

Cerradinho Bio

# Sustainability Report **Harvests 2022/23 and 2023/24**

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# Welcome and introduction

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# Message from the Chairman of the Board of Directors

*GRI 2-22*

The impacts of climate change are increasingly intense and present, exposing the natural and inseparable interdependence between the environment, people, governance, economy, and finance.

In this context, the debate on the urgency of the global transition to a low-carbon economy also reaches more prominence. A cleaner electricity matrix, with energy security, and an economy based on circularity are key elements for success in mitigating the impacts caused by human activities.

These are precisely the foundations of our business model. As one of the largest biofuel production complexes in Latin America, as per the National Agency of Petroleum, Natural Gas and Biofuels (ANP), and the largest biomass thermoelectric plant in Brazil, according to the Association of Energy Cogeneration Industries (COGEN), we have a prominent position in contributing to the responses to these planetary challenges.

Encompassing our entire value chain, the way we produce our products from renewable and clean sources further increases the potential to generate value for society. Whether in the field, with efficient and sustainable planting, cultivation and harvesting practices, led by our experience of more than 70 years in the agricultural area and technology, or in the traceability of our value chain and even in the industrial process, where we also have state-of-the-art technology.

Throughout this cycle, we have the second strategic element for a model that guarantees the sustainability of the planet: circularity. The circular economy is in our industrial system, which has a closed model with 100% water reuse and which allows the transformation of waste in valuable products. From corn processing, we manufacture ethanol, but also quality animal nutrition through corn co-products—DDGS, WDGS and oil. From the waste from sugarcane processing, we generate energy and



**Luciano Sanches Fernandes,**
Chairman of the Board of Directors.

**It is pretty plain for us that our horizons go beyond new business models and efficiency.**



**+70 years**
**of experience in the agricultural field**

foster a more productive field, with less impact on the soil, water, biodiversity and the atmosphere, through the use of organomineral fertilizers.

This is where our integrated short, medium and long-term vision, added to a committed and agile team, makes all the difference. The massive investments in sustainable and strategic growth, which diversify our business in terms of raw materials, products, markets and geographies, are evidence of the success of this combination of planning and quick and assertive decision-making, which also enables us to extract opportunities from risks.

Thus, we have changed levels and are already reaping the good results of our strategy, especially due to the greater participation of corn ethanol and anhydrous ethanol in our revenue. In addition, for the next harvests, we will bring greater flexibility and diversification to our business, from the manufacture of sugar at the Chapadão do Céu/GO unit and the greenfield project in Maracajú/MS, inaugurated on this harvest.

And the opportunities don't stop there. We believe that having sustainability as an element of our strategy, integrating all ESG aspects with committed risk management supported by our solid governance structure, is what will lead us on another development journey.

We are clear that our horizons go beyond new business models and efficiency. We also need to be transparent with our audience and society, aware of the impacts and certain that we can always move forward, improving our processes, controls and strategies.

It is a cycle of continuous improvement, for the evolution of our business and our planet, contributing to Brazil's leading role and leadership in the energy transition agenda of the future. A future that has already begun!

# Message from the CEO

*GRI 2-22*

As for the sector in general, the 2022/23 and 2023/24 harvests presented challenges due to the drop in gasoline prices. Yet, they were remarkable harvests for CerradinhoBio due to our significant growth, with large-scale and strategic projects for our business. Compared to the 2021/22 harvest, we increased our equivalent sugarcane processing capacity by more than 140%.

And it's not just about quantitative growth. We also increased the diversification of our product portfolio, with the start of anhydrous ethanol production from the implementation of a molecular sieve at the corn plant in Chapadão do Céu/GO. We are expanding our product mix, with the start of operation of the VHP sugar factory, also in the same complex. And we also diversified in terms of market and geography, with the start of operation of the new corn ethanol unit, in Maracajú/MS, which adds to our total crushing capacity 3.1 million tons of sugarcane equivalent. In this way, we mitigate the risk of exposure to the volatility of the fuel sector, diversify our business in terms of raw materials and open up opportunities for new markets and better commercial strategies, including leading us to export.

Currently, we have an annual installed processing capacity of 13.6 million tons of sugarcane equivalent. Without a doubt, we have changed levels, consolidating ourselves as one of the largest companies in our sector. And in addition to being bigger, we are more competitive.

But our great challenge, and at the same time pride in the choices and path we have taken so far, is not just to grow. The complex global problems that the world is facing show that this formula does not hold. Our goal is to increase our production capacity, integrating the socio-economic development of the company and its investors, as well as our employees and the communities where our operations are





located, carefully equating the use of natural resources through rationality and efficiency, based on the principles of circularity.

That is, to grow responsibly and sustainably. On the one hand, seeking to mitigate our externalities and, on the other hand, we aim to expand our value generation to all our stakeholders and society.

Our products are the main materialization thereof, as they bring sustainability in their essence. From renewable sources, we produce ethanol and bioenergy, which contribute to a cleaner Brazilian energy matrix, expanding the country's potential to assume a leadership position in the decarbonization of the planet, so necessary and urgent to contain global warming, climate change and its harmful consequences for the planet and humanity. We also have the production of sugar, DDGS and corn oil that have their importance in the agenda of providing food to a growing global urban population.

What will nourish this trajectory are the people. Therefore, one of the fronts that we will focus on in the next cycle is the development of our team. As in the global context, the answers to the challenges lie in our capacity for resilience, learning, evolution, creativity, and innovation, driven by restlessness and the desire to be and do better every day. It is this process of continuous improvement that we wish to continue fostering, to support our operational consistency, with innovation as an instrument. Whether it is incremental innovation, which represents the power of small changes made in a systematic and strategic way, or transformational innovation, which enables disruptive solutions.

As CEO, a position I assumed in May 2024, my commitment is to lead our talents in this direction and honor the Company's legacy, marked by a growth trajectory.

May this then be a new cycle of evolution, overcoming and achievements for all of us!

# About the report

***GRIs 2-2, 2-3, 2-5***

The fourth edition of our Sustainability Report is presented below. Biannual, the document comprises the results of the 2022/23 and 2023/24 harvests, which cover the period from April 1, 2022 to March 31, 2024.

The data disclosed are consolidated, except when otherwise explained, covering the company Neomille, a wholly-owned subsidiary of Cerradinho Bioenergia and operator of the corn ethanol industrial plant.

The financial information was based on the statements prepared and audited by Pricewaterhouse-Coopers Auditores Independentes Ltda. (PwC), in accordance with CVM Instruction 381/03, in accordance with the accounting practices adopted in Brazil and the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB).

In turn, the non-financial data were informed, analyzed and formally approved in an internal process of CerradinhoBio.

Aiming at transparency and the principle of comparability, we use the reporting standards recommended by the Global Sustainability Standards Board (GSSB) through the Global Reporting Initiative (GRI), contemplating the revisions that came into force on January 1, 2023. Therefore, we considered the Universal Standards revised in 2021, the GRI13 sectorial standards (agricultural, aquaculture, and fisheries sectors), and the thematic standards, according to our material themes, which guide our management and guided the production of the content presented. The indication of the standards can be found throughout the text and, in a consolidated form, in the indicator booklet, attached to the end of the document.

Based on the standards of the Sustainability Accounting Standards Board (SASB), under the management of the International Sustainability Standards Board (ISSB), of IFRS, we also report specifically on environmental, social and governance (ESG) aspects that impact or may impact our financial performance, based on global indicators established for the biofuels and agricultural products sector.

Also from the perspective of financial impacts, we contemplate the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD), which deal with the disclosure of information on the financial implications of climate-related risks and opportunities. Both groups of indicators are also found in the attached booklet. This work will be part of our mobilization to meet the standards issued in June 2023 by the ISSB, led globally by IFRS, and adopted in a pioneering way in Brazil through Resolution 193 of the Brazilian Securities and Exchange Commission (CVM), with deadline for adhesion by publicly-held companies as of January 2026: IFRS S1 - directed to the topic of general requirements for



disclosure of financial information related to sustainability; and IFRS S2—with climate-related disclosures.

In our fourth sustainability report, our goal is to share with our stakeholders how our products, operation and way of operating contribute to minimizing negative impacts on people and the environment and, at the same time, generating value for our stakeholders and for society as a whole, also having the perspective of how the external environment impacts or may impact the performance and longevity of our business.

This cross-cutting approach requires a joint effort from several key areas, which contributed to the production process of this material.

In addition to being a means of communication with our audiences, it is an important management tool, which helps us monitor and analyze our sustainable development, as it challenges us to advance more and more in the sustainability journey covering all ESG dimensions.

Aiming at a more pleasant and dynamic reading, this document has an interactive menu located at the bottom of the pages.

Comments, questions or suggestions on this report can be submitted to: **ri@cerradinho.com.br**.



# Our Material Themes

*GRIs 2-29, 3-1, 3-2*

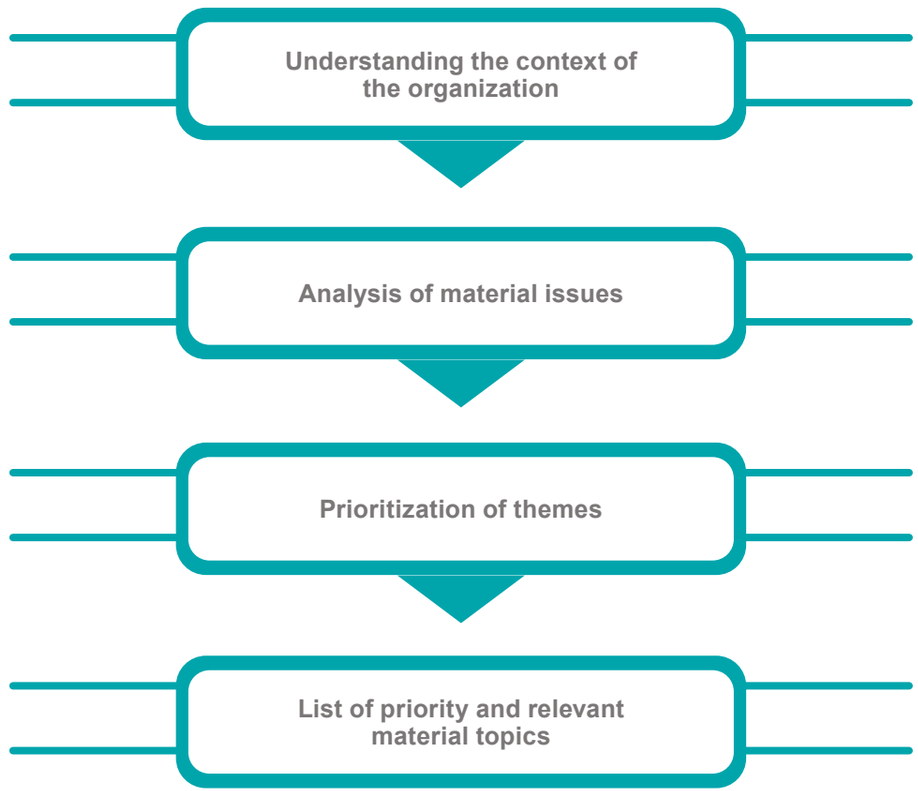
The material topics represent our most significant impacts on the economy, the environment and people, from the perspective of our strategic audiences mapped and engaged according to the AA1000SES (Stakeholder Engagement Standard) methodology , which makes up the AA1000 set of standards, developed by the Institute of Social and Ethical Accountability (Accountability), also following the premises of the main global references. Engagement with our stakeholders is maintained through direct contact with our employees and through our social networks, such as LinkedIn and Instagram, in addition to our official channels (WhatsApp, email and website).

In 2020, our materiality was revised, due to the inauguration of the corn plant (Neomille), including consultation with producers in the region who are not directly linked to our value chain, customers of the new products (DDGS, dried distillers, and oils), as well as more representatives of corn suppliers and sugarcane supplier partners.

Continuing the constant review of this survey, in 2022 we carried out a new assessment with senior leadership and external stakeholders using the new concept of the GRI double materiality and the sectorial notebook (GRI 13), culminating in the inclusion of five more priority topics.

As part of this review work, we also updated the relationship of our material topics with the Sustainable Development Goals (SDGs) proposed by the 2030 Agenda prepared by the United Nations (UN), correlating our contributions with the 17 SDGs.

**Materiality process undertaken in 2018 based on inquiries with more than 100 people, including internal and external strategic audiences.**



# List of priority material topics and the related SDGs

## Priority topics




| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Environmental agenda** | | | | | | | | | | | | | | | | | |
| Soil health and fertility | | ● | | | | | | | | | | ● | ● | | | | |
| Circular agriculture and waste management | | ● | | | | | | | | | | ● | ● | | ● | | |
| Water resources management | | | | | | ● | | | | | | ● | | ● | | | |
| **Social agenda** | | | | | | | | | | | | | | | | | |
| Occupational health and safety | | | ● | | | | | ● | | | | | | | | | |
| Local development and engagement with communities | | | | | | | | ● | | | ● | | | | | | |
| Human capital management | | | ● | ● | ● | | | ● | | ● | | | | | | | |
| **Economic and governance agenda** | | | | | | | | | | | | | | | | | |
| Economic and financial performance | | | | | | | | ● | | | | | | | | | |
| Business ethics and integrity | | | | | | | | | | | | | | | | ● | |
| Compliance with legal requirements | | | | | | | | | | | | | | | | ● | ● |
| Risk and business opportunity management | | | | | | | ● | | | | | | | | | ● | ● |
| Innovation, research and development | | | | | | | ● | | ● | | | | | | | | ● |
| Governance | | | | | | | | | | | | | | | | ● | ● |

## Relevant topics

- Climate change and GHG emissions
- Customer satisfaction
- Minimum income and salary
- Supply chain management and transport logistics
- Human rights
- Biodiversity management and ecosystem services
- Atmospheric emissions
- Food safety
- Rights of indigenous peoples
- Public policies
- Diversity and inclusion

# Highlights

## Agro-industrial

Completed expansion of the corn plant in Chapadão do Céu/GO, which increased corn processing capacity by more than 33%, thus expanding our production potential for ethanol, DDGS and oil.

Start of operation of the new corn unit in Maracajú/MS, adding to our total crushing capacity 3.1 million tons of sugarcane equivalent.







Beginning of anhydrous ethanol production, from the implementation of a molecular sieve at the corn plant in Chapadão do Céu/GO, diversifying our mix with a higher value-added product.

Increase in our sugarcane processing capacity and sugarcane equivalent by more than 140% since the 2021/22 harvest, with diversification in terms of products, mix, market and geography, contributing to risk mitigation and better commercial strategies.

The VHP sugar factory starts operating in July 2024, at the Chapadão do Céu complex, with a production capacity of 330 thousand tons per harvest. An investment of R$ 289 million, which mitigates the risk of exposure to the volatility of the fuel sector and opens business opportunities in new markets, including leading us to export.



# Highlights

## Environmental



Issuance and trading of more than 1 million CBIOs (Decarbonization Credits), which represents more than 1 million tons of $CO_2$ equivalent avoided or removed from the atmosphere through the production and use of our biofuel.



Achievement of the gold seal of the GHG Protocol program - the highest level of recognition granted by the Program - for the second consecutive time.

Reduced energy intensity by 14.6%, from 121.65 Gj per ton of crushed sugarcane equivalent, in the 2022/23 harvest, to 103.81 Gj per ton of crushed sugarcane equivalent, in the 2023/24 harvest.





Beginning of the voluntary program for the recovery of Permanent Preservation Areas (PPA) in Maracaju/MS.

Deployment of an Environmental Management System (EMS) based on the criteria of the international standard ISO 14001.

Start of operation of the liquid fertilizer plant produced from vinasse, which makes it possible to expand the fertigated area by up to 21 thousand hectares, with a reduction in input costs of around 77%.

Reduction of 12.83% in the volume of water consumed, improving the consumption rate per ton of sugarcane equivalent by 16.87% in the 2023/24 harvest, compared to the 2022/23 harvest.

# Highlights

## Social

In 2023, it won fourth place in the Agribusiness category and in the list of large companies in Brazil Incredible Places to Work FIA/UOL.



Increase in female participation in the workforce, reaching 16.7%, including in leadership positions.





In 2023, it won third place as Best Large Company to Work for in the Midwest, by Great Place to Work (GPTW).

All suppliers of raw material (corn, sugarcane and eucalyptus) selected based on environmental criteria.

40.89% of the total expenses with suppliers were transacted with local suppliers (except sugarcane, corn, sorghum and chips).



# Highlights

## Corporate governance

Achievement of the “Clean Company for Integrity and Against Corruption” seal from the Ethos Institute of Business and Social Responsibility.



Holding of the first Compliance Week.



Creation of the Compliance and Integrity Program, based on the pillars of prevention, detection and response.

Communication about our anti-corruption policy and procedures to more than 95% of employees.



# CerradinhoBio

*GRIs 2-1, 2-6, SASB-FB-AG-000.B, SASB-FB-AG-000.C*

02

**17** Corporate Identity



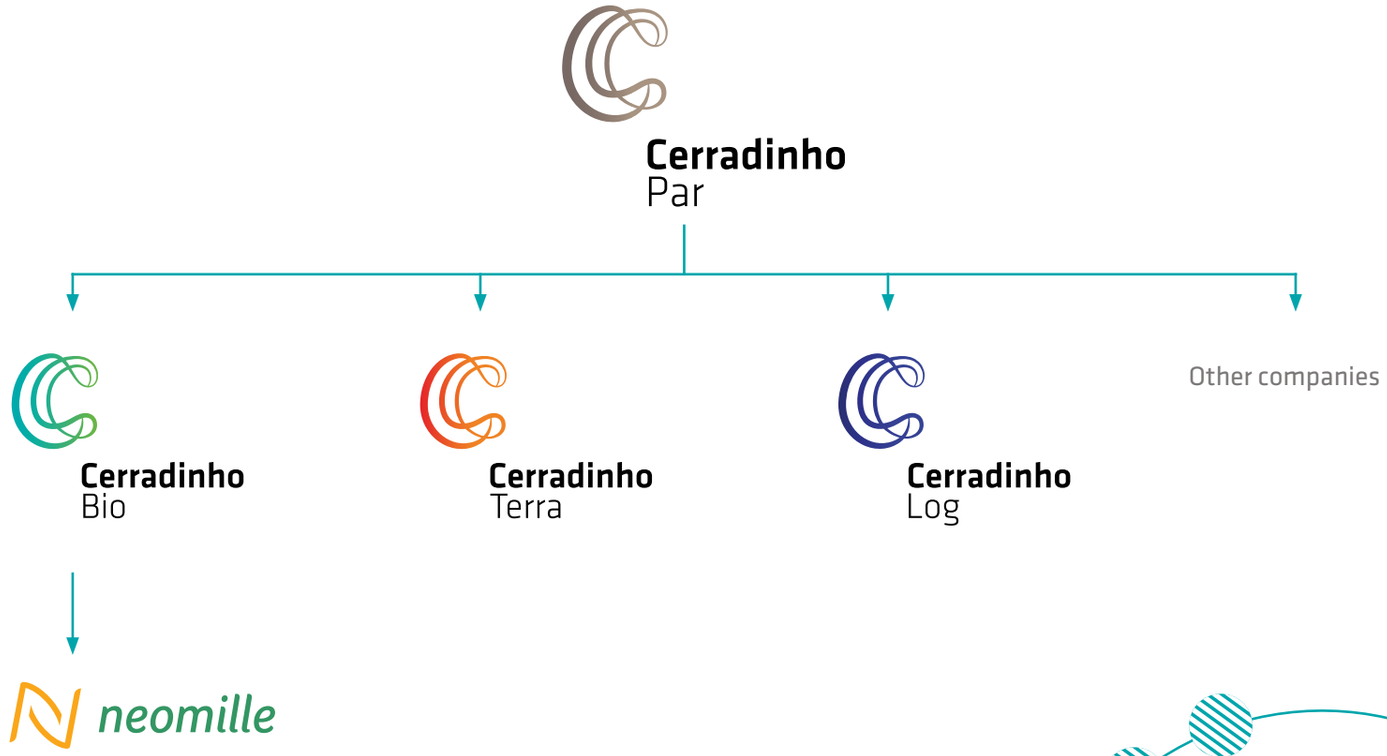
# Corporate identity

Under the name Cerradinho Bioenergia SA, we are a 100% national industry in the sugar-energy sector, which produces and sells biofuels, bioelectricity and, more recently, VHP sugar. Together with Neomille S.A., a wholly-owned subsidiary operating in the corn ethanol and co-products (DDGS, for animal nutrition, and corn oil) sectors, we formed the Cerradinho Group, whose final controlling shareholder is Cerradinho Participações S.A. We are headquartered in the municipality of Chapadão do Céu, in the countryside of the State of Goiás, and have an administrative area distributed in two offices in the state of São Paulo: one in the capital and the other in Catanduva.

Since December 2021, we have been a company registered in category A with the Brazilian Securities and Exchange Commission (CVM), with no shares listed on the stock exchange (B3).

The company was incorporated in 2006. Three years later, we inaugurated our first industrial plant with a crushing capacity of 1.7 million tons of sugarcane per year, marking the beginning of our operation. But our history brings the legacy and passion of the Sanches Fernandes family for the sugar-energy sector, which began in 1973 with Cerradinho Açúcar e Etanol S.A.

**Controlling group with more than 50 years of experience in the sector**



Today, consolidating ourselves as one of the largest companies in our sector, according to the National Agency of Petroleum, Natural Gas and Biofuels (ANP), adding the production from sugarcane and corn, both in hydrous (fuel, used to fuel vehicles) and anhydrous (to be added to gasoline or in industrial uses) versions. Since July 2024, we have included VHP sugar in our product mix, from the new sugar factory installed next to the Chapadão do Céu/GO complex.

We also have one of the largest biomass power plants in Brazil, according to the Association of Energy Cogeneration Industries (COGEN). We produce and sell electricity generated from sugarcane bagasse and eucalyptus, with an installed capacity of 1,400 gigawatt-hours (GWh).

We therefore have three industrial units that total a crushing capacity of 13.6 million tons of sugarcane equivalent per year: one for sugarcane and one for corn in Chapadão do Céu/GO, and one for corn in Maracajú/MS, whose production started in January 2024. Our expansion plan with the second phase of the Maracajú plant is in the study phase, and may increase our crushing capacity to 18.5 million tons of sugarcane equivalent per year.

In the field, we have 87 thousand hectares of sugarcane area, of which 48,928 hectares (approximately 56.24%) are managed by CerradinhoBio and the rest come from 15 sugarcane exclusive suppliers. With the onset of Neomille's operations, some of these suppliers started to supply us with corn and eucalyptus chips. As of the 2022/23 harvest, we also started to cultivate our own eucalyptus forest in Goiás and Mato Grosso do Sul, totaling, by the end of the 2023/24 harvest, 6,298 hectares.

At the head of this infrastructure, we have 2,152 employees, of which 16.7% are women. Of this amount, 100% are directly contracted under the CLT regime, covered by collective bargaining agreements. Among those not registered, in the 2022/23 and 2023/24 harvests, we had 126 apprentices (of which 24 were admitted at the end of the program) and two interns, who were also hired.

In November 2023, we were among the 100 largest agribusiness companies by Forbes and among the top three companies in the sugar and alcohol sector, as per the Estadão's Empresas Mais ranking.



We are one of the largest biofuel production complexes in Latin America and have one of the largest biomass thermoelectric plants in Brazil.

