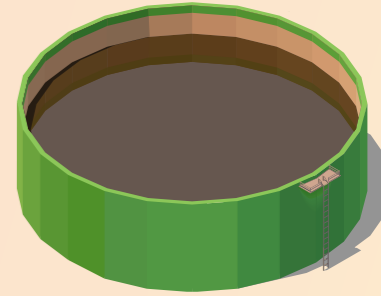


Biodiversity Practices

- 1 | Biological control: treatments based on population monitoring
- 2 | Pollinator habitat development: implementation of the 'Apícola' project and encouragement of dialog between farmers and beekeepers; [Read more about this on page 42](#)
- 3 | Natural habitat restoration

Benefits

- 1 | Pest population reduction without affecting other species that are beneficial to the crops, reducing the use of chemical pesticides, and preservation of the soil health;
- 2 | Promotes biodiversity, increases agricultural productivity through pollination and contributes to the health of ecosystems;
- 3 | Increases biodiversity and essential ecosystemic services, such as air and water purification, whilst also contributing to climate change mitigation. By doing so, it promotes the resilience of the ecosystem, supporting its resistance to disturbances and conservation of threatened species.



Water resources Practices

- 1 | Watercourses;
- 2 | Drainage water management: dry tanks, which are containers designed to collect rainwater, and contour lines;

Benefits

- 1 | Systematization of areas where the paths aim to the best use of water;
- 2 | Avoids mudslides, erosion and siltation of rivers.



Land and water resource management Practices

- 1 | Irrigation efficiency: using vinasse for fertigation;
- 2 | Use of bio-fertilizers: vinasse and organic composts (filter cake and ashes). In some areas, we apply cattle manure or poultry litter, either directly or mixed with compost;

Benefits

- 1 | Directly supplies the plants with nutrients, optimizing absorption and reducing losses due to leaching, allowing efficient water use;
- 2 | Preserves the health, as well as the chemical and physical structures of the soil, increasing both fertility and productivity. When produced locally, agricultural production costs are reduced.

regenerative agriculture practices

Aiming to ensure more sustainable agricultural practices and improving soil care, we perform routine activities in the field that are in line with regenerative agriculture. Within this model, the focus is simultaneously on producing and recovering, in order to keep the soil productive. Some of the main advantages of regenerative agriculture are biodiversity preservation, taking into consideration that the soil is a living resource, and the importance of working with the natural ecosystem processes for regeneration of life and maintenance of natural resources, thereby promoting the resilience of the agricultural system. Here are a few initiatives involved in our operations:





circularity of the process

[GRI 3-3 | CIRCULAR ECONOMY AND ENERGY EFFICIENCY IN THE VALUE CHAIN | GRI 306-2]

Our ambition is to make maximum use of agricultural raw materials, since 100% of the sugarcane raw material can be utilized in one way or another. This practice is allied to the concept of the circular economy, which seeks circularity in processes, products and business, combining economic development with better use of natural resources, by means of new business models and the optimization of processes.

With the circular economy, our production chain implements a virtuous cycle, with approximately 100% of the raw materials and their respective by products being used.

An example of this is biogas, produced from the through the anaerobic digestion of organic matter found in vinasse. The vinasse is also used at Tereos' units for fertigation in sugarcane fields, as it is a nutrient-rich compost.

The sugarcane bagasse is recovered and then burned to generate electricity using the steam, thereby performing an important role in the energy autonomy of the Tereos units. The waste from the burning process is incorporated in the filter cake and ashes to produce organic compost. In Brazil, all of Tereos' industrial units are energy self-sufficient,

with the surplus generated being fed into the public grid. [Read more about bioenergy on page 34.](#)



Use of localized vinasse increases productivity and reduces environmental impacts

The investment in the application of localized vinasse has a positive impact on the business. In terms of agricultural productivity, the area that had not been receiving vinasse but then started having it applied, increased its productivity from 4 to 6 tons per hectare.

Vinasse is a byproduct that forms part of our management to achieve high levels of productivity, since it is rich in potassium (K), organic material and other nutrients. We are in the process of optimizing and expanding the application of vinasse, and, as such, we have invested in new localized structures, aiming to involve the majority of our productive areas.

In 2022, we invested R\$ 23.5 million in a vinasse use expansion project, with localized application for the fertilization of the crops. All of the Tereos Group's units employ this type of application, which allows greater precision and control of flow, contributing to better fertilization, increased productivity, and a reduction of the costs involving mineral fertilizers, which in turn helps promote the sustainability of the business.

The initiative is also advantageous in reducing GHG emissions - both in terms of reducing the production of mineral fertilizers and their application to the soil. Furthermore, it also reduces the circulation of machines and trucks in the field.

Move your mouse
over the blue balls

circular economy [GRI 306-2]



Waste [GRI 306-1 | 306-2]

In accordance with our Sustainability Policy, one of our commitments is related to waste management.

As such, we are able to guarantee that 100% of the waste generated is correctly disposed of, thus contributing to the preservation of the environment and the construction of a more sustainable future.

We monitor the removal of waste on a weekly basis, with all the data being duly tracked. Part of our process involves demanding the 'CFD' (Certificate of Final Disposal), a document that proves that the volume of waste generated by Tereos has been received by a duly licensed disposal company and is following the environmentally correct disposal process.

As part of the ratification of our waste disposal service providers, we check all the legal documents in order to certify that they are in compliance with all the contractual and legal regulations.

In accordance with our commitments, reverse logistics is one of the priorities for waste disposal, mainly for the 'IBC' packaging (containers used for large volumes), agricultural pesticides and batteries, as well as the plastic and paper used for the packaging of our



products for the end consumer, which follow the National Solid Waste Policy (PNRS) by contracting a specialist company.

During the reported period, we generated 7,457.4 tons of waste. Of this total, 82% was sent for sustainable disposal (preparation for reuse or recycling), and 18% for disposal (co-processing and disposal in landfills). [GRI 306-3]

Water [GRI 3-3 | WATER MANAGEMENT | 303-1]

Water is an essential resource for our manufacturing process. To increase the efficiency of its use within the company, we have 2030 targets involving this matter - including the 21.5% reduction of withdrawal per ton of sugarcane, taking the 2017 | 2018 harvest as the base year. With a view to sustainable development, we have invested in improvements to the water withdrawal and reuse process and we have a tactical committee (which supports the Executive Committee on Sustainability), which effectively monitors and manages the use of these resources at all our units.

In our operational activities, the water is collected from underground and surface sources. Before being used in the industrial process and for human consumption, it undergoes treatment. After being used in the industrial process, it becomes residual water, that can be added to the vinasse or used



to clean floors and equipment. The vinasse is also used for fertigation of the farmlands.

Our collection is supported by authorizations received from the respective environmental agencies, ensuring that demands do not exceed the capacity of each water source and no negative impacts are provoked.

To more efficiently monitor and manage the use of water, all the collection points have flow meters installed. As such, these data are monitored, allowing a precise understanding of the consumption and allowing identification of possible irregularities or excessive consumption.

During the 2022 | 2023 harvest, we collected a total of 11,866,300 liters of water, with 77% being withdrawn from surface sources and 23% from underground sources. In addition to this, we monitor the “collection per ton of sugarcane” indicator which, this year, was 0.7m³/ton, meaning a 12% reduction compared to the base year (2017 | 2018 harvest). **[GRI 303-3]**

We aim to reach the targets of our commitment by 2030, through our consumption monitoring activities, highlighting those sectors involved in the use of water and encouraging consumption reduction and water reuse projects. All of the company’s employees are encouraged to make suggestions for improvements and adjustments to the processes aimed at reducing and/or reusing water.

We support and implement projects aimed at the recovery of preservation areas and natural springs, and we also participate in the Drainage

Basin Committees in the region so that we can accompany and contribute to the discussions on water management. The micro-water basins where Tereos has operations are: Córrego do Cervo, Rio Pardo, Ribeirão do Turvo, Córrego do Capim, Rio Grande, Rio Turvo, Ribeirãozinho and Rio Preto.

Finally, we run the ‘*Olhos D’água*’ (‘Eyes of Water’) program, aimed at recovering the natural springs in the region’s drainage basins. Utilizing reforestation plans in the regions with natural springs, we have enabled favorable conditions for rainwater to filter into the soil, resulting in an improvement in its quality and more water being made available for the region.

Emissions **[GRI 3-3 | CLIMATE CHANGE AND ATMOSPHERIC EMISSIONS]**

Climate change is at the center of our concerns since it directly influences the nature of our business. As such, it became crucial that we manage and mitigate the greenhouse gas emissions and atmospheric pollutants, and manage the risks and opportunities related to climate change.

We follow the regulations and policies connected to the topic, including those published by the Intergovernmental Panel on Climate Change (IPCC) and the Brazilian GHG Protocol Program - through which we perform our annual emissions inventory.

We seek to reduce our greenhouse gas emissions by means of sustainable practices, connected to energy efficiency, and the development and implementation of new technologies, as well as management of carbon throughout the value chain. Furthermore, we invest in technologies and processes for the production of biofuels as a means of replacing fossil fuels. We also adopt practices designed to conserve natural resources, such as soil management and the efficient use of water.

Also within this context, we participate in RenovaBio, a Brazilian decarbonization program. During the 2022 | 2023 harvest, we were re-certified as a member of this program for our seven mills, achieving an improvement of 5.8% in our ‘NEAA’ (Environmental Energy Efficiency Score), and an increase of 8.5% in the emission of CBIOS (carbon credits emitted by biofuels manufacturers). These scores reflect our good management in the use of NPK-based fertilizers and the application of localized vinasse, which contributes to the mitigation of climate change.

We also undertake a number of actions that have meant gains in efficiency and the successful reduction of our diesel consumption. We have invested R\$ 130 million in the renewal of our diesel fleet; we have stopped using S-500 diesel in 100% of the fleet, having switched to S-10, which is less polluting, since it contains less sulfur. This fleet requires the use of Arla (Automotive Liquid Reducing Agent) in the diesel, in line with currently applicable legislation, which contributes to the reduction of emissions. Arla is an agent that causes a chemical reduction of the emission of nitrogen oxide in the exhaust gases of diesel-

powered vehicles. We have provided training for drivers and agricultural machinery operators, calibration and balancing of tractors in order to reduce consumption, and we have been monitoring the equipment through the use of telemetry to check when engines are idling.

SBTi (Science Based Targets initiative)

At the end of 2022, the Group joined the Science Based Targets initiative (SBTi) and began the process to establish a decarbonization plan in accordance with the Paris Agreement. Tereos has defined the 2022 | 2023 harvest year as its reference year for its climate targets, a choice that focuses on future efforts. There are two years for the company’s objectives and action plan to be validated by the SBTi. The Tereos Group is developing its strategic itinerary, that includes a new global target for reduction of greenhouse gas emissions in all of its industrial and agricultural activities. This target is being broken down into short, medium and long-term strategies, with a transition plan that is to be developed and validated together with each of the Group’s entities.



Emissions inventory [GRI 305-1 | 305-2 | 305-3 | 305-4]

The monitoring of carbon inventories at our units guides us in assessing risks and opportunities for reducing greenhouse gas emissions.

In relation to Scope 1 emissions, during the 2022 | 2023 harvest, we emitted 331,007.4 tCO₂eq.

We experienced an increase in the amount of sugarcane processed due to the volume of rainfall during the period, which consequently led to a significant development of the raw material in our operations. This factor did, however, generate a higher demand for fuel to supply the agricultural machinery and trucks for the transportation of the sugarcane, as well as a higher demand for the inputs for the agricultural areas, whilst also extending the harvest period by two months compared to the previous harvest.

In relation to Scope 2 emissions, our emissions totaled 17.1 tCO₂eq. Only the consumption of electricity by the agricultural area was taken into account. According to item 6.1.1 of the Technical Note to the GHG Protocol, that has been in effect since 2017, regardless of an energy generation

company consuming energy from the grid to possibly reduce its own production, what should be taken into consideration for the calculation of GHG emissions is the annual balance of energy generation. As such, should the annual balance be zero or positive, there is no need to perform emissions estimates using the amounts of grid-sourced electricity consumed.

In relation to Scope 3 emissions, our emissions totaled 426,602.6 tCO₂eq. We managed to improve the suppliers' information by extrapolating the proportional amounts and emissions from the fertilizers and fuels consumed on each hectare of the land occupied by our own mills, which had not previously been calculated within this scope.

The intensity of greenhouse gas emissions (tCO₂ equivalent) during the period was 0.019 t CO₂eq./t sugarcane, for Scopes 1 and 2, and 0.025 t CO₂eq./t sugarcane, for Scope 3.

tCO ₂ eq.	2020	2021	2022
Scope 1	395,927.2	311,256.2	331,007.4
Scope 2	783.1	2,291.7	17.1
Scope 3	212,463.0	189,777.9	426,602.6

Energy consumption

[GRI 302-1 | 302-2 | 302-3]

Within the organization, during the 2022 | 2023 period, we consumed 35.3 million GJ of energy (+0.9% vs. 2021 | 2022) with an energy intensity of 2.05 GJ/ton of sugarcane processed (-9% vs. 2021 | 2022).

