

ANNUAL REPORT  
2019 | 2020

**INDICATORS  
HANDBOOK (GRI)**

**raízen**

# INDEX

---

## 1. GENERAL DISCLOSURES

**1.1**  
ORGANIZATIONAL PROFILE

**1.3**  
STAKEHOLDER  
ENGAGEMENT

**1.2**  
ETHICS AND GOVERNANCE

**1.4**  
REPORTING PRACTICES

---

## 2. MATERIAL TOPICS

**2.1**  
ENERGY

**2.5**  
SOLID WASTE

**2.2**  
CLIMATE CHANGE

**2.6**  
RELATIONSHIP WITH NEIGHBORING COMMUNITIES

**2.3**  
WATER AND EFFLUENTS

**2.7**  
DIVERSITY AND HUMAN RIGHTS

**2.4**  
LAND USE

**2.8**  
SUSTAINABLE PROCUREMENT

---

## 3. OTHER INDICATORS

---

# 1. GENERAL DISCLOSURES

## 1.1 ORGANIZATIONAL PROFILE

**102-1 NAME OF THE ORGANIZATION**  
Raízen.

**102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES**  
Information about our activities, brands, products and services is detailed in the section [We are energy](#) of this report.

**102-3 LOCATION OF HEADQUARTERS**  
Avenida Faria Lima, 4.100 – 11º andar – Itaim Bibi, São Paulo (SP).

**102-4 LOCATION OF OPERATIONS**  
Our distribution and sales activities include fuel stations, terminals and bases at airports located in all states of Brazil. We also have sugar, ethanol and bioenergy production units in the states of São Paulo, Goiás and Mato Grosso.

In 2018, we completed the acquisition of assets from Shell Argentina, which were not included in the Global Reporting Initiative (GRI) indicators because they are still being integrated into management. However, the document contains some data and information regarding these operations

**102-5 NATURE OF OWNERSHIP AND LEGAL FORM**  
We are a joint venture whose control is equally shared between Royal Dutch Shell and Cosan. Our operations comprise Raízen Energia S.A., a joint-stock company that issues debentures registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários - CVM), category B; and Raízen Combustíveis S.A., privately held company.

**102-6 MARKETS SERVED**  
Information about our activities, brands, products and services is detailed in the section [We are energy](#) of this report.

**102-7 SCALE OF THE ORGANIZATION**

	Safra 2018/2019	Safra 2019/2020
Number of distribution terminals	65	67
Number of fuel bases at airports	66	67
Production units	26	26
Service stations	Approximately 6,470	More than 7,000
Shell Select Stores	Approximately 1,000	More than 1,000
% Shareholding interest	Royal Dutch Shell (50%) and Cosan (50%)	Royal Dutch Shell (50%) and Cosan (50%)
Net sales*	R\$ 97,200,979,000.00	R\$ 120,580,551,000.00
Net equity*	R\$ 11,392,004,000.00	R\$ 11,730,103,000.00
Gross debt*	R\$ 17,264,300,000.00	R\$ 25,327,400,000.00

\* The totals for the 2019/2020 harvest consider the results of the operations in Argentina.

**102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS<sup>1</sup>**

At the end of the 2019/2020 harvest, our team consisted of 28,843 employees—84% men and 16% women—the majority (92%) concentrated in the Southeast ; and 9,577 contractors.

Total number of employees by gender*						
	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Men	33,377	29,847	25,547	25,349	24,955	24,338
Women	5,195	4,540	4,010	4,165	4,164	4,505
<b>Total</b>	<b>38,572</b>	<b>34,387</b>	<b>29,557</b>	<b>29,514</b>	<b>29,119</b>	<b>28,843</b>

\* Does not include interns or contractors.

<sup>1</sup> Employees in Argentina and contractors have not yet been included.

<sup>2</sup>: Data on gender is compiled by Human Resources, which uses data taken from SAP as a basis.

Total number of employees by type of employment and employment contract												
Type of employment / employment contract	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest		2018/2019 Harvest		2019/2020 Harvest	
	Full-time*	Part-time	Full-time*	Part-time	Full-time*	Part-time	Full-time*	Part-time	Full-time*	Part-time	Full-time*	Part-time
Men - permanent	31,013	32	26,367	34	23,684	31	24,321	31	23,522	16	22,612	10
Women - permanent	4,854	15	4,131	18	3,927	20	4,059	29	3,841	16	3,915	17
Men - temporary**	2,332	0	3,446	0	1,832	0	894	103	1,294	0	1,437	0
Women - temporary**	326	0	391	0	63	0	57	20	293	1	342	0

\* Full-time considers over 150 work hours/month.

