

A photograph of a large green Raízen 33031 tractor with a front loader and a rear-mounted harrow, working in a field. The tractor is positioned in the center-right of the frame, facing left. To its right is a large blue trailer. In the background, another tractor is visible. The sky is a mix of orange and purple, suggesting sunset or sunrise. The ground is covered in dry, brown vegetation.

ANNUAL REPORT

2020 | 2021

EXECUTIVE SUMMARY

raízen

1. Commitment to transparency

We integrate environmental, social, economic, and governance aspects into our management to create and share value with stakeholders that are part of our chain.

This report contains a summarized version of the most recent [edition of our report](#), released in July 2021¹, as well as subsequent facts that, although not included in the full version of the report, demonstrate our ability to create long-term value and lead the energy transition in the locations where we operate.

To further facilitate access to information about our management in the Social, Environmental, and Governance pillars, our narrative also reinforces how we position sustainability as a central element of our strategy and business model. For example, we were the first organization in our industry worldwide to hold a certification for the high social and environmental standards adopted in the cultivation of our raw material. We have been redefining the future of energy for 10 years!

¹ The numbers provided in this material do not yet consider Biosev's operations, acquired on August 10, 2021.



Aligned with global accountability standards:

We improve our reporting practices every year. Since the beginning of our operations, we have published an annual document according to the Global Reporting Initiative (GRI) standards. For the 2020/2021 crop year, we began reporting the Sustainability Accounting Standards Board (SASB) disclosures, and we continue to work toward alignment with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD). In total, we reported on more than 190 transparency and performance indicators, all of which were externally assured by an independent audit.

2. Redefining the future of energy...

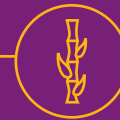
Raiz (Root) + Energy = Raízen



In October 2020, we began activities at one of the **largest biogas plants** in the world

Sugarcane: our renewable carbon source

- one of the most efficient sources for converting solar energy into affordable biomass.



SUGARCANE

- Fermentation in a little less than 11 hours
- 8,000 liters of ethanol/hectare



CORN

- Fermentation takes from 40 to 70 hours
- 3,000 liters of ethanol/hectare

- **more resistant to climate** (fires and frost) compared to corn.
 - **by-products with higher value added**, increasing the potential for reuse, recovery, and recycling of materials and energy—the basis of the circular economy.
-
- Most of the filter cake and vinasse are being used to generate energy from biogas.^{2,3} In October 2020, we began activities at one of the largest biogas plants in the world.
 - We have a strategic position in the market for the production and sale of biomass pellets (sugarcane bagasse and straw), instrumental in replacing coal in thermoelectric power plants.

² Resulting from the filtration of this juice.

³ By-product of the sugarcane juice distillation process.

- Sugarcane bagasse is also an input for the production of our **second-generation ethanol (E2G)**. This process includes:



-35% carbon footprint

compared to the processing of first-generation ethanol



+50% ethanol production

without expanding the planting area



same chemical composition as common ethanol



We are the only company worldwide that produces E2G on a commercial scale in a **continuous and uninterrupted manner.**

Our leading role in the energy transition agenda is also made evident by the quality of Brazilian ethanol.

- The ethanol blend of up to 27% in gasoline (E27) provides a 15% reduction in CO₂ equivalent emissions per kilometer compared to pure gasoline, and up to 35% in hybrid vehicles.
- The consumption of our products is equivalent to about 2.5 million fewer cars on the streets (5.2 million tons of greenhouse gas emissions avoided per year).

Low carbon footprint

Greenhouse Gas Emissions (gCO₂e/MJ)



CO₂ Emissions from Sugarcane Ethanol

- **~80% lower** than gasoline
- E2G **+30% lower** CO₂ emissions

UNIQUE AND IRREPLICABLE PLATFORM⁴

61.5 million

tons of sugarcane crushed in the 2020-2021 crop year.

TRACEABILITY OF THE RAW MATERIAL:



First company in the world

to be certified according to the Bonsucro standard.

- Currently: 22 certified bioenergy parks, and our goal is to extend the standard to 100% of our assets.



- In order to share good practices with the suppliers responsible for the other 50% of our raw material, we created the ELO Program. Nearly 2,000 sugarcane farmers are part of the initiative (learn more [here](#)).

OTHER CERTIFICATIONS:



AMONG OTHERS

For more information, visit our results center, available [here](#).

⁴ Numbers referring to the 2020-2021 crop year.

⁵ Event subsequent to the publication of the report.

ACKNOWLEDGMENTS:

ecovadis

Silver medal in the assessment through the EcoVadis platform. We are among the top 25% companies in a field of 50,000 companies analyzed in nearly 150 countries.

exame. | ESG

We were listed as the most sustainable company in the energy sector in Exame magazine's ESG Guide.



