Raízen's Policy – PLT.29

Risk Management Policy

Objective

This Risk Management Policy ("Policy") aims to establish principles, guidelines, and responsibilities to be observed in the Enterprise Risk Management (ERM) process of Raízen S/A ("Company" or "Raízen"), to guide the processes of identification, assessment, treatment, monitoring, and communication of risks related to the Company in its sector of operation.

The Raízen Risk Management Structure is developed according to a governance model that assists the Company in achieving its strategic objectives while meeting the commitments made to different stakeholders (shareholders, customers, suppliers, employees, society, government, investors, etc.).

We understand that the risk management process must be transparent and disseminated within the Company, ensuring full knowledge of this policy and everyone's responsibilities across the different layers of the organizational structure. The practice of continuous improvement over this process should direct it to accommodate organizational changes and integrate the other management processes of the Company, assisting decision-making to protect and generate value for Raízen.

In cases where specific business areas take on a risk management role at a tactical or operational level, alignment with the methodology and guidelines established by this policy is mandatory. Exceptions must be presented to and approved by the Executive Board.

Scope

This Risk Management Policy ("Policy") covers Raízen and its subsidiaries

Revision

Version	Dates	Changes
V.3	11/06/2022	General Items

1. Guidelines

Corporate risk management is a process conducted jointly by the Executive Board and the Corporate Risk Management Area, which establishes the strategies for identifying and monitoring, throughout the Company, potential material events capable of negatively affecting it. This process is evaluated by the Company's Audit Committee. Corporate risks are grouped into the following categories:

- **Strategic Risks:** associated with strategic decision-making by senior management and may generate a substantial loss in the economic value of the organization or a negative effect on its reputation in the market;
- **Operational Risks:** associated with the possibility of occurrence of losses (of production, assets, customers, revenues) resulting from failures, deficiencies, or inadequacies of internal processes involving people, systems, or unexpected external events (e.g., natural disasters);
- **Financial and/or Market Risks:** associated with the exposure of the organization's mercantile and financial operations;
- **Regulatory, Legal, or Compliance Risks:** associated with non-compliance with (or changes to) laws and regulations issued by central and/or local governments, regulations issued by regulatory entities, or even normative documents issued by the Company itself;
- **Information Risks:** associated with the loss, misuse, unauthorized access, or disclosure of information or personal data of internal or external stakeholders, which may threaten the business or damage the Company's image

Corporate risk management is an integral part of the Company's Corporate Governance and must be used as a relevant source of information for strategic decision-making and definition of strategic objectives, besides being present in the Company's management cycles. It must be executed to keep risk exposure at levels compatible with the Company's risk appetite, enabling the assurance of its objectives and goals.

The management of the Company's risks complies with the Three Lines Model, provided in the opinion of the IIA (The Institute of Internal Auditors) of September 2024, represented as below:

- **1st Line Role:** comprises the Company's business areas, including its affiliates and subsidiaries, responsible for the Risks they manage, as well as for their respective mitigating actions and associated internal controls.
- **2nd Line Role:** comprises the Company's Risk Management and Internal Controls structures, which must instrumentalize first-line managers for proper risk management through the organization and structuring of processes, definition of methodologies, development of training and guidance, in addition to reporting information to the competent governance bodies.
- **3rd Line Role:** comprises the Company's Internal Audit, acting with an independent perspective to verify the effectiveness and compliance of the model and report its recommendations to the competent governance bodies.

Broader roles and responsibilities of each line of defense regarding risk management are detailed in item 5. Roles and Responsibilities below.

1.1 Risk Management Process

Raízen recognizes that effectively managing risks is fundamental to achieving business objectives. Each Business or Function must analyze its environment, define clear objectives, and:

- identify the risks that impact the achievement of these objectives;
- assess the impact and probability of the risks materializing;
- implement effective actions designed to mitigate the identified risks.

Raízen also requires all Businesses and Functions to monitor, communicate, and report changes in the risk environment, as well as the effectiveness of the actions taken to manage identified risks on a continuous basis.