During the 2022 | 2023 harvest, we consumed 965,600 GJ of energy outside the organization with an energy intensity of 0.05 GJ/ton of sugarcane processed, relating to the consumption of renewable and fossil fuels in the agricultural, industrial and administrative operations performed by third parties. The increase in consumption outside the organization registered this year can be explained by the suspension of activities at the Severinia unit, which increased the transportation necessary between the farms and the units.





producing renewable energy

[GRI 3-3] CIRCULAR ECONOMY AND ENERGY EFFICIENCY IN THE VALUE CHAIN

We have been contributing to a cleaner energy grid by offering ethanol, a biofuel that emits fewer greenhouse gases than gasoline, as well as electricity generated using sugarcane biomass, a green and renewable source.

We are self-sufficient in terms of electricity generation, actually producing more than we consume, with 100% of this consumption being drawn from a renewable source. Of the energy generated, 29% was used in the operations and 71% exported to the grid. During the off-season periods, when there is no milling, we consume energy from the grid, but with the guarantee that this energy is renewable, since we purchase it from sources considered to receive tax incentives (in accordance with REN 1009/2022 ANEEL, that defines tax-deducted types of energy source, or in other words, it is drawn from clean renewable sources).

Since 2012, we have been donating part of the generated surplus to partner institutions, such as the Hospital de Amor, in Barretos (SP). In 2022, we also started donating to the “São Vicente de Paulo” charity hospital, in Jundiá (SP). The rest is traded on the Free Energy Market (ACL) - directly to end consumers - and on the Regulated Contract Market (ACR), in auctions hosted by the government.

we invest in solutions, thinking about tomorrow



With the intention of taking even more advantage of our industrial operations, we have invested in our biogas pilot plant located at the Cruz Alta unit, in Olímpia (SP), which has been in operation since 2022. Here, biogas is obtained from the biodigestion of vinasse. It can be used as another source of clean electricity. The plant has an installed capacity of 1 MW.

The plant is still just beginning its operations, but has already begun producing and exporting renewable electricity. The structure is also still in the planning phase as it prepares for the production of biomethane, a renewable fuel derived from biogas which can be used in vehicles. The aim is for 100% of our sugarcane transportation fleet to be fueled by biomethane by 2030.





sustainable event

We have received the International Renewable Energy Certificate (I-REC), proving that the electricity generated originates from renewable sources. The certificate, which is recognized by around 70 countries, has allowed Tereos to create credits that can be used to offset its non-renewable energy. As such, we have begun using the I-REC certification creatively, in the form of partnerships and a support program for the production of more sustainable events.

How this works

- ▶ **Cultural and sports events** | We emit clean energy credits, generated using the I-REC certification, in the same amount of electricity consumed, thus neutralizing the carbon emissions generated by the energy source used at the event.
- ▶ **Partnership with show venues** | We provide clean energy with sustainable-certified origins (in this case, sugarcane

biomass), thereby also contributing to neutralizing the carbon emissions.

Focus

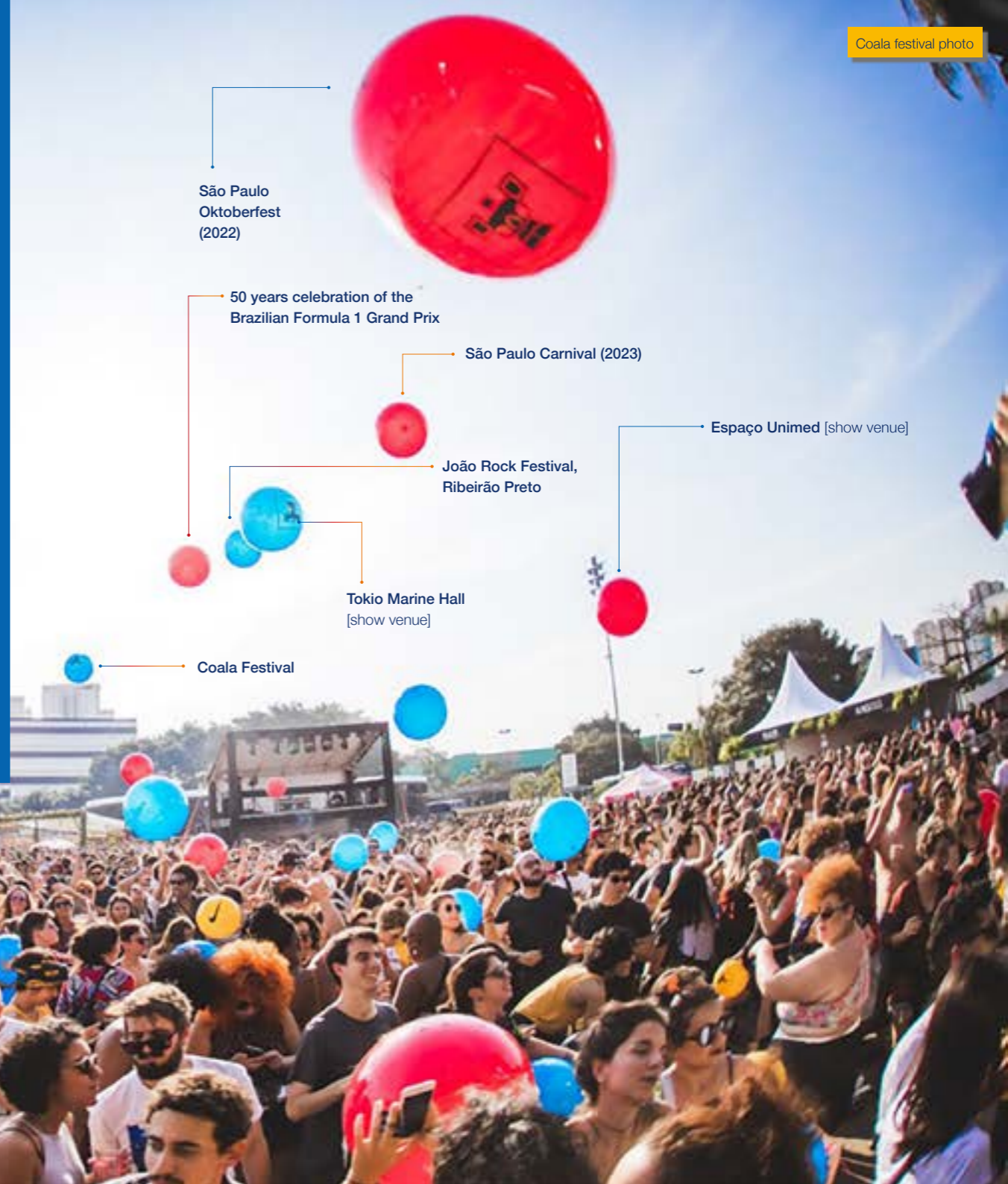
- ▶ Contribution to events with zero carbon emissions.
- ▶ Provision of electricity from renewable sources.
- ▶ Formation of partnerships that have the same goals as the company.

Results

- ▶ Strengthened our partnerships with cultural players who share the same vision in support of sustainability.
- ▶ Supporting the entertainment market, by offering certified energy to more consumers.
- ▶ Contributed to the construction of a greener future and proven our commitment to the sustainability agenda.
- ▶ Collaborated to raise public awareness among the audience of these events.



Coala festival photo



São Paulo Oktoberfest (2022)

50 years celebration of the Brazilian Formula 1 Grand Prix

São Paulo Carnival (2023)

João Rock Festival, Ribeirão Preto

Espaço Unimed [show venue]

Tokio Marine Hall [show venue]

Coala Festival



we are committed to people and society

· caring for our talents

· diversity and inclusion

· human rights

· social responsibility

· health and safety

· stakeholder relations





Each harvest, we move forward with initiatives that demonstrate our commitment to maintaining the healthy relationships with our stakeholders. We create engagement actions and opportunities with customers and suppliers to maintain the sustainability of the business and achieve our ambitions. Furthermore, aware of our social role, we invest in projects and initiatives that promote health and wellbeing in society, such as the *Fazendo Acontecer*, “Making it Happen” Program, which promotes initiatives that benefit society. In all the actions undertaken, we are always able to count upon the engagement of our employees, who act as volunteers and leaders. During the 2022 | 2023 season, we staged four editions of the program, focusing on health, the environment, and the community, involving more than 250 employees and impacting a number of different towns located near our units; the *‘Divertidamente* (Fun) program, which welcomed employees’ children to discover where their parents work; And the *‘Tereos Consciente*’ (‘Conscientious Tereos’) movement, aimed at transforming employees’ behavior through an extensive campaign designed to raise internal awareness of actions that can contribute to a more sustainable future.

To continuously evaluate and improve our processes management system, we have implemented Routine Management into our daily activities, with the aim of defining and monitoring the strategic plan, projects and actions that are under way during the

harvest. Every year we undertake ‘Team Building’ to perform a critical analysis of the results and deployment of the action plan for the coming harvest, involving participation by employees from all the units.

More than just delivering results, we believe that companies have a commitment to taking care of people. To create a welcoming and productive environment, we are careful to promote a culture that values the performance and wellbeing of our eight million or so employees in Brazil, as well as the 419 apprentices, interns¹ and trainees.

[GRI 2-7 | 2-8]

In 2022 | 2023, the hiring rate of men and women was 25% and 48% respectively and the male/female turnover rate was 25% and 37% respectively. [GRI 401-1]

All our employees are covered by collective bargaining agreements, regardless of their job category, and have access to life insurance, health insurance, and dental insurance. We provide the possibility for study and language scholarships, as well as private pensions for full-time employees, except for temporary employees.

[GRI 2-30 | 401-2]

During this harvest-year, 236 employees took maternity or paternity leave – 27

¹ | Workers who are not employees.

taking care of our talents [GRI 3-3 | EMPLOYMENT]

women and 209 men. Of these, 100% of the women and 99% of the men returned to work. In relation to the employees who took maternity and paternity leave the previous year and who were still employed 12 months after their return, we registered a retention rate of 60.9% for the women and 71.9% for the men. [GRI 401-3]

Ways in

Our career development and evolution strategy begins right from the word go, with the training of new talents, and continues through to the highest level of the organization. We have structured entry programs, others focused on the administrative technical level, preparatory training for employees to be able to assume their first major responsibilities and leadership roles, and a process focused specifically on people with special physical needs.

Young talents

Focusing on graduate students, our ‘Young Talents’ internship program involved 112 young university students who joined the company during the 2022 | 2023 harvest, an increase of 22% in relation to the previous year. In the past, the average hire rate for trainees is above 57%.

Tereos Summer Experience

This is a program aimed at involving graduate students during their summer vacations from university. The initiative is one of the pillars of the

‘Tereos *Universifica* Program’, that aims to develop the company’s synergy with local universities, offering opportunities to students in the regions where we operate. During the last harvest year, 15 university students participated in activities in the agricultural and industrial operational areas.

Apprentices Program

This program promotes inclusion in the work market through theory courses, at learning institutions, and practical courses, at our industrial units. During the 2022 | 2023 harvest, 307 young people took part in the program. In partnership with the *Projeto Pescar* Foundation, the program also served the needs of young people in situations of socioeconomic vulnerability.

Our communication tools:

Channels | *online and offline* communications are made to more than 8,000 employees located at the offices, in the field and at the industrial units.

Events | *in-person and online* meetings over the course of the harvest to ensure alignment and engagement.

Campaigns | actions designed to engage our employees in the company’s main themes, aligned with the harvest priorities.

Ongoing development

Our personnel management strategy aims to maintain an ongoing cycle of professional improvement. We offer training sessions and professional improvement courses, developed in accordance with a technical and behavioral skills and abilities development plan, which aims to qualify our employees to perform their activities well.

Besides from the training sessions, we pay close attention to guiding the careers of our employees. Our Careers Committee coordinates an annual event aimed at directing our employees' life paths, creates individual development plans, maps successors and determines their readiness for each position within the company. By doing so, we can identify the opportunities for career progression and internal movement. During the 2022 | 2023 harvest, the rate of insourcing was 67% for general vacancies, and 82% for leadership positions.

We have development programs for all levels of hierarchy in the company:

Supervisors in Action

All of our employees in supervisory positions participate in this program, which aims to develop knowledge and abilities, improving the potential for personnel and business management. The initiative also aims to strengthen the alignment of the participants' goals with Tereos' strategy.

High Performance Managers

All of our managers and specialists participate in training that involves issues such as resilience,

agility, prioritization, time management and feedback processes. Currently, more than 85% of our managers and specialists have received training. The program encourages a different way of looking at the various facets involved in the work of a manager/specialist, through orientation and tools for personnel and process management.

Top of the Line Leaders

This is a program aimed at improving operational managers that contributes to the development of leadership, communication and feedback skills. More than 500 employees have already undergone this training.

Learn to Lead

This is a preparatory program for managers with a focus on the development of leadership skills, the ability to efficiently manage, administrate and guide individuals and teams. Analysts and engineers who have been identified for possible leadership positions are eligible for this program.

Performance Program

This is a program for the development of soft skills: self-awareness and communication, All the administrative technical staff participate in the program.

Leadership Program

This program involves practical workshops based upon Tereos' values and desired behaviors. All the managers and executives participate in training for the development of soft skills, as well as actions designed to promote greater synergy between the departments and strengthen the inter-personal relations of those participating.

During the most recent harvest, the administrative teams returned to in-person work, adopting a hybrid weekly routine, working at home for two days and in the office for three.