# Who we are

**3 industrial plants,**
in Goiás and Mato Grosso do Sul

**2 administrative offices**
in the state of São Paulo (with the administrative headquarters in Catanduva/SP)

**13.6 million tons**
of sugarcane equivalent in crushing capacity

**87 thousand hectares**
sugarcane area

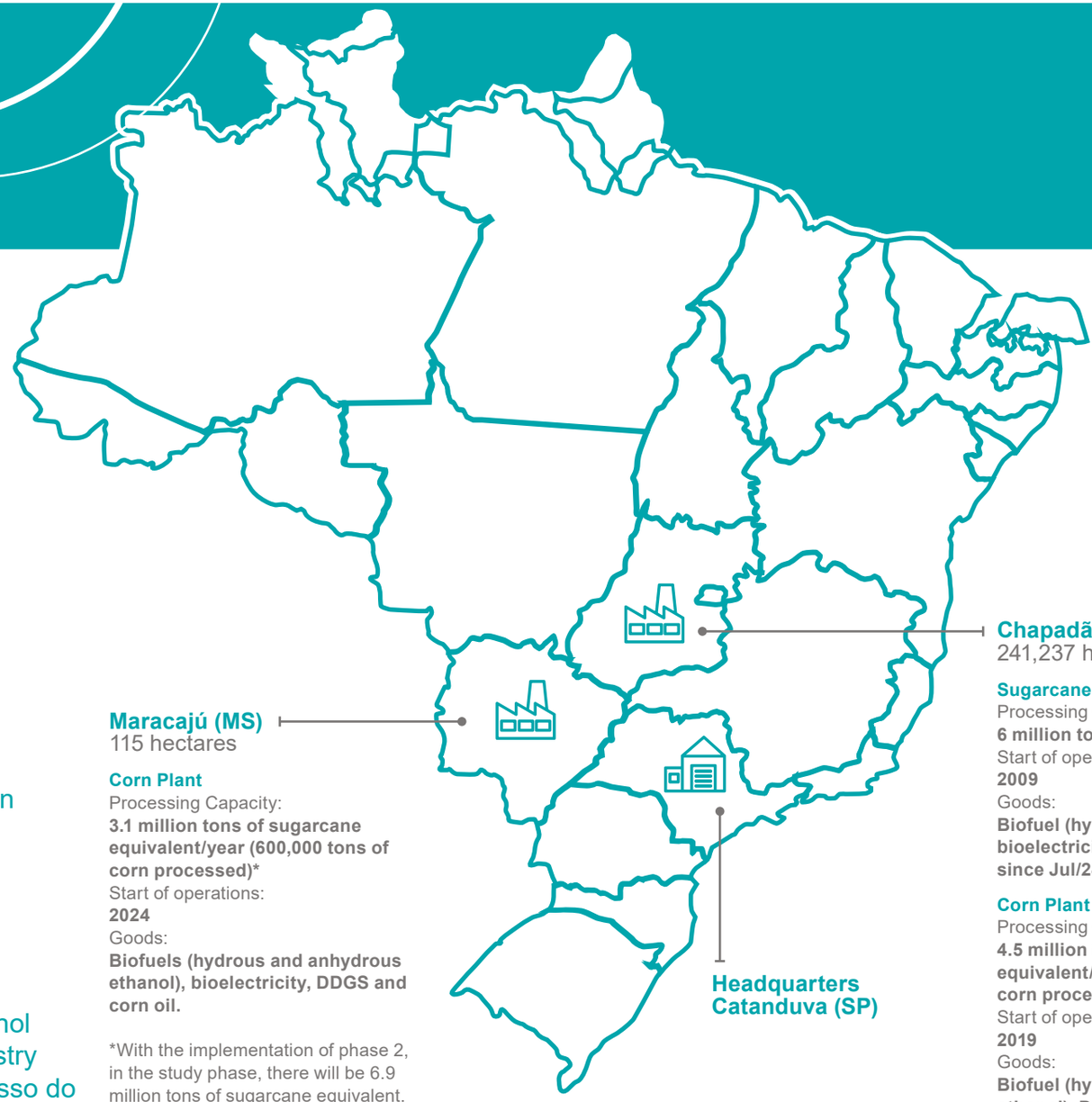
**2,152 employees**

## We produce

Anhydrous and hydrous ethanol, from sugarcane and corn
Bioenergy
VHP Sugar
DDGS/WDGS
Vegetable oil

## Membership in associations GRI 2-28

We have participation in the National Union of Corn Ethanol (Unem), the Union of the Sugarcane and Bioenergy Industry (Unica), Association of Bioenergy Producers of Mato Grosso do Sul (Biosul) and the Union of the Ethanol Manufacturing Industry of Goiás (Sifaeg), with a seat on the Governance Council.



**Maracajú (MS)**
115 hectares

**Corn Plant**
Processing Capacity:
**3.1 million tons of sugarcane equivalent/year (600,000 tons of corn processed)***
Start of operations:
**2024**
Goods:
**Biofuels (hydrous and anhydrous ethanol), bioelectricity, DDGS and corn oil.**

*With the implementation of phase 2, in the study phase, there will be 6.9 million tons of sugarcane equivalent.

**Chapadão do Céu (GO)**
241,237 hectares

**Sugarcane Plant**
Processing Capacity:
**6 million tons/year**
Start of operations:
**2009**
Goods:
**Biofuel (hydrated ethanol), bioelectricity and VHP sugar, since Jul/24.**

**Corn Plant**
Processing Capacity:
**4.5 million tons of sugarcane equivalent/year (860,000 tons of corn processed).**
Start of operations:
**2019**
Goods:
**Biofuel (hydrous and anhydrous ethanol), DDGS and corn oil.**

**Headquarters Catanduva (SP)**

# Timeline



## 2006

- Founding of Cerradinho Bioenergia S.A. on September 18, with headquarters in Chapadão do Céu/GO.



## 2009

- Start of operations, with the Porto das Águas Mill, now Cerradinho Bioenergia (crushing capacity of 1.7 million cane/year).



## 2010

- Adjustment of the group's capital structure.
- Construction of the transshipment terminal in Chapadão do Sul/MS.



## 2011

- Start of energy export activities.



## 2012

- New investment cycle (expansion of tankage and rail loading possibilities).



## 2016

- Installation of two new turbines and two new generators (increasing bioenergy generation capacity to 160MW).
- Improving governance: Luciano Sanches Fernandes transfers the presidency to Paulo Motta and becomes chairman of the board.



## 2017

- Completion of the second phase of the power generation expansion project.



## 2018

- Publication of our first Sustainability Report.



## 2019

- We consolidated our position as the largest biofuel production complex in Latin America with the start-up of the corn plant on November 21.
- R$ 280 million invested in new products and technology.
- Increase ethanol production by 240 million liters per harvest.



## 2021

- Registration with the CVM and issue of the first green CRA by Neomille.
- Foundation of the Sanches Fernandes Institute.
- First carbon inventory (PBGHGP and ISO 14064-1).



## 2022

- Announcement of the expansion plan (expansion of the corn plant in Chapadão do Céu/GO and the greenfeld project in Maracaju/MS). Forecast 190% increase in production capacity.



## 2023

- Completion of the expansion at Chapadão do Céu/GO, which increased processing capacity by more than 33%.
- Start of anhydrous ethanol production.
- Start-up of the organo-mineral liquid fertilizer plant.
- First carbon inventory certified with the gold seal by the GHG Protocol.



## 2024

- Start-up of the corn unit in Maracaju/MS in January, with the official inauguration of the first phase in June.
- An increase of 3.1 million tons of cane equivalent in our production capacity.
- Start-up of the VHP sugar factory in Chapadão do Céu/GO (production capacity of 330,000 tons per harvest).

# Strategic and sustainable growth

With the objective of reaching a crushing capacity of 18.5 million tons of sugarcane equivalent, which represents a growth of more than 190% compared to the 2021/22 harvest, our expansion plan encompasses two high-impact projects.

The first was the expansion of the corn plant, completed in 2023. With an investment of R$ 206 million, we increased our corn processing capacity by more than 33%, going from 565 thousand tons to 850 thousand tons. Consequently, our potential for the production of corn ethanol increased from 250 million liters per year to 399 million, that of DDGS, from 238 thousand tons to 414 thousand tons; and oil, from 11 thousand tons to 19 thousand tons.

The project included the implementation of a molecular sieve that allows the production of anhydrous ethanol. In April 2023, after completing the expansion project and obtaining regulatory licenses, we also started this production. Of the total ethanol produced, more than 50% can be transformed into anhydrous alcohol, which has a higher unit value than hydrated ethanol and can be used as an additive in gasoline to make the fuel cheaper, increase octane rating and reduce pollutant emissions. Therefore, it expands our product offering, opens up opportunities for us to explore other markets and gives us more flexibility in developing commercial strategies.

The second project is the corn plant in Maracaju/MS, whose first phase was completed in January 2024. The greenfield project has an estimated investment of R$ 1.4 billion and will result in a production potential of 550 million liters of ethanol per year, in addition to 310 thousand tons of DDGS, 22 million liters of oil and 100 GWh of electricity.

The new plant consolidates our strategy of investing in corn, being in a strategic region, with high availability of the grain. The estimated volume is 10 times higher than our consumption: according to the ranking of the Geographic Information System of Agribusiness of Mato Grosso do Sul (Siga/MS), the municipality of Maracajú is among the 12 largest producers of corn, with a volume considered above average. Regarding total production in tons, the municipality was the largest in the state and the sixth largest in Brazil, according to IBGE data (2020). Neighboring municipalities are also major producers of corn, such as Sidrolândia, Rio Brilhante and Itaporã, making up the largest region in the country in grain production.

Another important raw material is eucalyptus wood chips, which are used as the main fuel in the boiler for cogeneration of electricity. According to IBGE data, Mato Grosso do Sul is the second Brazilian state in eucalyptus planted area. As a risk mitigation measure, given the competition with the pulp and paper industry for the raw material, we also started our own eucalyptus forest. The region also offers favorable conditions for the commercialization of co-products.

In July 2023, a new growth strategy was announced: the implementation of a VHP sugar factory in the Chapadão do Céu/GO complex, with an investment of R$ 289 million. Just one year later, the project is completed, creating a production capacity of 330 thousand tons of sugar per harvest. In this way, our milling mix, which was 100% focused on ethanol production, can now be up to 42% focused on sugar. In addition to adding a new product to our portfolio, diversifying our business opportunities in other markets, including international markets, the project is also a risk mitigation strategy, as it reduces our exposure to the volatility of the fuel market (more information in the “Risk Management and Business Opportunities” section).

The three projects consolidate the diversification strategy of our business, from the point of view of raw materials, revenue, market and geography, operating in more than one state, in addition to mitigating, in a way, the high volatility of the sugar-energy industry, in line with our sustainability principles, which has been present in the project since its conception.

# The new plant in Maracaju/MS

In the first phase, 600 thousand tons of corn were added to our total processing capacity, which represents 3.1 million tons of sugarcane equivalent, bringing the Company's capacity to 13.6 million tons of sugarcane equivalent.

Seeking maximum efficiency and, consequently, sustainability in the ethanol production process, the project integrates state-of-the-art technology. The plant operates in a closed water circuit, has a wide effluent treatment system equipped with different technologies, without discharge into water bodies, and a high-tech air pollutant abatement system: instead of the usual gas scrubber, we have an electrostatic precipitator, which captures fat and sterilizes air with more water efficiency, because it does not use water in the process; more energy efficiency, since it does not require pumps for liquid circulation and has a relatively low pressure loss, which helps save energy in fans and exhaust systems; does not generate liquid waste; and it offers greater availability, as it can operate continuously, as it enables automated cleaning.

The Preliminary Environmental Study (PES) showed that the area where the plant was built is characterized by anthropogenic vegetation, that is, the original vegetation had already been altered due to agricultural activities and pastures. Moreover, within a 15 km radius, the area where the plant was built does not have Conservation Units, indigenous lands or Buffer Zones, nor is it inserted in an archaeological site. And, although the plant is about 300 meters from the Pantanal Atlantic Forest Ecological




**In December 2023, we were recognized as the best company in the "Investments and Expansions" category, at the Visão Agro Brasil Award.**



Corridor, located in Rio Brilhante, no considerable environmental impact has been mapped in the region. Even so, we voluntarily created a program for the recovery of three Permanent Preservation Areas (PPA).

During the works, about 1.5 thousand jobs were generated. To mitigate risks in this phase, we made a Basic Environmental Plan (BEP), aiming to present all the environmental aspects of the construction site and propose monitoring programs that would promote environmental control and preservation during the operation of the activity, and a Demobilization Plan to present the corrective actions to be implemented after the completion of the works to install the plant, Containing:

- Solid waste management plan;
- Liquid effluent management plan;
- Atmospheric emissions control plan;
- Control plan and monitoring of external noise.

An important part of this process was the adoption of a third-party management system, which included everything from the registration, checking, and validation of documentation to monitoring compliance with established agreements. One of them, for example, was that each contracted company was responsible for managing the waste generated by the execution of its service. The experience has also helped us to elevate the Company's third-party management as a whole. In addition to monitoring the documentary part, we routinely adopted daily inspections carried out by an occupational safety technician, who evaluated the health and safety issues of the accommodations.

Generation of decent employment (200 direct and 600 indirect) and socioeconomic development, prioritizing the hiring of local labor, are the main positive impacts of the project. As a way to enhance them, we worked on communication with our direct and indirect employees and the community, expanding the points of contact and engagement. An example was the creation of the Zap Community—an exclusive service number.

# Corporate identity

As a beacon that directs our growth, but also guides our daily lives and our relationships, we have our mission, vision, values and principles.

## Mission

Producing and selling ethanol and energy in a sustainable way, with total quality and profitability.

## Vision

Positioning ourselves as the leading company in the bioenergy sector in terms of value generation and the best to work for.

## Values

- Excellence
- Competent humanism
- Integrity and ethics
- Commitment
- Pioneering
- Innovation
- Sustainability
- Safety

## Principles

**Regarding customers**

- Agility and ethics in meeting market opportunities;
- Providing quality products.

**Regarding society**

- Quality of life for employees and their families;
- Development and support for social, educational, health and housing projects in the communities surrounding our industrial facilities.

**Regarding employees**

- Growing appreciation and development of our employees.

**Regarding the Group's competence**

- Continuous improvement of processes aimed at increasing our competitiveness, customer satisfaction and environmental protection;
- Growth and perpetuation of the business.

01 02 03 04

CerradinhoBio

# How we generate and share value

03


**29** Our Business Model
**34** Innovation, research and development
**37** Value Products
**41** Agro-industrial efficiency
**45** Our ESG agenda and the SDGs




As we will demonstrate below, generating and sharing value with our stakeholders and society in general are intrinsic parts of Cerradinho Bio, whether for our **business model**, which extracts maximum value from our main raw materials, transforming them into sustainable products, or for the **products** themselves, which generate positive impacts for their direct consumers, and society, or by the **way we operate**, based on solid governance guided by ethics and integrity.

The production and sale of ethanol and electricity from renewable sources that are cleaner than fossil fuels places us in a strategic position for Brazil to expand and consolidate its role in the global energy transition to a cleaner matrix, also meeting the demand for stable energy supply—two of the main global challenges today.

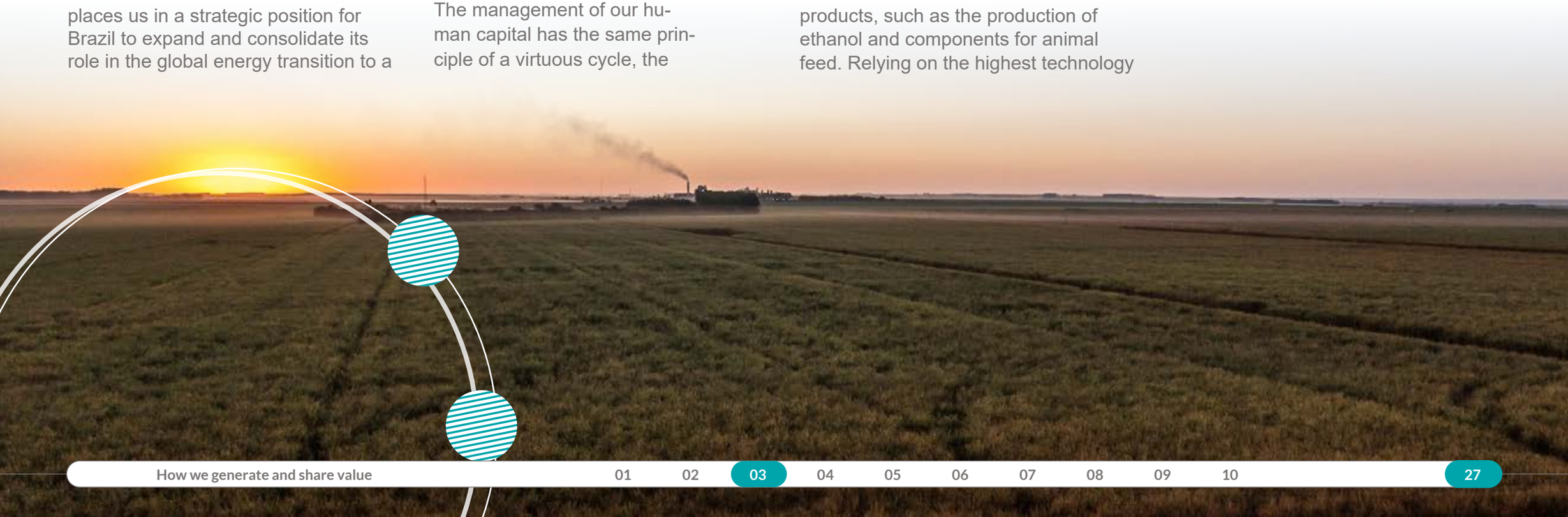
Operational optimization, through efficient agro-industrial planning and management, increases the competitiveness of our products, generating value for the company, its investors and agricultural partners, with whom we share our knowledge and expertise in sustainable agriculture and the economic returns from the carbon credits generated by the commercialization of ethanol.

The management of our human capital has the same principle of a virtuous cycle, the from investment in training, development, health and safety, generating employment and contributing to the socioeconomic development of the communities where our facilities are based.

Through the Sanches Fernandes Institute, we have expanded our process of generating value with the communities where we operate beyond the socioeconomic impact of our operations.

Our value proposition was reinforced by the creation of Neomille, responsible for the manufacture of corn-related products, such as the production of ethanol and components for animal feed. Relying on the highest technology Available for grain processing and following the same principle as our business at the sugarcane plant, we make the most of the raw material through efficient and sustainable processes, which enables the generation of zero waste and opens new business fronts, such as the production of potassium-based fertilizers.

With products intended for animal nutrition, we add quality of life to animals and, in the case of agricultural producers, we contribute to productivity and, consequently, profitability.



# How we generate and share value

Click on the items with an asterisk * to access their contents. Click on the boxes to close them.

**Shared value ***

- Clients
- Employees and contractors
- Suppliers
- Communities Local
- Society generally

**Products**

Positive impacts for direct and indirect consumers and society.

- Biofuels
- VHP sugar
- Bioenergy
- Animal nutrition
- Vegetable oil

**Form of action**

Solid governance guided by ethics and integrity, with sustainable practices in the industry and in the field.

- Agro-industrial efficiency (management planning) *
- Innovation, research and development *
- Sustainability and the ESG agenda *

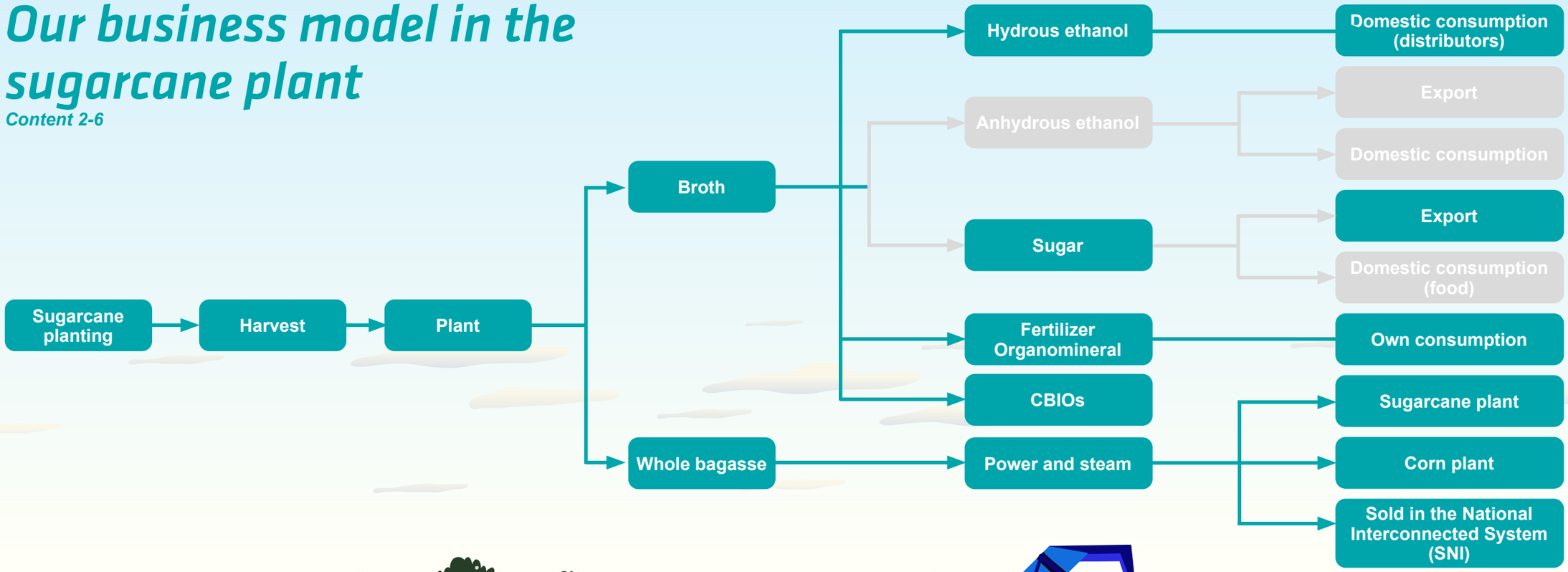
## Our business model

The production and marketing of ethanol and energy extracts the maximum value from our main raw materials using sustainable practices, transforming them into valuable products based on the principles of circularity.



# Our business model in the sugarcane plant

*Content 2-6*



Our activities in the sugarcane business begin at planting, where we integrate scientific knowledge and technology for sustainable cultivation, which aims to preserve soil integrity (“Environmental aspects” section), reduce Greenhouse Gas (GHG) emissions into the atmosphere and minimize the impact on water and biodiversity.

Thereby, in addition to sustainable practices, which guarantee us high agricultural productivity, we use the concept of circular agriculture, which uses one of the sugarcane residues—vinasse—as a fertilizer through fertigation; and the other, filter cake, as a fertilizer. As of the 2022/23 harvest, we also started to use vinasse in the manufacture of organomineral fertilizers, reducing the environmental impact of the use of mineral fertilization and its respective costs.

From sugarcane juice we produce hydrous ethanol, destined for the domestic market. From this production, we obtained the Certificate of Efficient Production of Biofuels issued by the National Agency of Petroleum, Natural Gas and Biofuels (ANP) through the National Biofuels Policy (RenovaBio)—a program that aims to mitigate greenhouse gases through the sustainable production of biofuel.

By issuing carbon credits (CBios), we can contribute to fuel distributors offsetting their emissions, in addition to being a source of revenue for our business.

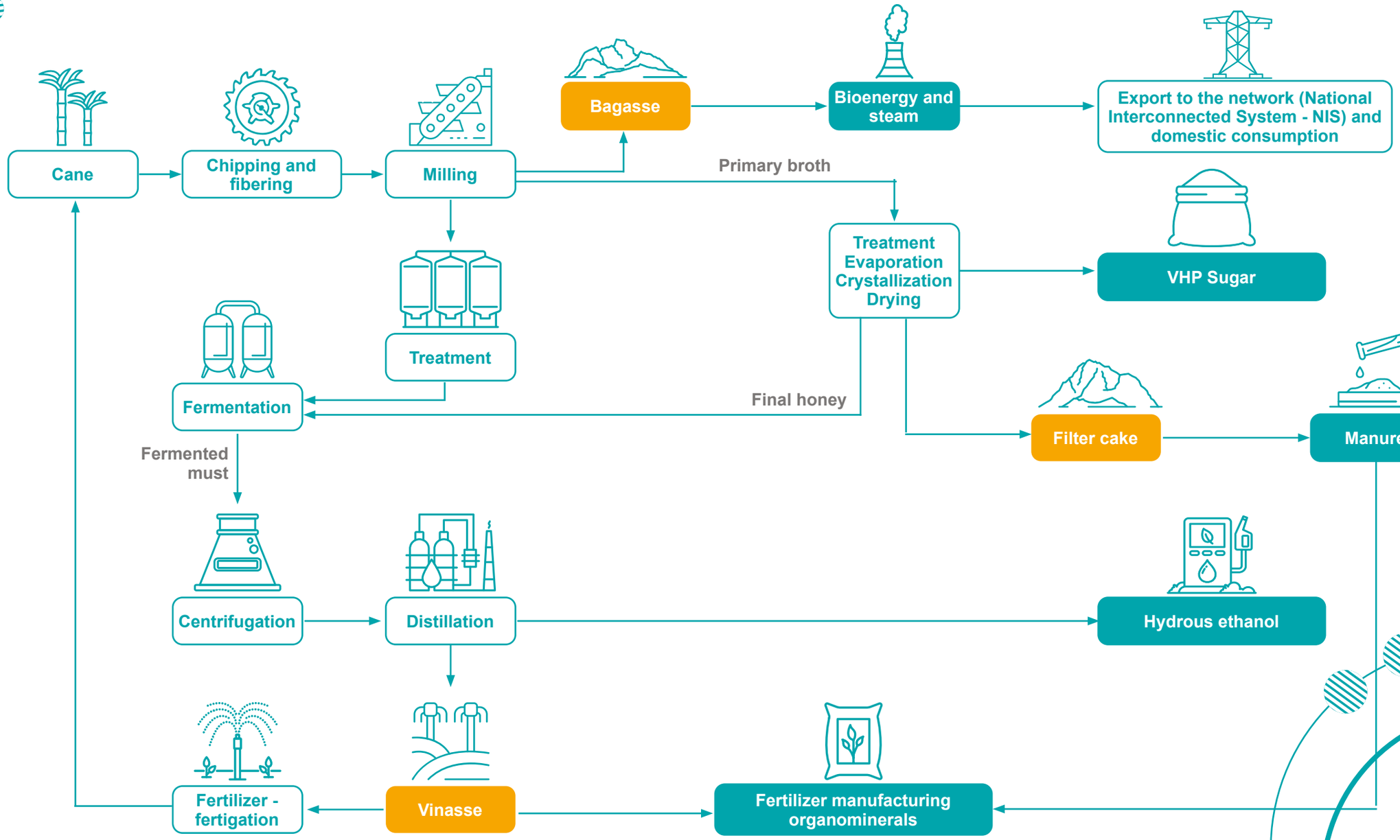
From the 2024/25 harvest, we will also start producing VHP sugar, widely used in the food industry and in sugar refining processes, which will be destined for sale in the foreign market.