The methodology adopted by Raízen uses as a reference the integrated risk management framework suggested by COSO and IBGC, as well as the precepts established by ISO 31000. Effective risk management increases the value of the Company's business decisions, since conscious choices are made regarding risks that impact these, or result from these, business decisions. The objective of risk management is not, therefore, to arbitrarily reduce or eliminate risk, but rather:

- Standardize concepts about Risks in the Company;
- Provide the dissemination of information related to Risks in the Company;
- Assist in decision-making;
- Integrate organizational activities and management cycles of the Company;
- Ensure that the Company's Corporate Governance is aligned with best practices;
- Assist the 1st Line Role in risk management and their reduction, when applicable;
- Define roles and responsibilities for risk management;
- Provide greater transparency to the Company's stakeholders, including but not limited to: financial institutions, investors, shareholders, market analysts, credit agencies, regulatory bodies, and external audit.

1.1.1 Step of the Risck Management Process

The steps of Raízen's risk management process are based on ISO 31000:2018 as shown in the following image.

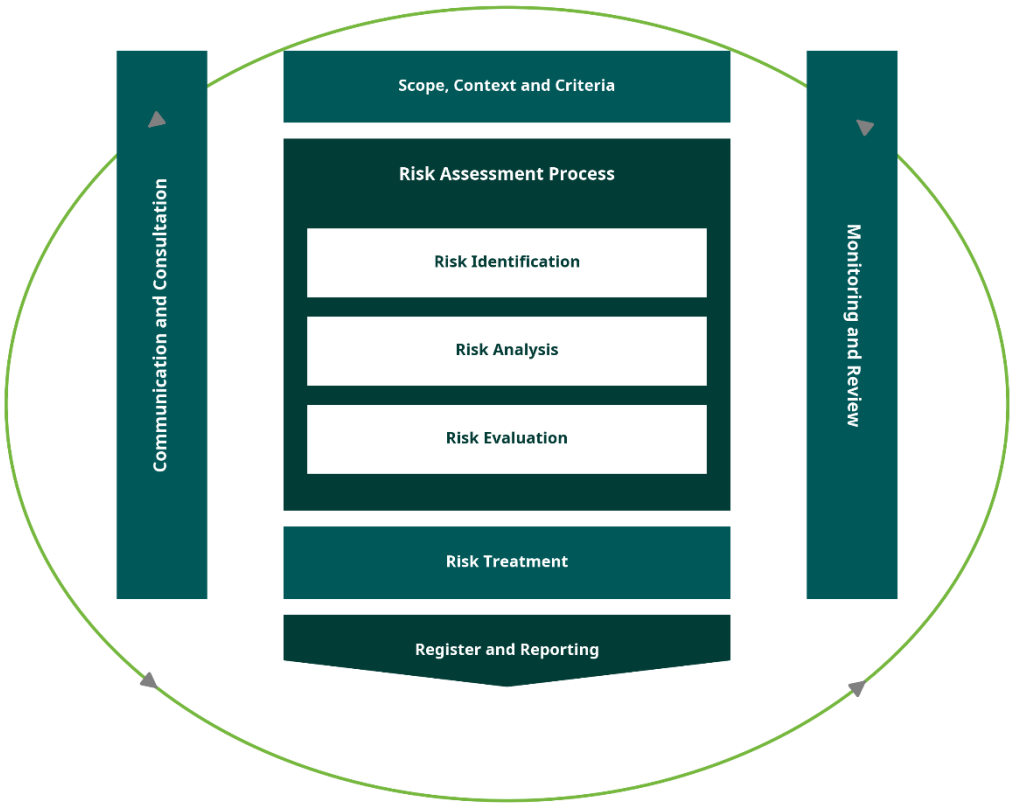

Figure 1 - Risk Management Process

SCOPE, CONTEXT, AND CRITERIA

In the planning phase of any activity, realistic and measurable objectives are defined within the context of the business environment. In the first step of the risk management process, the understanding of strategic objectives is captured, taking into account the internal and external contexts in which the Company operates.

RISK IDENTIFICATION

The identification of risks will have greater value when directly linked to strategic business objectives. Different approaches are adopted to identify risks, and the approach adopted will depend on the size and complexity of the business/operation or opportunity/project, and the volatility of the risk environment. The identification of risks, including emerging risks, will involve dedicated risk meetings or workshops in each Raízen Business or may also occur through the materialization of a significant event with the possibility of new occurrences. In this step, a list and description of risks, and their respective factors, that may deviate the Company from achieving its strategic objectives or from non-compliance with rules and regulations, including internal ones, must be created.