Among the companies with the best practices (Leadership) in the Carbon Disclosure Project (CDP), with level "A" in the most recent assessment, placing us in a new level for discussions about the fight against climate change⁵.

R\$ 6.6 billion

of combined and consolidated adjusted EBITDA.

R\$ 1.5 billion net income

attributable to controlling shareholders in the period.

Completed the acquisition of

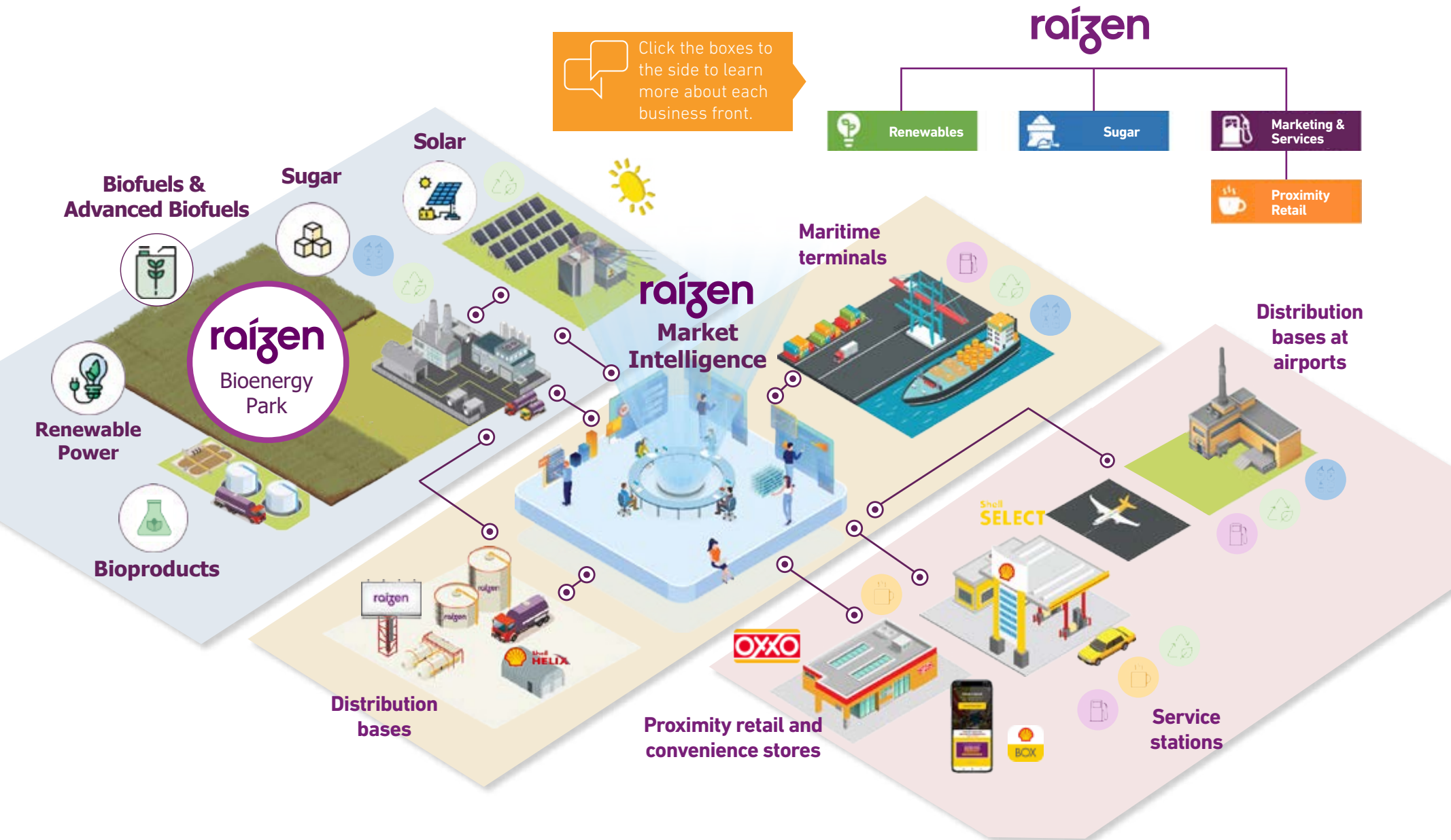
Biosev after fulfillment of all conditions precedent for closing the transaction⁵.

Participation in COP26

presenting our portfolio of solutions for decarbonization⁵.



















Our irreplicable business platform provides the energy society needs today while developing other forms of energy for the future.

OUR ECOSYSTEM: FROM SOIL-TO-CONSUMER





















3. ...with ESG in the business strategy...

Active consultation with stakeholders to identify priority topics.