Following the same principle of circularity, sugarcane bagasse is used in the production of bioenergy and steam, which feeds the two industrial plants of the Chapadão do Céu complex and also has a surplus that is exported to the grid.

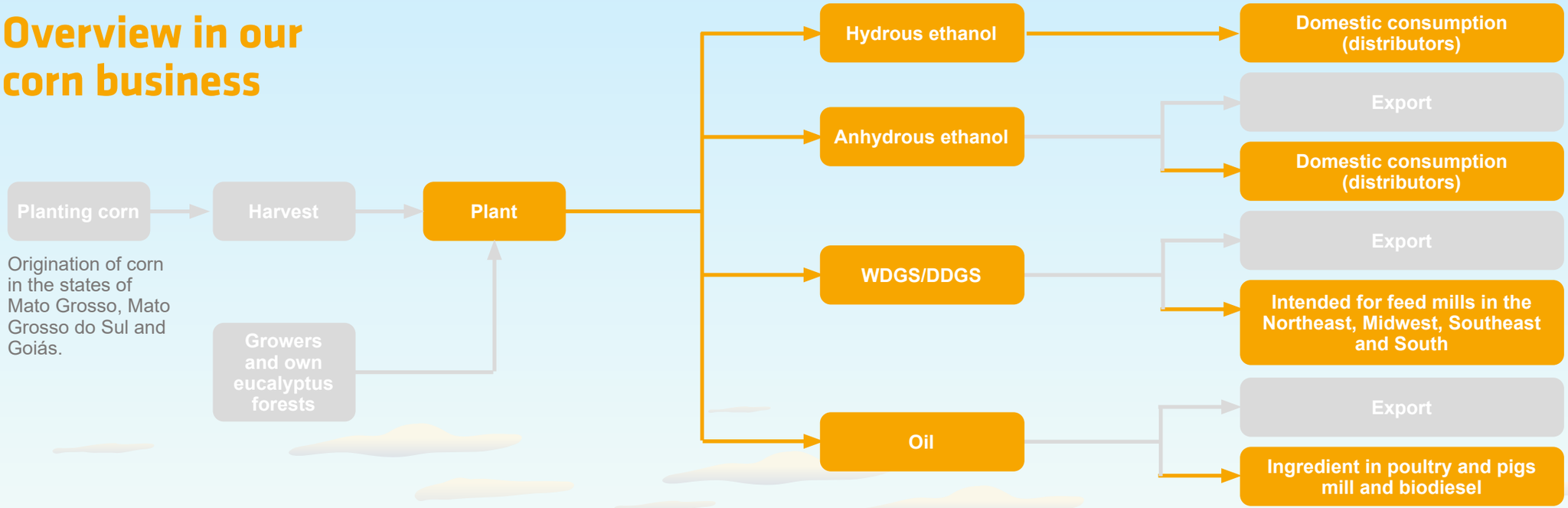
The industrial process takes place in a closed system, aiming to reduce water withdrawal as much as possible, even reusing the steam generated by the sugarcane juice decanting process.



# Maximum use of sugarcane, efficiency and sustainability



# Overview in our corn business






With the corn plant, in addition to the production of hydrous ethanol, we produce DDGS and WDGS of high nutritional value for animal feed, corn oil, which can serve as raw material for biodiesel or even for human consumption, if refined, and electricity generated from biomass, in a closed circuit of 100% use of the grain.

In 2023, we once again expanded our portfolio with the implementation of a molecular sieve, contemplated in the expansion project of the corn plant in Chapadão do Céu/GO, which enabled the start of ethanol production in the anhydrous version. All products with a positive impact on society, as we demonstrated in the previous section (see also “Valuable products”).

At the same time, to support our growth plan, we started planting eucalyptus, which will expand our stock of raw material for bioenergy production. The plantation itself also generates value as it contributes to the protection and recovery of sandy soil, already degraded, as it creates a forest cover that improves the rate of water infiltration, reducing surface runoff, and captures carbon dioxide through the process of photosynthesis.

For the business, corn brings the advantage of being able to be stored, reducing the off-season effects in the domestic biofuel market and optimizing industrial assets.



### + Revenues for the country, state and municipality

Corn is converted into products for the domestic market.

### + Adding value for the entire chain

New opportunities for rural producers of corn, eucalyptus, cattle producers and local suppliers.

### + Economic development

The project more than doubles the added value of corn.

# Innovation, research and development

***GRI3-3 Material Theme Management***

Innovation is one of our values, present in a transversal and decentralized way in our business through our focus on continuous improvement. Through incremental innovation, we are able to add more efficiency, security, and governance, whether in our industrial, agricultural, administrative, logistical processes, and in our relationships.

The Digital Transformation project, as part of the Value Agenda, is one of the initiatives. Led by the Technology Committee, composed of the executive board and employees from various areas, it has the mission of seeking and consolidating digital transformation actions in a macro way, also considering the socio-behavioral issues that this involves.

In the **field**, we have great advances with work related to mechanization, management and cultural treatments, variety management, agronomic development, planting, systematization and performance of machines and implements, supporting crop budgets.

Almost 80% of the area is connected to a monitoring and control center, with real-time information, which allows for quick decision--making and risk mitigation.

In the 2024/25 harvest, we are integrating other agricultural equipment, such as pivots (which already have automated flow control), in addition to online monitoring from the implementation of 4G internet in the entire area, which will enhance a series of projects that require data transfer.

On the transformational innovation front, we can cite as an example the liquid fertilizer plant, inaugurated in the 2023/24 harvest at the Chapadão do Céu unit. From the production of our own fertilizer with the use of vinasse, we will be able to expand the fertigated area by up to 21 thousand hectares, consequently reducing input costs by around 77%, which guarantees an attractive payback and an Internal Rate of Return above the initial expectation.

We also highlight the production of biomass in short rotation, which aims to validate crop alternatives for greater biomass availability and lower cost. The project consists of the implementation of a 15-hectare experimental field with bamboo (*Bambusa Vulgaris*), which will be evaluated in the 2025/26 harvest.

With a view to further increasing the productivity of agricultural areas, corn is also being planted in conjunction with sugar cane in the same area, in the period between harvests, from September to November, which modifies the logistics of planting sugarcane, allowing the anticipation of planting to the beginning of the rainy season. This extends the planting window and relieves the implementation of the sugarcane field, which is more concentrated in March, while intensifying corn production in areas already occupied by sugarcane and also ensuring good productivity rates for both crops.

The practice also makes it possible to produce corn without additional lease costs, without competition with areas of transfer for soybeans and without impact on sugarcane productivity. The project has the partnership of important research institutions, with the support of the Financier of Studies and Projects (FINEP).

# Planting of corn intercropped with sugarcane in the same area, in the period between harvests (September to November)

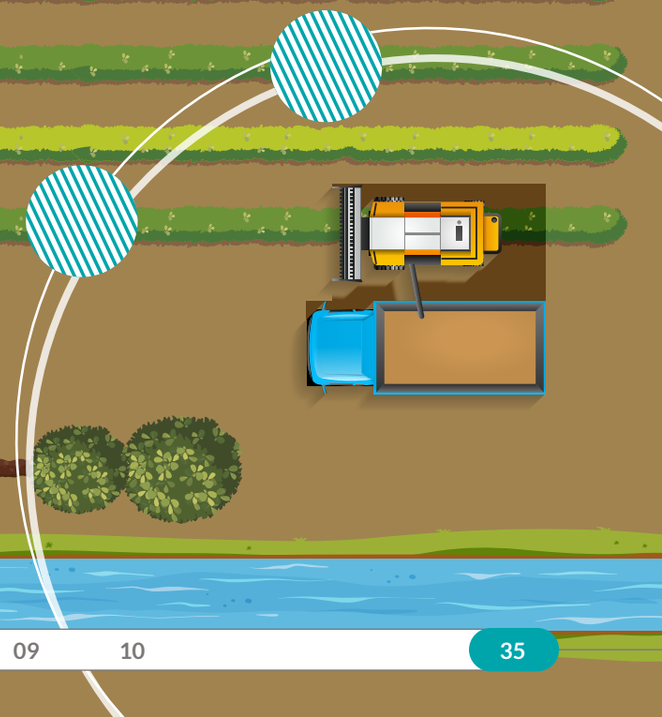
Corn

Sugar cane









**Advantages**

- It creates a larger planting window (anticipation for the onset of the rainy season);
- It slows down the formation of the cane field, which is more concentrated in March;
- It intensifies corn production in areas already occupied by sugarcane;
- It guarantees good productivity rates for both crops;
- It enables the production of corn without additional rental costs.

The High Agroindustrial Productivity (APA) program is a gateway to innovation. Born in the agricultural area in 2016, it fosters the sharing of ideas, knowledge and results, promoting synergy and recognition of our employees who keep an eye out for opportunities. Through this program, for example, we demonstrated the consistent replacement of mineral fertilizers with organic fertilizers, which, because they come from animal or vegetable raw materials, have advantages, such as the reduction of leaching (loss of nitrogen and phosphorus, essential to soil integrity) and lower operating costs.

Within the APA, every year, leaders are called upon to present new solutions that add value. At the end, a ranking is presented with the solutions adopted and their respective results. In its sixth edition, there were 59 presentations distributed in four thematic panels.

Our challenge now is to look at all initiatives in a more structured way, looking for ways to enhance innovation, research and development in all areas.

## Increased productivity

Initiatives, projects or new technologies related to real productivity gains, such as TCH, ATR, ethanol, energy etc.

## Process improvement

Implementation of new or redesigns of processes and management models, which promote improvements in terms of efficiency and quality.

## Cost reduction

Initiatives, projects or new technologies related to the significant reduction of operating and production costs or expenses.

## ESG (Environmental, Social and Governance)

Initiatives, projects or new programs that contribute to the commitments of the ESG Agenda.



# Value products

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## Products that generate value and revenue share

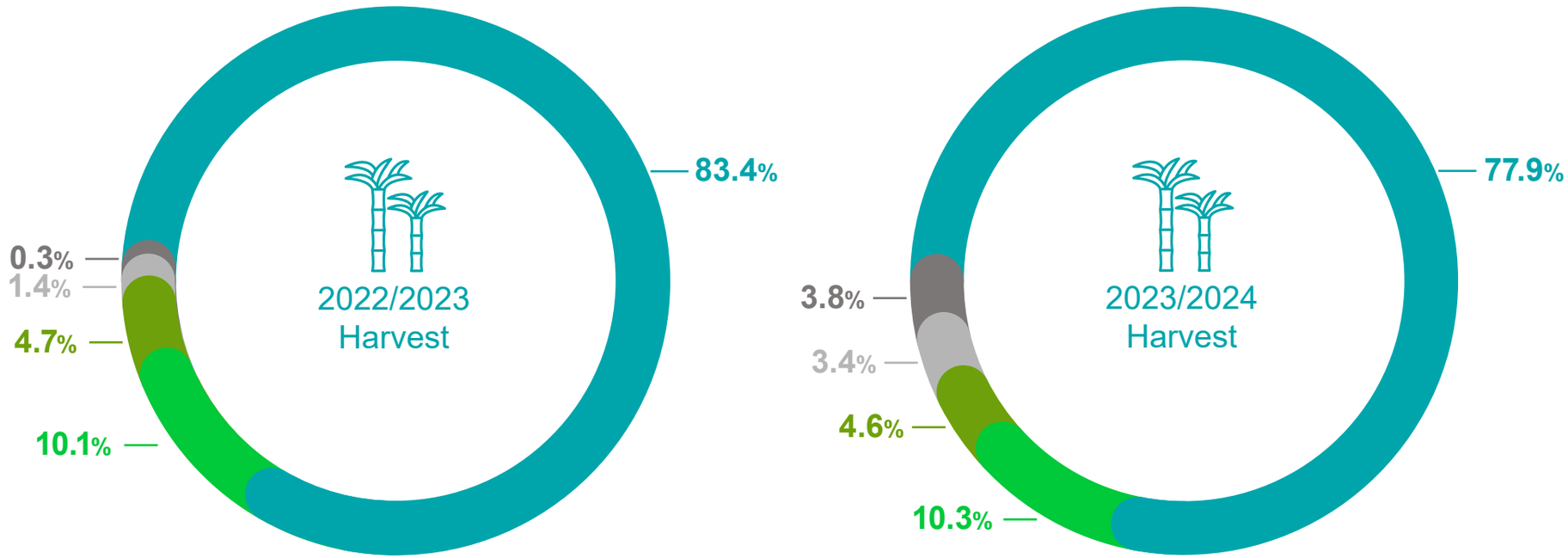
**Hydrous and anhydrous ethanol**

**DDGS + Oil**

**Electrical energy**

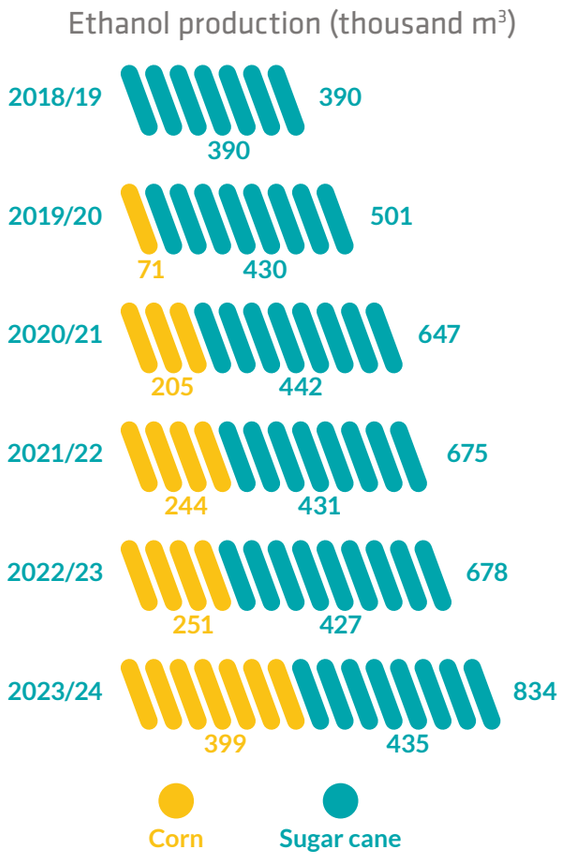
**CBIOs**

**Other**



# Biofuel

In the face of the global challenges of containing climate change, promoting a sustainable energy transition, biofuels play an important role. As the largest biofuel production complex in Latin America, we produce 834 thousand m3 of total ethanol, from the fermentation of sugars present in sugarcane and corn.




There are two versions of ethanol that we make available to the market. One of them is hydrous ethanol (also known as fuel ethanol).

It has about 5% (v/v) water in its composition, an amount that does not affect its performance as a fuel, but makes its production simpler and less expensive.

As of 2023, we will start producing anhydrous ethanol, also known as pure ethanol, as it contains less than 1% (v/v) of water in its composition. Its high level of purity makes it ideal for blending with gasoline, increasing fuel efficiency and reducing pollutant emissions. According to Brazilian legislation, this content is established by the Executive Branch within a range of 18% to 27.5%.

Unlike fossil fuels, whose formation takes millions of years and releases large amounts of gases into the atmosphere, intensifying the greenhouse effect and causing an increase in global temperatures, biofuels are obtained from sources that are renewed on a much shorter time scale and, specifically in the case of sugarcane, still collaborate in the absorption of carbon dioxide. one of the causes of the greenhouse effect. A study carried out by Agroicone, Unicamp and Embrapa Environment indicates that the dynamics of land occupation due to the cultivation of sugarcane over the last 20 years in Brazil was responsible for the removal of carbon from the atmosphere, with an advance on natural vegetation by only 1.6%. Considering only the sugarcane cultivated areas, the amount of carbon removed accumulated was 9.8 $MtCO_2$ per year, equivalent to planting 1.4 billion trees.

During the burning of ethanol, due to a more complete and efficient combustion, compared to gasoline, fewer polluting gases are generated, such as carbon monoxide (CO), methane ($CH_4$), hydrocarbons and nitrogen oxides (NOx) and less $CO_2$ is released per unit of energy produced. In addition, the energy released per gram of carbon burned in ethanol is greater than in gasoline, resulting in less $CO_2$ emitted per kilometer driven.

As one of the measures to help Brazil meet its commitment made in the Paris Agreement—to reduce GHG emissions by 50% by 2030, compared to 2005 levels (updated target)—the Ministry of Mines and Energy (MME) launched the RenovaBio program in 2006. Thus, through the trading of carbon credits (Cbios) we also contribute to the offsetting of emissions from fuel distributors (learn more in “Climate change, atmospheric and GHG emissions”).

Another advantage is the cost to the end customer, which can be up to 30% lower compared to gasoline, although this parity has been impacted by the gasoline pricing policy. Even so, the National Agency of Petroleum, Natural Gas and Biofuels (ANP) announced that the consumption of hydrous and anhydrous ethanol reached record levels in 2023.

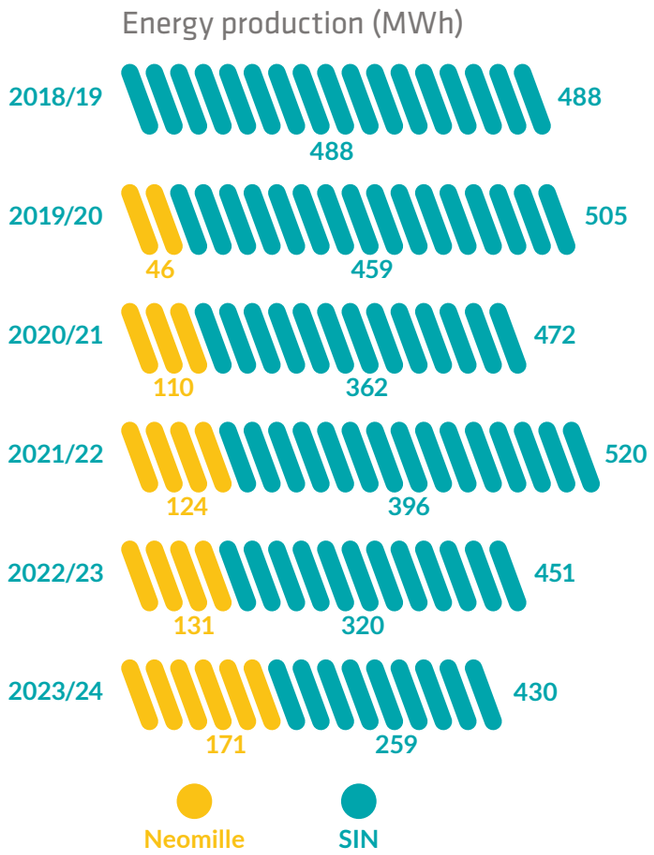
# Bioenergy

Also in the context of energy transition to a low-carbon model, such as the largest sugar-cane biomass thermoelectric plant in Brazil, we offer the market electricity produced from bagasse, a renewable and sustainable energy source that can replace fossil fuels and reduce the carbon footprint.

In addition to having an organic, renewable material as its source and giving a noble destination to a waste, contributing to the circularity of the planet, it is a less intermittent and stable energy, favoring energy security.

We also use eucalyptus chips as biomass, which has the advantage of capturing carbon carried out by the photosynthesis of trees, all from reforestation, in areas that were degraded by other activities or that already had the vocation for this type of plantation.

Thus, our industrial plants are self-sufficient in energy and, in the 2023/24 harvest, we still exported 430 GWh to the National Interconnected System (NIS), a volume that is made available directly via the national electricity grid (learn more in “Climate change, atmospheric and GHG emissions”).






# Animal nutrition

With the inauguration of the corn plant, we entered the animal nutrition market. During the fermentation process, the sugars in the grains are converted into alcohol and $CO_2$. The resulting liquid is ethanol, while the solid residue, composed mainly of proteins, fibers, and minerals, is DDGS, which offer a number of benefits to agriculture, industry, and the environment.

As an excellent food for farm animals, such as cattle, pigs, poultry and fish, it contributes to the global challenge of feeding a growing world population with quality and safety, as well as contributing to greater productivity for producers.

# Vegetable oil

From the evaporation of the vinasse and centrifugation of the syrup, a vinasse rich in free fatty acids is obtained, which corresponds to a first extraction of the oil, an ingredient that can be used in poultry and pig feed or be marketed as biodiesel.

Thus, corn co-products are a means of transformation, expansion and diversification of our portfolio, extracting the maximum value from the raw material and avoiding waste, in accordance with our principles, ensuring the diversification of revenues, as evidenced by the fact that 10% of the revenue comes from the sale of products for animal nutrition.

## Value agenda

As one of the pillars of our strategic planning, we have the Value Agenda, which brings together projects and actions that generate efficiency, productivity and cost reduction, based on the search for continuous improvement, having as a parameter the internal benchmarks (cases and results of the High Agricultural Productivity Program—see the “Innovation” section) and external benchmarks, which allows us to visualize our position on strategic issues for our business and market, identifying risks and opportunities.

In the reported harvests alone (2022/23 and 2023/24) R$ 21.8 million were generated. Solutions that have allowed us, for example, to increase crushing, expand availability and industrial efficiency. For the next cycles, we have divided the plan into two important phases. The first aims to consolidate the sugar projects (diversification), Neomille’s production, strengthen the efficiency agenda and resume the investment capacity.

# Agro-industrial efficiency

***SASB- FB-AG-000.A***

The combination of a privileged topography, modern plant, efficient logistics and management focused on cost and competitiveness results in a high rate of agricultural productivity and industrial efficiency.



## Agricultural productivity is a recognized highlight in the sector

- Visão Agro Centro-Sul Award as the best national company in the Agricultural Mechanization category (July 2023).
- National Agro Vision as a highlight in the Investments and Expansions category and as a highlight in the Midwest.
- First place in performance in the sugarcane harvest of the global ranking of Solinftec—a global technology company specializing in the agro-industrial sector (August 2023).
- Champion of agricultural productivity in the state of Goiás in 2023, for the ninth time, as per the Sugarcane Technology Center (CTC), Institute of Agricultural Development (IDEA), and in the Top 10 Highest Productivity Award in Brazil.

In Chapadão do Céu/GO, the corn plant strategically located at the same site also optimizes the operation and costs, which has contributed to further evidence of our agro-industrial excellence and our differentiated position in the market—the indicators related to industrial cost and agricultural cost—which placed us in the first quartile in agro-industrial cash cost among the sector's benchmarks. in the 2022/23 harvest.

Our productivity metrics reflect our operational strategy in the field, leveraged by the use of advanced technologies available to agribusiness. Among them, fertigation with the use of linear pivots coupled to an automation system, the use of drones for data collection and monitoring, automation in planting with failure mitigation and 100% mechanized harvesting stand out. Thus, we have a growing agricultural productivity index in the last harvests, of 90.5 in the 2023/24 harvest, against 85.2 in the 2022/23 harvest.

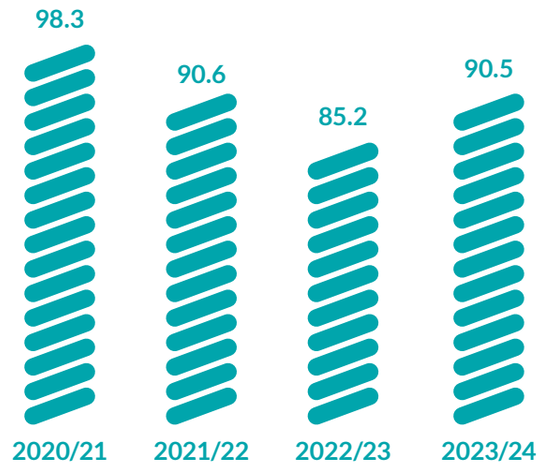
In the industry, the modernity of the plants puts us in line with the 4.0 concept, allowing high yields of 320 days a year in the sugarcane plant and 355 days in the corn plant.

The new corn plant in Maracajú/MS brings a new milestone. Developed with state-of-the-art technology, it stands out for its efficiency and sustainability, as we demonstrate in the section "How we generate and share value", in "Strategic and sustainable growth".

At the same time, we have the continuous improvement process focused on three fronts: maximization of assets, management practices and energy efficiency. On the asset maximization front, we have the Full Potential Project. Anchored by the Six Sigma methodology, it is a key process management model, based on indicators and the cause-and-effect relationship, with the main point of solving problems in a simple and planned way, whose macro objective was to create a culture of continuous improvement. In progress since the 2019/20 harvest, and constantly, it has changed the mindset of our teams. Among its objectives are to reduce the variability of processes, so that they are more predictable and can guide decision-making in an informed way, increase hourly milling and reduce the number of stops due to maintenance problems, reducing unavailability.