\*\* All employees with temporary contracts work full time.

Total number of employees by gender and region												
	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest		2018/2019 Harvest		2019/2020 Harvest	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
South	248	25	216	20	225	22	227	25	230	22	232	29
Southeast	31,110	4,930	28,009	4,296	23,761	3,781	23,534	3,932	23,185	3,918	22,408	4,219
Midwest	1,743	219	1,318	197	1,233	178	1,249	175	1,213	178	1,355	205
Northeast	187	16	202	19	204	18	209	23	210	28	214	33
North	89	5	102	8	124	11	130	10	117	18	129	19

### 102-9 SUPPLY CHAIN

Our supply chain is composed of sugarcane suppliers, carriers and companies responsible for supplying goods (equipment and materials, and services). In 2019/2020, more than R\$ 5.7 billion were spent, as described below:

#### > Supply chain

Our supply chain is composed of companies responsible for supplying equipment and materials, and provision of services, referring to all processes - production and non-production, according to the following classification:

- Agricultural and automotive equipment;
- Industrial Replacement Materials and Personal Protective Equipment;
- Industrial inputs and packaging;
- Agricultural inputs and services;

- Information Technology (IT) and corporate (facilities) equipment and services;
- Industrial projects and steel industry;
- Industrial maintenance services
- Marketing materials and services;
- Corporate HR (benefits and the like); and
- Logistics and transport services.

The relationship with supply chain is mediated by the Procurement area and the main communication tool is our [Supplier Portal](#).

In 2019/2020, more than R\$ 4 billion was spent on suppliers of goods, 60% of which refers to purchase of materials. Most of the supply chain is based in São Paulo, but we also have contracts with suppliers in Rio de Janeiro, Paraná, Minas Gerais, among other states.

#### > Sugarcane suppliers

About 3,000 sugarcane suppliers account for almost half of our crushing volume. We work in partnership with this audience for the development of the properties and traceability of the raw material we acquire. The relationship is described in item [... Sugarcane producers...](#) of this report.

In 2019/2020, more than R\$ 4 million was spent on sugarcane suppliers, which are located in the states of São Paulo, Goiás, Minas Gerais, Mato Grosso do Sul, and Paraná.

#### > Carriers

We have truck drivers to transport sugar cane and distribute fuel. These suppliers are located in all regions of Brazil, with a higher concentration in the Southeast and South regions. In 2019/2020, more than R\$ 2.3 billion was spent on freight and more than R\$ 2.3 million was invested in relationship actions with this audience - which are detailed in item [... Carriers...](#) of this report.

### 102-10 SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN

In the 2019/2020 harvest, there was a change in our headquarters and modifications in the composition of the Board of Directors and Executive Board.

### 102-11 PRECAUTIONARY PRINCIPLE OR APPROACH

The precautionary principle integrates our strategic planning as well as our risk management and internal control processes. Care for employees, with policies and tools to promote health, safety, and quality of life are among the aspects observed. Programs to ensure professional training and recognition of performance of our team are also in place. Promoting sustainability in our value chain includes actions with suppliers in order to stimulate the development of increasingly innovative products and solutions.

### 102-12 EXTERNAL INITIATIVES

Our [Strategic Plan](#) considers international agreements dedicated to reducing global Greenhouse Gas (GHG) emissions, in line with the UN's 13th Sustainable Development Goal (Action Against Global Climate Change). Since 2011, we have quantified GHG emissions based on the guidelines of The Greenhouse Gas Protocol and its national version, the Brazilian GHG Protocol Program. In 2015, we also started to answer the questionnaires of the Carbon Disclosure Project (CDP).

In order to obtain guarantees of sustainable supply, we have the largest volume in the world certified by Bonsucro, an international association whose goal is to reduce the environmental and social impacts of sugarcane production through the development of a standard.

Regarding ethics and transparency, we are signatories to Ethos Institute's Business Pact for Integrity and Against Corruption; and we support - through the Sugarcane Industry Union (UNICA - União da Indústria de Cana-de-Açúcar), of which we are members - the Movimento Combustível Legal (Legal Fuel Movement), an initiative created by Plural (former Sindicom).

We also developed actions under the Na Mão Certa Program, an initiative by Childhood Brasil that brings together several companies through adherence to the Business Pact Against the Sexual Exploitation of Children and Adolescents on Brazilian Highways on Brazilian Highways - to which we subscribe.