Experience

We have now implemented five editions of the '*Diretoria Itinerante*' ('Board Visits'), a project which provides our directors and supervisors with the opportunity to experience the day-to-day operations at the units. As well as visiting the operations on the farms and at the industrial units, the leaders also spend valuable time with our employees to hear about their lives and get closer to the teams.

Thanks

Focusing on recognition, we hold the "Champions League" event to bring together employees who have demonstrated the best performance indicators in the most recent harvest. In the most recent edition, the meeting took the form of a day-long event involving sports activities, dance classes and a live show.

Recognition

We commemorate the leading initiatives that help us to achieve our results in relation to Sustainability,



Safety, Transformation and Innovation, with the Tereos Excellence and Operational Excellence awards.

Connection

During the pandemic, our communication work was that much more challenging. The home office method of working caused a distance to develop between the employees on our corporate teams, leading us to host an important 'return to work' event involving integration dynamics as a strategy designed to reconnect people with the company's culture and promote engagement.

engagement and recognition actions





diversity and inclusion

[GRI 2-23] | 3-3 | DIVERSITY, INCLUSION AND HUMAN RIGHTS | 2-25

We believe that respect is the most important value in how we treat each other, whether it is regarding gender, ethnicity, race, sexual orientation, origin, age, or physical or mental ability. We appreciate diversity in the teams, believing in individual potential, with the strength and plurality of the collective. We encourage an inclusive culture and environment and encourage discussions and debates on the theme.

Since 2018, guided by these principles, we have run the Diversifying Tereos program and, over the years, we have noted important advances in the promotion of diversity and inclusion. During the most recent harvest, we created the Executive Committee on Diversity, made up of executives from different sectors to study the topic, define proposals, and implement initiatives designed to strategically promote diversity and inclusion at Tereos.

The Pillars of Diversifying Tereos

To ensure transformation, we have primarily focused on gaining a better understanding of our team. We have identified the number of people with

special needs and women in leadership positions, whilst we also ran a survey of the ethnic, racial and sexual orientation diversity within the company.

This harvest, we included a Diversity & Inclusion module in our training to help employees understand the importance of the theme, whilst we have also strengthened the practical tools to help them become allies to the cause. All the employees were trained during the off-season reintegration. In 2023, we published the Diversity Glossary, this being a guide that establishes more inclusive and respectful language, with tips on how to remove offensive and prejudicial expressions from our vocabulary.

We also host open dialog discussions at all levels of the company hierarchy. We believe that when people have the opportunity to openly discuss the issues relating to this theme, they can better understand the different perspectives, experiences and challenges faced by people of different origins and identities.

On top of these development activities ([read more on page 40](#)), the Diversifying Tereos Program works on five pillars, that are currently: **gender, special needs, age, ethnicity and sexual orientation.**

Promoting gender equality is an ongoing task that requires constant commitment and effort. Tereos works with the concept of affirmative opportunities

and training for women, creating more professional development opportunities, both internally and externally. ([read more on page 41](#)). We also make rooms available for breastfeeding and provide parking spaces at our units exclusively for pregnant women, making it easier to access the premises.

In the pillar which promotes people with special needs, since 2020 we have been aligned with the provisions of the Quotas Law, in partnership with the Rumo Institute. We have mapped those employees in our teams who present some type of special need but who have yet to be included in our controls. We have also registered people with special needs in our bank of talents in the region where we operate in the event of opportunities appearing.

To respect all generations at our units, we aim to integrate people of different ages since we believe that this helps us to find more and better solutions to our challenges. We create opportunities for young people at the beginning of their careers. Since 2011, we have been working in partnership with the *Projeto Pescar* initiative, which contributes to the professional development of young people in socially vulnerable situations. Under our Young Apprentices Program, we can count upon the support of teaching institutions such as SENAI, SENAC, CIEE and ETEC, to prepare these young people for the work market and their first job at one of our units.





Encouraging a culture of diversity

We have been developing a series of actions focused on promoting a culture of diversity and inclusion:

- ▶ **Diversity Week** | this is an event that has been held since 2021. One of the highlights of the last edition of this event was the 'Women in Agro' workshops, at which we brought together around 200 women from all the units to discuss female empowerment and career development.
- ▶ **"We need to talk about this" campaign** | launched during the 2022 Diversity Week, this campaign focused on tackling prejudice, discrimination and harassment, emphasizing the availability and activities of the Ombudsman Channel.
- ▶ The **"Those who recommend, diversify" program** | invites employees to recommend people with special needs for positions at the company. A total of 70 recommendations were made, resulting in ten people being hired. We host a conversation circle with the company's leaders to raise awareness on the issue.

- ▶ We have also developed a **pilot project at the Vertente Mill**, in partnership with the Rumo Institute, for an external campaign aimed at registering those with special needs or that have been unemployed in our bank of talents.

We condemn any type of discrimination, be it direct or indirect, guaranteeing the application of suitable measures, and, through the ombudsman, we have an open channel to listen to anyone feeling discomfort or suffering from discrimination. This harvest year, we received 13 accusations of cases of discrimination. All were investigated, presented to the Diversity Committee, and closed. The Committee recommends internal actions that should be replicated in the department, sector or company as a whole. Depending upon the seriousness of the case, recommendations may also be made for application of the consequences management policy. The 13 reports were addressed in the form of communication and training actions, 'DDS' ('Daily Safety Dialogs') in the relevant departments, and monitoring of the departments and employees. **[GRI 406-1]**

"respeito na medida" campaign

The campaign developed by 'Açúcar Guarani', Tereos' retail brand in Brazil, pushed forward the debate on the traditional names of sweets that sound offensive to many sectors of society, inviting consumers to rechristen the recipes. This initiative achieved significant results, with more than 25 million people being affected and more than 80,000 shares on social media. Furthermore, it led to donations of cash and

products to the 'Mãos de Maria' NGO, an institution that promotes entrepreneurship and professional training for women in socially vulnerable situations in the Paraisópolis community, in São Paulo. The campaign was also recognized by the 'Lusófonos da Criatividade' awards and received the Gold Award from FestVideo in the 'Video Case' category. [Click here to watch the video.](#)





enhancing the participation of women in agriculture

We are committed to contributing to the promotion of gender equality in the Brazilian agricultural segment. Our target is for women to make up 15% of our workforce by 2030, ensuring that the entire selection process should include at least two women in the interview phase. Furthermore, we want to have 17.5% of the leadership positions occupied by women within the same period. With this goal in mind, we have developed a series of initiatives that aim to train and recognize female participation in all sectors of our operation.

Women in agro affinity group (GAMA)

This group holds discussions and develops initiatives to boost the representativeness of women in the company and increase the literacy and empowerment of our team. In 2022, we hosted the Women in Agro Workshop, bringing together more than 200 women.

Young female apprentices groups

This project focuses on training for jobs in the agro-industrial areas, such as motor-mechanical skills, farming practices and reforestation. The project currently involves 24 young apprentices.

Training for agricultural operations

One of the initiatives was an agricultural machinery operating course, aimed specifically at women living in and around the region of Tanabi (SP). After completing the training, around 65% of the participants joined the company's workforce for the following harvest. The project received an award in the 2022 edition of the *Mastercana Social* awards. In December 2022, we launched the Automobile and Tractor Maintenance courses,



in partnership with SENAI, aimed exclusively at women living in the region of Colina (SP).

Teams of women working on ecological restoration

Conducted and led by exclusively female teams, made up of around 40 women, the activities take place at all the company's units, and focus on the ecological restoration and protection of natural springs, promoting the replenishment of the bodies of water in the region and the protection of biodiversity.

"Driving agro together" webseries

This webseries aims to present inspiring stories of women in agriculture to the general public. To watch the episodes, [click here](#).

We are committed to dignity and respect for Human Rights, with the conventions of the International Labour Organization (ILO) and the United Nations' Convention on Children's Rights being included in our Code of Ethics. During the 2022 | 2023 harvest, we offered training to our employees on our Human Rights policies with the aim of establishing a stronger culture in relation to this theme. [\[GRI 2-23\]](#)

Good practices

We have been driving agricultural practices that hold the FSA (Farm Sustainability Assessment) verification awarded by the SAI (Sustainable Agriculture Initiative), which recognizes and values sugarcane suppliers which, amongst other measures, guarantee good working conditions and respect for human rights, and contribute to the socioeconomic development of the communities involved. [Read more on page 47.](#)

We started performing inspections of the housing and agricultural working conditions at all the units during the 2022 | 2023 harvest, an initiative which ran in parallel with the '*Pé no Chão*' project. These regular inspections and investigations are aimed at guaranteeing respect for human rights and the dignity of the workers, as well as promoting safe and fair working conditions that are free from any form of exploitation. At the end of the harvest, 70 residences and 72 of our own agricultural areas had been inspected.

human rights

[B-3] DIVERSITY, INCLUSION AND HUMAN RIGHTS | 408-1 | 409-1]



social responsibility

We are committed to contributing to the communities in which we operate. We perform actions that seek to stimulate local development through dialog, appreciation for diversity and local knowledge. We hope to positively influence an agenda based upon the following pillars:

Water | Protection, conservation and support in the management of water resources

Economic growth | Promotion of entrepreneurship and generation of income

Health | Development and promotion of investment in the public's healthcare

Education | Contribution to integration and education programs

Sustainable Cities | Support for the circular economy, reuse of waste and generation of energy

Forests | Protection and preservation of forests and green areas

Read about the projects we run and support **[GRI 2-25]**

Projects we run

Energy donation | Since 2012, we have directed a portion of the energy we generate from sugarcane bagasse

to the Amor de Barretos Hospital, a benchmark institution in the prevention and treatment of cancer, supplying the Antenor, Children's and São Judas units. In 2022, we began donating energy in a similar manner to the "São Vicente de Paulo" charity hospital, in Jundiá (SP). The agreement means the benefit will be provided until the end of 2023.

Pescar Program | This social-professional training program developed by the **Projeto Pescar** Foundation, in partnership with its collaborative network, aims to transform lives. We train young people aged between 16 and 19 who are in socially vulnerable situations, providing an Agribusiness Processes course aimed at increasing their opportunities to insert themselves into the work market. The partnership with Tereos celebrated its tenth anniversary in 2023, having certified 180 young people from the region neighboring the Cruz Alta unit. Three young people were hired from those participating in the program's 10th group, who competed the course in July this year. The process to put together the 11th group began in August 2023, with plans to hire another 20 young apprentices who will begin this path of learning and transformation. [Read more about the program.](#)

Apícola Project | We collaborate on development of the habitat for pollinators, focusing on protecting the bees and opening dialogs between the farmers and the beekeepers in the regions neighboring our units. Our team maintains a close relationship with the beekeepers to help them protect the bees from the aerial application of fertilizers and share knowledge at training sessions

with specialists. A total of 52 beekeepers and more than 400 apiaries have been mapped in our zone of operation.

Tax-deducted projects

We encourage projects that have positive impacts in the communities in which we operate, with the aim of supporting an agenda of cultural appreciation, wellbeing and quality of life for the public living nearby our units. Through the use of tax incentive laws, we direct almost R\$ 3 million in funds to projects developed by partners, as well as the Pitangueiras Children's and Adolescents' Fund and the Viradouro Rights of the Elderly Fund, in the state of São Paulo.

Living City | This is a project with a visual impact that has been implemented in Olímpia (SP) with the aim of revitalizing public spaces by creating giant murals.

Ribeirão Preto International Book Fair | The Ribeirão Preto Book and Reading Foundation is a not-for-profit legal entity governed by private law, that was created in 2004, especially to stage the city's International Book Fair. It is now held every year and is considered to be the second biggest open-air fair in the country. The event welcomes an average of 180,000 visitors each year.

Sustainable City | This is a project focusing on education and cultural inclusion in public schools in Barretos. It stages educational and cultural activities using photography as a tool for reflection and raising awareness. Its target public is people in socially vulnerable situations, children aged ten and over, and educators.

Olímpia Folklore Festival (FEFOL) | The 58th edition of the FEFOL has recently been held, this being an event that has never missed a year since 1965. FEFOL 2022 welcomed approximately 50 traditional folklore groups from all over Brazil.

New World | This project offers soccer classes for around 100 children and adolescents, aged between six and sixteen, from the region called CEU, in São José do Rio Preto. The aim is to guarantee a safe space for new experiences guided by respect, autonomy and leadership, taking them out of situations of risk and helping to guarantee their rights as children and young people through sport.

Academy of Music and Arts (ALMA) | Created in 2014 with the aim of providing children and young people with little experience of the arts, especially music, providing the opportunity to improve their technical, artistic and performance skills. The institution also supports the staging of shows with a variety of content, including operas, mini-operas, operettas and other modern genres of music.

health and safety

[GRI 3-3 | OCCUPATIONAL HEALTH AND SAFETY | 403-1 | 403-2 | 403-3 | 403-4]



Our initiatives are founded in good practices of safety at work and occupational health, with a focus on continued improvement and the reduction of accidents and injuries. We also aim to ensure dignified working conditions throughout our entire value chain.