Agricultural productivity (t/ha)




Crop yield (t/harvester/day)



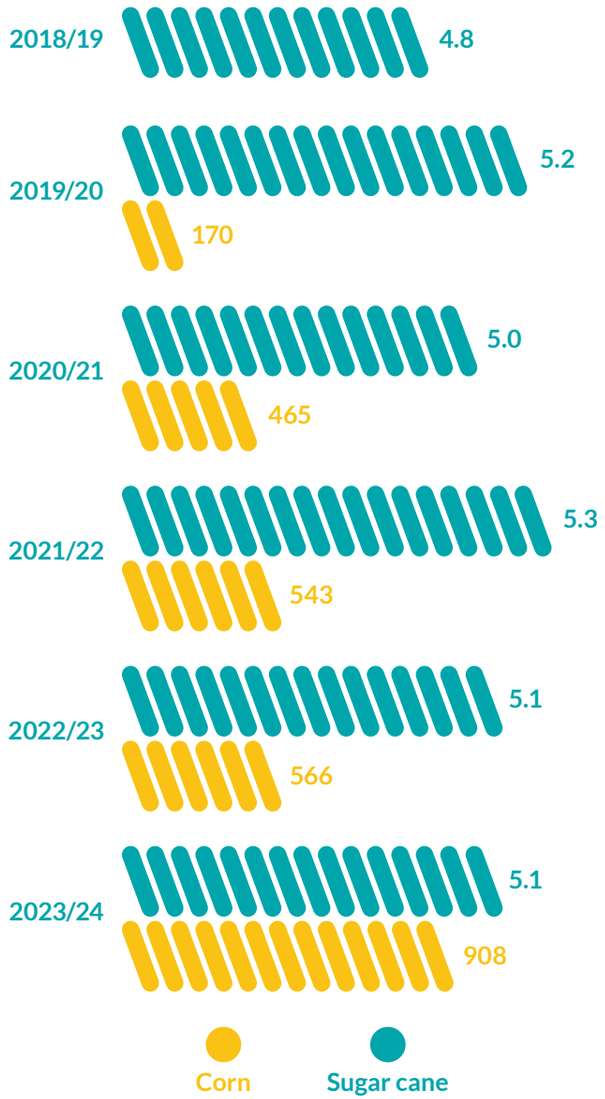
# Operational indicators

In the 2023/24 harvest, 5,130 million tons of sugarcane were crushed, which represented an increase of 1%. The increase in the crushed volume was caused by greater use of time, due to the lower number of operational stoppages.

In relation to corn milling, 908 thousand tons were crushed in the 2023/24 harvest, a volume 60% higher than the same period of the previous harvest, which had already been slightly higher than the volume processed in the 2022/23 harvest. Neomille's expansion in Goiás, recently added to the start of the new plant in Maracajú-MS, explain this result.



Crushing (mm t - sugarcane and thousand t - corn)




Thus, 834 thousand m³ of total ethanol were produced, which represented an increase of 23% compared to the previous harvest. Regarding with corn co-products, there was an expansion in the production of DDGS, reaching a volume of 214 thousand tons, which represented an increase of 46% in the harvest. In oil, the increase was 109%, with the production of 14.6 thousand tons.

In electricity, 259 GWh were exported to the National Interconnected System (NIS) and made available directly via the national electricity grid, contributing to an energy matrix of clean and renewable sources—sugarcane biomass—resulting from our ethanol production process, and eucalyptus chips. In addition to the exported volume, we produced another 171 GWh equivalent (steam and electricity are considered) for the corn plant, totaling 430 GWh. The volume was 4.6% lower than in the same period of the previous harvest, as a result of the plant's increased capacity.

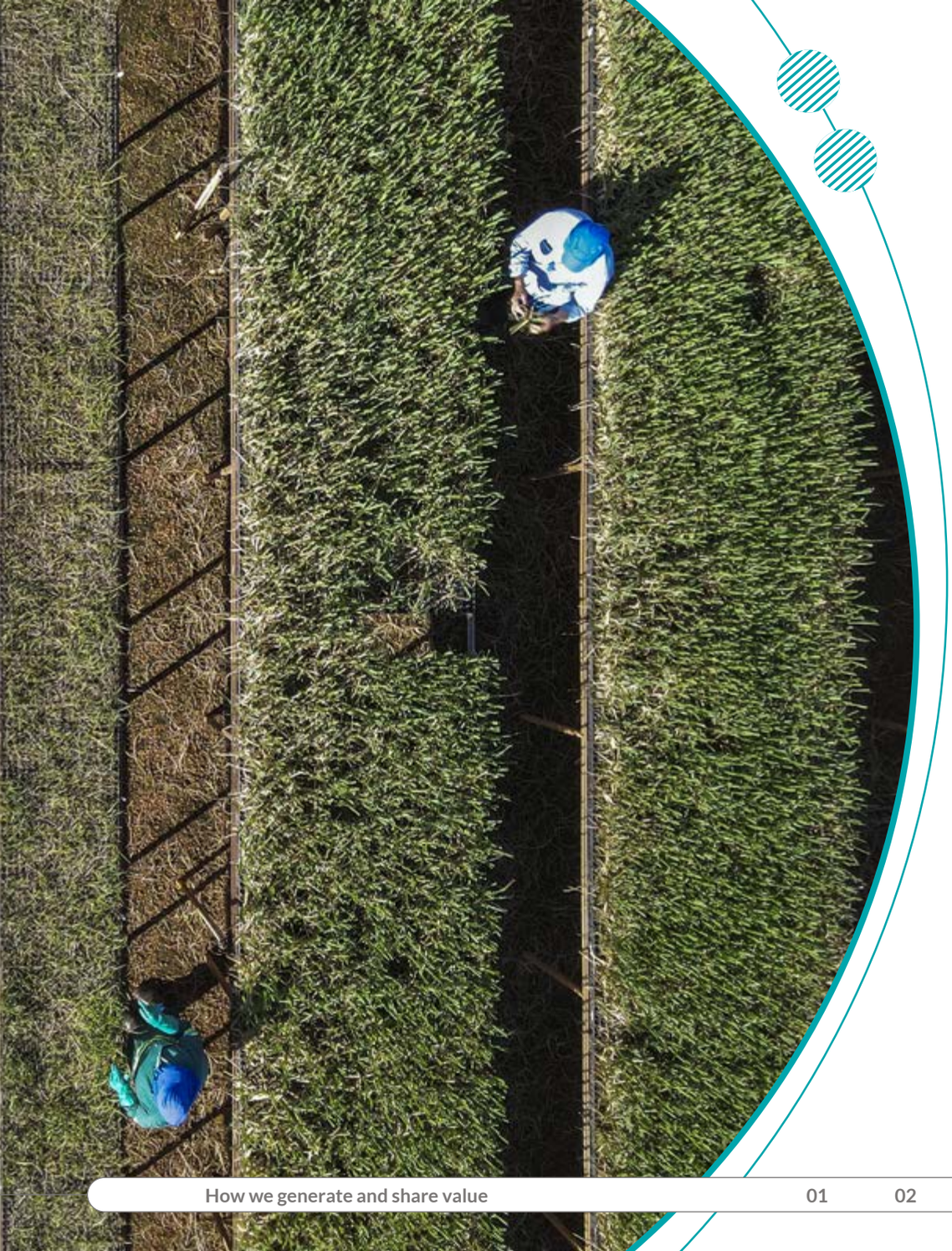
In the harvest, there was also the sale of 1,015.7 thousand CBIOs (Decarbonization Credits), and on March 31, 2024, the Company and its Subsidiary did not have any stocks.

| Operational data | 21/22 HARV. | 22/23 HARV. | 23/24 HARV. | Var. % |
|---|---|---|---|---|
| Total sugarcane crushing (thousand tons) | 5,277 | 5,060 | 5,130 | 1% |
| % Own sugarcane | 56% | 58% | 57% | -2p.p. |
| Corn milling (thousand t) | 543 | 566 | 908 | 60% |
| Agricultural Productivity | 82.8 | 85.2 | 90.5 | 6% |
| ATR (kg/t) | 125.6 | 133.3 | 131.6 | -1% |
| ATR (kg/ha) | 10,396 | 11,354 | 11,907 | 5% |
| Total ethanol production (thousand m³) | 675 | 678 | 834 | 23% |
| DDGS production (thousand tons) | 144 | 146 | 214 | 46% |
| Oil production (thousand tons) | 6.7 | 7.0 | 14.6 | 109% |
| Energy exports (GWh) | 520 | 451 | 430 | -5% |
| Sale of CBIOs (thousand) | 569 | 383 | 1,016 | 165% |

## Efficient logistics

The location of the plant in Chapadão do Céu/GO and the construction of the rail transshipment terminal carried out in partnership with Rumo Logística, which allowed us to have a long-term concession and transport contract, added to an automated shipping system, ensure an efficient multimodal logistics system with a lower carbon footprint, strategically sized: from Chapadão do Céu/GO, the ethanol goes to Chapadão do Sul/MS, 44km away. Then, the flow is made by rail to the city of Paulínia/SP, the consumer center, from where it is distributed to large distributors.





# Our ESG agenda and the SDGs

*TCFD 4 and TCFD 4.3*

Sustainability is part of our mission and is one of our values. As we demonstrated in the “How we generate and share value” section, it is closely linked to our business. After all, our main product is the production of clean energy-biofuel and electricity, both from renewable sources, placing us in a strategic position for the leading role that Brazil can play in facing major global challenges, such as the energy transition to a cleaner matrix, which can contribute to the reduction of GHG emissions and their impact on the climate. which has already generated socio-environmental consequences around the world. It also guarantees the necessary energy security, that is, availability and stability. In addition, our main raw materials come from the earth.

But it is up to us to enhance this value generated through our products, seek to mitigate the adverse effects of our agro-industrial activities and manage climate risks that can impact the continuity of our business in three aspects - environmental, social and governance - in an integrated manner with our economic and financial performance. Because they are such symbiotically related elements, they became part of our strategic planning on the ESG front in an explicit and structured way in 2022.

In the same year, we created our ESG agenda, which reflects our business vision and the practices we already adopt in our daily lives, but giving them more intentionality, focus, objectivity, and clarity through commitments made by the Board, which unfold into 10 goals defined for the 2021-2026 cycle, to be systematically monitored by the Sustainability Committee-a body that is part of the Board of Directors to which it reports directly.

In addition to our effort to respond to the global call of the 193 UN member countries as a private company, to act and contribute to the design of environments that offer greater opportunities and better living conditions for all, we also relate our goals to the SDGs, as shown below.



## Environmental agenda

- Energy
- Carbon footprint
- Responsible social and environmental management
- Biodiversity and Ecosystem Services

## Social agenda

- Health and safety
- Plurality
- Employee training
- Local development

## Governance agenda

- Sustainable value chain
- Governance and risk management

CerradinhoBio

| Goal description | Unit of measurement | Base year | Year of the goal | 2022/23 Harvest | 2023/24 Harvest | Trend |
|---|---|---|---|---|---|---|
| Reducing specific energy consumption in CerradinhoBio's operation by 24%. | GJ/m³ Ethanol | 2019/2020 | 2026/2027 | 1.89 | 1.78 | Positive |
| Reducing the carbon footprint in ethanol production, with the improvement of RenovaBio's emission factor. | tCO2eq/m³ | 2021 | 2026 | 1.41 (Cerradinho) and 0.20 (Neomille) | 1.41 (Cerradinho) and 0.20 (Neomille) | - |
| To ensure excellence in socio-environmental management, being certified by a world-class entity. | Number of initiatives | 2021 | 2026/2027 | Under Implementation | Under Implementation | Positive |
| To ensure a neutral impact on the biodiversity where we operate. | Number of initiatives | 2009 | 2026 | Neutral impact Stabilization 9 erosions Obtaining a reforestation license | Neutral impact Stabilization 9 other erosions 3 reforested springs | Positive |
| Ensuring a safe and healthy work environment, with a reduction in the Frequency Rate of Recordable Accidents (below 1.0) and improving the level of health and safety management for outsourced employees. | Number of recordable accidents per hour worked (1,000,000h) | 2020/2021 | 2026/2027 | 4.2 | 2.7 | Positive |
| Implementing policies to encourage plurality in the composition of the team of employees, ensuring an inclusive and prejudice-free environment. | % | 2019/2020 | 2026/2027 | 16.11% (total Employees) and 13.5% (leadership) | 16.75% (total employees) and 16% (leadership) | Positive |
| Offering opportunities for growth and improvement of employability to employees, thus promoting the development of new skills and ensuring mastery of critical skills. | % Coverage of training for critical competencies | 2019/2020 | 2026/2027 | 97.7% | 76.0% | Negative |
| Contributing to the economic and social transformation of the region through social investments that promote health and education, volunteer programs and encouraging purchases from local suppliers. | % of local purchases | 2016-2020 | 2026/2027 | 33.65% | 40.89% | Positive |
| Ensuring that 100% of the suppliers of raw materials to the CerradinhoBio are periodically evaluated for compliance with economic, social and environmental criteria. | % | 2021/2022 | 2026/2027 | 100% | 100% | Positive |
| Implementing the Sustainability Committee and expand ESG aspects in the assessment of business risks. | - | 2021/2022 | 2026/2027 | Under Implementation | Revised due to risk analysis | Positive |

# Environmental aspects

*GRI 2-27, GRI 307-1, GRI 3-3, SASB- RR-BI-430*

04


**49** Soil health and fertility

**51** Circular agriculture and waste management

**55** Water resources management

**56** Climate change, air and GHG emissions

**59** Energy efficiency




In the 2023/24 harvest, we started deploying the Environmental Management System (EMS) based on the criteria of the international standard ISO 14001. The aim is to improve governance of the issue, guaranteeing the highest level of compliance, monitoring and control, with a view to protecting the environment, adopting mechanisms to respond to and mitigate changes in environmental conditions and generating maximum value from each resource we use, minimizing possible negative impacts through efficient and responsible processes. We are planning to certify the plants in Goiás in ISO 14.001 (environmental management system), in the 2025/26 harvest.

Below, we list how this has been the case, considering the environmental aspects most directly related to our business, pursuant to our materiality, and the corresponding main indicators.

# Soil health and fertility

***GRI 3-3, GRI 13.5***

The earth is the source of life and of our main raw materials. Using it intelligently, therefore, is a strategic priority for our business and for the sustainability of the planet. Therefore, we have adopted several conservation management practices, which aim to protect, preserve and regenerate the soil, enabling improvements in its chemical, physical and biological quality; and that still contribute to our high agricultural productivity.

Input management, carried out from the perspective of production optimization, also contributes to minimizing the impacts of our activity in agriculture, with a focus on reducing the use of fertilizers and chemical pesticides. The liquid fertilizer plant, added to investments in digital technologies that allow for increased productivity and improved processes related to pest control, are actions in this regard.

At the same time, we have a strong innovation front that develops and validates new agronomic technologies according to the opportunities and needs found in the production areas, with targeted and controlled research and experimentation.

# Efficient farming practices




**Organomineral fertilization:** use of industrial sugarcane residues for soil fertilization and fertilization of plantations, which contributes to the recovery and enrichment of soil regeneration with the introduction of nutrients such as calcium, magnesium and potassium (learn more in the “circular agriculture” section).



**Crop rotation:** we rotate the sugarcane crop with soybeans, crotalaria or sorghum. Crop diversity improves soil structure, increasing organic matter and biological activity, which results in healthier and more productive soil. In areas mapped with erosion prior to our cultivation, we work to recover the soil by planting other types of covers, such as bamboo.



**Integrated Pest Management (IPM):** We add to the rational use of chemical products the use of biological products to ensure the balance of natural enemies and beneficial insects in crops, contributing to biodiversity and minimizing the adverse impacts of chemical pesticides.



**Use of microorganisms:** we increase the use mainly via soil to improve health and fertility, with improvement in the quality and variety of soil biota.



**Production of Pre-Planted Seedlings (PPS):** we produce sugarcane seedlings in nurseries with a high standard of health, vigor and uniformity, ensuring the cultivation of the best genetic materials available and more responsive to the conditions of each area of the soil in the region, via meiosi and cantosi. In addition to increasing productivity, the practice reduces the need for inputs, such as pesticides and fertilizers, due to the better initial development of the plants.



**Efficient mechanization:** we use automation (autopilot) and GPS technologies in almost all the equipment that travels in the crops to reduce the impacts of mechanization on soil compaction, allowing sugarcane to develop in an environment without restriction to root growth.



**Efficient use of by-products of ethanol production:** we use filter cake, boiler ashes and vinasse—residues generated by the sugarcane industrial process—to improve soil fertility, increasing soil organic matter levels and crop nutrition

# Circular agriculture and waste management

*GRI 3-3, GRI 13.6*

Based on the concept of circular economy, circular agriculture is based on the reuse of resources, waste reduction, and recycling, creating a closed cycle where waste from one activity becomes inputs for another. This practice not only contributes to soil health and biodiversity, but also increases the resilience of agricultural systems, better control over environmental aspects, and increases economic efficiency. Therefore, it is a strategic part of our approach to the field and waste management.

A concrete example of our adherence to these principles is the use of sugarcane residues in agricultural production. During the industrial process for manufacturing ethanol, impurities in sugarcane juice are removed, resulting in a sugar-rich sludge. This sludge is washed and filtered in a vacuum, allowing the recovery of residual sugar and generating filter cake, considered the solid waste of the industrial process. Combined with the soot and ash from the gases from burning the biomass in the boiler, this pasty residue is sent to composting, creating the organomineral fertilizer that we apply 100% in the areas of sugarcane field reform, either in the planting furrows, in the total area or between the rows by fertigation. Organomineral fertilizer replaces chemical fertilizers that have greater adverse effects on the environment.

In turn, vinasse—a liquid residue generated during the distillation of sugarcane juice or molasses for ethanol production—is also applied by fertigation, through safety and control measures through linear pivots and irrigating reels, which mitigates environmental risks, such as runoff, and reduces product losses, since this type of equipment allows for a much more homogeneous application than the conventional cannon. A small portion is applied in a localized manner.

In the 2023/24 harvest, 81% of our planted area received organomineral fertilizers, compared to 46% in the 2021/22 harvest.





To further optimize the use of sugarcane residues, we have a Vinasse Plan. One of the measures provided for in the plan was the creation of the liquid fertilizer plant in Chapadão do Céu/GO, which started operating in August 2023. Since then, it is there that the vinasse is directed, where it is enriched. Thus, instead of buying fertilizers in their final form, we started to buy raw materials and produce them internally, since vinasse is rich in potassium—one of the main fertilizers for cultivation—and organic material. The new plant also makes it possible to expand the fertigated area by up to 21 thousand hectares, with a reduction of an input cost of around 77%.

In addition, to overcome the challenge of the high volume of water in natural stillage, which limits the application sites due to the cost of transporting this material, we are developing a project to preserve vinasse in its raw form (avoiding its contact with wastewater). Therefore, we will have a material with a higher potassium content, which makes it possible to transport it to the fertilizer plant and, consequently, the application in a larger area, making us self-sufficient in potassium. It is also being studied how to transform the organic matter in vinasse into biomethane through biogestion tanks, generating electricity or biogas, replacing the use of diesel.

In addition to our own waste, we have collaborated with the proper disposal of waste from nearby farms for about 8 years. We acquire the waste from these farms, known as poultry litter, and use it as fertilizer, replacing mineral fertilizer. This practice not only benefits the environment, but also creates value from waste from other production units.

Since October 2021, we have advanced even further in the circular economy with the use of sugarcane yeast. We developed a modified yeast that, in addition to being used in fertigation when integrated into vinasse, is also added to the production process of DDGS in the corn plant. The yeast, rich in protein, enriches DDGS, adding value to the product that is marketed as an additive for animal feed.

In this way, we integrate the principles of circular agriculture into all stages of production, from cultivation to waste treatment, demonstrating our commitment to sustainability, economic efficiency, and innovation.

# Waste and wastewater management

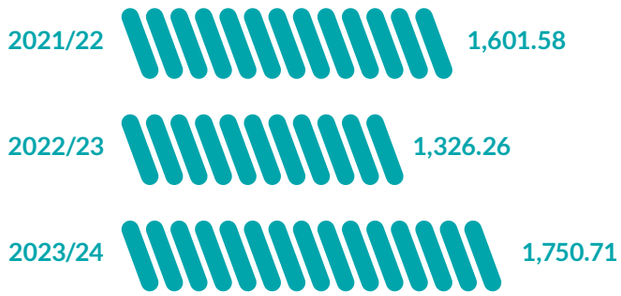
***GRIs 203-1, 306-1, 306-2 e 13.8***

We have a Solid Waste Management Plan (PGRS) based on Conama Resolution, regulatory standards and Normative Instructions. The plan is analyzed annually and, whenever necessary, is reviewed, contemplating the steps recommended by the National Solid Waste Policy (PNRS): non--generation, reduction, reuse, recycling, treatment and environmentally appropriate final disposal. Thus, our main objectives are:

- Protection of public health;
- Protection and preservation of the environment;
- Encouragement of the adoption of sustainable patterns of production and consumption of goods and services;
- Adoption, development and improvement of clean technologies as a way to minimize environmental impacts;
- Reduced volume and hazardousness of hazardous waste;
- Improved production processes and;
- Reused solid waste, including energy recovery and use.

Faced with the scenario of business growth (Neomille's expansion), efforts were concentrated on the proper disposal of waste. Although the figures indicate a reduction in the volume of waste disposed of, this was not an initiative that was exploited.

Waste per ton of equivalent cane crushed (final destination)

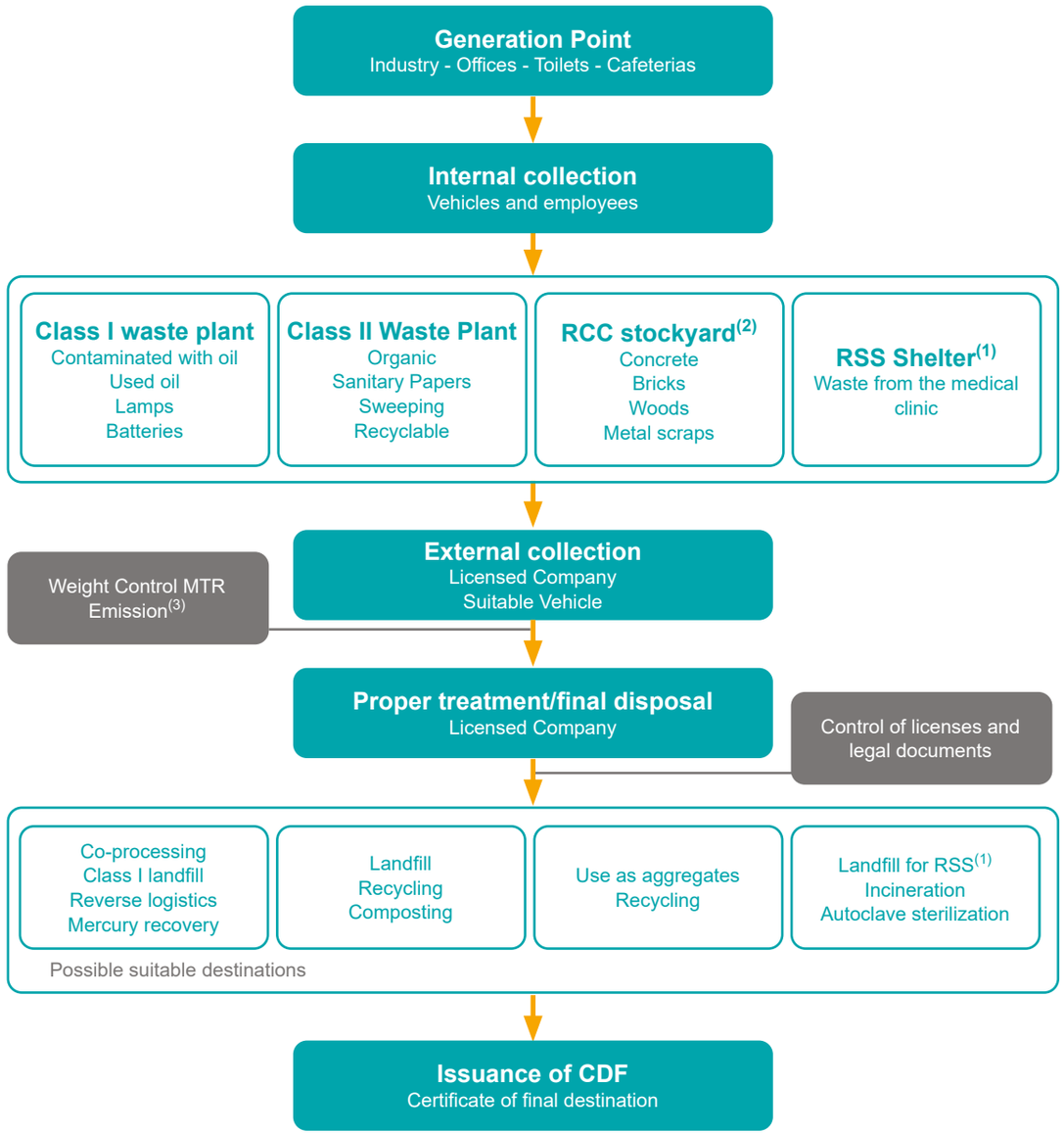



Waste per ton of equivalent cane crushed (final destination)






## Solid Waste Management Flow Chart




(1) Health Services Waste (HSW)
(2) Civil Construction Waste (CCW)
(3) Waste Transport Manifest (MTR)

At the generation points, we segregate the waste according to the class of each one. After the waste is disposed of in the selective collection containers, internal collection is carried out for the Waste Center of the Units, where temporary storage is carried out, respecting segregation. From there, the waste is destined for treatment and/or final disposal in specialized and licensed companies for each type of treatment, with our proper monitoring through a management system. This system also allows us to control documentation, such as Transport Manifests, Final Disposal Certificates and Waste Sales Invoices. Aside from that, we have monitoring with regard to compliance, controlling the environmental licenses, permits and legal documents of the companies.