RISK ANALYSIS

In the risk analysis step, the impact and probability of materialization of the risk as well as its respective factors must be considered. The impact must not only consider the immediate consequences of the materialization of a risk but also the indirect effects. Not all risks can be quantified in financial terms, and for some risks, qualitative criteria are more appropriate for assessment. Qualitative criteria can be, but are not limited to, environmental, social, compliance, health and safety, institutional image, product quality, or technology. The probability assessment must consider the history of the risk materialization, existing controls that address the issue, the existence and effectiveness of mitigating actions, and the technical opinion of subject matter experts, including the risk owners. A risk assessed before the effect of any mitigating action or associated control is called Inherent Risk. After the implementation of partial countermeasures, the Current Residual Risk is obtained. The Projected Residual Risk is considered to be that resulting from the full implementation of mitigating actions.

RISK EVALUATION

In this step, we compare the level of risk classified during the analysis step, taking into account the criteria established in the previous step. In the evaluation, we classify the risk, and its respective factors, in the Company's Risk Matrix. The Risk Matrix then becomes a prioritization tool, according to the evaluation of risks compared to the determined appetite, to direct efforts and mitigate the most relevant risks according to the business context. As presented in Figure 1, risks are evaluated in 4 degrees of criticality, according to the vector composed of probability and impact scores in descending order: Very High - highest criticality to business value; High; Medium; Low - lowest criticality to business value.

RISK TREATMENT

Risk evaluation assists in resource allocation and action prioritization, based on a comprehensive overview of all significant risks within the context of company objectives. In this step, therefore, there must be the definition and implementation of mitigating actions and/or internal controls to address each respective risk or risk factor. It is worth reinforcing that the decision on the proper treatment of the risk, or its respective factor, depends on its evaluation in comparison to the Company's risk appetite. We can treat risks as follows:

- Mitigate: Reduce the probability and/or impact exposure using internal controls or mitigating actions;
- Assume: Accept the impacts of the risk in its residual form and all consequences of an eventual materialization. We must maintain existing controls, if any, so that the risk does not increase in criticality and remains managed;
- Transfer: Requires a willing third party to assume part of the risk alongside the Company. We have, for example, contracting insurance or forming joint ventures; or
- Avoid: Completely eliminate the source of a specific risk or risk factor. Examples of avoiding risk are discontinuing an activity, withdrawing operation from a region or market, or selling/divesting assets. However, it is important to clarify that not all risks can be avoided.

COMMUNICATION AND CONSULTATION

Agile and continuous communication with different stakeholders about business risks is necessary to keep the risk management process and the implementation of the Company's strategy aligned. In this way, relevant information can be identified to allow continuous improvement of information about the identified risks. Transparent communication regarding risks is also recommended so that decisions are made with a full understanding and weighting of the risks and opportunities involved, and how they will be managed. Periodic reports on risks must occur in an integrated and consolidated manner to the Executive Board and other Company Governance forums.

MONITORING AND REVIEW

Changes in the internal and external business contexts and decisions made during strategy implementation will continuously alter a company's risk profile. These changes must be identified in a timely manner, mapping new risks or altering already identified risks, adapting the Company's Risk Matrix in conjunction with the competent governance bodies.

RECORDING AND REPORTING

Risk owners must analyze and report their risks periodically, using the standard Risk Matrix established by the methodology used at Raízen, as well as eventual materializations and their actual consequences for the Company. In this way, we can measure the actual adherence of the identified risk and the efficiency of mitigating actions and internal controls. Lessons learned must be recorded to maintain the continuous improvement of the processes involved and mitigate the consequences of a new materialization. In significant cases, the Executive Board and/or the Raízen Audit Committee should be involved in the discussion.