The impacts of Occupational Health and Safety can be observed in various areas, including the economy, environment and people, as well as human rights. We have reinforced our commitment to excellence in business practices and contribute to the construction of an environment that is propitious to sustainable growth and long-term success.

commitment to risks mitigation [GRI 403-2 | 403-7]

The prevention and mitigation of risks requires a continual commitment to the promotion of safe and healthy working environments, in all our sectors and units. We hold 'Daily Safety Dialogs' ('DDS') to discuss possible concerns or risks. We believe that monitoring the processes is also essential for strengthening this theme. Below you can read more about the measures that form part of our team's regular activities:

Risk assessment | Full analysis of the working environment, identifying dangers and evaluating their likelihood and the seriousness of the consequences This allows us to prioritize those areas that are at greater risk and implement the appropriate control measures. The basis of our risk management is the 'CRM' (Critical Risk Management) system, as well as the corporate requirements set forth and disseminated by our Group head office's global procedures, which are applied in all areas of the company and disseminated during training sessions.

Risk control measures | Implementation of the control measures to minimize the risks identified. This may include the elimination or substitution of substances considered to be hazardous, the use of personal protective equipment (PPE), the installation of physical safety barriers,

the implementation of safe working procedures, and the adoption of more secure technologies.

Training and awareness raising |

Provision of regular training sessions for the employees with regard to the work-related risks present in their activities and how to mitigate them. The training sessions involve themes such as Risk Perception; Critical Tasks (with specific, recognized training for the performance of the job); Danger and Risk Analysis; Permission to Work; Work Instructions for the Task; and Accident Investigation; amongst others. [GRI 403-5]

Occupational Health Programs |

Implementation of comprehensive programs, including periodic medical checkups, monitoring of workers' health, early identification of work-related illnesses, health and wellbeing promotion programs, and access to quality medical services.

Employees participation |

Encouragement for the workers to actively participate in identifying the risks and seeking solutions, establishing effective channels of communication, such as safety and health committees (made up of the management), so that they can report their concerns, suggest improvements and collaborate in the implementation of prevention measures. We also hold monthly

CIPA and CIPATR meetings (monthly meetings with the employees in order to formalize the Health and Safety at Work programs and raise the opportunities that exist for improvements with this public). We also hold meetings of the emergency team, which are also monthly, and have implemented the 'OPDE' (Potential Event Observation) active care practice, in which the employees can report unsafe working conditions, risky behavior and irregularities related to the procedures and reporting of near accidents. This tool is also used to recognize safe behavior and help advance and improve the culture of safety within the company.

Compliance with legislation |

Guaranteeing that all norms and regulations are complied with. This includes following the directives established by the regulatory agencies and adopting best operating practices.

Monitoring and revision |

Continual monitoring of the working conditions, assessment of the effectiveness of the prevention measures adopted, and periodic revisions of the health and safety at work programs, to ensure that they are up-to-date and properly adapted to the needs of the workplace.



During the 2022 | 2023 harvest, we launched the 'SEJA Program', focused on encouraging the evolution of the safety culture based on three pillars: Risk management; Health and Safety at Work Management System, and Accountability of the Management.

The aim of the program is to mitigate events that could lead to fatal accidents or could involve severe or irreversible injuries. The initial operating term is for five years, ending in 2026, but for the end of 2024 it is expected that there will have been an evolution in the levels of the maturity of the requirements for the Hearts & Minds methodology

The situations that present risks are identified through the use of a number of tools implemented by the SEJA Program. This mapping, performed by multi-disciplinary groups, identified around 45,500 situations of potential risk in the operations and the main control measures for each of them. These risks are evaluated by means of a methodology that is divided into four layers, allowing them to be organized depending upon their likelihood and the seriousness of the outcomes. In all of them, for definition of preventive or mitigating controls, the priority measures are established in a hierarchical pyramid of controls. A total of 30 events were identified as being considered the most critical in the 2022 | 2023 harvest. **We are pioneers in the adoption of this methodology in the sugar and energy sector.**

Each one of our actions allows us to move forward on this theme. We record the advances in the LiderVisit Program, focused on verifying the Critical Controls, Observation and Behavioral

Approach, and Verification of Safety Action Plans. We have concluded the risk mapping for 100% of the company's areas and operations, through use of the WRAC tool, and we have begun mapping the Legal Requirements. We have qualified our safety and operational teams as multipliers of specific types of training.

During this period, 100% of our employees and interns², apprentices and trainees were covered by the health and safety management system. We monitor the health of all our employees, performing or requesting the medical checkups necessary to comply with current legislation.

² Workers who are not employees.



Our control tools

LiderVisit | Promoting the engagement/development of the perception of situations that can weaken or strengthen safe operations, in an exchange of experiences between employees from different sectors.

LVCC (Critical Control Checklist) | These are checklists designed to ensure compliance with critical controls performed in the field. Each critical risk mapped within the company (30 in total) has its own 'LVCC'.

VFL – Behavioral Observation | This involves the Observation / Behavioral Approach when in close

proximity to the operation, checking on safe or risky behavior. We have the opportunity to adjust the perception of risk we have of our employees in the execution of their activities, provide feedback and establish commitments.

Solvace | This is the Action Plan management system used by the whole Group. It allows us to record evidence, undertake checks and send out reminders about expiry and inclusion dates, amongst other information regarding the action plans.

Easy Checklist | This is an online (computers) and offline (cell phone and tablet) operating system for the application of checklists in the field.

All of our units have a team made up of public firefighters, safety experts, safety engineers, doctors and analysts specialized in occupational health, who are available for in-person or online consultations. The occupational health of our employees is one of our priorities, and all cases are monitored by indicators. In addition to this, we are committed to performing annual reviews of our training program, ensuring that it is always up-to-date and in compliance with the most recent safety practices and norms. Our dedication to safety and the wellbeing of our team is a fundamental part of our corporate culture.



healthcare promotion programs [GRI 403-3] [403-6]

Regular medical checkups | The periodic medical checkups allow us to monitor the health of our workers, identify health problems in advance and offer preventive interventions or suitable treatment.

Physical activity programs | Initiatives that encourage the regular practice of physical exercise, such as gymnastics classes and walking groups. These programs promote cardiovascular health, muscular strength, flexibility, and help reduce sedentary lifestyles.

Promotion of healthy eating | Offering access to healthy eating options, such as nutritional snacks and balanced meals at the workplace, can contribute to a healthy diet.

Health education | Talks, workshops, and educational seminars on relevant health topics, such as prevention of illness, personal hygiene, mental health, care for the spine and prevention of chronic illnesses, amongst others.

Awareness-raising campaigns | Regular awareness-raising campaigns on themes specific to health, such as prevention of sexually-transmitted diseases, dental care, and the importance of vaccinations, amongst others.

Work-related injuries and illnesses [GRI 403-9, 403-10]

In 2022 | 2023, we recorded a serious-injury rate of 0.19 amongst our employees and 0.29 for our Interns and third party workers³. We did not register any fatalities or cases of recordable work-related ill health, meaning zero rates in both categories. In relation to the number of work-related incidents that could have had serious consequences, we identified 572 incidents, whilst the number of near accidents was 1,028.

³ Workers who are not employees.

stakeholder engagement [GRI 2-29]

We invest in programs and opportunities to strengthen the relationship with our main stakeholders. We seek to encourage a sustainable culture with all of our business partners, suppliers, customers or consumers.





STAKEHOLDERS	ENGAGEMENT AND RELATIONSHIP INITIATIVES	MAIN CONCERNS RAISED
Government, auditors, unions and internal clients	The Labor Relations and HR Services departments have established a communication channel using e-mail, telephone and the postal service.	Maintain transparent and harmonious relations.
Customers	Complaints directed to our Commercial department are recorded in an internal system and referred to the Quality sector.	Ensure customer satisfaction and guarantee that their needs are met.
Governments, trade associations and NGOs	We provide communication channels (email, telephone and website: institucional.br@tereos.com) where these stakeholders can confidentially submit reports. Each case is assigned a case number that the whistleblowers can use to track the progress of the case. Each report is first reviewed by a third-party firm and then forwarded to our Compliance department.	Build close and open relationships with these stakeholders
Regulatory and inspection agencies	Our Legal, Financial and HSEQ departments are responsible for communications with these stakeholders via email, telephone and in-person meetings and/or inspections.	Compliance with laws.
Suppliers	Our Procurement, Agriculture and Logistics departments manage our relationship with the stakeholders, by email, telephone or in-person visits. The frequency of engagement with suppliers varies depending upon the category, and they may be engaged or receive orders at different times of the year.	Maintain an active supply chain for services, products and inputs for production.
Consumers	We communicate with our consumers through our Marketing, Customer Services and Digital Media departments.	Engage our consumers in a good relationship with the Guarani brand.
Banks and investors	Our Treasury and Business Development department manages all interactions with financial institutions, typically via in-person meetings, questionnaires, email and conference calls.	Track the performance of our business and the allocation of capital and work to secure green loans opportunities.
Media	The Communications team at Tereos is responsible for managing relationships with media outlets, responding to requests for interviews and providing information about the company's business and operations.	Protect Tereos' reputation and deliver on our commitment to transparency and building brand credibility.

Proximity with suppliers [GRI 2-6 | 3-3 A] SUSTAINABLE SUPPLY CHAIN

Our supply chain involves more than 3,500 business partners, ranging from the raw material (sugarcane) to agricultural and industrial services and supplies in general.

We are partners of our suppliers with inputs, such as seeds, fertilizers and agricultural machinery, thus guaranteeing quality and efficiency in production. We also have a network of services and products suppliers, including industrial equipment, transportation services, packaging and other materials necessary for the company's operations.

To ensure transparency and good practices in our relations, we maintain rigorous standards of quality, security and sustainability in our relations with suppliers, encouraging ethical practices and respect for human rights and the environment. We work in partnership with our chain to promote joint actions focused on corporate social responsibility, thus driving sustainable development.

Our Supply Chain Tactical Committee is responsible for addressing strategic and operational issues connected to the supply chain, seeking to reduce socio-environmental impacts, promote sustainable practices, guarantee compliance with regulations and norms, and strengthen partnerships and collaborations for the development of a responsible and ethical supply chain.

Before contracting a supplier, we perform a due diligence process, guided by the "Know Your

Counterparty" procedure, using the global Tereos platform. This practice allows us to assess the degree of risk of interaction with the company. In the event the supplier is classified as presenting a high level of risk, the analysis is forwarded to the Compliance department for a second check.

This harvest, we began expanding the ratification work involving these stakeholders. The procedure for contracting new suppliers taking into consideration sustainable criteria is under development, and is expected to begin by the end of the 2023 | 2024 season. The process is likely to involve greater integration and cooperation between the departments to guarantee better screening and selection, and consists of the analysis of up to 40 documents, depending upon the risk classification and specific nature of the category, with approximately 40% of the documents being signed electronically and/or collected automatically.

Another document that guides our relationship with the suppliers is the Goods and Services Procurement Policy, which strives to ensure a sustainable and long-lasting procurement practice.

We have also developed the Supplier Management Program, which involves around 200 partners, prioritizing compliance with our ESG policies and ongoing efforts to achieve a continually better level of service and performance. The aim is to construct a reliable network that is capable of jointly innovating and maximizing value by means of a safe process.



During the 2022 | 2023 harvest, the total expenditure on suppliers was R\$ 4.25 billion. 65.5% was spent on local suppliers (R\$ 2.78 billion).

[GRI 204-1]

Our partner producers

Currently, around 43.8% of the sugarcane processed by the company is supplied by partner farmers. In order to strengthen the ties with these farmers, in 2018 we launched a program called ‘Amigo Produtor’ (‘Farmer Friend’), based on six pillars: safety, technical support, assistance, services, purchases and sustainability. By means of this program, we promote the increased integration of our sugarcane production chain, sharing best practices and offering our expertise in agronomic management and procurement of agricultural inputs, whilst also guaranteeing the quality of services provided so that together we can boost the results of our partnership.

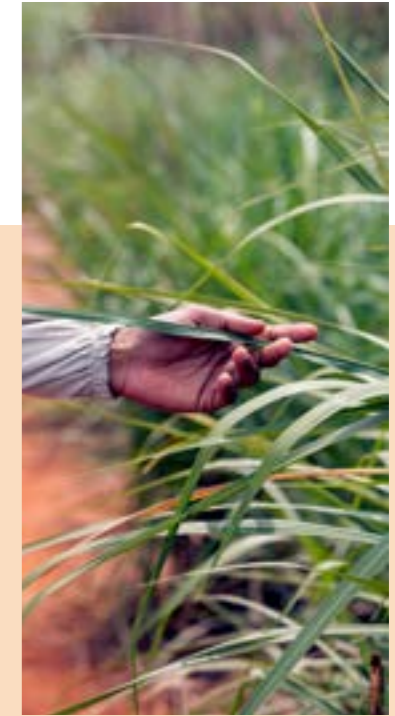
The *Amigo Produtor Sustentável* (APS), “Sustainable Farmer Friend” program, meanwhile, is an initiative tied in with the *Amigo Produtor* program that is focused on the concept of sustainable agriculture, offering guidance on both environmental and labor legislation. This technical support is provided with the intention of helping the suppliers achieve the FSA (Farm Sustainability Assessment) from the international SAI (Sustainable Agricultural Initiative) platform, which allows for monitoring and assessment of the actual and potential impacts of our supply chain both on the environment and people, including human rights.