Effluents are also monitored in terms of treated and raw volumes. In the 2022/23 and 2023/24 harvests, once again, we can say that the parameters were within the standards established by Conama Resolution 430, art. 16, which provides for the conditions for the management of effluents into bodies of water*.

*Note: We do not discharge into water bodies

The wastewater from the industrial process of the sugarcane plant is mixed with the vinasse and applied to the soil through the fertigation process, according to the internal stillage application plan, as previously demonstrated.

The corn plant generates little effluent from the ethanol production process, which is incorporated into vinasse and applied to the soil (fertigation).

Effluents from secondary sources, such as washing in the unit, boiler bottom discharge, cooling tower discharge, workshop, domestic sewage etc., are sent to the effluent treatment plant (ETE), implemented within the industrial complex.

# Water resources management

***GRIs 3-3, 303-1, 303-2, 303-3, 303-4, 303-5, 13.7 and SASB- RR-BI-140***

Just like the land, water is a source of life, essential to our business. Our management is directed to the rational use of the resource, while comprising the management of the use, treatment and reuse of 100% of the water in the operational processes, without any record of any type of accident in the 2022/23 and 2023/24 harvests.

Thus, we seek to contribute to water security and preserve the quality of water bodies, also ensuring full compliance with legal requirements, so much so that the topic is part of our ESG agenda.

To supply the industrial sugarcane and corn plants in Chapadão do Céu/GO, we have two groundwater abstraction points, all outside areas of water stress and in compliance with the permits, guaranteed by monitoring the volumes abstracted, recorded in an internal system. Every six months, we also carry out qualitative and quantitative analyses of the springs that supply us, and as of May 29, 2024, no significant change in the quality of the rivers has been observed.

When it comes to use, the premise that guides us is efficiency. With the implementation of the sugar factory, which went into operation in July/24, we were able to improve the use of this resource. This is because, in the production of sugar, the juice is transformed into syrup through evaporation. All this evaporated water is reused in various phases of the process, such as mill imbibition, wort dilution, various cleanings etc.

As for disposal, thanks to the closed-loop model of our production facilities, we were able to reuse the entire volume of water captured, including the steam generated by the sugarcane juice decantation process. The wastewater from the industrial process is mixed with the vinasse and applied to the soil along with the secondary effluents that are treated in a specific station and incorporated into the vinasse.

In the environmental inspections carried out in the sugarcane leased areas, the collection points are checked to see if they are licensed, as well as other items such as housing, erosion, etc.

In the 2023/24 harvest, the volume of water consumed was 3,731 thousand cubic meters, 12.83% less than in the previous harvest. If we evaluate consumption in relation to the volume of equivalent cane crushed (in tons), our reduction was 16.87%, from 0.514 $m^3$ per ton of equivalent cane crushed in the 2022/23 harvest to 0.427 $m^3$ per equivalent ton crushed in the 2023/24 harvest.



# Climate change, air and GHG emissions

***GRIs 201-2, 305-1, 305-2, 305-3, 13-1, 13.2, SASB-RR-BR-120, SASB-RR-BI-430, TCFD 3 and' TCFD 4.2***

The socioeconomic and environmental consequences of increasingly present and intense climate change, such as severe droughts, devastating floods, rising temperatures, and loss of biodiversity on a global scale, place climate change as one of the main global challenges today. The theme is also directly related to our business, in a mutual relationship of cause and effect. Therefore, although it is not among our material topics, due to its importance and urgency we share below how the issue that has been managed.

We identify and analyze climate change risks as an integral part of the corporate risk management process, following the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). Among the potential climate risks considered are an increase in average temperature, gradual changes in rainy and dry periods, forest fires and severe frosts. For each of them, we have developed specific action plans.

We are also certified in the International Sustainability and Carbon Certification (ISCC).

In response to the challenge of containing global warming, the international community has established goals and treaties, the main milestone being the Paris Agreement, signed in 2015, whose objective is to limit the increase in global temperature to 1.5°C. To achieve these goals, signatory countries, including Brazil, have committed to reducing their greenhouse gas (GHG) emissions and adopting measures to adapt to climate change. It is for this purpose that the National Biofuels Policy – RenovaBio (Law 13,576/2017) was instituted, which aims to mitigate greenhouse gases through the sustainable production of biofuel.

As ethanol producers in line with sustainable practices, we are certified by the program, which allows the issuance of Carbon Credits (Cbios) according to the energy-environmental efficiency scores (calculated by the difference in the energy intensity of biofuel when compared to fossil fuel) which, in turn, are multiplied by the volume of fuel sold and result in the amount of Cbios we can sell. The higher the efficiency, the more Cbios can be issued.

In the 2023/24 harvest, we sold 1,015.7 Cbios, 165% more than in the previous harvest. This represents more than 1 million tons of $CO_2$ equivalent avoided or removed from the atmosphere through the production and use of our biofuel.



The credits must be purchased by fuel distributors as a way to compensate for the sale of fossil fuels. Each Cbio represents one tonne of $CO_2$ equivalent that has been avoided or removed from the atmosphere through the production and use of biofuels.

The incentive for biofuels is due to the fact that they have a smaller carbon footprint when compared to gasoline and diesel. In addition to being from a renewable source, ethanol produced from sugarcane can reduce $CO_2$ emissions by up to 90% due to the cultivation of sugarcane, which absorbs it from the atmosphere during its growth, offsetting part of the emissions generated during the production and use of the fuel.

Even during the burning of ethanol, fewer pollutants, such as carbon monoxide, hydrocarbons and nitrogen oxides, are also generated, and less $CO_2$ is released per unit of energy produced compared to gasoline. In addition, the energy released per gram of carbon burned in ethanol is greater than in gasoline, resulting in less $CO_2$ emitted per kilometer driven.

Likewise, the energy generated from sugarcane bagasse and straw, as well as eucalyptus chips, increases the energy efficiency of ethanol production and reduces the need for fossil fuels to generate electricity, further contributing to the reduction of greenhouse gas emissions. As our energy is also exported to the grid, we also contribute to the diversification of Brazil's energy matrix, reducing dependence on imported fossil fuels and increasing energy security—essential for the transition to a low-carbon economy.

In the case of eucalyptus, we rely on the species' ability to absorb and store carbon gas. Through our management, we will be able to ensure that your environmental benefits are realized in a balanced and sustainable manner.

In addition, we concentrate efforts on carrying out our production in an environmentally efficient way. As a highlight, it is worth mentioning the factor of

issuance of Cbios, which places us in the seventh best position among 266 production units participating in the RenovaBio program, at the national level.

And we want to go further. Our goal is to increase this indicator by 150% by the end of the 2027 harvest. In this context, we work on the construction of the corn chain of custody, seeking to demonstrate that its origination results from environmentally appropriate areas and that both planting and harvesting follow good agronomic and environmental practices.

The agricultural practices described in the sections "intelligent use of the soil" and "circular agriculture", which consists of the use of waste from sugarcane processing as fertilizer, are actions in this sense. In the 2023/24 harvest, more than 73% of the leased areas received this type of input, to the detriment of mineral options. Mineral ferti-



lizer, for example, is one of the main responsible for GHG emissions in agriculture. When applied to the soil, part is absorbed by the plant, but another part is lost through volatilization, leaching, erosion or denitrification. Liquid fertilizer plant projects (described in the “circular agriculture” section) tend to leverage this mitigating practice.

Agricultural machinery and equipment are other points of impact where we also operate, seeking ways to mitigate them. Currently, for example, we practically do not use gasoline.

Where the use of diesel is still necessary, our focus is on the search for efficiency per ton of sugarcane processed, either through intelligent logistics supported by GPS and monitoring via the center, or through the preventive maintenance program. In addition, the use of a biomethane-powered engine is being studied.

In order to closely monitor our emission index, we have the GHG Emissions Inventory for the three scopes, covering sugarcane and corn mills, as well as managed farms in the states of Goiás and Mato Grosso do Sul. The document is prepared based on the guidelines established by the Brazilian GHG Protocol Program (PBGH--GP) and in accordance with ISO 14064-1.

In the 2023/24 harvest, we managed to reduce our scope 1 emissions by 9.6%, compared to the 2022/23 harvest, reaching 113,470 tons of $CO_2$ equivalent. Nevertheless, from 2021/22 to 2022/23 the volume had been 4.3% higher.

Scope 2 emissions in the 2023/24 harvest were 3,518.02 tons of $CO_2$ equivalent. In the previous harvest, no energy was purchased, and the total consumed was generated by the Company itself. Therefore, there were no scope 2 emissions in the period.

Regarding atmospheric emissions, we monitor the levels of Nitrogen Oxides (NOx) and Particulate Matter (PM), in accordance with Conama resolution 382/6000. There were 1,132.49 tons of NOx emitted and 1,161.08 tons of particulate matter. Both volumes were higher than those issued in the 2022/23 harvest, respectively, by 58% and 49%, mainly due to the new industrial plants. If we look at the 2022/23 harvest compared to the immediately previous harvest, we can notice a substantial reduction of 72% in NOx and 48% in PM.



Since 2021, our Carbon Inventory has been validated by a third party and by the GHG Protocol program’s technical team. In August 2024, for the third consecutive time, we obtained the gold seal—the highest level of recognition granted by the Program, demonstrating our commitment to the management and control of emissions, and is also a valuable strategic tool, which enables us to attract investments, gain competitiveness in the market and strengthen ties with our customers and employees aware of the importance of caring for the planet.

# Energy efficiency

Although it is not among our material topics, energy is a very present theme in our operation, starting with the fact that we are energy generators from clean and renewable sources, which makes us self-sufficient. Of the 430 GWh produced, about 60% is exported to the national electricity grid and the rest consumed domestically.

The same principle of efficiency and rational use that governs our management as a whole is also present in the management of this topic. In the 2021/22 harvest, we completed an energy efficiency project, which included the mapping of different energy sources, thermal energy recovery process, line loss, replacement of low-efficiency pumps, in addition to monitoring and control itself. Contemplating 30 initiatives, divided into three stages of implementation, the objective was to carry out energy mapping (electrical and thermal), identifying the energy consumption of the equipment used in the plants and optimizing them.

However, total energy consumption increased in the last two harvests, 25% and 4.5%, respectively in 2022/23 and 2023/24, compared to the immediately previous period, due to our growth. Despite the growing trend in consumption due to the expansion of the operation, we managed to reduce energy intensity, from 121.65 Gj per ton of crushed sugarcane equivalent to 103.81 Gj per ton of crushed sugarcane equivalent, a reduction of 14.6%.

Due to the effectiveness of the project and the expansion of the corn plant, inauguration of the sugar factory and inauguration of the new corn plant, we are evaluating a new edition of the project.



# Social aspects

05


**61** Our People

**69** Supply chain management

**71** Local development and engagement with communities




# Our people

***GRIs 2-7, 2-8, 2-30, 3-3, 401-1, 401-2, 401-3, 3.18***

People are a key part of our business. They are the ones who materialize it and who translate who we are. At the end of the 2023/24 harvest, our team is made up of 2,152 employees, all hired under the Consolidation of the Labor Law (CLT) and covered by collective bargaining, an increase of 16,77% compared to the previous harvest, mainly due to expansion projects. In addition, we also had 126 apprentices (of which 24 were admitted at the end of the program) and two interns, who were also hired. Employees in Catanduva and from the foremen onwards at the plants have life insurance, health insurance, disability and invalidity assistance and paternity/maternity leave, in accordance with our internal policy drawn up on the basis of specific market research, the aim of which is to make up remuneration and benefits.

As we demonstrate in our vision, our goal is to offer a pleasant, healthy, safe environment that enables the development of people. Being among the best and most amazing companies to work for is a recognition of our efforts in this regard and the realization of our vision. More than that, the surveys that foster these rankings are important management tools that help us evolve. Based on the points highlighted by the climate survey carried out by FIA/UOL, for example, we listed as a focus the strengthening of our leadership, working on communication and interpersonal relationships. We have made progress on all topics in the 2023 edition, with the greatest breakthroughs precisely on these three fronts, showing the assertiveness of our performance.



Being the best company to work for is part of our vision. Recognition from important institutions shows that we are on the right track.

**Jun/23**
Third place as Best Large Company to Work for in the Midwest, by Great Place to Work (GPTW).

**Oct/23**
Fourth place in the Agribusiness category and in the list of large companies in Brazil Incredible Places to Work FIA/UOL.

# Diversity

***GRIs 405-1, 405-2, 404-2, 13.15***

Diverse teams are more likely to be creative and solve problems effectively, as studies on the topic show. We believe that an inclusive and collaborative perspective drives sustainability and innovation. Therefore, we seek to provide a more equitable and just environment, where people can be authentic and occupy their space with dignity and respect, as recommended by our Code of Conduct.

However, we know that diversity and inclusion is still a global challenge. Starting with the focus on gender diversity, we are working on the literacy of our leaders on the importance of diversity, considering that the agricultural and industrial sectors are mostly occupied by men.

To contribute to the change of this paradigm that has historical-cultural bases, we started to monitor strategic indicators related to the theme on a monthly basis, including associated goals. They are as follows:

- Percentage of women who joined the company, which signals how mature and adherent the leaders of the areas are to the agenda;
- Percentage of women in leadership positions.

Change starts with leadership and the recruitment and selection process. We strive in the process of publicizing opportunities so that we have the same amount of resumes from men and women, and each candidate is evaluated based on their skills and potential. To conduct an interview without bias, we prepare a checklist that guides the manager on questions that hide some type of preconceived concept, stereotypes or discrimination and we continuously follow this approach.

Such efforts have been reflected in the numbers. In the 2023/24 harvest, we managed to have a female participation of 16.7% in our workforce, following a gradual growth trend. In the 2017/18 harvest, for example, this rate was only 10%.

In the 2022/23 and 2023/24 harvests, with a focus on increasing women's adherence to job vacancies, we held the Opportunities Plant, in partnership with the National Rural Learning Service (Senar). It is a program that offers free training courses for the operation of tractors, harvesters and sugarcane drivers, as well as in the areas of industrial and automotive maintenance, especially aimed at women, both our employees and the community. In all, 80 women were trained, of which 22% were hired for positions in the company.

Regarding pay equity, we prioritize an environment of respect and the guarantee of rights with our Code of Conduct, which is the guide that guides our actions and our internal and stakeholder relationships. An initial measure to minimize the issue, in a more general scope, is the review of the salaries of everyone in the Company, regardless of gender or any other aspect.



# Continuous Development

***GRIs 2-18, 404-1, 404-2, 404-3***

In the 2023/24 harvest we had an average of 46 hours of training per person, 8.5% more than in the previous harvest, which was already growing. Due to its multiplying power, leadership has been the main focus.

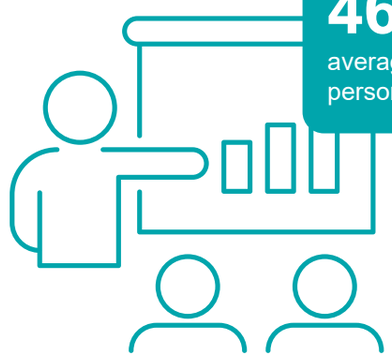
From the structuring of the Cerradinho Way of Leading (JCL), which establishes the list of skills and behaviors expected by leadership, we carried out a series of training and qualifications, such as feedback workshops and the "Leader Chat" program—a meeting conducted by the Human Resources area to answer day-to-day questions and good practices in people management. Weekly, we also have Business Partners—an HR cell inserted in each area of the company—who bring reflections on "How can I be a better leader this week", with recommendations for practical actions.

Yet, investment in development is not limited to leadership.

In the 2023/24 harvest, we implemented an online platform of Saint Paul (LIT) with courses and training and development trails aimed at each hierarchical level - top management (directors and managers), middle management (coordinators and specialists), leadership development (trainees) and administrative professionals (engineers and analysts). For each group, there is a set of specific content chosen according to the main needs, addressing highly relevant topics, such as strategic leadership and management, ESG, corporate governance, ethics, and compliance, to more technical topics, such as Power BI, Visual Basic for Applications (VBA), agile methods, among others.

With a more technical operational focus, in the 2022/23 harvest we started the "Energy of Knowledge" program. By the end of the 2023/24 harvest, 52 training sessions had been carried out with 43 positions and the participation of 774 people.

As a gateway to our talent pool and preparation of young labor in the community, we have the Young Apprentice program in Chapadão do Céu/GO. During the reported harvests, 126 people participated, of which 19% were effective.



**46 hours**
average training per person in the 2023/24 harvest

**+8.5%**
in relation to the previous harvest

By the end of the 2023/24 harvest:
**52** training sessions
**43** positions and the participation of
**774** people.

Performance appraisals are also important tools for professional development, engagement, and loyalty. Due to its importance, the tool was also the subject of leadership development work, including a fixed monthly agenda. Among the actions, we highlight the creation of structured cycles with surveys to validate their effectiveness, in addition to anonymous voluntary evaluation of the professionals evaluated as to the quality of the feedback received. In the 2023/24 harvest, 100% of our leadership received evaluation (from CEO to coordination). For the next cycle, we are parameterizing a platform to expand the application of the evaluation methodology to analyst positions.

The Board of Directors does not undergo a formal performance evaluation.

The process begins with a 360-degree evaluation, followed by the calibration made by a collegiate group that discusses the Nine Box matrix—a visual representation of the capabilities and performance of the evaluated employee—until the unfolding of the evaluation in the construction of an Individual Development Plan (IDP) conducted jointly by the professional and his immediate manager.

**Currently, 55% of our leadership staff is made up of people who were already with the Company.**

# Health, safety and well-being

***GRIs 3-3, 419-1, 13.19, 403-1 a 403-10 and SASB-RR-BI-540***

Governed by our Health, Safety, Quality and Environment Policy, our Occupational Health and Safety (OSH) Management System aims to provide and maintain a healthy and safe environment in order to prevent and control aspects and hazards related to health, safety and the environment, promoting and maintaining the highest degree of physical well-being, of all employees and third parties. Thus, we are based on the search for continuous improvement. Following good governance practices, the area is under the management of a manager, reporting directly to the CEO.

In the 2021/22 harvest, we started implementing the Integrated Management System with the following premises:

- **Hierarchical structure of documentation:** insertion of information on Occupational Health and Safety legislation, standards and internal policies.
- **Planning:** identification of hazards and risks to health and safety, preparation of the Risk Management Program (RMP), the Occupational Health Medical Control Program (OHMCP), the Hearing Conservation Program (HCP), the Respiratory Protection Program (RPP), the Preliminary Risk Analysis (PRA) and the Emergency Care Plans, identifying the applicable legislation and, from this, defining specific training.
- **Execution and control:** structuring of inspection fronts, control mechanisms, metrics and indicators, as well as the processes and structure of health and safety reports.

The main focus has been on strengthening and maintaining a culture of safety. Therefore, the topic is a fixed agenda of the monthly meetings of the Health, Safety and Environment Committee, where we closely monitor the main proactive and reactive indicators..

Due to the start-up of the corn plant, we saw a decline in these two indicators in the harvests reported. In the 2023/24 harvest, the rate of accidents at work with serious consequences stood at 0.13, compared to 0.21 in the previous harvest, and there were no deaths in both harvests. With regard to the Frequency Rate of total work accidents requiring mandatory reporting, the index stood at 0.71 in the 2023/24 harvest and 1.09 in the 2022/23 harvest.



# I Am Safety

Leading this journey, we launched the Security Manual in the 2022/23 harvest, which translates the vision and strategic planning of the topic into the **I Am Safety Program.**

Under the concept **"Safety Comes First"**, its mission is to share values and develop multidisciplinary mentalities in all our areas, focusing on improving our culture and methods, identifying and correcting errors and, through this learning, reaching higher and sustainable levels. In this way, encouraging mentalities and preventive behaviors. To do this, we start from our culture, encompassing not only the company, but also the internal and external environments with which we relate.

Thus, policies and principles guide the management system, the elements of which are implemented through committees and subcommittees.

### Outdoor environment

- Shareholders
- Community
- Environment
- Entities
- Legislation

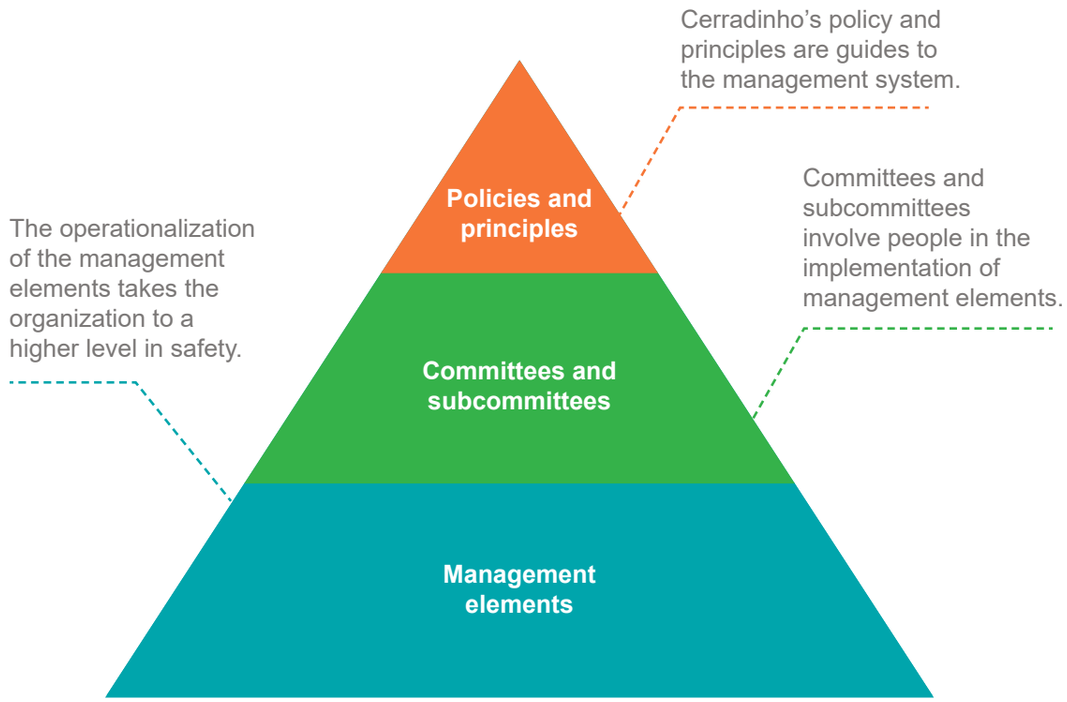
### Indoor environment

- Employees
- Functional processes
- Production processes
- Partners

### The company

- Mission and vision
- Safety
- Values and principles
- Business and operational
- Ethics (professional and personal)
- Organizational structure
- Goals and objectives

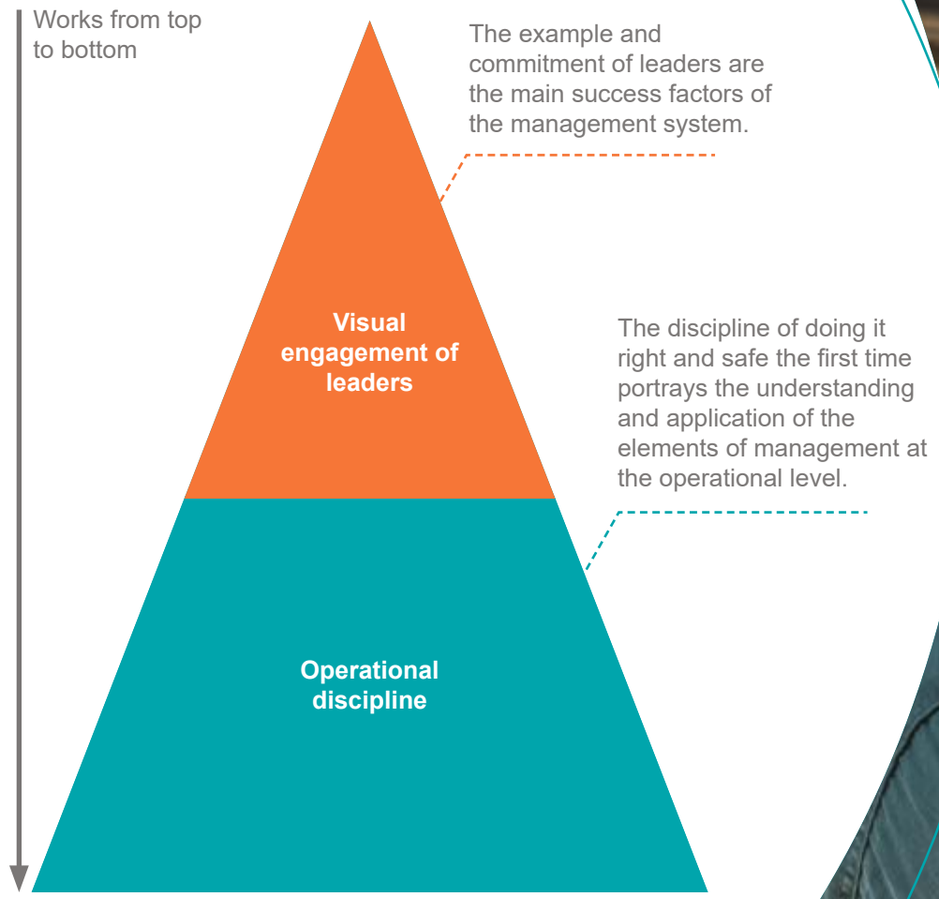
### The Management System flow



As a strategic element for the success of the system, we have leadership. His example of commitment to the discipline of doing it right and safe from the first time portrays the understanding and application of the elements of management at the operational level, serving as a dissemination of the culture in practice. To do so, they must:

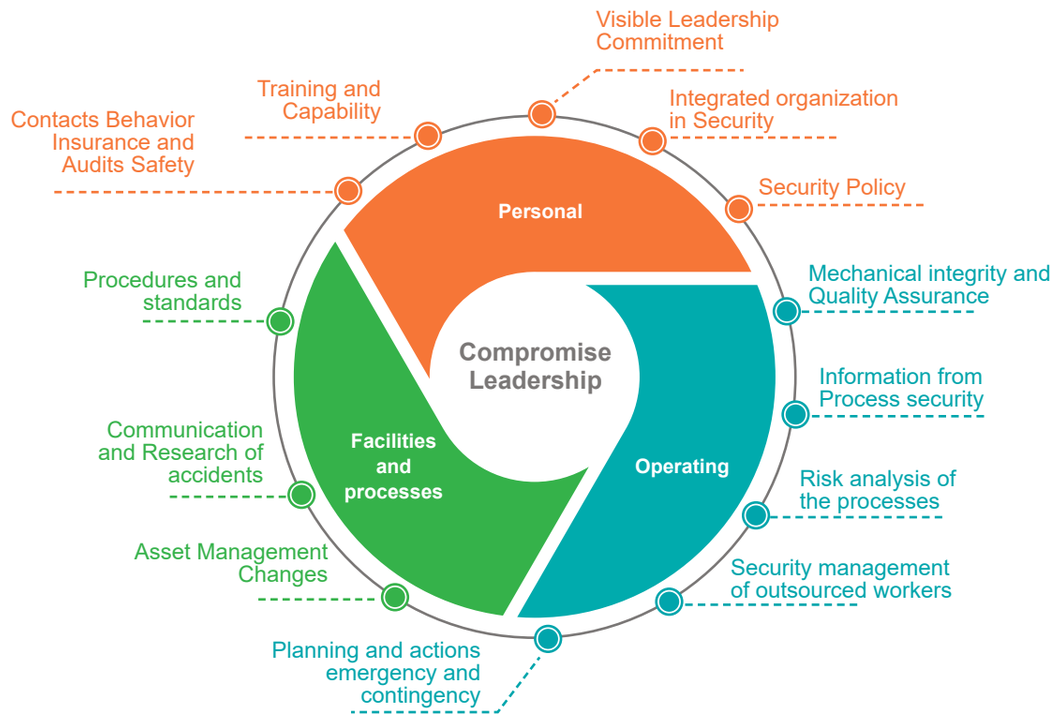
- Lead by example, demonstrate the Zero Accidents Principle and desired behaviors that will drive continuous improvements in safety performance;
- Setting high safety standards, non-negotiable, actively interacting with people, and correcting unsafe behaviors and conditions;
- Demonstrate standards and relentlessly pursue the development of a safety culture that reflects the company's vision and principles.

Although the leader has a fundamental role, safety is everyone's responsibility. In this sense, the bodies representing employees, such as the Internal Commission for Accident Prevention (CIPA) and the Internal Commission to Prevent Accidents in Rural Work (CIPATR), as well as the Internal Weeks to Prevent Occupational Accidents (SI-PAT's), which seek to disseminate information, raise awareness and engage everyone on the subject, are important.






Planning is supported by 13 key elements, divided into three major fronts: people, operation, and facilities and processes, as shown in the figure.




**Elements related to the evolution of mentalities**

- Security policy;
- Visible commitment from leadership;
- Integrated Organization in Security;
- Safe Behavior Contacts and IPS;
- Training and qualification.

**Elements related to the safety of production processes**

- Change management;
- Process safety information;
- Risk analysis of the processes;
- Mechanical integrity;
- Quality assured.

**Elements related to safety in operations**

- Outsourced security management;
- Procedures and standards;
- Accident reporting and investigation;
- Management of emergencies and contingencies.

Among the elements related to people, in the crop year 2023/24, we focused on training and capacity building. In this area, we have a Mandatory Occupational Safety Training Matrix, mainly in compliance with Brazil's Regulatory Standards (NRs). We conducted a total of 22,414 hours of training per employee for this purpose, compared to 16,455 hours per employee in the crop year 2022/23. This number, in turn, was over 2000% higher than the number of hours worked in the immediately previous crop year. In addition to mandatory training, we had an average of 12.12 hours of health and safety training per person in the crop year 2023/24 and 11.96 in the previous one. During this process, we identified a number of opportunities for improvement for the next cycles.

Among operational elements, we have made great strides in the safety management of outsourced contractors, in procedures and standards, and in the communication and investigation of accidents and incidents.

As for the items related to facilities and processes, we managed to take our first steps in Change Management and improved proactive indicators, with the Safe Practices Index (IPS) and the Safe Behavior Contact (CCS). The management tool implemented in the crop year 2021/22 assists us in investigating these instructions in practice, showing the degree to which the workforce adheres to safety standards and good practices in performing tasks within a given work area, through an indicator that is linked to targets.

As an inseparable part of this topic, we also monitor working conditions, particularly in terms of compliance with the NRs and other legal requirements, as well as carrying out training with the operational areas, audits, and compliance programs. In the two crop years reported, around R$3 million was invested in safety infrastructure.

# Health promotion

Promoting health is part of the culture of prevention and is directly related to our mission to be the best place to work. Programs and campaigns created based on risks associated with our business and according to the profile of our employees are instruments for us to promote health and quality of life. Among them, we highlight the following ones:

**Yellow September:** expository lecture conducted by occupational physician regarding Mental Health at Work and suicide prevention.

**Daily Safety Dialogues:** conversations directed to behavioral and social themes with service providers in the construction of the new corn plant, addressing Yellow June (prevention of viral hepatitis), mental health, Pink October (prevention of breast cancer), Blue November (prevention of prostate cancer) etc.

**Pink October Campaign:** lecture on the importance of early diagnosis for the treatment of breast cancer.

**Blue November Campaign:** applicable to all units, with own and third-party employees, addressed the importance of prevention and early diagnosis of prostate cancer.

Also part of the program were: the Program to combat smoking; weight control and obesity program; cardiovascular disease prevention services (hypertension, diabetes, lipid profile, electrocardiogram, cardiovascular risk calculation); campaigns against the use of alcohol and other drugs; individual and collective guidelines to encourage physical activity against sedentary lifestyle, adequate diet, stress reduction and control, among others; vaccination campaigns with immunization for influenza, in addition to control of vaccine cards, monitoring of cases and contacts of flu-like syndrome and Covid-19, including rapid antigen tests; and the Sleep Medicine program aimed at sugarcane drivers, which included the installation of proactive monitoring tools.





# Supply chain management

***GRIs 2-6, 3-3, 205-1, 414-1, 204-1, 308-1 and 13.23***

The same principles of respect and development that govern our relationship with our employees are present in the way we seek to relate to our suppliers. The beginning of this relationship is determined by alignment with our policies and values, especially with regard to compliance, ethics and integrity, respect for people and the environment, as dictated by our Code of Conduct, our Anti-Corruption policies; Relationship with Public Agencies; Contracting and Management of Third Parties; and our Third Party Due Diligence Procedure. Thus, they become strategic partners that make up our value chain.

In the 2023/24 harvest we have about more than 1 thousand suppliers, most of them corn producers, all of whom are duly approved after a rigorous evaluation process.

Due to this significant growth, we have expanded our assessment processes and intensified due diligence throughout the operation, with an expanded scope, aimed to ensuring ethical and responsible practices throughout our supply chain, including the fight against corruption.

Among the new hires, 86% in the 2022/23 harvest and 83% in the 2023/24 harvest were selected based on social criteria, and all raw material suppliers (corn, sugarcane, and eucalyptus) were selected based on environmental criteria, with none of them identified as causing a significant negative impact, which would make the partnership unfeasible.

The approval process begins with a checklist consisting of risk verification items, such as Negative Certificate of Debts Related to the tax on territorial property, proof of registration and registration status of the property (CAFIR), Rural Environmental Registry (CAR), Internal Environmental Assessment Report, among others.

For acquisitions from input suppliers, we have a Land Contracting Policy, which includes some technical parameters, such as analysis of restrictions related to documentation (property and owner), mandatory electronic registration for all rural properties under the responsibility of the Ministry of the Environment and Ibama, distance between the property and

the industrial unit, operability, productivity/fertility and harvestability.

To ensure compliance, all potential suppliers of sugarcane, corn, sorghum and eucalyptus are evaluated through an artificial intelligence system that analyzes the databases of government websites and analyzes satellite images. Being in full compliance, the partner is eligible, moving on to a second stage of analysis already within the Renova-bio traceability system, which evaluates the way the area is managed. At this point, we seek to disseminate the program model based on the experience we have in the direct management of the sugarcane plantation, working on the development of these professionals. Thus, we were able to guarantee this level of traceability to 80% of our partners.

Even after approval, we continue to monitor our supply chain with the support of the Rainbowntech management system and monthly registration assessments, which involve the analysis of fiscal, financial, labor, tax and some quality aspects, depending on the supplier's segment.

To ensure the close and continuous monitoring of these partners, they are grouped in the CRM, so that each group has a manager directly responsible.

As part of our value generation process, we also work to disseminate the best agricultural practices, sharing our experience, either more directly, in field visits, or in a timely manner in participation in events promoted by cooperatives. This is particularly important in the regional context, where our activities also foster economic development.

In the 2023/24 harvest, 40.89% of total expenses with suppliers were transacted with local suppliers (except sugarcane, corn, sorghum and chips), considering a radius of up to 150 km from our plants in Goiás and Mato Grosso do Sul as local.

## Risk management

***GRI 205-1***

Because they are extremely strategic and fundamental to our business, third parties are also analyzed by the Governance, Risk and Compliance (GRC) area, according to the following internal risk classification:

**Low risk:** third parties whose activity does not generate strategic, legal/compliance, operational, financial/credit or reputational risks. In this case, it moves on to the next (legal) evaluation area.

**Medium risk:** when classified as medium risk, suppliers proceed to a complementary assessment within the approval tool. The caveats of this level include: resistance to the provision of the questionnaire or insufficient answers to the questions contained in the Due Diligence; non-existence of policies on the website in accordance with current legislation; the name of the third party hired is on the restrictive lists, but is not directly involved in the discrediting news, in addition to having been approved according to the minutes of the Compliance Committee; and negotiations that have already taken place without coherent justification on the part of the manager.

**High risk:** third parties whose activity generates at least one of the risks mentioned above, without demonstration of the existence of satisfactory controls and/or who present problems whose nature may bring responsibility/implications to the Group, as in the case of third parties who have already been involved in corruption scandals, money laundering or who are being prosecuted or investigated for the practice of any act related to their activity or the activity to be provided.

# Local development and engagement with communities

***GRIs 2-25, 3-3, 203-1, 203-2, 413-1 and 13.12***

Our relationship with the communities where our operations are located begins from the beginning, when we seek ways to approach, understand and support them regarding the social problems inherent to the region, while informing them about the project and its activities of social actions and environmental prevention.

In addition to our official communication channels, we have created an exclusive whatsapp number, ZapComunidade. Through it, people can answer questions, send complaints, compliments, suggestions, among other topics. In addition, we seek to prioritize the access of local populations to direct or indirect employment opportunities through local dissemination in different media.

At the same time, we also participated in a series of social mobilizations, such as the campaign to collect warm clothes for the Association of Parents and Friends of the Exceptional (APAE) of Maracajú/MS, the blood donation campaign promoted by the city hall and the Solidarity Christmas of the Anália Franco Foundation Home, in which our employees volunteered in the fulfillment of a Christmas request for the elderly served by the institution.

In Chapadão do Céu/GO, our actions with the local community began to be concentrated at the Sanches Fernandes Institute, inaugurated in 2021. Constituted in the form of an association, the Institute is a legal entity under private law, and its purpose is to act in the promotion of health, education and social assistance, seeking the development of communities.

In the reported harvests, our focus was on the pillar of education, offering professional and cultural training for children, young people and adults, through programs such as the Criança Doce Energia (Sweet Child Energy) Project and the Construindo Sonhos (Building Dreams) Cultural Center. The first consisted of holding socio-educational cultural workshops on handicrafts, music, dance, and computer science for 80 children and young people from 6 to 16 years old in the after-school period. The second is aimed at professional and cultural training for young people and adults. Further, we participated in the project of the Effluent Treatment Station (ETE) in Chapadão do Céu/GO, financing the consulting service for licensing. In all, in the reported harvests, more than R$ 1 million were invested in projects for the benefit of the community.



| Project/ Activity | Project status | Expected current impacts | Value | Groups and Communities Impacted | Unit contemplated |
|---|---|---|---|---|---|
| Criança Doce Energia Project | Annual | We develop the local community through free assistance to children and young people in sociocultural training workshops, with music, sewing, choir, dance classes, among other activities for the community. The activities are carried out at the Sanches Fernandes Institute, computer courses are also offered. | Free | Children and young people | Chapadão do Céu |
| Young Apprentice Program | Annual | With the objective not only of complying with the legislation, but also of developing talents and training future professionals in the regions in which we operate, in partnership with educational institutions, such as SENAI, in the 2022/23 and 2023/24 harvests, 126 young apprentices were hired, with the opportunity for practical and theoretical learning in the labor market. Around 19% of these young people continued their careers in the Company. | Free | Young people from 16 to 24 years of age | Chapadão do Céu |
| Institutional Donations | Performed | In accordance with its social responsibility, in the 2022/23 and 2023/24 harvests, our units also provided support to the local community through donations and sponsorships. As a way of encouraging local sports, we act as the majority sponsor of the Cerrado Radical event, which took place at Parque das Emas (Chapadão do Céu), with the expected participation of 400 athletes. During this period, warm clothing campaigns, blood donation, donation of Christmas gifts to the nursing home and donations of food and cash were collected, in the amount of R$ 48 thousand for the victims of the floods that occurred in Rio Grande do Sul. Finally, we carried out projects via tax incentive laws, which totaled R$ 1.1 million in the period. | R$ 1,148,000.00 | Community in general | Chapadão do Céu/GO and Maracajú/MS |
| Construindo Sonhos Cultural Center | Performed | This initiative includes electrical, sewing, computer and guitar courses for the community at the Sanches Fernandes Institute, the Company's Community Center. | Free | Children and young people | Chapadão do Céu |
| EJA Program | Annual | In partnership with institutions such as SENAI, Sanches Fernandes Institute and the City Hall of Chapadão do Céu, the program offers 60 vacancies for High School per class, dedicated to adults. It also has a literacy program, promoting social inclusion. | Free | Youth and adults | Chapadão do Céu |
| Road Renovation | Performed | Renovation of federal and state highways in an average radius of 176km from our Chapadão do Céu unit, with the objective of ensuring greater safety, improving traffic in the region and the flow of vehicles. In addition, investments were also made in maintenance on the dirt roads that the company and other producers use. | R$ 7,549,000.00 | The entire community of Chapadão do Céu and region | Chapadão do Céu |
| Inauguration of the landing and take-off runway | Performed | Together with 13 investors from the region, a new landing and takeoff runway was inaugurated in the City of Chapadão do Céu/GO, enabling greater accessibility and connection to the region. | | The entire community of Chapadão do Céu and region | Chapadão do Céu |
| Support for the completion of the WWTP | Performed | As a way of supporting the City Hall of Chapadão do Céu and consequently the entire community, we act with an important portion of payment for the completion of the Sewage Treatment Plant in the city. | R$ 107,550.00 | Community of Chapadão do Céu | Chapadão do Céu |

# Governance aspects

*GRIs 2-9, 2-10, 3-3 and TCFD 1*

06

**74** Corporate governance



# Corporate governance

Corporate governance is a structuring pillar to ensure the continuity of our business and the sustainability of our planet, helping us to maintain ethics and transparency in relationships, efficiently manage risks and opportunities, and materialize our commitment to continuous improvement in a growing process of generating and sharing value with our stakeholders.

Our maturity is a reflection of a decade of enhancements to our governance structure, which have enabled us to navigate the growing complexity of business. This effort culminated in the successful registration with the Brazilian Securities and Exchange Commission (CVM) in 2021. Today, as a company registered on the stock exchange, we follow the best practices on the subject, in accordance with the strict criteria of Level 2 of B3's governance. Professional management composed of professionals with extensive experience both in the sector and in our own organization, a diversified Board of Directors, with 50% independent members, and permanent advisory committees, supported by a solid documentary apparatus, are some examples.

## Governance structure

***GRIs 2-20, 2-9***

Our governance structure is composed of the Board of Directors, its advisory committees and the Executive Board, as presented below.

## Compensation policies

***GRI 2-19***

As defined in the Compensation Policy, the overall compensation of the members of the Company's Board of Directors and Executive Board is set by the Shareholders' Meeting, subject to Article 152 of the Brazilian Corporation Law, and the Board of Directors shall resolve on the individual distribution of compensation to its own members, to the members of the Executive Board and to the members of the Committees, observing the compensation compatible with the best practices observed by the general market where we operate.

The members of the Board of Directors are entitled only to the fixed monthly pro-labore, while the members of the Executive Board are also entitled to the following benefits: social assistance in order to provide greater security and allow them to focus on the performance of their duties, medical assistance plan, life insurance, supplementary pension, annual medical check-up and car.

# Board of Directors

***GRIs 2-11, 2-12, 2-14, 2-17***

The Board of Directors is the highest governance body, playing a crucial role in strategic matters. In monthly meetings, it deliberates on fundamental topics covering economic, environmental and social aspects, ensuring that all decisions are aligned with strategic and regulatory objectives.

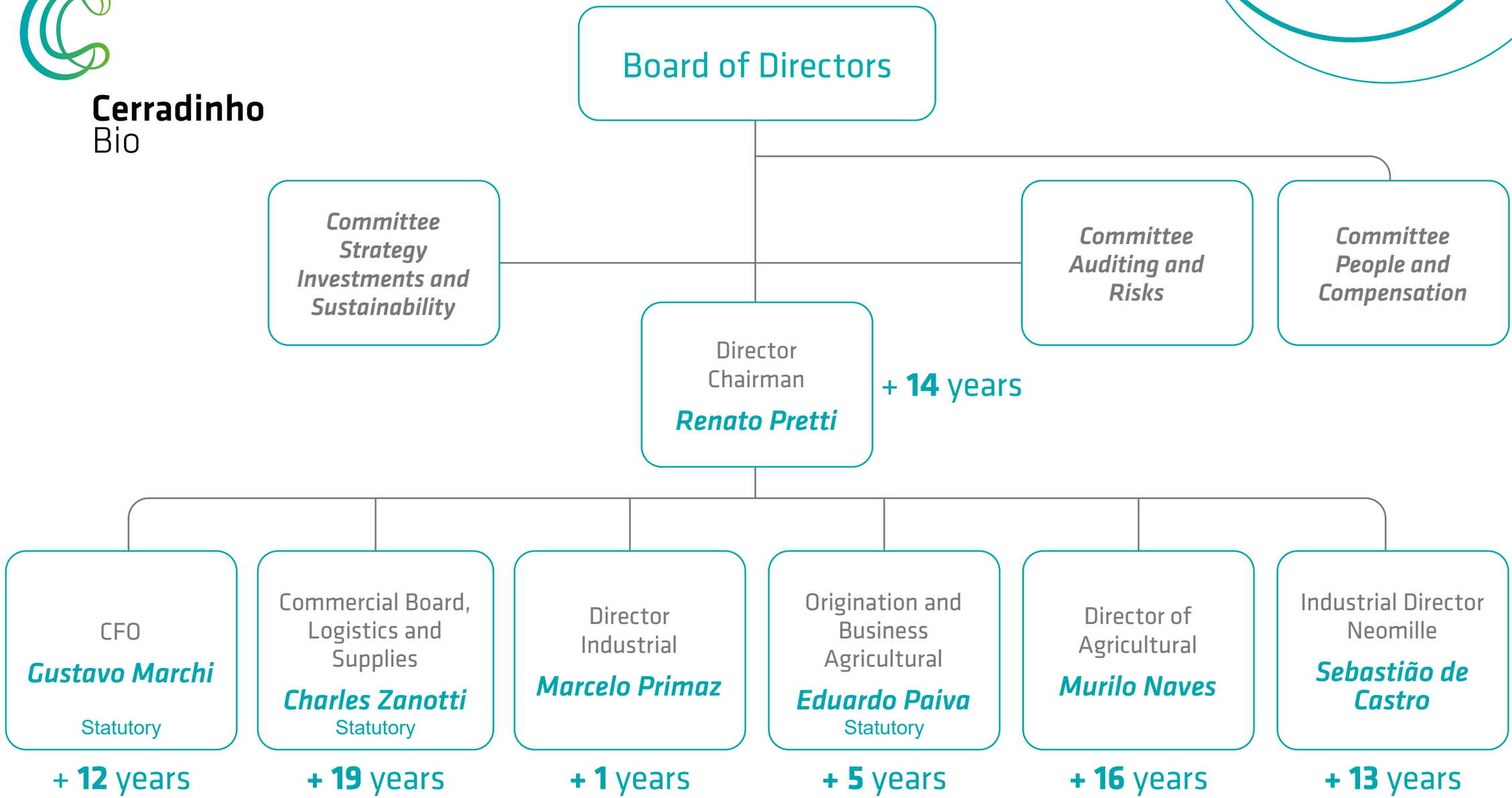
In addition to its strategic role, the body also plays an essential supervisory role, being responsible for evaluating the effectiveness of the management of the Executive Board, as well as the risk management processes and other mandatory policies and regulations, as stipulated by CVM rules and relevant legislation. Specifically in relation to the sustainability report, the Board of Directors, represented by its chairman, has the role of highlighting the main points to be addressed in terms of progress and challenges when participating in interviews for data collection, in addition to monitoring the publications.

The composition of the Board is a reflection of our institutional maturity. The chairman and the other five directors are elected by the General Shareholders' Meeting, based on strict criteria of diversity, independence, knowledge and experience. Currently, half of the members are independent, bringing an external and impartial perspective to the deliberations. Diversity is represented by a woman on the Board and a member over 50 years old, enriching the discussion with a variety of views and experiences.

The richness and depth of the discussions are also fostered by the dissemination of knowledge among its members, with the participation of experts in meetings of the Board and Committees, engagement with our main stakeholders and with the Boards of other companies.



Cerradinho Bio



## Chairman



### *Luciano Sanches Fernandes*

**Appointment:** 2009

**Qualifications:** He serves as CEO of Cerradinho Participações S.A., and as Chairman of the Board of Cerradinho Participações S.A., Cerradinho Bioenergia S.A. and Viiv Empreendimentos S.A. He started Agronomic Engineering at the Luiz de Queiróz School of Agronomy, (ESALQ) in Piracicaba – SP, and took courses in administrative management, renewable energies and markets, in Brazil and abroad, as well as an MBA in Strategic Business Management from Fundação Dom Cabral, one of the most important institutions of specialization in Brazil. He is a member of the deliberative and fiscal council of Unica – Sugarcane Industry Union. He chaired Biocana – Association of Sugar, Ethanol and Energy Producers for 3 terms, an entity that brings together major players in the sugar-energy sector. He acts as a pro bono Counselor of the Padre Albino Foundation in Catanduva-SP, which manages the two hospitals in the city and the University, being the largest employer in the Municipality.

## Advisors



### *Andréa Sanches Fernandes*

**Appointment:** 2009

**Qualifications:** Graduated in Chemical Engineering with an MBA in Business Management from Dom Cabral. Member of the second generation of the Sanches Fernandes family and Chairwoman of the Family Council. She has been working in the sugar-energy sector for 32 years, being a Member of the Board of Directors of Cerradinho Bioenergia, Cerradinho Participações and Viiv Empreendimentos Imobiliários. She is also a member of the Board of Shareholders and Support Committees. Chairwoman of the Board of the Sanches Fernandes Institute.