**102-13 MEMBERSHIP OF ASSOCIATIONS**

We participate in the following organizations: União da Indústria de Cana-de-Açúcar (UNICA); Associação Brasileira de Biotecnologia Industrial (ABBI); Associação da Indústria de Cogeração de Energia (Cogen); Plural, former Sindicato Nacional das Empresas Distribuidoras de Combustíveis (Sindicom); Associação Brasileira dos Terminais Portuários (ABTP); Bonsucro - organization responsible for the certification of sustainability aspects in the production of sugarcane; Associação Brasileira do Agronegócio (Abag); Associação Nacional dos Usuários do Transporte de Carga (ANUT), and Associação Brasileira de Biogás e Biometano (ABiogás).

**1.2 ETHICS AND GOVERNANCE**

**102-16 VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOR**

We rely on a robust compliance framework, with policies and procedures detailed in item [...ethics...](#) of this report. We also share principles related to Our RAIZ (ROOT), a strong culture, focused on connecting and developing diverse people, who work with ethics, safety, innovation and energy to make a difference. More information is detailed in item [Our Raiz](#) of this report.

**102-18 GOVERNANCE STRUCTURE**

Our governance structure is detailed in item [Governance structure](#) of this report.

## 1.3 STAKEHOLDER ENGAGEMENT

### 102-40 LIST OF STAKEHOLDER GROUPS

Investors and investment analysts; press; fuel dealers; shareholders; employees; customers; business partners; suppliers; communities; universities; public authorities; and trade associations.

### 102-41 PERCENTAGE OF TOTAL EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

All our employees are covered by agreements or collective bargaining agreements.

### 102-42 IDENTIFYING AND SELECTING STAKEHOLDERS

Through our Annual Report, Ombudsman's Office, Digital Social Networks and Consumer Service (SAC), we map out the stakeholders and the issues they are concerned about.

### 102-43 APPROACH TO STAKEHOLDER ENGAGEMENT

There is no formal frequency of engagement. We provide our stakeholders with direct communication channels, such as Customer Service (SAC), Ombudsman's Office, Ethics Channel, Digital Social Networks, and our [website](#). Through the records, we seek to understand the demands of each audience, align expectations, and mobilize people around our purpose.

In addition, targeted communication actions and relationships with specific audiences are planned according to the needs and opportunities mapped.

In 2019/2020, the process detailed in item [Sustainability in the strategy](#) of this report identified material topics, which are being deeply analyzed and for which ambitions, action plans and goals will be defined to be strategically structured for the next harvests.

### 102-44 KEY TOPICS AND CONCERNS RAISED

Considering our business and main stakeholders, we consider as main topics the aspects related to best competitive practices in the fuel market, responsibility for managing the sugarcane supply chain, and outlook for the energy market. These topics are presented in item [Sustainability in the strategy](#) of this report and are covered through our participation in sector entities, such as Plural and UNICA, in technical workshops, and in events for presentation of results and perspectives (such as the Cosan Day); and through generation of public content for disseminating knowledge about the sectors in which we operate.

### 102-45 ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OR EQUIVALENT DOCUMENTS

Raízen Energia S.A., Raízen Combustíveis S.A. and all its wholly-owned subsidiaries and affiliated companies.



## 1.4 REPORTING PRACTICES

### 102-46 DEFINING REPORT CONTENT AND TOPIC BOUNDARIES

The content of this report was defined based on the process detailed in item [Sustainability in the strategy](#) of this report.

### 102-47 LIST OF MATERIAL TOPICS

Energy; Climate changes; Water and effluents; Land use; Solid waste; Relationship with the surroundings; Diversity and human rights; and Sustainable procurement are the material topics identified through the process detailed in item [Sustainability in the strategy](#) of this report.

### 102-48 RESTATEMENTS OF INFORMATION

Restatements are indicated throughout this report by means of accompanying notes.

### 102-49 CHANGES IN REPORTING

The content of this report covers material topics defined based on the process detailed in item [Sustainability in the strategy](#) of this report.

### 102-50 REPORTING PERIOD

From April 1, 2019 to March 31, 2020.

### 102-51 DATE OF MOST RECENT REPORT

June 2019.

### 102-52 REPORTING CYCLE

Annual.

### 102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

Questions about this report can be submitted by email ([fale@raizen.com](mailto:fale@raizen.com)) or telephone (0800 728 1616).

### 102-54 CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS

This publication was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

### 102-56 EXTERNAL ASSURANCE

All information contained of this report has been externally assured by KPMG, which keeps us in line with best accountability practices.

# 2. MATERIAL TOPICS

## 2.1 ENERGY

### 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

The global demand for renewable energy is growing. Companies in different segments invest in transforming their energy mix, with ambitious plans to transition consumption to 100% renewable sources.