MATERIAL TOPIC ⁶	PUBLICLY ASSUMED TARGETS (BY 2030) ⁷	SUSTAINABLE DEVELOPMENT GOALS (SDG)
Climate change and energy transition	1) Reduce the carbon footprint of ethanol and sugar by 10%	    
Management of health, safety, and environment	2) Reduce water withdrawal from external sources by 10% 3) Increase the GJ/ha indicator by 15% 6) Maintain certification by an internationally recognized standard for all units in operation	    
Governance, ethics, and compliance	4) Guarantee a robust system for traceability of 100% of the volume of sugarcane crushed 8) Actively influence our strategic partners to eliminate the risk of violating our ethics and compliance values	    
Innovation, development, and circular economy	1) Reduce the carbon footprint of ethanol and sugar by 10% 2) Reduce water withdrawal from external sources by 10% 3) Increase the GJ/ha indicator by 15%	  

⁶ See our ambitions for each topic in the full version of our 2020/2021 sustainability report, available [here](#).

⁷ The baseline for the commitments is the 2018/2019 crop year.

MATERIAL TOPIC ⁶	PUBLICLY ASSUMED TARGETS (BY 2030) ⁷	SUSTAINABLE DEVELOPMENT GOALS (SDG)
Community relations	9) 100% of neighboring communities ⁸ supported by the Raízen Foundation	      
Human rights, diversity, and inclusion	5) Guarantee internationally recognized sustainability programs for sugarcane sources 7) Make progress with respect to human rights in our operations and in our supply chain 10) Have 30% of leadership positions held by women, from management on up, by 2025 No commitments are directly associated, since this is a cross-cutting topic that guides the execution of the others.	    
Economic-financial performance and business expansion	No commitments are directly associated, since this is a cross-cutting topic that guides the execution of the others.	     

⁸ Commitment applicable to neighboring communities capable of receiving the model..



The material topics are part of our Strategic Sustainability Plan, which guides ambitions, targets, and actions for each aspect identified and are in line with the Sustainable Development Goals (SDGs).

4. ... and in practice... ⁹



ENVIRONMENTAL

• Reduza program

- Reduction of approximately 22% in surface water withdrawal.

- Signatories to *Protocolo Agroambiental Etanol Mais Verde* (Greener Ethanol Agri-Environmental Protocol) since 2007, advancing the legal deadlines established for eliminating the slash-and-burn practice in sugarcane harvesting.



SOCIAL

• Value partnerships

Sugarcane suppliers

- The ELO program, a new initiative in the global sugarcane production chain, aims to promote the sustainable development of our suppliers, engaging them in the progressive adoption of measures that encourage and support the promotion of economic sustainability and respect for the environment and for human and labor rights.

Carriers

- Relationship based on principles of ethics and road safety.



Transparent and responsible relationship with all links in our value chain

Resellers

- Consultancy and training under the *Oferta Integrada* program.

Supply Chain

- R\$4 billion spent in 2020/2021 on material suppliers and service providers.
- Relationship based on the Sustainable Procurement Policy.



⁹ Numbers referring to the crop year 2020/2021.

• Raízen Team

- **30,000** employees in Brazil and Argentina.

- **Guidelines** and programs to commit the team to Zero Accidents on a daily basis¹⁰

- **Diversity and Inclusion Committee** created in 2019 and launch of the *Respeito na Raiz de Tudo* (Respect at Root of Everything) campaign in 2021.

- **100% of employees** have their variable pay linked to tCO2 avoided and safety KPIs.

• Social performance

In 2020/2021, more than 2.2 million people benefited, directly and indirectly, through our projects and sponsorships.

NUMBER OF LOST-TIME INCIDENTS PER MILLION HOURS WORKED (LOST TIME INJURY FREQUENCY – LTIF)¹⁰

2013/2014	0.54
2014/2015	0.34
2015/2016	0.24
2016/2017	0.15
2017/2018	0.11
2018/2019	0.15
2019/2020	0.16
2020/2021	0.10

ACCIDENTS REPORTED PER MILLIONS OF HOURS WORKED (TOTAL RECORDABLE CASE FREQUENCY – TRCF)¹⁰

2013/2014	3.17
2014/2015	2.14
2015/2016	1.49
2016/2017	1.14
2017/2018	0.75
2018/2019	0.87
2019/2020	0.74
2020/2021	0.69

* These figures include the operations in Argentina as of 2018/2019, when they were acquired.



GOVERNANCE

- Corporate Governance practices improved following self-assessments, criteria, regulations, and concepts of excellence in the global market.
- **IPO on B3**, Brazil's stock exchange, on August 5, 2021, the 5th largest IPO in the Brazilian market, injecting R\$6.9 billion for renewable energy projects¹¹.

¹¹Event subsequent to the publication of the report.



5. Learn more

To learn more, read the [full version of our 2020/2021 Sustainability Report](#).

Click [here](#) and also subscribe to our mailing list to stay informed about how committed we are to contributing today to the energy that will power us tomorrow.



Let us redefine the **future of energy** together!