### *Caio Fernandes Dias*

**Appointment:** 2021

**Qualifications:** Graduated in Business Administration from FGV-EAESP, he began his work at the Cerradinho Group in 2009. He is currently a Trustee of CerradinhoLog, Chief Financial Officer of Cerradinho Par, as well as a member of the Board of Directors of Cerradinho-Bio. Grandson of José Fernandes.

# Independent advisors



## João Bosco Silva

**Appointment:** 2015

**Qualifications:** Graduated in Metallurgical Engineering, with an MBA from IMEDE in Switzerland, he is a senior consultant and partner at Cambridge Family Enterprise Group-Brazil. Certified by the IBGC, he has a solid career in the aluminum industry, where he took over the HR directorate, with international experience as director of performance improvement, reaching the chairmanship. He founded Bridge Business Advisors advising business owners and senior executives on corporate strategy, performance management and governance. He was CEO of Alcan Brasil and Votorantim Metais, being responsible for the company's international expansion, and is currently a board member or chairman of several Brazilian companies in the retail, agribusiness, food, mining, infrastructure and services sectors.



## Marcos Lisboa

**Appointment:** 2018

**Qualifications:** Economist, Master and Ph.D. in economics from the University of Pennsylvania, his professional career is marked by work in academic, financial and government institutions. He served as vice chairman of insurance and executive director at a large banking institution, as chairman of the Brazilian Reinsurance Institute (IRB) and as secretary of Economic Policy at the Ministry of Finance. In academia, he was an assistant professor of economics at the Brazilian School of Economics and Finance of the Getúlio Vargas Foundation and in the Department of Economics at Stanford University. He is currently chairman of Insper, where he has also served as vice chairman.



## Roberto Rodrigues

**Appointment:** 2012

**Qualifications:** Agronomist, coordinator of the Agribusiness Center of the School of Economics of the Getúlio Vargas Foundation and special ambassador of the UN for Food and Agriculture – FAO for cooperatives. He was chairman of the Organization of Brazilian Cooperatives (OCB), the Brazilian Rural Society (SRB), the Brazilian Agribusiness Association (ABAG), the International Cooperative Alliance (ACI), the Superior Council of Agribusiness of FIESP-COSAG, the National Academy of Agriculture. He was a Professor at the Department of Rural Economics at UNESP – Jaboticabal Campus and First Holder of the Agribusiness Chair "Luiz de Queiroz" at USP, in addition to having been Secretary of State for Agriculture and Supply of São Paulo (1993-1994) and Minister of Agriculture, Livestock and Supply – MAPA (2003-2006). He has published 9 books and currently participates in numerous business, institutional and academic councils.

# Executive Board

***GRI 2-13***

The Executive Board is responsible for managing the company and creating strategic plans for its growth. Made up of four experienced members, the team is led by the CEO, who also coordinates the managers of the Development and Human Resources, and Strategic Planning and Projects areas. It also has the important function of informing the Board of Directors about critical issues that require strategic decisions, ensuring that everyone is aligned.

Led by the CEO, the Executive Board and its technical teams form a group responsible for monitoring progress on the commitments made and promoting continuous progress on the ESG agenda. With monthly meetings and the active participation of everyone, the initiative reflects the top management's commitment to the issue.





**CEO**

***Renato Pretti***

Graduated in Business Administration from UNESP with a postgraduate degree in Project Management from FGV, in addition to having other extension courses at the Fundação Dom Cabral and Saint Paul schools. He began his career in 2007 and, since 2010, he has been at Cerradinho, where he coordinated the marketing of ethanol and energy and, later, led the company's strategic planning and the conduction of large projects, with emphasis on the corn ethanol industries and the sugar factory. Since September 2023, he has also been responsible for the corn ethanol business, having assumed the chairmanship in May 2024.

**Commercial, Logistics and Procurement Director**

***Charles Wagner Zanotti***

Postgraduate in Marketing from ESPM, he attended a Master of Technology Administration (MTA) in Sugarcane Industrial Technology Management from the Federal University of São Carlos, an extension course in Product Management from FGV and a degree in Business Administration from UNIP. He has extensive experience in the commercial area, developed in companies of great notoriety, such as Cia Cervejaria Brahma, Cia Antarctica Paulista, AMBEV, Usina Nova América.

**Administrative, Financial and Investor Relations Director**

***Gustavo de Marchi Galvão Oliveira***

Graduated in Business Administration from the School of Business Administration of São Paulo – FGV, with a specialization in Economics of the Financial Sector from Fipe/USP, in addition to having participated in courses at the University of Virginia/ Darden School. Gustavo began his career in the financial market and has been working for more than 20 years in the financial area of companies such as AES Eletropaulo, AES Sul and CNAA/BP Biocombustíveis.

**Director of Origination and Agricultural Business**

***Eduardo Paiva***

Graduated in Business Administration from UNOPAR, he has an MBA in Agribusiness from ESALQ, an executive MBA in business from UNOPAR, and several improvement courses in Management and Commercial. He has extensive experience in the Commercial area, developed in companies of great authorities, such as Disbenop (Ambev Network), Bunge, Multigrain (Mitsui & CO.)

**Director of Agricultural Operations**

***Murilo Naves***

Graduated in Agronomic Engineering from the Federal University of Uberlândia, postgraduate in Business Management, Production/High Technology of Sugarcane and Agroenergy from Esalq, in addition to having other extension courses and People Leadership in institutions such as FDC, FGV and Amanda-Key. He began his career in 2005 and since 2008 he has been at Cerradinho, where he led the management of the main sugarcane agricultural operations. Later, he coordinated technology, management system and ESG Agenda projects in the area of operational excellence. Since August 2023, he has been in the Directorate of Agricultural Operations.

**Director of Industrial Operations**

***Marcelo Primaz Paycorich***

Graduated in Chemical Engineering from PUC-RS, MBA in Agribusiness Management from UNESP/USP, MBA in Business Management from UFRGS and postgraduate in Marketing Administration from UNISINOS-RS. He began his professional career in 1996, in the brewing business, where he reached the position of Plant Manager. In 2007, after his migration to the sugar-energy sector, he became Industrial Manager at São Martinho. With his broad and solid experience of more than 16 years in the sector, he took over the Industrial Operations Department at CerradinhoBio in August 2023.

**Industrial Director at Neomille**

***Sebastião de Castro***

Chemical engineer graduated from UFSCar with an MBA in Business Management (FGV) and Project Management (ESALQ-USP), he has extensive experience in project management and industrial operations in the agro-industrial and bioenergy sectors. He began his career at Cerradinho in 2011, working in several areas at Neomille and Cerradinho Bio. He led implementations of corn ethanol plants, team management and process optimization. Since 2024, he has been in the Industrial Operations Department of Neomille.

# Committees

***GRI 2.9 b.***

In addition to the Board of Directors and the Executive Board, our governance structure has three specialized committees: the Audit and Risk Committee, the Compensation and People Management Committee, and the Strategy, Investments, and ESG Committee. Each committee is dedicated to studying relevant topics within its areas of activity, preparing proposals that are presented to the Council for discussion and approval.



## Audit and Risk Committee

Its role is to ensure the Company's financial integrity and the effectiveness of internal controls. It assesses the risks associated with operations and recommends actions to mitigate them, ensuring that financial management complies with applicable rules and regulations. Internal Audit, which plays a crucial role in overseeing governance practices, reports directly to the Audit Committee. In accordance with the best practices in the market, we carry out an annual audit of the balance sheets by an Independent Auditor, chosen from among the main companies in the sector, ensuring the transparency and reliability of financial information.

## Compensation and People Management Committee

It is responsible for developing fair and competitive compensation policies that align with our long-term objectives. This committee also oversees talent management, promoting the development and retention of qualified professionals, essential for the sustainable growth of the organization.

## Strategy, Investments and ESG Committee

It directly advises the Board of Directors in the definition of strategies that cover not only economic performance, but also social and environmental responsibility. Composed of at least two members of the Board and secretariat by the Director of Strategy and Planning, this committee monitors our commitments from the perspective of environmental and social governance, ensuring that our actions are aligned with the best practices in the market.

# Ethics, integrity and compliance

***GRIs 2-16, 2-26, 3-3, 205-1, 205-2, 205-3 and 206-1***



As evidence of our commitment to integrity, in 2023 we received the “Clean Company for Integrity and Against Corruption” seal from the Ethos Institute of Business and Social Responsibility. This seal is awarded to organizations that demonstrate effective and voluntary adherence to the Business Pact for Integrity and Against Corruption, certifying our dedication to promoting ethical and transparent practices.

This commitment is formally detailed in our policies and in our Code of Conduct, which guide the ethical behavior expected of all our employees and partners and are essential for everyone to comply with the best practices in the market and with current legislation. The documents are prepared by the Risk Management and Compliance (GRC) area and submitted to the Board of Directors for approval. This documentary apparatus includes:

- Code of Conduct;
- Anti-Corruption Policy;
- Policy for Relations with Public Agencies;
- Contracting and Third-Party Management Policy;
- Third-Party Due Diligence Procedure.

In 2022, as a new milestone in the management of this topic, we created the Compliance and Integrity Program, based on three pillars: prevention, detection, and response, including mechanisms that ensure the effectiveness of the application of our ethical guidelines.

Prevention starts with spreading a culture of ethics and integrity throughout the organization. To this end, we invest in training and continuous qualification. An example was the holding of the first Compliance Week, in the 2022/23 harvest, when we launched the whistleblowing channel application, explaining its importance, and distributed the Code of Conduct. Due to the success of the event, we held the second Week in the 2023/24 harvest, with the participation of three renowned guest speakers active in the business market with the topics of risk management, the importance of the four lines of defense and compliance by design and their interaction in conducting corporate projects.

Aside from that, we conduct specific training with leaders, addressing the Code of Conduct and Integrity Policies, with the aim of further strengthening everyone’s commitment to the values that guide us. Specifically with regard to the fight against corruption, 100% of employees were informed about the policies and procedures.

In the reported harvests, we had no cases of corruption recorded, nor were we sued for unfair competition, trust and monopoly practices.

# Ethics Channel

The detection and response pillars of our Compliance and Integrity Program have the Ethics Channel as their main instrument.

The Channel is open to anyone who wants to report conduct considered unethical or that violates ethical principles, the precepts of the Code of Conduct and/or current legislation, anonymously and confidentially.

Complaints are received and registered by trained professionals from an external, independent and specialized company and forwarded to the Ethics Commission, responsible for evaluating and treating cases confidentially. Depending on the nature and severity of the reported situations, the commission may recommend disciplinary actions, collaborate with other areas of the Group, or even hire external investigations to ensure the transparency and integrity of the process.

Besides, to ensure impartiality in the investigations, any case involving members of the Ethics Committee, the Audit Committee or senior management will be handled by higher bodies, such as the Audit Committee or the Board of Directors.

The Company prohibits any type of retaliation against whistleblowers, creating a safe environment for everyone to feel comfortable reporting problems.



## Ethics Channel

Service 24 hours a day, from Monday to Sunday, open to all.
The complaint can be made in two ways:

**Website: www.contatoseguro.com.br/grupocerradinho**

To ensure anonymity, the computer's IP is not identified under any circumstances.

**Toll Free Phone Number: 0800 900 8004**

# Risk and business opportunity management

07

*GRI 3-3, TCFD 2 and TCFD*



Our risk management is guided by our Policy approved by the Board in August 2021. The document was prepared in line with the guidelines and principles described in our Code of Conduct, based on the guidelines of the Committee of Sponsoring Organizations of Treadway Commission ("COSO-ERM"), on the B3 Novo Mercado Listing Regulation, on applicable standards issued by the Brazilian Securities and Exchange Commission, on ISO 31,000:2018, on the international certification prepared by the Technical Committee Risk Management, in addition to market benchmarking, especially in relation to our sector.

In order to have an integrated view of risks and controls, this management is in charge of a structure specially designed for this purpose, according to the model of three lines of defense—the most widespread globally, created by the Federation of European Risk Management Associations (Ferma) and the European Confederation of Internal Audit Institutes (ECIIA):

**1st line**

## Proprietary risk areas

**Agricultural, industrial, commercial, financial etc.**

Responsible for the execution of their processes and detection of the respective risks and implementation of the responses.

**2nd line**

## Risk Management, Compliance and Internal Controls

It acts to ensure the proper functioning of the first line, through the establishment of controls, the identification of failures in the performance of controls and the identification of deviations from internal policies and procedures.
The Risk Management, Compliance and Internal Controls area reports to the CEO, and can count on the assistance of the legal department to perform its activities.

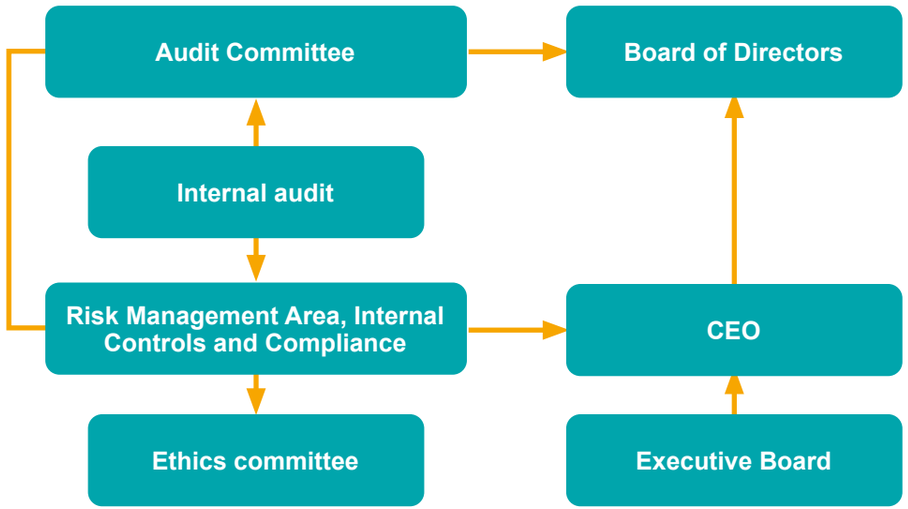
**3rd line**

## Internal Audit

It works in providing independent assessments to management, especially by conducting tests on operations and internal controls and supporting the Risk Management, Compliance and Internal Controls area to identify operational and financial deviations resulting from failures and/or fraud.



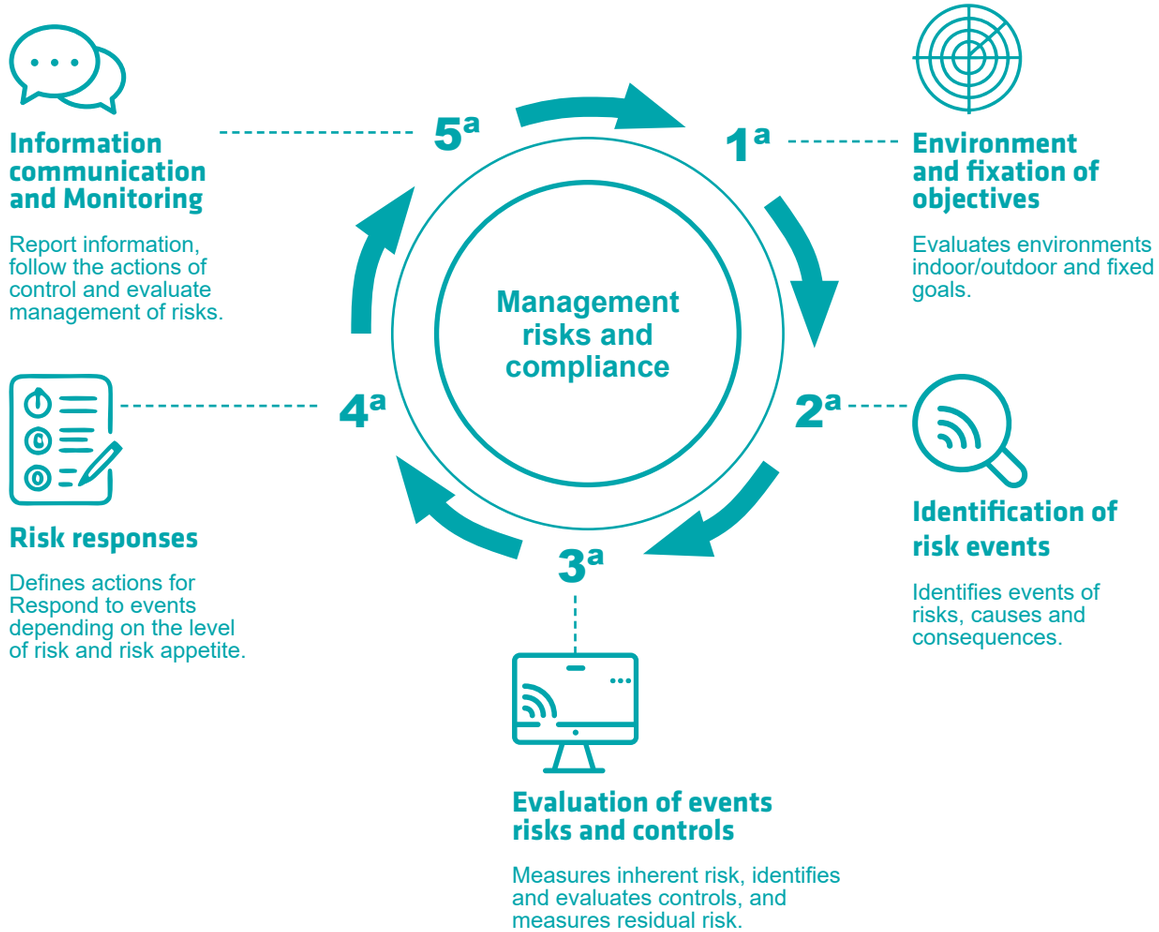
## Risk management framework






## Risk analysis methodology

Our risk analysis methodology was divided into five stages, considering the main categories of risks to which we seek protection:





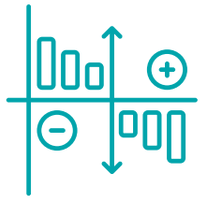
## *Strategic risks*

These are risks that can impact the mission, goals or our objectives, in search of creation, protection and growth of value. They include competition, political and image/reputational risks.



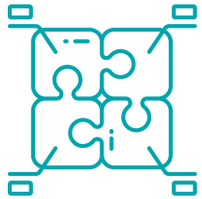
## *Operational risks*

These are those that involve the operation, systems, processes, internal controls, customers, revenues and other assets that may imply financial losses, damage to reputation and image and/or decline in our results.



## *Financial risks*

They are those resulting from unexpected effects on economic and political scenarios and market trends, which may be reflected in consumer behavior, interest rates, inflation, financial investments, among others.



## *Social and environmental risks*

These are risks related to environmental issues, such as water and soil contamination, maintenance of permanent preservation areas and legal native reserves, and socio-environmental issues, such as risks of losses resulting from the negative effects of our activities and operations on society.



## *Regulatory risks*

These are the risks related to possible non-compliance with the laws in force in the Brazilian legal system, to which we are subject and which may generate damage or losses to the business.



## *Reputational risks*

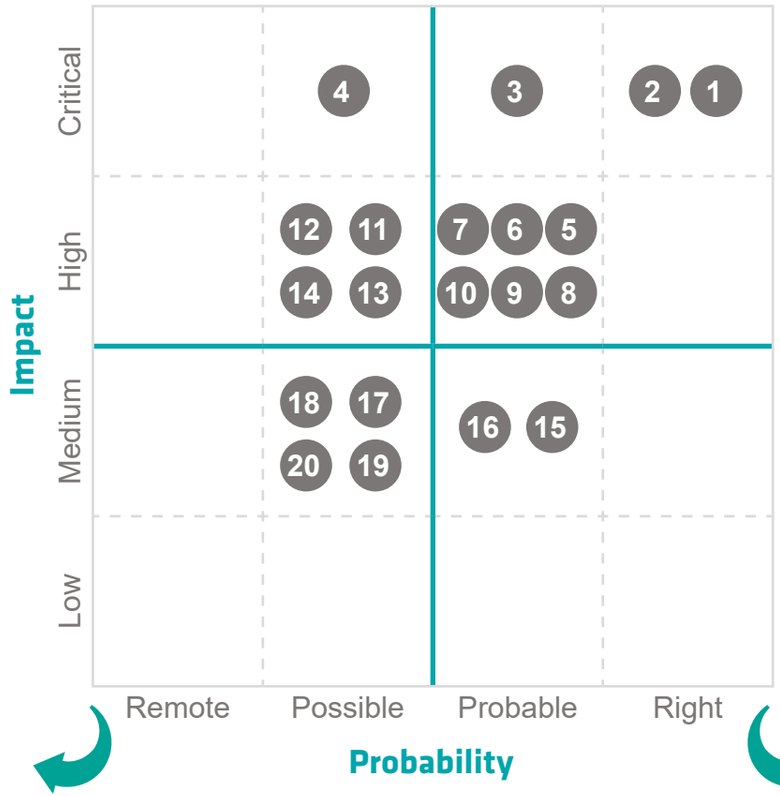
These are the risks that directly impact our image, reputation and perception before the stakeholders of our ecosystem and society.

## Prioritization of risks

| # | Risks |
|---|---|
| 1 | Price |
| 2 | Industry Laws and Regulations |
| 3 | Weather events |
| 4 | Availability of sugarcane/corn |
| 5 | Third-party management |
| 6 | Maintenance |
| 7 | Succession plan |
| 8 | Cyberattack |
| 9 | Business continuity |
| 10 | IT and IS infrastructure unavailability |
| 11 | Strategy planning and execution |
| 12 | Leverage |
| 13 | Tax and fiscal |
| 14 | Transportation of products |
| 15 | Attracting and retaining talent |
| 16 | Supplier Lock-in |
| 17 | Contract management |
| 18 | Environmental |
| 19 | Process effectiveness and efficiency |
| 20 | Labor |

Lower probability, but could have a significant adverse impact on business objectives and strategies. Monitoring risk indicators.

Critical risks that potentially threaten the business. Address actions to achieve strategic objectives and/or external factors.




Monitoring and acting if there is a trend of increased vulnerability in the periodically updated assessment.

They are likely to occur. Frequently reassess, plan, and deploy responses to strengthen the control environment.

## Climate risks

***TCFD 3 - Risk Management***

Climate risks follow this same methodology, also following the TCFD guidelines. Among the potential climate risks considered are an increase in average temperature, gradual changes in rainy and dry periods, forest fires and severe frosts. For each of these risks, there is an action plan. Adverse weather conditions, such as prolonged drought periods, are identified as physical risks that can directly influence the productivity and quality of sugarcane fields, affecting income generation and sustainability.

## Opportunities

Risk management is also a mechanism for identifying opportunities. With a strategic look, an integrated medium and long-term vision, a participatory Board and an experienced Executive Board, we managed, for example, to implement the VHP sugar factory in Chapadão do Céu/AGM—an investment of R$ 289 million that, in addition to reducing our exposure to the risk of volatility in the fuel market, diversified our product mix, opening new markets, including the international one.

With a capacity to produce 330 thousand tons per harvest, the new operation also gives us more flexibility to take advantage of the best market moments for each product. Our mix, which was 100% focused on ethanol production, can now be redirected to sugar production by up to 42%. To bring even more negotiation and pricing margin, we also already have a warehouse scheduled to start operating in the 2025/26 harvest.

The expansion of the corn plant in Chapadão do Céu/GO, which increased our processing capacity by 74%, and the implementation of a molecular sieve that enabled the production of anhydrous ethanol are also examples of opportunities identified and taken advantage of, not only as a way to mitigate risks, but as a sustainable growth strategy, as we detail in the “strategic and sustainable growth” section.

# Economic and financial performance

*GRIs 3-3, 201-1*

08



The 2023/24 harvest was marked by large investments and increased production in all products (see section “value products”), but also by the challenge of price pressure on ethanol.

With all production at a higher level, we had an increase in revenue in all products, except for fuel ethanol from sugarcane, whose price was pressured due to the change in the commercial strategy for setting diesel and gasoline prices, ending parity with the foreign market, which reduced the price of these fuels, thus bringing a direct impact on the marketing value and demand for hydrated fuel alcohol. As an aggravating factor, there was greater availability of the product due to a harvest with record productivity in the Southeast axis, due to favorable weather conditions.