Therefore, the topic refers to the analysis of sustainability aspects in the production, consumption, and sale of electricity. It is also directly related to climate change and our greenhouse gas emissions.

The topic is material, above all, for our ethanol, sugar and bioenergy business.

### 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

At each harvest, we improve a circular economy model—not only to promote the efficiency of our operations, but to stimulate the transformation of the global energy mix, with increased participation of renewable energy (learn more [here](#)).

The topic is guided by our Sustainability Policy and managed by several areas in a multidisciplinary manner, with emphasis on the Energy Department.

### 103-3 EVALUATION OF THE MANAGEMENT APPROACH

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

### 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Our energy consumption was over 155 million GJ, of which 8,735,745.60 GJ were sold through government auctions or on the spot market.

Total energy consumption by type of fuel, in GJ*						
	2014	2015	2016	2017	2018	2019
Sugarcane bagasse	144,211,506.60	144,833,877.38	163,835,647.00	164,382,412.58	151,209,315.64	151,294,938.72
Hydrous ethanol	151,540.72	139,286.22	139,279.21	146,560.21	142,089.28	137,141.43
Anhydrous ethanol	-	-	217.02	220.47	211.87	193.90
Biodiesel	-	-	247,206.31	274,314.97	343,144.35	349,973.22
<b>Total energy consumption - renewable sources</b>	<b>144,363,047.32</b>	<b>144,973,163.60</b>	<b>164,222,349.54</b>	<b>164,803,508.23</b>	<b>151,694,761.15</b>	<b>151,782,247.27</b>
Diesel	3,427,117.04	3,186,108.33	3,536,226.24	3,456,991.37	3,306,285.23	3,262,954.28
Gasoline C	2,271.15	2,062.30	863.89	859.47	825.96	755.88
LPG	123,942.26	158,770.71	6,453,510.99	17,066.33	15,586.74	5,839.35
Heavy fuel oil	19,763.81	16,326.96	14,967.35	15,046.28	14,986.18	9,055.82
<b>Total energy consumption - non-renewable sources</b>	<b>3,573,094.26</b>	<b>3,363,268.30</b>	<b>10,005,568.47</b>	<b>3,489,963.46</b>	<b>3,337,684.11</b>	<b>3,612,968.42</b>
Electricity purchased from utility companies	531,965.60	477,676.80	499,945.00	517,312.55	415,636.38	334,363.09
<b>Total energy consumption</b>	<b>148,468,107.18</b>	<b>148,814,108.70</b>	<b>174,727,863.01</b>	<b>168,810,784.25</b>	<b>155,448,081.63</b>	<b>155,395,215.69</b>

\* The conversion factors available in the National Energy Balance 2019 were used. The information is collected for calculating emissions using the methodology of the GHG Protocol and has been taken from the Report on Greenhouse Gas (GHG) Emissions. Raízen does not control the total energy consumed and sold for heating, cooling and steam.

### 302-2 ENERGY CONSUMPTION OUTSIDE THE ORGANIZATION

We map energy consumption to transport our products and employees. In 2019/2020, contracted carriers consumed 8,182,866.76 GJ in fuel<sup>3</sup>.

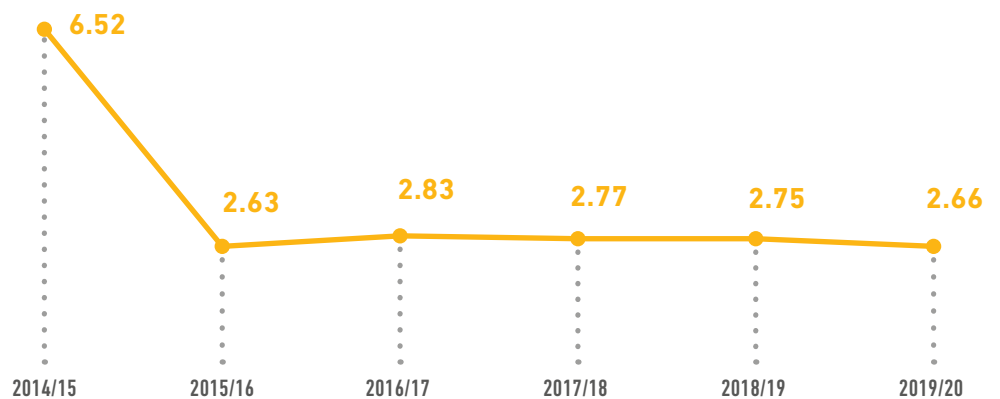
Energy consumption outside of the organization, in GJ					
2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest*	2018/2019 Harvest	2019
5,639,528.2	5,903,473.5	5,850,198.3	6,589,225.2	6,595,951.0	8,182,866.8

<sup>3</sup> The conversion factor available in the National Energy Balance 2017 was used for the calculation. The information is collected for calculating emissions using the methodology of the GHG Protocol and has been taken from the Report on Greenhouse Gas (GHG) Emissions.