During the 2022 | 2023 harvest, we audited and received the FSA-SAI sustainability certification for another six suppliers. [GRI 308-1]

In 2023, we also implemented the ‘Agrotools’ instrument, which involves the online socio-environmental evaluation of our entire sugarcane supplier base. This tool allows us greater visibility of deforested areas, Indigenous Lands and areas that have been embargoed by Ibama (Brazilian Institute for the Environment and Renewable Natural Resources). It also allows us to check whether the supplier is on the Ministry of Labor and Employment’s Slavery Blacklist .

During this period, we did not identify any negative and/or potential impacts relating to socio-environmental issues⁴. [GRI 308-2]

⁴ | 100% of the leased and supply properties were assessed.



amigo produtor and amigo produtor sustentável in figures

A program based upon six pillars: safety, technical support, assistance, services, purchases and sustainability

514 partner producers, representing 43.8% of our raw material

21.2% of the total amount of sugarcane from our partners was certified under the FSA-SAI



Customer relations **GRI 2-6**

Our end clients operate in the food and beverage and general industries sectors. We supply refined and crystal sugar, as well as other derivatives, ethanol and renewable energy, meeting the needs and demands of different Brazilian and international markets. Our daily challenge is to guarantee that these stakeholders are satisfied, which is why we invest continuously in relationship strategies and services.

We have a [web portal](#) designed to facilitate sales and our relationship with domestic clients. Through this online environment, we offer all the necessary information on management from order through to delivery, as well as market data, which help in the decision-making involved in the purchase, thus establishing a relationship that benefits both the customer and the company, something that goes beyond value and provides the company with a competitive advantage.

We also make periodic routine visits to our customers and have a Customer Service department that provides support throughout the entire procurement journey.

associations memberships **[GRI 2-28]**

UNICA | Sugarcane Industry Association

BIOCANA | Association of Sugar, Ethanol and Energy Producers

SIAESP | Sugar Industry Union of the State of São Paulo

SIAESP | Alcohol Manufacturing Industry Union of the State of São Paulo

UDOP | National Bioenergy Union

SRB | Brazilian Rural Society

ABAG | Brazilian Agribusiness Association

France-Brazil Chamber of Commerce

Drainage Basin Committees



COZEDOR
GRANULADO Nº 5

annexes and summaries

Employees [GRI 2-7]

Permanent and temporary employees, by gender and region

Units/Regions	PERMANENT		TEMPORARY		TOTAL	
	Female	Male	Female	Male	Female	Male
BSC	162	286	0	0	162	286
RJ DC	11	74	0	0	11	74
São Paulo office	7	5	0	0	7	5
Andrade	71	995	1	10	72	1,005
Tanabi	103	1,016	0	1	103	1,017
Vertente	97	884	3	0	100	884
Cruz Alta	146	1,954	1	43	147	1,997
Mandu	97	1,087	1	9	98	1,096
São José	107	1,074	1	7	108	1,081
Severínia	2	42	0	0	2	42
Total	803	7,417	7	70	810	7,487

N.B. | The number of employees varies depending upon the period of the cycle. During the peak harvest period, in and around June, we have a higher number of employees due to the contracting of seasonal workers. In June 2022, we had 8,931 employees. The total of 8,297 refers to the off-season period. The figures were collected in relation to the reference date of December 31, 2022.

Employees by type of working hours, gender and region [GRI 2-7]

Units/regions	NON-GUARANTEED HOURS		FULL-TIME		TOTAL	
	Female	Male	Female	Male	Female	Male
BSC	32	96	130	190	162	286
RJ DC	0	1	11	73	11	74
São Paulo office	3	3	4	2	7	5
Andrade	3	31	69	974	72	1,005
Tanabi	3	36	100	981	103	1,017
Vertente	3	26	97	858	100	884
Cruz Alta	3	54	144	1,943	147	1,997
Mandu	1	31	97	1,065	98	1,096
São José	2	37	106	1,044	108	1,081
Severínia	0	1	2	41	2	42
Total	50	316	760	7,171	810	7,487

annexes

notes

1 | The category of part-time employees does not apply to Tereos.

2 | The number of employees varies depending upon the period of the cycle. During the peak harvest period, around June, we have a higher number of employees due to the contracting of seasonal workers. In June 2022, we had 8,931 employees. The total of 8,297 refers to the off-season period. The figures were collected in relation to the reference date of December 31, 2022.

Workers who are not employees [GRI 2-8]

YEAR-HARVEST	2020 2021	2021 2022	2022 2023
Third Parties ¹	2,160	2,982	2,561
Interns	82	103	112

1 | The activities of the fixed service providers relate to the assets, transportation, personnel and cleaning. For the temporary service providers, the activities relate to industrial maintenance, and to the harvesting and transportation of the sugarcane. The calculation methodology employed was the general average: [Number of Hours Worked (harvest amount - 12 months) / divided by 220 (Monthly Hours worked by an employee)] / divided by 12 (number of months worked). The variation in the number of third party workers during the harvest and the off-season arises from the fact that, during the off-season, the flow of temporary service providers increases due to maintenance activities (assembly and disassembly).

Direct economic value generated and distributed [GRI 201-1]

DIRECT ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED ¹			
Generated	2020 2021	2021 2022	2022 2023
Revenue	R\$ 4,433,000,000	R\$ 4,416,000,000	R\$ 5,204,000,000
Total	R\$ 4,433,000,000	R\$ 4,416,000,000	R\$ 5,204,000,000
Distributed			
Operating costs	R\$ 3,289,000,000	R\$ 3,511,000,000	R\$ 4,863,000,000
Employee wages and benefits	R\$ 552,000,000	R\$ 563,000,000	R\$ 654,000,000
Payments to capital providers	R\$ 214,000,000	R\$ 349,000,000	R\$ 406,000,000
Total	R\$ 4,055,000,000	R\$ 4,423,000,000	R\$ 5,923,000,000
Retained			
(Generated – distributed)	R\$ 378,000,000	-R\$ 7,000,000	-R\$ 719,000,000

1 | The source of the data presented is the consolidated, audited financial statements.

In the 2022 | 2023 cycle, the value generated was R\$ 5.2 million (18%+ vs. the 2021 | 2022 cycle) and the distributed value was R\$ 5.9 million (34%+ vs. 2021 | 2022), where the significant increase in the distributed value for the period was due to the 39% increase in the operating costs and 16% increase in the payment of salaries and benefits to the employees.

Energy consumption within the organization (GJ) [GRI 302-1]

FUELS FROM RENEWABLE SOURCES	2020 2021	2021 2022	2022 2023
Diesel	1,434,346.0	909,235.2	1,292,144.3
Gasoline	739.0	1,131.2	551.4
LPG	0	3,011.8	13,987.8
Total fuels from non-renewable sources (A)	1,435,085.0	913,378.2 GJ	1,306,683.5
FUELS FROM RENEWABLE SOURCES	2020 2021	2021 2022	2022 2023
Sugarcane bagasse	41,360,258.9	37,827,548.0	38,239,078.2
Ethanol	47,641.0	49,943.7	52,341.9
Biodiesel	182,500.0	121,412.4	134,027.2
Total fuels from renewable sources (B)	41,590,399.9	37,998,904.2	38,425,447.4
ENERGY CONSUMED	2020 2021	2021 2022	2022 2023
Electricity consumption	41,684.5	59,084.6	59,702.2
Total energy consumed (C)	41,684.5	59,084.6	59,702.2
ENERGY SOLD	2020 2021	2021 2022	2022 2023
Electricity sold	3,544,587.8	2,419,048.8	2,612,145.3
Steam sold	2,489,949.6	1,512,313.4	1,837,721.8
Total energy sold (D)	6,034,537.4	3,931,362.1	4,449,867.2
	2020 2021	2021 2022	2022 2023
Total consumption of fuels from non-renewable sources (A)	1,435,085.0	913,378.2	1,306,683.5
Total consumption of fuels from renewable sources (B)	41,590,399.9	37,998,904.2	38,425,447.4
Total energy consumed (C)	41,684.5	59,084.6	59,702.2
Total energy sold (D)	6,034,537.4	3,931,362.1	4,449,867.2
Total consumption of energy in the organization (A + B + C - D)	37,032,632.0	35,040,004.8	35,341,965.9

notes

1 | No energy is consumed for heating or cooling purposes.

2 | All the data was drawn from Tereos' industrial, agricultural and accounting systems (Gatec and SAP), and the energy purchase and sale information was drawn from the CCEE and CPFL systems.

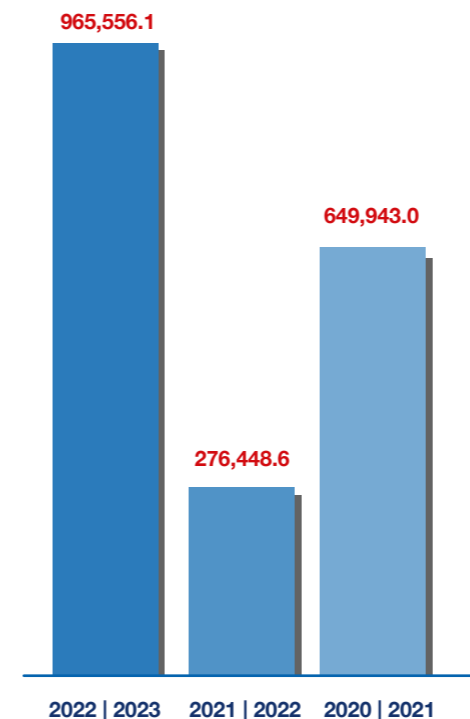
3 | The *diesel* consumed refers to the agricultural, industrial, administrative and logistics activities (the company's own fleet and stationary motors and irrigation pumps); the gasoline consumed refers to the agricultural, industrial, administrative and logistics activities (the company's own fleet); and LPG was used as a fuel for the stackers and in the canteens. The sugarcane bagasse is used to generate steam and electricity.

4 | Included in the calculations were the conversion factors relating to the specific mass and lower calorific values of the fuels, that were drawn from the 2022 National Energy Balance (base-year 2021), published by the Energy Research Company (EPE). For biodiesel, the attributed percentage considers the source: <https://acesse.one/mA9eW>

5 | The data for the years 2020 | 2021 and 2021 | 2022 were revised and, as such, they are not equal to those published in the previous report. The revision forms part of a methodological adjustment and correction of the double counting related to the consumption of sugarcane bagasse and steam. [GRI 2-4]

6 | The amount presented in relation to electricity consumption corresponds solely to energy purchased from the grid.

Energy consumption outside the organization^{1,2} [GRI 302-2]



notes

1 | Included in the calculations for energy consumption outside the organization were the fossil and renewable fuels consumed by the fleets operated by third parties in agricultural, industrial, administrative and logistics operations.

2 | Included in the calculations were the conversion factors relating to the specific mass and lower calorific values of the fuels, drawn from the 2022 National Energy Balance (base-year 2021), published by the Energy Research Company (EPE). For biodiesel, the attributed percentage considers the source: <https://acesse.one/mA9eW>

Energy intensity (GJ/tons of sugarcane processed)¹

[GRI 302-3]

CLASSIFICATION	2020 2021	2021 2022	2022 2023
Within the organization	1.76 ²	2.24 ²	2.05
Outside the organization	0.03	0.02	0.06

notes

1 | Energy intensity within the organization: fuel, electricity and steam. Energy intensity outside the organization: fossil and renewable fuels in the agricultural, industrial and administrative operations performed by third parties.

2 | Due to the revision of the data relating to the 2020 | 2021 and 2021 | 2022 cycles and the consequent change in the calculations reported in the [GRI 302-1] indicator as part of the methodological adjustment and correction of the double counting in the consumption of sugarcane bagasse and steam, the energy intensity amounts (within the organization) were altered when compared to those published in the previous report.

[GRI 2-4]

Water withdrawal (in megaliters)¹

GRI 303-3

	2020 2021	2021 2022	2022 2023
Surface waters fresh water ²	12.1	7.7	9.1
Underground waters fresh water ²	3.9	2.9	2.8
Total Volume	16.0	10.6	11.9

notes

1 | Data obtained using the Gatec system. There were no records of water being withdrawn from areas experiencing hydro-stress.

2 | ≤1,000 mg/l of Total Dissolved Solids.

Direct (Scope 1) greenhouse gas (GHG) emissions [GRI 305-1]

DIRECT GREENHOUSE GAS EMISSIONS ¹ – SCOPE 1 (TCO ₂ EQ) [GRI 305-1]			
	2020	2021	2022
Generation of electricity, heat or steam	104,178.3	75,408.4	75,929.5
Physicochemical processing	181,598.8	151,198.8	157,417.7
Transportation of materials, products, waste, employees and passengers	109,131.8	84,145.7	96,222.2
Fugitive emissions	1,018.3	503.4	1,438.0
Total Scope 1 emissions	395,927.2	311,256.2	331,007.4

1 | Gases included in the calculation | CO₂, CH₄, N₂O. **Base year** | the base year chosen was 2018, since this was the year of the first audited inventory. **Consolidation approach** | operational control. The source used for the emission factors and the Global Warming Potential

(GWP) was the Brazilian GHG Protocol Program. **The primary norms considered were the** | IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

BIOGENIC EMISSIONS OF CO ₂ ² – SCOPE 1 (TCO ₂ EQ) [GRI 305-1]		
2020	2021	2022
5,377,321.4	3,882,033.4	4,254,118.6

2 | Gases included in the calculation | CO₂, CH₄, N₂O. **Base year:** the base year chosen was 2018, since this was the year of the first audited inventory. **Consolidation approach** | operational control. The source used for the emission factors and the Global Warming Potential

(GWP) was the Brazilian GHG Protocol Program. **The principal norms considered were the** | IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol.