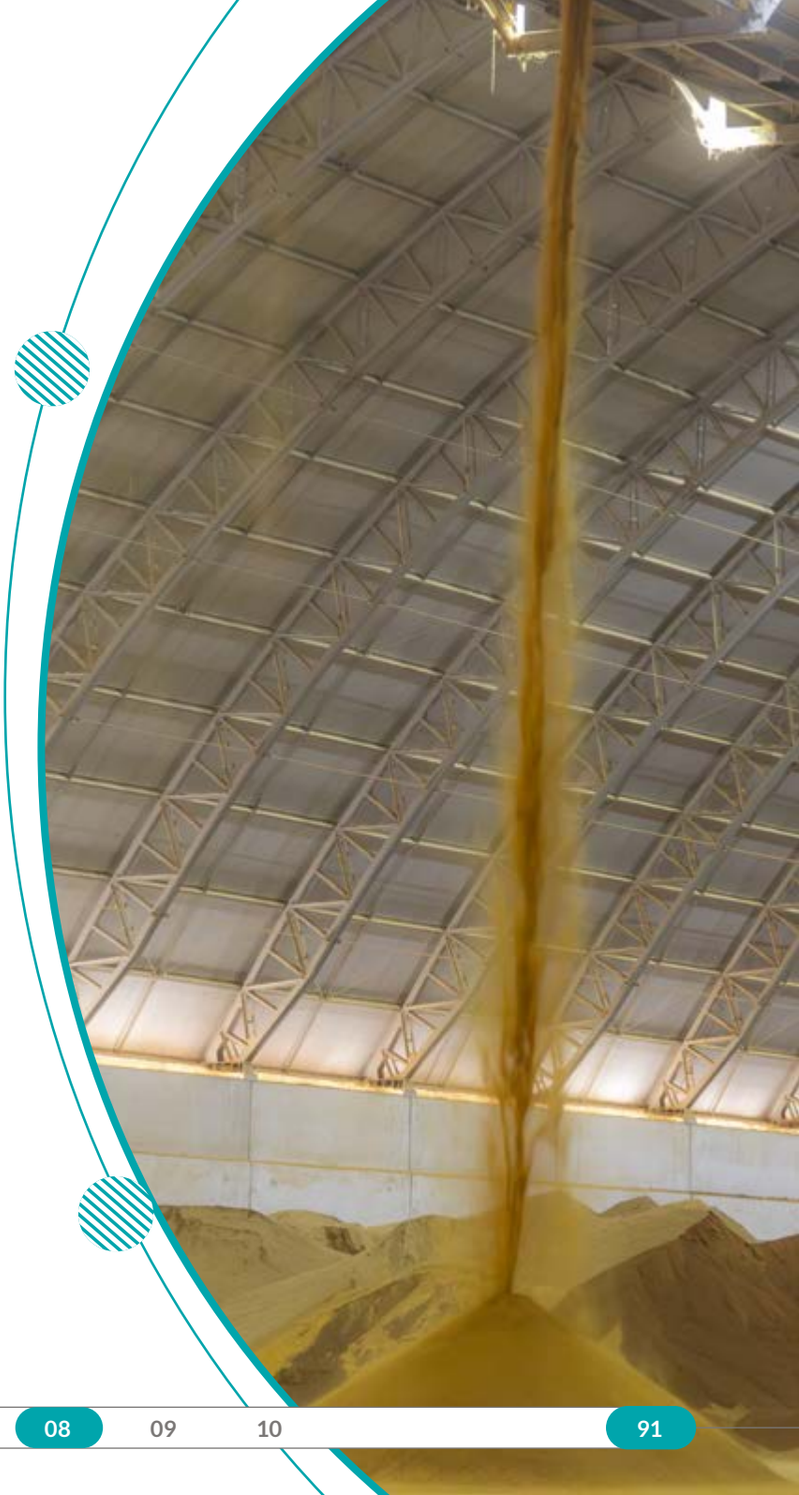
Thus, we closed the 2023/24 harvest with a consolidated net revenue 4% higher than that recorded in the previous harvest, totaling R$ 2,574 million. The increase is mainly explained by the higher volume of ethanol sold from corn, reflecting the increase in expansion and the beginning of the sale of anhydrous ethanol, which has a higher unit value than hydrous ethanol—strategies adopted to minimize the effects of depressed prices throughout the harvest.

Thanks to our active and agile management, within a year we were also able to develop, approve and execute the project for the implementation of the sugar factory in Chapadão do Céu/GO, which will help us minimize our exposure to the risk of political changes and price variations in the fuel market, taking advantage of the appreciation of sugar, in addition to increasing opportunities, adding more product and market diversity to our portfolio, including opening for export, since the external demand for sugar is on the rise.

Consolidated Adjusted EBITDA reached R$ 604.2 million, 24% lower than in the same period of the previous harvest, with a margin of 23%. It is worth noting that we demonstrate EBITDA in accordance with CVM Resolution 156, but we adopt Adjusted EBITDA, excluding the impacts of the adoption of CPC 6/IFRS 16, non-cash and non-recurring effects, fair value of biological assets, amortization of crop treatments (biological asset harvested or sold) and amortization of off-season maintenance expenses, in order to better demonstrate its operating cash generation.

The consolidated EBITDA result is mainly explained by the lower average price sold of ethanol throughout the 23/24 harvest, compared to the previous harvest.

Net debt in the period increased 7%, mainly due to cash generation, which was impacted by the worsening of operating results, added to the investments made in the construction of the greenfield in Mato Grosso do Sul. Adjusted current liquidity, on the other hand, decreased by 28%, mainly due to the increase in inventories. Lastly, leverage, measured by net debt/EBITDA, increased by 41% to 2.76x.



| Financial Data | 23/24 HARV. | 22/23 HARV. | VAR. % |
|---|---|---|---|
| Revenue (R$ K) | 2,574,423 | 2,476,559 | 4% |
| Sugarcane ethanol | 1,047,738 | 1,297,941 | (19%) |
| Corn ethanol | 958,015 | 766,818 | 25% |
| Energy | 118,880 | 116,880 | 2% |
| DDGS + Oil | 264,198 | 250,764 | 5% |
| CBIOs | 88,222 | 35,786 | 147% |
| Other | 97,370 | 8,370 | 1,063% |
| Consolidated Adjusted EBITDA (R$ K) | 604,198 | 797,540 | (24%) |
| Adjusted EBITDA Margin (R$ K) | 23% | 32% | (9 p.p.) |
| Net Income (R$ K) | 40,295 | 242,803 | (83%) |

| Dividends distributed | 23/24 HARV. | 22/23 HARV. |
|---|---|---|
| **1) Net profit performed in the harvest** | **40,295** | **242,803** |
| (-) Legal reserve - 5% | (2,015) | (12,140) |
| (-) Tax incentive reserve | (49,975) | (123,741) |
| **2) Distributable net income** | **-** | **106,922** |
| (x) Minimum percentage to be distributed | 25% | 25% |
| **3) Minimum mandatory dividend in the harvest** | **-** | **26,731** |
| (+) Interest on equity net of income tax, attributable as a minimum mandatory dividend | - | 26,681 |
| (+) Dividend, assigned as a mandatory minimum | - | 50 |
| (+) Additional dividend | - | - |
| **4) Dividends and interest on equity to shareholders** | **-** | **26,731** |

The cost reduction from efficiency and productivity gains, the return on investments made in the expansion of the corn plant in Chapadão do Céu/GO, the start of operation of the corn plant in Maracajú/MS and the sugar factory brings us a positive outlook for the next harvest, as well as the expectation of recovery in the price of fuel ethanol.

**Click here to check out the full audited financial statements.**



The Statement of Added Value (SAV) is an important indicator of our ability to generate value and distribute wealth to society as a whole, aligning economic growth with social and environmental responsibility practices. It shows how the resources generated by our activities are distributed among the different stakeholders, including employees, shareholders, government, financiers and the company itself, promoting a sustainable balance among stakeholders. We believe that the generation and fair distribution of value are fundamental for long-term sustainability and for strengthening relationships with our stakeholders.

In 2023, we generated an added value of R$ 956,907, a reduction of 27% compared to the previous year.

| Direct economic value generated and distributed GRI 201-1 | Controller | | Consolidated | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Recipes** | | | | |
| Gross sales of products and services | 1,596,126 | 1,620,809 | 2,887,317 | 2,679,258 |
| Change in the fair value of biological assets | (13,159) | (81,400) | (13,736) | (81,400) |
| Revenues related to the construction of own assets | 84,332 | 96,258 | 714,442 | 759,404 |
| Other revenues | 1,533 | 1,942 | 1,548 | 1,947 |
| | **1,668,832** | **1,637,609** | **3,589,571** | **3,359,209** |
| **Inputs purchased from third parties** | | | | |
| Cost of goods sold, goods and services provided | (746,575) | (628,865) | (1,923,573) | (1,740,261) |
| Materials, energy, third-party services, and others | (320,013) | (255,557) | (760,398) | (637,826) |
| Other expenses | 55,852 | (9,906) | 25,077 | (29,349) |
| | **(1,010,736)** | **(894,328)** | **(2,658,894)** | **(2,407,436)** |
| **Gross Added Value** | **658,096** | **743,281** | **930,677** | **951,773** |
| Depreciation, amortization, depletion | (286,858) | (280,989) | (326,696) | (296,115) |
| **Net added value produced** | **371,238** | **462,292** | **603,981** | **655,658** |
| **Added value received in transfer** | | | | |
| Profit sharing of subsidiaries | 45,892 | 83,752 | - | - |
| Financial revenues | 157,409 | 105,259 | 375,340 | 301,142 |
| Other | 93 | 107 | 3,364 | 107 |
| | **203,394** | **189,118** | **378,704** | **301,249** |
| **Total added value to be distributed** | **574,632** | **651,410** | **982,685** | **956,907** |
| **Distribution of added value** | | | | |
| Staff – direct compensation | (97,139) | (77,748) | (161,590) | (108,573) |
| Personal – benefits | (27,496) | (21,012) | (40,659) | (25,638) |
| Personnel – FGTS | (7,812) | (5,784) | (12,594) | (7,695) |
| Taxes, fees and contributions | | | | |
| Federal | (17,047) | (53,746) | 23,200 | (6,440) |
| State | (55,658) | (32,866) | (73,311) | (55,391) |
| Municipal | (172) | (142) | 11,359 | 1,400 |
| Interest and other financial expenses | (329,002) | (216,764) | (699,230) | (511,932) |
| Other | (12) | (545) | 10,435 | 165 |
| Interest on equit | - | (31,389) | - | (31,389) |
| Dividends | | (50) | | (50) |
| Retained earnings for the year | (40,295) | (211,364) | (40,295) | (211,364) |
| **Distributed added value** | **(574,632)** | **(651,410)** | **(982,685)** | **(956,907)** |

# Perspectives

09



Looking at our entire trajectory, we see a path of gradual sustainable development, which culminated in our prominent position in terms of biofuel and bioenergy production.

Judging by the investments we have made in the last two harvests, which bring new opportunities, we believe that the next cycles will continue this process.

We have the expanded corn plant in Chapadão do Céu/GO, which is already beginning to show its impact on our business by encompassing the production of anhydrous ethanol, which has higher added value. The sugar factory, which takes us to new markets, including enabling opportunities to access international customers. And the start of operation of the new corn plant in Maracajú/MS, a project developed in accordance with the strictest safety, environment and compliance standards, with state-of-the-art technology. In this way, we increased our equivalent sugarcane crushing capacity by more than 140%, with diversification in terms of products, mix and geography, contributing to risk mitigation and better commercial strategies.

The second phase of the project is already under analysis, which will consolidate our expansion plan, reaching a processing capacity of 18.5 million tons of sugarcane equivalent per year. That means almost doubling in size, based on our 2022 capacity. But our focus is not only to grow, but to grow with quality, expanding our generation of value for our stakeholders and society, contributing more and more to the energy transition that the planet must make, to a cleaner matrix, with fewer GHG emissions, contributing to the urgent and necessary containment of climate change and its negative impacts.

This will be reflected in the maturation of our ESG agenda, which has already been contributing to a clearer view of our performance in these aspects, culminating in well-defined goals.

We will also be in a new cycle of strategic planning, where we will revisit our growth paths based on a macro scenario, assessing, for example, the opportunities presented by market transformations, and ways of integrating the concept of the circular economy more widely, such as the possibility of using sugarcane waste to produce biomethane through biogas tanks to be used to generate electricity or biogas, which can be used as a fuel to replace diesel. In people management, we will direct our efforts to strengthen our corporate culture, as we believe that this is the basis to support our sustainable growth, ensuring an environment with quality, respect, fairness, safety, ethics and integrity. This will take place in parallel with the continuity of the development of our leaders, who are important allies in this process, in addition to the expansion of the Diversity and Inclusion agenda.

In the environment, our management continues to be guided by efficiency, productivity, circularity, and continuous improvement, so that we can increasingly expand our positive impact and minimize adverse externalities.

With a solid governance structure, our experience and this strategic vision that integrates the short, medium and long term, we are confident in saying that we will have another cycle of evolution.



# Annexes

10



# GRI Index

| | |
|---|---|
| Statement of Use | The content of Cerradinho's report was prepared pursuant to the GRI Standards 2021 for the period from April 1, 2023 to March 31, 2024 |
| GRI | GRI 1: 2021 Fundamentals |
| Applicable GRI Sector Standard | GRI 13: Agriculture, aquaculture, and fisheries sectors 2022 |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| GRI2 GENERAL CONTENTS 2021 | 2.1. Organization Details | Page 16 | | | | |
| | 2.2. Entities included in the organization's sustainability report | Pages 8 and 9 | | | | |
| | 2.3. Period, frequency and contact of the report | Pages 8 and 9 | | | | |
| | 2.4. Reformulations of information | Not applicable | | | | |
| | 2.5. External verification | Page 8 | | | | |
| | 2.6- Activities, value chain and other business relationships | Page 16 | | | | |
| | 2.7- Employees | Pages 61 to 64 | | | | |
| | 2.8- Workers who are not employees | Pages 61 to 64 | | | | |
| | 2.9- Governance structure and composition | Pages 74 to 82 | | | | |
| | 2.10- Selection and appointment to the highest Governance Body | Pages 74 to 82 | | | | |
| | 2.11- Chairman of the highest governance body | Page 75 | | | | |
| | 2.12- Role played by the highest governance body in defining purpose, values and strategy | Page 75 | | | | |
| | 2.13- Delegation of responsibilities for impact management | Page 79 | | | | |
| | 2.14- Role played by the highest governance body in sustainability reporting | Page 75 | | | | |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| | 2.15- Conflicts of Interest | Data not available | | | | |
| | 2.16- Communication of critical concerns | Pages 82 and 83 | | | | |
| | 2.17- Collective knowledge of the highest governance body | Page 75 | | | | |
| | 2.18- Evaluation of the performance of the highest governance body | Page 63 | | | | |
| | 2.19- Compensation policies | Page 74 | | | | |
| | 2.20- Process for determining compensation | Page 74 | | | | |
| | 2.21- Ratio of total annual compensation | Data not available | | | | |
| | 2.22- Declaration on the Sustainable Development Strategy | Pages 4 to 7 | | | | |
| | 2.23- Commitments and Policies | Data not available | | | | |
| | 2.24- Implementation of Commitments and Policies | Data not available | | | | |
| | 2.25- Remediation of Negative Impacts | Page 71 | | | | |
| | 2.26- Mechanisms for counseling and raising concerns | Page 82 | | | | |
| | 2.27- Compliance with laws and regulations | Page 49 | | | | |
| | 2.28- Participation in associations | Page 19 | | | | |
| | 2.29- Stakeholder engagement approach | Pages 10 and 11 | | | | |
| | 2.30- Collective bargaining agreements | Page 61 | | | | |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| **MATERIAL THEMES** | | | | | | |
| | 3.1- Process of defining the themes materials | Pages 10 and 11 | | | | |
| | 3.2- List of Material Topics | Pages 10 and 11 | | | | |
| MATERIAL TOPIC 1: SOIL HEALTH AND FERTILITY | | | | | | |
| | 3-3-Form of material theme management | Pages 49 and 50 | | | | 13.5.1 |
| MATERIAL THEME 2: CIRCULAR AGRICULTURE AND WASTE MANAGEMENT | | | | | | |
| | 3-3-Form of material theme management | Pages 51 and 52 | | | | 13.8.1 |
| GRI 306 - Waste 2020 | GRI 306-1 Waste generation and significant waste-related impacts | Pages 53 and 54 | | | | 13.8.2 |
| | GRI 306-2 Management of significant waste-related impacts | Pages 53 and 54 | | | | 13.8.3 |
| | GRI 306-3 Waste generated | Data not available | | | | 13.8.4 |
| | GRI 306-4 Waste diverted from disposal | Data not available | | | | 13.8.5 |
| | GRI 306-5 Waste directed to Disposal | Data not available | | | | 13.8.6 |
| MATERIAL TOPIC 3: WATER RESOURCES MANAGEMENT | | | | | | |
| | 3-3-Form of material theme management | Page 55 | | | | 13.7.1 |
| GRI 303 Water 2018 | GRI 303-1 Interactions with water as a shared resource | Page 55 | | | | 13.7.2 |
| | GRI 303-2 Management of impacts related to water discharge | Page 55 | | | | 13.7.3 |
| | GRI 303-3 Water withdrawal | Page 55 and indicator book | | | | 13.7.4 |
| | GRI 303-4 Water discharge | Page 55 and indicator book | | | | 13.7.5 |
| | GRI 303-5 Water consumption | Page 55 and indicator book | | | | 13.7.6 |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| MATERIAL TOPIC 4: OCCUPATIONAL HEALTH AND SAFETY | | | | | | |
| | 3-3-Form of material theme management | Pages 64 to 68 | | | | 13.19.1 |
| GRI 403 Occupational Health and Safety 2018 | GRI 403-1 Occupational health and safety management system | Pages 64 to 68 | | | | 13.19.2 |
| | GRI 403-2 Hazard identification, risk assessment, and incident investigation | Pages 64 to 68 | | | | 13.19.3 |
| | GRI 403-3 Occupational health services | Pages 64 to 68 | | | | 13.19.4 |
| | GRI 403-4 Worker participation, consultation and communication on occupational health and safety | Pages 64 to 68 | | | | 13.19.5 |
| | GRI 403-5 Training of workers on occupational health and safety | Pages 64 to 68 | | | | 13.19.6 |
| | GRI 403-6 Promotion of workers' health | Pages 64 to 68 | | | | 13.19.7 |
| | GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pages 64 to 68 | | | | 13.19.8 |
| | GRI 403-8 Workers covered by an occupational health and safety management system | Pages 64 to 68 | | | | 13.19.9 |
| | GRI 403-9 Work-related injuries | Pages 64 to 68 and notebook indicators | | | | 13.19.10 |
| | GRI 403-10 Work-related health problems | Pages 64 to 68 | | | | 13.19.11 |
| MATERIAL TOPIC 5: LOCAL DEVELOPMENT AND ENGAGEMENT WITH COMMUNITIES | | | | | | |
| | 3-3-Form of material theme management | Pages 71 and 72 | | | | 13.12.1, 13.22.1 |
| GRI 413 - Local Communities 2016 | GRI 413-1 Operations with local community involvement, impact assessments, and development programs | Pages 71 and 72 | | | | 13.12.2 |
| GRI 203 Indirect Economic Impact | GRI 203-1 Investments in infrastructure and Supported Services | Pages 71 and 72 and notebook indicators | | | | 13.22.3 |
| | GRI 203-2 Significant indirect economic impacts | Pages 71 and 72 | | | | |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| MATERIAL TOPIC 6: HUMAN CAPITAL MANAGEMENT | | | | | | |
| | 3-3-Form of material theme management | Pages 61 to 63 | | | | 13.15.1, 13.16.1, 13.17.1, 13.18.1, 13.20.1, 13.21.1 |
| GRI 401 Employment 2016 | 401-1 New Hires and Employee Turnover | Pages 61 to 63 and notebook indicators | | | | 13.20.1 |
| | 401-2 Benefits Offered to Full-Time Employees That Are Not Offered to Temporary or Part-Time Employees | Pages 61 to 63 and notebook indicators | | | | |
| | 401-3 Maternity/Paternity Leave | Pages 61 to 63 and notebook indicators | | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | Pages 61 to 63 and notebook indicators | | | | |
| | 404-2 Employee Upskilling and Career Transition Assistance Programs | Data not available | | | | |
| | 404-3 Percentage of employees who receive regular performance and career development reviews | Pages 61 to 63 and notebook indicators | | | | |
| GRI 405 Diversity and Equal Opportunities 2016 | 405-1 Diversity in Governance Bodies and Employees | Pages 61 to 63 and notebook indicators | | | | 13.15.2 |
| | 405-2 Ratio of base salary to pay received by women to that received by men | Pages 61 to 63 and notebook indicators | | | | 13.15.3 |
| MATERIAL TOPIC 7: ECONOMIC AND FINANCIAL PERFORMANCE | | | | | | |
| | 3-3-Form of material theme management | Pages 91 and 92 and notebook indicators | | | | |
| GRI 201 Performance Economic 2016 | GRI 201-1 Direct economic value generated and distributed | | | | | 13.22.2 |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| MATERIAL TOPIC 8: ETHICS AND INTEGRITY IN BUSINESS | | | | | | |
| | 3-3-Form of material theme management | Pages 82 and 83 | | | | 13.25.1 |
| GRI 205 Anti-Corruption2016 | GRI 205-1 Operations assessed for corruption-related risks | Pages 83 and 84 and notebook indicators | | | | 13.26.2 |
| | GRI 205-2 Communication and training on anti-corruption policies and procedures | Pages 83 and 84 and notebook indicators | | | | 13.26.3 |
| | GRI 205-3 Confirmed incidents of corruption and actions taken | Pages 83 and 84 | | | | 13.26.4 |
| GRI 206 Competition disloyal 2016 | GRI 206-1 Lawsuits for unfair competition, trust and monopoly practices | Pages 83 and 84 and notebook indicators | | | | 13.25.2 |
| MATERIAL TOPIC 9: COMPLIANCE WITH LEGAL REQUIREMENTS | | | | | | |
| | 3-3-Form of material theme management | Pages 82 and 83 | | | | |
| | There are no related GRI indicators and no related sector indicators | 2.27 | | | | |
| MATERIAL TOPIC 10: RISK MANAGEMENT AND BUSINESS OPPORTUNITY | | | | | | |
| | 3-3-Form of material theme management | Pages 85 to 89 and notebook indicators | | | | |
| | There are no related GRI indicators and no related sector indicators | | | | | |
| MATERIAL TOPIC 11: INNOVATION, RESEARCH AND DEVELOPMENT | | | | | | |
| | 3-3-Form of material theme management | Pages 26 to 47 | | | | |
| | There are no related GRI indicators and no related sector indicators | | | | | |
| MATERIAL TOPIC 12: GOVERNANCE | | | | | | |
| | 3-3-Form of material theme management | Pages 74 to 84 | | | | |
| | GRI 2.9 to GRI 2.21 | | | | | |

| GRI Standard / another source | Content | Location | Omission | | | Sector standard reference no. |
|---|---|---|---|---|---|---|
| | | | Omitted requirement | Reason | Explanation | |
| **TOPICS NOT CONSIDERED A PRIORITY AND THAT WERE REPORTED** | | | | | | |
| CLIMATE CHANGE AND GHG EMISSIONS | | | | | | |
| GRI 301: Materials 2016 | GRI 301-1 Materials used, broken down by weight or volume | Indicators Booklet | | | | |
| GRI 302: Energy 2016 | GRI 302-1 Energy consumption within the organization | Indicators Booklet | | | | |
| GRI 305: Emissions 2016 | GRI 305-1 Direct (Scope 1) greenhouse gas (GHG) emissions | Pages 56 to 58 and Indicators Notebook | | | | 13.1.2 |
| | GRI 305-2 Indirect (Scope 2) greenhouse gas (GHG) emissions from the purchase of energy | Pages 56 to 58 and Indicators Notebook | | | | 13.1.3 |
| | GRI 305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions | Pages 56 to 58 and Indicators Notebook | | | | 13.1.4 |
| | GRI 305-7 Emissions of Nox, Sox and other significant atmospheric emissions | Indicators Booklet | | | | |
| BIODIVERSITY MANAGEMENT AND ECOSYSTEM SERVICES | | | | | | |
| GRI 304: Biodiversity 2016 | GRI 304-4 Species included in the IUCN Red List and National Conservation Lists with habitats in areas affected by IUCN operations | Indicators Booklet | | | | 13.3.5 |
| SUPPLY CHAIN MANAGEMENT AND TRANSPORT LOGISTICS | | | | | | |
| GRI 204: Purchasing Practices 2016 | GRI 204-1 Proportion of spending with local suppliers | Pages 69 and 70 and indicator book | | | | |
| GRI 308: Environmental Assessment of Suppliers 2016 | GRI 308-1 New suppliers selected based on environmental criteria | Pages 69 and 70 | | | | |
| GRI 414: Social Assessment of Suppliers 2016 | GRI 414-1 New suppliers selected based on social criteria | Pages 69 and 70 and indicator book | | | | |

## TOPICS IN APPLICABLE GRI SECTOR STANDARDS DETERMINED TO BE NON-MATERIAL

| Theme | Explanation |
|---|---|
| Topic 13.2 Climate adaptation and resilience | Data not available |
| Topic 13.6 Use of pesticides | Data not available |
| Topic 13.9 Food security | Not applicable to Cerradinho Bio's business |
| Topic 13.10 Food safety | Not applicable to Cerradinho Bio's business |
| Topic 13.11 Animal health and welfare | Not applicable to Cerradinho Bio's business |
| Topic 13.13 Rights to land and natural resources | Not applicable to Cerradinho Bio's business |
| Topic 13.14 Rights of indigenous peoples | Not applicable to Cerradinho Bio's business |
| Topic 13.21 Living income and living wage | Data not available |
| Topic 13.24 Public policies | Not applicable to Cerradinho Bio's business |

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