2. Roles and Responsibilities

Board of Directors

- Supervise the execution of activities related to overall planning and strategy execution, according to business objectives;
- Review and approve the general definitions of risk management strategies, including this Policy and its implementation;
- Support activities related to the definition of the Risk Matrix as well as the approval and definition of the Company's risk appetite;
- Periodically assess whether corporate risk management processes enable the achievement of the Company's strategic objectives as reported by the Audit Committee

Audit Committee

- Monitor the quality and integrity of the internal audit mechanisms and the Company's internal controls area;

- Assess the effectiveness and sufficiency of the control and risk management systems, encompassing legal and normative risks in any judicial or administrative spheres;
- Evaluate the Risk Management Policy and the effectiveness of its implementation;
- Evaluate and monitor the Company's Risk exposures through the periodic review of the Risk Matrix;
- Evaluate the Company's risk appetite according to the Executive Board's proposal;
- Keep the Board of Directors duly informed regarding the effectiveness of risk management processes

Executive Board

- Evaluate and approve the policy for establishing the Company's internal controls and risk management system;
- Recommend the degree of risk appetite for the Board of Directors' approval;
- Periodically identify and assess the risks identified by the Company through the Risk Matrix, as well as their factors, responses, treatments, mitigating actions, and controls, when applicable, to keep them at levels compatible with the Company's risk appetite;
- Inform the Risk Management area of possible unidentified risks or important information about already identified risks;
- Guide risk management towards the most relevant themes for the Company's strategy and continuity;
- Foster and sponsor the development of a risk management culture for strategic decision-making.

Risk Management Area (2nd Line Role)

- Define policy and procedures for establishing the Company's internal controls and risk management system;
- Coordinate the Company's risk management process according to the guidelines established in this policy;
- Develop and apply the risk management strategy and methodology in compliance with applicable laws and regulations, internal policies, norms and procedures, and best management practices;
- Ensure governance and the roles and responsibilities defined in this policy;
- Keep this Policy, the Risk Management Procedure, and the Company's Risk Matrix updated;
- Monitor risk exposure levels periodically according to the guidelines of this policy;
- Report to the Executive Board and the Audit Committee on the potential exposure levels of the main identified risks;
- Address the recommendations of the Audit Committee and Executive Board regarding identified risks or the risk management process;
- Promote the corporate risk management culture in the organization;
- Advise risk owners in the risk management process;
- Support and challenge business areas and risk owners in defining mitigating actions and internal controls;

- Monitor the implementation of mitigating actions alongside managers to, when appropriate, verify their mitigation or reduction of the risk, reporting to the Executive Board and the Audit Committee.

Corporate Controls Area (2nd Line Role)

- Maintain the methodologies and best practices of the risk management process and the Company's internal control environment;
- Assist in integrating the risk management and internal controls processes;
- Continuously identify and assess internal controls based on inherent business risks;
- Report to control owners, the Executive Board, and the Audit Committee the results of the evaluation of the Company's control environment;
- Support business areas in developing controls and risk mitigation actions;
- Disseminate the culture, guidelines, and internal controls methodology throughout the Company.

Business Areas and Functions (1st Line Role and Risk Owner)

- Identify, assess, treat, and monitor risks under their responsibility, based on the criteria established in this policy;
- Inform the Risk Management area about potential or materialized risks so that they are submitted to the Company's risk management process;
- Inform changes, organic or due to significant events, in the internal or external context of identified risks, that alter their assessment and require treatment adjustments;
- Provide updated and complete information about risks during the identification process and construction of the Risk Matrix;
- Define and implement treatment for identified risks, when applicable;
- Report the status of treatments defined for identified risks under their management;
- When requested, answer to the governance bodies regarding the status of risks under their responsibility;
- Ensure the execution and effectiveness of existing internal controls to treat risks.

Internal Audit Area (3rd Line Role)

- Assess the quality and effectiveness of the Company's risk management processes, carry out periodic monitoring of risk mitigation actions and weaknesses recorded in audit reports, and feedback the risk management model with information;
- Identify and point out risks eventually not yet mapped in the organization through the independent assessment of the internal control environment;
- Advise the CEO and the Board of Directors, through the Audit Committee, by examining, evaluating, informing, and recommending adequacy improvements

in the internal environment and in the effectiveness of the risk management process;

- Develop its work plan according to the Company's strategy and prioritize its activities using, among other tools, the current Risk Matrix;
- Submit the audit work plan for evaluation and approval by the Board of Directors and Audit Committee

APPENDIX 01 – DEFINITIONS AND REFERENCES

A. Definitions

The terms listed below will have the meanings assigned below:

- **Audit Committee (COAUD)** – Advisory body to the Company's Board of Directors. According to its internal regulations, its mission is to supervise the operationalization of internal and external audit processes, the mechanisms and controls related to risk management, and the coherence of financial policies with the strategic guidelines and the risk profile of the Company's business.
- **Company's Board of Directors** – According to the Bylaws and its Internal Regulations, it is the body that exercises the role of guardian of the Company's principles, values, corporate purpose, and governance system.
- **Consequence** – Effect of the materialization of risk factors, identified or not.
- **Criticality** – Classification of risk according to its impact and probability assessments.
- **Current Residual Risk** – Risk remaining after the implementation of some mitigating actions and control activities at the current moment of risk identification and evaluation.
- **Executive Board** – Body composed of the President (CEO) (N1) and Vice Presidents (N2) of the Company.
- **IBGC** – Brazilian Institute of Corporate Governance.
- **Impact** – Impact refers to the consequences that will be generated if the risk materializes and can be measured qualitatively or quantitatively.
- **Impact Scale** – Criteria and scales, defined according to the specificities of the business, for impact assessment.
- **Inherent Risk** – Risk associated with the business before the effect of any action, control, or countermeasure. It is the organization's gross exposure to Risk.
- **Internal Audit** – Area responsible for evaluating, according to its principles and guidelines, the effectiveness of the Company's risk management and processes, risk mitigating actions, internal controls, and compliance with rules and legislation of the markets in which the Company operates.
- **Internal Controls** – Area responsible for designing and implementing controls to reduce the Company's risk exposure level, maintain compliance with the rules and legislation of the markets in which the Company operates, as well as maintain the reliability of financial and managerial reports.
- **Mitigating Actions (action plan)** – An action (or set of actions) addressed to reduce risk exposures that must be concatenated with the factors causing the exposures. It must also have parties responsible for its implementation and a completion deadline.
- **Projected Residual Risk** – Risk, in its future form, after the full implementation of mitigating actions and control activities. The projected risk determines the minimum degree of criticality of the risk according to the

treatment the Company is willing to carry out.

- **Probability** – Chance of a risk materializing. It can be assessed qualitatively or quantitatively.
- **Probability Scale** – Criteria and scales, defined according to the specificities of the business, for probability assessment.
- **Risk** – Possibility of an event occurring that is capable of adversely affecting the achievement of the organization's objectives, preventing value creation or even destroying existing value.
- **Risk Appetite** – Level of exposure to loss that the Company is willing to assume to achieve its short, medium, and long-term strategic objectives.
- **Risk Capacity** – Maximum risk tolerance limit, higher than the appetite, that the Company can withstand to achieve its strategic objectives and maintain business continuity.
- **Risk Dictionary** – Document that records the main risks identified from the analysis of strategies and the business context. It is a fundamental part of defining a common risk language, essential to the process, enabling better understanding within the organization and an interference-free process.
- **Risk Factors** – Specific set of circumstances that contribute to a risk eventually materializing. The same risk can contain one or more related factors.
- **Risk Management** – Area, subordinate to the Risks, Insurance, and Internal Controls Directorate, responsible for conducting the risk management process within the Company.
- **Risk Management Process** – Coordinated set of activities for the identification, analysis, treatment, and review of business risks, executed according to approved policy and methodology for evaluating, classifying, and reporting risks.
- **Risk Matrix** – Graphical representation of the evaluation of the Company's criticality degrees considering impact and probability analyses.
- **Risk Owner** – Manager responsible for managing risks, or risk factors, as well as the implementation of their mitigating actions and internal controls.
- **Risk Response** – Definition of the way the risk will be treated.
- **Risk Sheet** – Document that formalizes all information regarding the process of identifying, assessing, and treating a risk.
- **Risk Tolerance** – It is a risk limit, lower than the appetite, at which senior management must be alerted to take mitigating actions and reduce risk exposure.
- **Risk Treatment** – Set of initiatives, among them but not limited to (i) mitigating actions, (ii) internal controls, (iii) project execution, (iv) systems development/acquisition, or (vi) creation of normative documents, to address risk responses

B. References

- Bylaw;
- ABNT NBR ISO 31000:2018 Standard;

- COSO (Committee of Sponsoring Organizations of the Treadway Commission);
- IBGC (Brazilian Institute of Corporate Governance);
- Three Lines Model of the IIA (The Institute of Internal Auditors);
- PR.FIN.A04 - Risk Matrix Review;
- Raízen S.A. - Internal Regulations of the Audit and Integrity Committee;
- Raízen S.A. - Internal Regulations of the Board of Directors