Indirect emissions (Scope 2) of greenhouse gases (GHG) arising from the acquisition of energy [GRI 305-2]

INDIRECT EMISSIONS ARISING FROM THE ACQUISITION OF ENERGY (MARKET-BASED) - SCOPE 2 (TCO ₂ EQ) ³ [GRI 305-2]		
2020	2021	2022
783.1	2,291.7	17.1

3 | Gases included in the calculation | CO₂, CH₄, N₂O. **Base year:** The base year chosen was 2018, since this was the year of the first audited inventory, in which the total emissions were 2,543.10 tCO₂eq. **Consolidation approach** | operational control. The source used for the emission factors and the Global Warming Potential (GWP) was the Brazilian GHG Protocol Program. **The principal norms considered were the** | IPCC (Intergovernmental Panel on Climate Change, 2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol. **Explanation of the difference in the data (2021 to 2022)** | in 2022, only the consumption

of electricity by the agricultural area was taken into account. According to item 6.1.1 of the Technical Note to the GHG Protocol, that has been in effect since 2017, regardless of an energy generation company consuming energy from the grid to possibly reduce its own production, what should be taken into consideration for the calculation of GHG emissions is the annual balance of energy generation. As such, should the annual balance be zero or positive, there is no need to perform emissions estimates using the amounts of grid-sourced electricity consumed. [GRI 2-4]

Other indirect (Scope 3) greenhouse gas (GHG) emissions [GRI 305-3]

Other greenhouse gas emissions⁴ – Scope 3 (tCO₂eq) [GRI 305-3]

UPSTREAM	2020	2021	2022
Commodities and services acquired	38,333.8	36,931.2	265,487.3
Activities related to energy and fuels	26,360.2	19,586.3	41,612.6
Transportation and distribution (outsourced fleet)	22,000.9	18,592.3	16,978.3
Waste generated in operations	338.5	880.3	811.5
Business Travel	20.0	63.4	178.8
Employee transportation	5,613.3	1,540.7	1,303.8
DOWNSTREAM			
Transportation and distribution (products sold by the organization)	119,796.2	102,593.6	87,465.9
Investments	–	9,590.0	12,764.4
Total emissions	212,463.0	189,777.9	426,602.6

4 | Gases included in the calculation | CO₂. **Base Year:** The base year chosen was 2018, since this was the year of the first audited inventory, in which the total emissions were 2,543.10 tCO₂eq. **Consolidation approach** | operational control. The source used for the emission factors and the Global Warming Potential (GWP) was the Brazilian GHG Protocol Program. **The principal norms considered were the** | IPCC (Intergovernmental Panel on Climate Change,

2006); ABNT NBR ISO 14064-1: 2007; GHG Protocol. **Explanation of the variations in the data (2021 to 2022)** | in 2022, we made improvements to the reported information, including the consumption of fertilizers and fuels proportional to the consumption per hectare of sugarcane at each mill, therefore bring the proportional consumption and emissions levels closer to those of the suppliers. This estimate was not performed in 2021. [GRI 2-4]

Intensity of greenhouse gas (GHG) emissions [GRI 305-4]

Intensity of greenhouse gas emissions⁵ (tCO₂eq) [GRI 305-4]

	2020	2021	2022
Total of GHG emissions	609,173.3	503,325.8	757,627.0
Tons of sugarcane processed	21,077,907	15,642,448	17,254,968
tCO ₂ eq/tons of sugarcane processed	0.029	0.032	0.044

5 | Gases included in the calculation | CO₂, CH₄, N₂O. **Scopes included** | Scope 1 (Direct emissions), Scope 2 (Acquisition of electricity in agricultural areas), and Scope 3 (Categories | Purchased goods and

services / Activities related to fuel and energy but not included in Scopes 1 and 2 / Investments) **Consolidation approach** | operational control.

NO_x, SO_x, and other significant air emissions [GRI 305-7]

NO_x, SO_x, and other significant air emissions (kg/h)⁶ [GRI 305-7]

	2020	2021	2022
NO _x	2,030	864	2,609
SO _x	391	541	347
Particulate Matter (PM)	3,955	1,602	4,167

⁶ | Source of emission factors used: sugarcane bagasse fueled boilers. The methodologies adopted for the significant atmospheric emissions results are in line with the internal operating procedures for atmospheric

emissions (POPATM 001, 002, 003, 004, 005, 008, 009 and the technical directives of Cetesb L9.221, L9.222, L9.223, L9.224, L9.228m L9.229).

Waste generated¹ [GRI 306-3]

CATEGORIES	TYPE	2020 2021	2021 2022	2022 2023
Category A ²	Hazardous	839.6	795.2	816.4
Category B ³	Non-hazardous	406.5	460.9	541.4
Category C ⁴	Non-hazardous	2,930.3	3,204.0	3,859.3
Category D ⁵	Non-hazardous	71.8	88.3	95.2
Category E ⁶	Non-hazardous	2,209.4	2,317.2	2,145.2
Total		6,457.5	6,865.5	7,457.4

¹ | The data for the years 2020 | 2021 and 2021 | 2022 were revised in relation to those published in the previous report, since the company revised its data in order to comply with the classification of the origin of waste and risk level established by the National Solid Waste Policy. [GRI 2-4]

² | **Category A** | Class 1 hazardous waste – We optimized the annual waste generation system, implementation of screening, and disposal of waste arising from water-oil separator tank systems, electronic waste, contaminated lubricant oils (OLUC) and contaminated paint drums and cans.

³ | **Category B** | Landfilling – We maintained our internal waste management programs relating to the sorting and salvaging of recyclable, recoverable (composting) and reusable waste materials;

⁴ | **Category C** | Third parties (scrap metal) - We continued our project, launched in 2018, to decommission inactive and obsolete assets, sending these materials to a scrap metal salvaging company along with the routine generation of scrap metal arising from off-season maintenance and activities at the industrial units;

⁵ | **Category D** | Recovery (composting) – Waste arising from the internal activities of the canteens.

⁶ | **Category E** | Third parties (recyclables) – We maintained our internal waste management programs relating to the classification, thereby optimizing and salvaging recyclable and reusable waste materials;

Waste not directed to final disposal^{1,2} [GRI 306-4]

	2020 2021		2021 2022		2022 2023	
Non-hazardous waste	<i>Onsite</i>	<i>Offsite</i>	<i>Onsite</i>	<i>Offsite</i>	<i>Onsite</i>	<i>Offsite</i>
Preparation for reuse	71.8	0.0	88.3	0.0	95.2	0.0
Recycling	0.0	5,139.7	0.0	5,521.1	0.0	6,004.5
Total waste diverted from disposal	71.8	5,139.7	88.3	5,521.1	95.2	6,004.5

¹ | The data for the years 2020 | 2021 and 2021 | 2022 were revised in relation to those published in the previous report, since the company revised its data in order to comply with the classification of the origin

of waste and risk level established by the National Solid Waste Policy. [GRI 2-4]

² | The data were compiled using our SGA control system.

Waste directed to final disposal^{1,3} [GRI 306-5]

	2020 2021		2021 2022		2022 2023	
Non-hazardous waste	<i>Onsite</i>	<i>Offsite</i>	<i>Onsite</i>	<i>Offsite</i>	<i>Onsite</i>	<i>Offsite</i>
Disposal in landfill	0.0	406.5	0.0	460.9	0.0	541.4
Hazardous waste						
Co-processing	0.0	839.6	0.0	795.2	0.0	816.4
Total waste sent for final disposal	0.0	1,246.1	0.0	1,256.1	0.0	1,357.8

¹ | The data for the years 2020 | 2021 and 2021 | 2022 were revised in relation to those published in the previous report, since the company revised its data in order to comply with the classification of the origin of waste and risk level established by the National Solid Waste Policy. [GRI 2-4]

³ | The data were compiled using the tracking information – SGA LWART.

New employee hires and employee turnover [GRI 401-1]

EMPLOYEES HIRED, BY GENDER AND AGE GROUP						
Gender	2020 2021		2021 2022		2022 2023	
	Number	Rate (%) ¹	Number	Rate (%)	Number	Rate (%)
Men	1,962	25	1,932	26	1,983	25
Women	282	46	438	63	401	48
Age group						
Under 30	1,054	51	1,258	75	1,134	58
30 to 50 years of age	1,057	22	999	21	1,081	22
Over 50	133	10	113	7	169	9

¹ | The rates for the harvest year 2020 | 2021 were revised and, as such, such data are different in relation to the report published the previous year. [GRI 2-4]

EMPLOYEES HIRED, BY REGION				
Region	2021 2022		2022 2023	
	Number	Rate (%)	Number	Rate (%)
Cruz Alta	622	30	342	15
Severínia	49	16	2	1
Tanabi	392	37	373	32
Mandu	332	29	457	35
São José	382	35	408	33
Andrade	386	38	460	37
Vertente	161	17	221	22
BSC	23	6	114	26
RJ DC	32	36	5	6
SP Office	0	0	2	28

TURNOVER, BY GENDER AND AGE GROUP						
Gender	2020 2021 ^{1,2}		2021 2022 ²		2022 2023	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Men	2,048	26	2,124	28	3,880	25
Women	273	44	285	41	629	37
Age group						
Under 30	990	48	954	57	1,853	48
30 to 50 years of age	1,138	23	1,174	24	2,226	23
Over 50	193	15	281	17	430	11

notes

¹ | The rates for the harvest year 2020 | 2021 were revised, meaning such data are different in relation to the report published the previous year.

² | During the 2020 | 2021 and 2021 | 2022 cycles, the hirings were not included in the turnover, only the dismissals.

TURNOVER, BY REGION ¹	2021 2022 ²		2022 2023 ²	
	Number	Rate (%)	Number	Rate (%)
Cruz Alta	624	30	761	17
Severínia	79	25	84	34
Tanabi	344	32	688	30
Mandu	339	29	839	32
São José	396	36	772	31
Andrade	377	37	754	31
Vertente	200	21	396	20
BSC	27	7	206	24
RJ DC	20	22	7	4
SP Office	3	75	2	14

notes

¹ | The turnover rates for the regional units were not calculated during the harvest years prior to 2021 | 2022.

² | In the 2021 | 2022 cycles, the hirings were not included in the turnover, only the dismissals.

Parental-leave¹ [GRI 401-3]

	WOMEN	MEN
Number of employees eligible	810	7,487
Number of employees that took leave	27	209
Number of employees that returned to work after parental leave ended	27	207
Return to work rate	100.0%	99.0%
Number of employees still employed 12 months after their return to work	14	146
Rate of retention	60.9%	71.9%

¹ | For the calculation of the rate of return, we included all those employees who took leave during the 2022 | 2023 harvest year and who returned to work during the same year. For calculation of the rate of retention, we included those employees who completed 12 months with the company during the 2022 | 2023 harvest-year.

Workers covered by an occupational health and safety management system [GRI 403-8]

	2022 2023			
	Employees	%	Workers ¹	%
Individuals covered by an occupational health and safety management system based upon legal requirements and/or recognized standards/directives.	9,235	100%	2,562	100%
Individuals covered by an internally audited occupational health and safety management system, based upon legal requirements and/or recognized standards/directives.	0	0%	0	0%
Individuals covered by an occupational health and safety management system audited or certified by an external party, based upon legal requirements and/or recognized standards/directives.	0	0%	0	0%

¹ | **Workers:** workers who are not employees, but whose work and/or location of work is controlled by the organization.

Work-related injuries and illnesses [GRI 403-9, 403-10]

	2020 2021		2021 2022		2022 2023	
	Employees	Workers ²	Employees	Workers ²	Employees	Workers ²
Number of hours worked ¹	19,793,726.81	5,703,129.18	20,346,705.82	7,872,363.93	20,785,631	6,762,026
Number of fatalities as a result of work-related injury	1	0	0	0	0	0
Rate of fatalities as a result of work-related injury	0.05	0	0	0	0	0
Number of serious work-related injuries (excluding fatalities)	6	0	8	2	4	2
Rate of high-consequence work-related injuries (excluding fatalities) ⁴	0.3	0	0.39	0.25	0.19	0.3
Number of recorded work-related injuries (including fatalities)	121	13	111	16	132	19
Rate of recorded work-related injuries (including fatalities) ⁴	5.4	2.27	4.67	2.03	6.45	2.81
Number of cases of recordable work-related ill health	0	0	0	0	0	0
Rate of cases of recordable work-related ill health	0	0	0	0	0	0

notes

¹ | The base used for the number of hours worked is 1,000,000.

² | **Workers:** workers who are not employees, but whose work and/or location of work is controlled by the organization.

³ | Principal types of accident: working at heights, contact with moving parts, working with heat, lifting, hot fluids, falling materials, and crimes against property.

⁴ | For the purposes of calculating the injury rates: (number of injuries *1,000,000 / number of hours worked)

Diversity of governance bodies and employees [GRI 405-1]

WORKFORCE BY EMPLOYEE CATEGORY AND GENDER (%)	2020 2021		2021 2022		2022 2023	
	H	M	H	M	H	M
Directors ¹	–	–	–	–	100	0.0
Executives ²	–	–	87.1	12.9	82.9	17.1
Managers	81.1	19.0	81.0	19.1	81.3	18.7
Leaders	98.8	1.2	98.3	1.7	98.2	1.8
Supervisors	98.3	1.7	95.2	4.8	96.9	3.1
Operational Staff	94.2	5.8	93.6	6.4	92.3	7.7
Technicians Administrative Staff	71.3	28.7	68.2	31.8	65.9	34.1
Apprentices	67.0	33.0	49.5	50.5	45.3	54.7
Trainees	0.0	0.0	12.5	87.5	0	0

Legend | M = Men W = Women

1 | Through until the 2021 | 2022 cycle, the Executive categories included the executives and the Executive Board, which, as of 2022 | 2023, became a single employment category, meaning there were alterations to the percentages relating to 2021 | 2022. **[GRI 2-4]**

2 | The Executive employment category was not monitored during the 2020 | 2021 cycle.

3 | The information corresponds to the period of December/2022.

EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP (%)	2020 2021			2021 2022			2022 2023		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Executive Board ¹	–	–	–	–	–	–	0.0	66.7	33.3
Executives ²	–	–	–	2.4	81.2	16.5	0.0	86.8	13.2
Managers	13.2	77.4	9.5	6.4	84.1	9.5	6.0	83.0	11.0
Leaders	15.7	68.8	15.5	13.1	71.9	15.0	11.0	71.9	17.2
Supervisors	18.3	68.3	13.3	11.9	78.6	9.5	13.5	79.2	7.3
Operational Staff	25.5	54.3	20.2	19.8	56.9	23.2	20.6	53.1	26.4
Technicians Administrative Staff	48.7	47.7	3.6	41.6	53.7	4.7	43.1	52.3	4.6
Apprentices	100.0	0.0	0.0	100.0	0.0	0.0	100.0	0.0	0.0
Trainees	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0

1 | Through until the 2021 | 2022 cycle, the Executive categories included the executives and the Board of Directors, which, as of 2022 | 2023, became a single employment category, meaning there were alterations to the percentages relating to 2021 | 2022. **[GRI 2-4]**

2 | The Executive employment category was not monitored during the 2020 | 2021 cycle.

3 | The information corresponds to the period of December/2022.

EMPLOYEES FROM UNDER-REPRESENTED GROUPS, BY EMPLOYMENT CATEGORY (%)	2020 2021		2021 2022		2022 2023	
	B/MR	PNS	B/MR	PNS	B/MR	PNS
Directors ¹	–	–	–	–	0.0	0.0
Executives	0.0	0.0	0.0	2.4	2.6	1.3
Managers	13.0	5.0	3.7	5.3	10.4	1.7
Leaders	22.0	2.0	6.1	3.6	22.7	2.5
Supervisors	11.0	0.0	1.2	0.0	11.5	1.0
Operational Staff	42.0	3.0	7.4	3.7	29.8	3.4
Technicians Administrative Staff	18.0	3.0	3.0	2.6	15.3	1.9
Apprentices	47.0	0.0	80.0	26.0	3.6	0.3
Trainees	0.0	0.0	0.0	0.0	0.0	0.0

Legend | B/MR = Black and Mixed Race; PSN = Persons with Special Needs

1 | Through until the 2021 | 2022 cycle, the Executive categories included the executives and the Executive Board, which, as of 2022

| 2023, became a single employment category, meaning there were alterations to the percentages relating to 2021 | 2022. **[GRI 2-4]**

2 | The information corresponds to the period of December/2022.

WORKERS WHO ARE NOT EMPLOYEES, BROKEN DOWN BY GENDER (%)	2020 2021		2021 2022		2022 2023	
	M	W	M	W	M	W
Interns	55.6	44.4	61.9	38.1	49.1	50.9

Legend | M: men W: women.

1 | The information corresponds to the period of December/2022.

2 | Third parties are not included in the diversity indicators since they are calculated by the average. **For more information on this, see GRI indicator 2-8.**

WORKERS WHO ARE NOT EMPLOYEES, BROKEN DOWN BY AGE GROUP (%)	2020 2021			2021 2022			2022 2023		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Interns	97.8	2.2	0.0	96.4	3.6	0.0	92.0	8.0	0.0

1 | The information corresponds to the period of December/2022.

2 | Third parties are not included in the diversity indicators since they are calculated by the average. **For more information on this, see GRI indicator 2-8.**

EMPLOYEES FROM UNDER-REPRESENTED GROUPS, BROKEN DOWN BY EMPLOYMENT CATEGORY (%)	2020 2021		2021 2022		2022 2023	
	B/MR	PNS	B/MR	PNS	B/MR	PNS
Interns	13.0	0.0	0.0	0.0	6.3	0.0

legend | B/MR: Black and Mixed Race; PSN: Persons with Special Needs

1 | The information corresponds to the period of December/2022.

2 | Third parties are not included in the diversity indicators since they are calculated by the average.

For more information on this, see GRI indicator 2-8.

Ratio of basic salary and remuneration received by women and that received by men **[GRI 405-2]**

	2020 2021	2021 2022	2022 2023
Executives ¹	–	1.1	0.9
Managers	0.1	0.9	1.0
Leaders	0.9	0.9	0.9
Supervisors	0.9	1.0	1.1
Operational Staff	0.9	0.8	0.8
Technicians Administrative Staff	1.0	1.0	1.0

1 | The Executive employment category was not monitored during the 2020 | 2021 cycle.





GRI content index

DECLARATION OF USE Tereos Brazil has reported the information cited in this GRI content index for the period covering April 1 2022 to March 31, 2023 based upon the GRI Standards.

GRI 1 NORM USED GRI 1 | 2021 principles

GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
GRI 2 general content 2021								
	2-1 information on the organization	Page 7. Legal name Tereos Açúcar & Energia Brasil S.A. Nature of the company Privately Held Company. Location of head offices Rod. Assis Chateaubriand, km 155 – Bagaçu, Olímpia – SP, 15400-000.						Y
	2-2 Entities included in the organization's sustainability reporting	This report includes Tereos Sugar & Energy Cruz Alta S.A. - which includes six industrial units (Cruz Alta, Severínia, Tanabi, Mandu, Andrade, São José) and two commercial offices (São Paulo and São José do Rio Preto) – and Usina Vertente Ltda. ("Vertente"). Tereos Commodities do Brasil S.A. and the Distribution Center in Rio de Janeiro were not included in the scope of this report.						Y
	2-3 Reporting period, frequency and contact point	The period reported in the sustainability report and the financial report is the same: the 2022 2023 harvest (covering the period from April 1, 2022 to March 31, 2023). Frequency of the report: annual. Publication date of the sustainability report: 02-Oct-2023. Publication date of the financial report: 22-Jul-2023. Point of contact for doubts concerning this document: esg@tereos.com						Y
	The organization and its reporting practices							
	2-4 Restatements of information	1 Alteration in the indicator 302-1 The data for the years 2020/2021 and 2021/2022 were revised and, as such, they are not the same as those published in the previous report. The revision forms part of a methodological adjustment and correction of the double counting related to the consumption of sugarcane bagasse and steam (read more on page 51). 2 Alteration in the indicators 306-3, 306-4 and 306-5 The data for the years 2020/ 2021 and 2021/ 2022 were revised in relation to those published in the previous report, since the company revised its data in order to comply with the classification of the origin of waste and risk level established by the National Solid Waste Policy (read more on page 53). 3 Alteration in the calculation of Scope 3 improvements were made to the information reported with the inclusion of the consumption of fertilizers and fuels proportional to the consumption per hectare of sugarcane per mill. These adjustments therefore bring the proportional consumption and emissions levels closer to those of the suppliers. This estimate was not made previously (read more on page 52).						Y
	2-5 External assurance	Page 68.						Y



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
Activities and workers	2-6 Activities , value chain and other commercial relationships	Pages 7 , 46 and 48 .				3		Y
	2-7 Employees	Pages 37 and 50 .						Y
	2-8 Workers who are not employees	Pages 37 and 50 . The workers considered in this indicator were interns and third parties.				8, 10		Y
Governance	2-9 Governance structure and composition	Page 13 . 100% of the members of the Executive Board are male.						Y
	2-10 Nomination and selection of the highest governance body	Page 13 .						Y
	2-11 Chair of the highest governance body	The Chair of the highest governance body of Tereos Brazil is Pierre Santoul, who occupies the position of CEO. However, there is no accumulation of functions, since Tereos Brazil does not have a board of directors, but rather just one governing body: the Executive Board.						Y
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 13 and 15 .				16		Y
	2-13 Delegation of responsibility for managing impacts	Pages 13 , 15 and 17 .				5, 16		Y
	2-14 Role of the highest governance body in sustainability reporting	The highest governing body is the Executive Board, which is responsible for validating information and approving the sustainability report.				16		Y
	2-15 Conflicts of interests	Page 16 . Conflicts of interest are not disclosed to the stakeholders in the categories stated by the indicator.				5, 16		N
	2-16 Communicating critical concerns	Three critical concerns were identified during the period covered by the report, with all three being communicated by the Executive Directors to the senior management in France. The nature of these concerns is related to environmental and labor issues.				16		N



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)	
			requirement omitted	reason	explanation				
Governance	2-17 Collective knowledge of the highest governance body	There are no formal sustainability training programs for the Executive Board. However, every quarter, the Executive Committee on Sustainability holds meetings with the Executive Board to address the principal issues concerning promotion of the business' sustainable development. During the last harvest-year, the following issues were addressed: carbon and the emissions inventory, socio-environmental certifications and seals, regenerative agriculture and water management. At these meetings, as well as developing understandings on the issues, the Committee also presented the company's performance in relation to sustainability.						Y	
	2-18 Evaluation of the performance of the highest governance body	The internal evaluation process for the performance of the Board is performed annually with the objective of driving the directors' potential to achieve sustainable results in the operational, economic, financial, sustainability and personnel management areas. The practices applied are aligned globally and follow the directives of the Tereos Group. Each year, financial, qualitative and quantitative targets are established for all the Directors, being individually agreed between each director and the CEO. The assessment aims to ensure that the targets established for the business are achieved, but also to provide our executive body with return and a sense of engagement, since these factors seek to develop behavioral skills as well as affect the variable remuneration. Following the performance evaluation, individual development plans and action plans are created for each director, as a means of ensuring that they can obtain results for the company and develop their own personal skills, which are monitored by the CEO.						Y	
	2-19 Remuneration policies	Management of the Board's remuneration is based upon internal directives and policies to strategically support the needs of the business, in line with the culture and most up-to-date market practices, with the support of recognized consultancy firms. As such, Tereos has adopted as a principle the best practices in relation to meritocracy, competitive salaries and salary reviews based upon merit, promotions and variable remuneration programs, based upon measurable and qualitative targets, and behavioral assessment.							Y
	2-20 Process to determine remuneration	There is no committee that supervises the process involved in determining remuneration. Tereos always seeks the services of external consultants to perform market studies that can support the decision-making in relation to the remuneration of the Board.				16			Y
	2-21 Annual total compensation ratio	—	Fully omitted	Confidentiality	As a privately held company, we do not publish information on the remuneration of the Executive Board as it is considered confidential.				Y



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
	2-22 Statement on sustainable development strategy	Page 4.						N
	2-23 Policy commitments	Pages 15, 16, 39 and 41.						Y
	2-24 Embedding policy commitments	Pages 15 and 16.						Y
	2-25 Processes to remediate negative impacts	Pages 17, 39 and 42.						Y
	2-26 Mechanisms for seeking advice and raising concerns	Pages 16 and 17.						Y
		<p>No significant cases of non-compliance with laws or regulations were recorded, in which non-monetary sanctions were applied during the period. However, two significant cases of non-compliance with laws or regulations were recorded which resulted in fines, both of which were of an environmental nature (significant fines are considered to be those involving a sum of more than USD 10,000.00).</p> <p>Environmental the company currently figures as a party in administrative and judicial processes of an environmental nature, related, principally to the occurrence of fires on sugarcane plantation areas. This is a common situation in the sugar and energy sector, where, in a large part of these types of cases, the environmental authorities impose sanctions based solely on the acquisition, development or harvesting of sugarcane planted in areas affected by fires, when the origin is unknown or criminal. Tereos has filed its defenses in all the cases challenging the application of the fines. Furthermore, the company is a signatory to the São Paulo Sugar and Energy Agro-environmental Protocol, having voluntarily ended the use of fire in the harvesting of sugarcane since 2014. Finally, the company has fire prevention plans in place and forms part of the integrated mutual support plans in place between the active fire departments, undertaking constant reevaluations with the aim of promoting and encouraging sustainability.</p>						
	2-27 Compliance with laws and regulations	<p>Labor over the course of the 2022 2023 harvest, Tereos figured as a party in administrative procedures of a labor nature filed with the Ministry of Labor and Social Security, which applied infraction notices for alleged non-compliance with its Regulations, principally in relation to the labor activities on the plantations. These types of infraction are common in the sector.</p> <p>Tereos has filed its defenses in all the cases challenging the drafting of these infraction notices. It should be mentioned that the company constantly inspects its work spaces and environments and also requires that its service providers comply with all pertinent legislation, with investigations of their activities being performed.</p>						Y
	2-28 Membership of associations	Page 48.						Y

Strategy, policies and practices



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
Stakeholder engagement	2-29 Approach for engagement of stakeholders	Page 45.						Y
	2-30 Collective bargaining agreements	Page 37.				8		
GRI 3 Material Topics 2021								
	3-1 Process to determine remuneration	Page 20.					17	Y
	3-2 List of material topics	Page 20.						Y
Water management								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Page 31.						N
	303-1 Interactions with water as a shared resource	Page 31.				6 and 12		Y
	303-2 Management of water discharge-related impacts	To be permitted to discharge effluents, each industrial unit has filed a specific request with the environmental agency. However, in general, the specific pieces of legislation that must be followed are: article 16 of CONAMA 430 and article 18 of Decree 8,468. In relation to the discharge of domestic effluents into bodies of water, the standard established is for the removal of 80% of BOD or 60 mg/L of BOD, in addition to compliance with the other guidelines established by the relevant legislation. We meet all the guidelines established by the competent environmental agencies.				6 and 12		Y
GRI 303 Water and Effluents 2018	303-3 Water withdrawal	Pages 32 and 51.				6 and 12		Y
	303-4 Water discharge	—	Fully omitted	Lack of information	The company does not currently possess the data relating to water discharge.	6 and 12		Y
	303-5 Water consumption	—	Fully omitted	Lack of information	During the reported period, the company was developing the water balance for the units but, as it does not have the water discharge data available, it is still not possible to calculate the water consumption in accordance with the GRI norm. The water consumption is currently considered to be equal to the withdrawal [GRI 303-3].	6 and 12		Y



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
Certifications and socio-environmental seals								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Page 26.						N
SASB	FB-AG-430 a.1 Percentage of agricultural products that are certified to a third-party environmental and/or social standard	Page 26.				2 and 15		N
Sustainable supply chain								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Page 46.						N
GRI 204 Procurement practices 2016	204-1 Proportion of spending on local suppliers	Page 47. As in the previous harvest, the first during which this indicator was monitored, the geographical definition of the location adopted by the company was the northeastern region of the state of São Paulo and, during this cycle, the company opted to change the geographical definition for suppliers located within a radius of 90km of the industrial units, the historical data has not been provided since the comparability of the information would be compromised. The important operational units correspond to the industrial units currently operating in Cruz Alta, Vertente, Tanabi, Andrade, Mandu and São José and the corporate offices in São José do Rio Preto.				8, 12 and 15		Y
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers selected following consideration of environmental criteria	During the 2022 2023 harvest year, no suppliers were selected using environmental criteria as a base.				8, 12 and 15		Y
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 47.				8, 12 and 15		Y
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	During the 2022 2023 harvest year, no suppliers were selected using social criteria as a base.				8, 12 and 15		Y
Circular economy and energy efficiency								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Pages 29 and 34.						N



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Pages 33 and 51 .				7, 8 and 15		Y
	302-2 Energy consumption outside of the organization	Pages 33 and 51 .				7, 8 and 15		Y
	302-3 Energy intensity	Pages 33 and 51 .				7, 8 and 15		Y
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 31 .				7, 8 and 15		Y
	306-2 Management of significant waste-related impacts	Pages 29 , 30 and 31 .				7, 8 and 15		Y
	306-3 Waste generated	Pages 31 and 53 .				7, 8 and 15		Y
	306-4 Waste not destined for final disposal	Page 53 .				7, 8 and 15		Y
	306-5 Waste directed to final disposal	Page 53 .				7, 8 and 15		Y
Climate changes and air emissions								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Page 32 .						N



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
GRI 305 Emissions 2016	305-1 Direct (Scope 1) greenhouse gas (GHG) emissions	Pages 33 and 52 .				7 and 13		Y
	305-2 Indirect emissions (Scope 2) of greenhouse gases (GHG) arising from the acquisition of energy	Pages 33 and 52 .				7 and 13		Y
	305-3 Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Pages 33 and 52 .				7 and 13		Y
	305-4 Greenhouse gas emissions intensity (GHG)	Pages 33 and 52 .				7 and 13		Y
	305-5 Reduction of greenhouse gas (GHG) emissions	There was no reduction of greenhouse gas emissions during the fiscal year.				7 and 13		Y
	305-6 Emissions of ozone depleting substances (ODS)	There are no activities that emit ODS in Tereos' industrial and agricultural operations.				7 and 13		Y
	305-7 Emissions of NO _x , SO _x , and other significant air emissions	Page 53.				7 and 13		Y
Health and safety at work								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Page 43.						N



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
GRI 403 Occupational Health & Safety 2018	403-1 Occupational health and safety management system	Page 43.				3, 8 and 12		Y
	403-2 Hazard identification, risk assessment and incident investigation	Pages 43 and 45.				3, 8 and 12		Y
	403-3 Occupational health services	Page 43.				8		Y
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 43.				8 and 16		Y
	403-5 Worker training on occupational health and safety	Page 45.				8		Y
	403-6 Promotion of worker health	Page 43.				3, 8 and 12		Y
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 43.				8		Y
	403-8 Workers covered by an occupational health and safety management system	Page 55.				8		Y
	403-9 Work-related injuries	Pages 45 and 55. Of the types of event with serious consequences, we have included the failure to contain hot fluids, and the burning of materials and components.				3, 8, 12 and 16		Y
	403-10 Work-related ill health	Pages 45 and 55.				3, 8 and 16		Y
Diversity, inclusion and human rights								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Pages 39 and 41.						N
GRI 405 Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Page 56.				5, 8 and 10		Y
	405-2 Ratio of basic salary and remuneration of women to men	Page 57.				5, 8 and 10		Y



GRI SASB norm	contents	Location direct response	omission			SDGs	Global Compact	external assurance (Y/N)
			requirement omitted	reason	explanation			
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 40.				5, 8 and 10		Y
GRI 408 Child Labor 2016	408-1 Operations and suppliers considered to have significant risk for incidents of child labor	Page 41.	Partial omission (Items A and B)	Lack of information	We manage the risks along the entire sugarcane supply chain and those chains providing other products and services, although we do not yet have the exact figures for the operations and suppliers considered to have significant risk for incidents of child labor.	5, 8 and 10		Y
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor	Page 41.	Partial omission (Item A)	Lack of information	We manage the risks along the entire sugarcane supply chain and those chains providing other products and services, although we do not yet have the exact figures for the operations and suppliers considered to have significant risk for incidents of slave labor.	5, 8 and 10		Y
Innovation and technology								
GRI 3 Material Topics 2021	3-3 Administration of material topics	Pages 17 and 21 .						N
GRI 418 Client Privacy 2016	418-1 Substantiated complaints relating to breaches of customer privacy and losses of customer data	Page 17.				7, 8 and 9		Y
Non-material topics								
	401-1 New hires and employee turnover	Pages 37 and 54 .						Y
GRI 401 Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 37.				5, 8 and 10		Y
	401-3 Parental leave	Pages 37 and 55 .				5, 8 and 10		Y



ASSURANCE STATEMENT

STATEMENT BY SGS DO BRASIL LTDA. (SGS) REGARDING THE SUSTAINABILITY ACTIVITIES PROVIDED IN “SUSTAINABILITY REPORT 2022 | 2023” FROM TEREOS ACUCAR & ENERGIA BRASIL S.A.

NATURE AND SCOPE OF ASSURANCE

The SGS was hired by TEREOS ACUCAR & ENERGIA BRASIL S.A. to carry out the third-party assurance of its Sustainability Report, which provides information for the years 2022 and 2023 and that follows international guidelines for monitoring and reporting sustainability information, including the Global Reporting Initiative (GRI). The scope of assurance, based on the methodology for assurance sustainability reports from SGS, included the text and data related to GRI Standards 2021, current version of GRI.

The information provided in “SUSTAINABILITY REPORT 2022 | 2023” and its presentation is a sole responsibility of TEREOS ACUCAR & ENERGIA BRASIL S.A. management structure. The SGS is not involved in the preparation of any material, including the in the said report, such as risk analysis, materiality tests and other critical issues that may affect severally the TEREOS ACUCAR & ENERGIA BRASIL S.A. business. We are liable for giving our opinion of the GRI disclosures and their texting, data, charts, and statement within the assurance scope in order to keep the TEREOS ACUCAR & ENERGIA BRASIL S.A. stakeholders informed.

The SGS Group has developed a set of assurance protocols for Sustainability Communication based on the best practices provided in GRI Sustainability Reporting Standards, in its most up-to-date version of 2021, and the assurance standard **International Standard on Assurance Engagements - ISAE3000**. Such protocols offer different assurance levels depending on context and capacity of organization.

This report was assured considering our protocols to assess the content authenticity and its alignment with the requirements of GRI Sustainability Reporting Standards 2021, Universal Standards (*GRI 1_ Foundation 2021, GRI 2_ General Disclosures 2021, GRI 3_ Material Topics 2021*) and the requirements of Topic Standards (GRI 200, GRI 300 and GRI 400) according to the material topics identified by TEREOS ACUCAR & ENERGIA BRASIL S.A. through the process described in this report.

The assurance process comprised (i) interviews with strategic employees involved in the process of compilation and preparation of the report, where disclosures, data and processes related to sustainability management and the collection of GRI disclosures were reviewed, (ii) review of the documentation presented by TEREOS ACUCAR & ENERGIA BRASIL S.A. and comparison with the information entered by the company in the report and (iii) evaluation of versions of this report for alignment with GRI standards and (iv) analysis of engagement activities with defined parties (stakeholders) and assessment of the form of sustainability as defined materials were and inserted in the context of the organization and in the content of this sustainability report. The accounting information of TEREOS ACUCAR & ENERGIA BRASIL S.A. contained and referenced in the “SUSTAINABILITY REPORT 2022 | 2023” was not evaluated as part of this assurance process, but in a separate audit process. The information related to the inventory of greenhouse gases was verified and went through a specific audit process.

IMPARTIALITY AND COMPETENCE STATEMENT

The SGS Group is global lead in inspection, analysis and verifications services, operating in more than 140 countries and rendering services that includes management system certification, audits and trainings on quality, environmental, social and ethic segments, sustainability assurance reports and greenhouse gases verification. The SGS attests your independence against TEREOS ACUCAR & ENERGIA BRASIL S.A. stating that is exempt from interest conflict with the organization, t0heir subsidiary and stakeholders.

The assurance team was composed according to members' expertise, experience and competence for this activity, the team is composed of:

- An Audit Lead on Assurance of Sustainability Report, a Lead auditor on Socioenvironmental programs, Lead Auditor in Integrated Management Systems, Lead Assessor of Greenhouse Gases (GHG) and Lead





ASSURANCE STATEMENT

auditor on Renovabio program.

ASSURANCE OPINION

Regarding the verification carried out in the methodology, processes and data presented by TEREOS ACUCAR & ENERGIA BRASIL S.A., we are confident that the information and data contained in the "SUSTAINABILITY REPORT 2022 | 2023" are reliable and a balanced representation of the sustainability activities developed by TEREOS ACUCAR & ENERGIA BRASIL S.A. in the crop years 2022 and 2023. The SGS has the opinion that the report can be used by the company's stakeholders as part of its company evaluation processes.

In our opinion, based on what was verified and on the materials presented by TEREOS ACUCAR & ENERGIA BRASIL S.A., the content of the report fully meets the requirements of the GRI Standards, which are: apply the reporting principles, report the disclosures in GRI 2: General Disclosures 2021, determine material topics, report the disclosures in GRI 3: Material Topics 2021, report disclosures from the GRI Topic Standards for each material topic, provide reasons for omission for disclosures and requirements that the organization cannot comply with, publish a GRI content index, provide a statement of use and after publication notify GRI.

RECOMMENDATIONS, FINDINGS AND CONCLUSIONS OF ASSURANCE

- The Report of TEREOS ACUCAR & ENERGIA BRASIL S.A., "SUSTAINABILITY REPORT 2022 | 2023" is aligned with GRI Standards 2021, and also with the requirements of the Topic-specific Standards (GRI 200, GRI 300 and GRI 400). The Report presents the reasons for omission allowed for disclosures: 2-21, 303-4, 303-5, 408-1 and 409-1.
- TEREOS ACUCAR & ENERGIA BRASIL S.A. presents its Report with 08 material topics: 1. Innovation and technology; 2. Social and environmental certifications and seals; 3. Circular economy and energy efficiency; 4. Sustainable supply chain; 5. Water management; 6. Climate change and atmospheric emissions; 7. Diversity, inclusion and human rights; and 8. Occupational health and safety. In our view, the material topics reflect the impacts of TEREOS ACUCAR & ENERGIA BRASIL S.A. activities in a balanced manner, and the report covers information on all topics considered as materials for the sector and stakeholders, according to GRI 3: Material Topics 2021.

Finally, SGS believes in the importance of transparency and congratulates the company for the initiative of ensuring its report, as well as promoting sustainability in its actions and disseminating its code of conduct and compliance at all levels of the organization.

September 26TH, 2023

Executed by and on behalf of SGS.

Gustavo Venda
Business Manager - Sustainability

Mariana de Oliveira Klein
Lead Auditor for Sustainability Report



TEREOS SUGAR & ENERGY BRAZIL

General Coordination

Sustainability, Environment and
Communication

GRI Consultation, Content and Design

Juntos | Approach Comunicação

Photos

Tereos Sugar & Energy Brazil
image bank



2022 | 2023