**302-3 ENERGY INTENSITY**

In the 2019/2020 harvest, our energy intensity was 2.66 GJ, consumed per ton of sugarcane crushed from scopes 1 and 2 sources. The energy used to calculate the indicator included the energy consumed internally and the energy sold (from the burning of sugarcane bagasse). The intensity rate considers only the energy used within the organization.

Energy intensity rate, in GJ/ton of sugarcane crushed



\* In the 2017/2018 harvest, only scope 1 sources were considered. For the other years, scopes 1 and 2 sources were considered.

**2.2 CLIMATE CHANGE**

**103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY**

According to the European Union Climate Change Service report, the last decade was the hottest in history, with 2016 and 2019 being the periods with the highest temperatures. The document also points out that, in 2019 alone, overall temperatures were 0.6°C higher than the average from 1981 to 2010. The record was released a year after the United Nations reported the need to reduce global Greenhouse Gas (GHG) emissions by about 7.6% per year by 2030.

In addition to changes in temperature in relation to historical averages, the topic covers changes in rainfall regimes and other climate phenomena that could impact the productivity of the agribusiness.

If, on the one hand, there is a risk of a gradual reduction in the fossil fuel market, driven by a set of factors (regulatory, changing consumer behavior, technological innovations, financial incentives for renewable sources, etc.); on the other, expansion of the regulatory framework - national and international -, financial mechanisms and incentives for the production of renewable energies stimulate customer demands for alternative sources in response to the policies and goals established globally.

The topic is material for all our businesses - ethanol, sugar, fuel distribution, and bioenergy.

**103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS**

One of the guidelines of our Sustainability Policy is the regular monitoring of our Greenhouse Gas (GHG) emissions - quantified annually based on the guidelines of The Greenhouse Gas Protocol and on its national version, the Brazilian GHG Protocol Program. Our inventory is voluntarily submitted to independent auditing, which results in an analytical report on each of our emission sources. The goal is to ensure the energy efficiency of our processes and map risks and opportunities arising from climate change and which may impact our operations. More information about this work is described in item [...efficient...](#) of this report.

Also in order to better manage the GHG emissions from our processes, we carry out annual Life Cycle Analysis (LCA) of our products, with a special focus on the carbon footprint. The knowledge obtained through the Inventory and the LCA allowed us to make a commitment to reduce by 10%, by 2030, the carbon footprint of the ethanol we produce. This reduction will be possible through the more efficient use of inputs and productivity gains in sugarcane fields, reinforcing our commitment to low-carbon economy and the efficient use of the land.

We also operate in accordance with national energy policies, defined by relevant government agencies, such as the Ministry of Mines and Energy (MME), the National Energy Policy Council (CNPE), the National Petroleum, Natural Gas and Biofuels Agency (ANP) and the National Electric Energy Agency (ANEEL).

While we perform robust emissions management, we have diversified our portfolio, particularly from the use of biomass and other renewable energy sources (click [here](#) to learn more).

The topic is managed by several areas in a multidisciplinary manner, with emphasis on the Energy Department and on the Sustainability Area.

**103-3 EVALUATION OF THE MANAGEMENT APPROACH**

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

**201-2 FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE**

In 2017/2018, we completed a study that mapped the main risks and opportunities arising from climate change in each business and over the long term (up to 2040). The results were added to our risk management process and strategic planning.

Regarding risks, we recorded those referring to changes in water dynamics (increased drought period and consequent competition for a scarcer resource) and the higher occurrence of extreme weather events. On the other hand, in the field of opportunities, space is opened for differentiated public policies and lines of financing - with growing incentives for the production and marketing of low-carbon energy solutions, such as biofuels and electricity from alternative sources, products that are part of our portfolio. In addition, sugarcane is potentially benefited by the increase in average temperature.

The risks and opportunities mapped are of a physical, regulatory, reputational or market nature. The impacts associated with risk could lead to decreased productivity or damage to our physical structures, while the opportunities would result in more market share, easier access to low-cost credit, and revenue generation through carbon pricing mechanisms.

As measures to manage these risks and opportunities, we monitor market demands and trends and constantly seek to reduce our air emissions, water withdrawal, among other initiatives described in item [...efficient...](#) of this report. In addition, the internal controls area regularly monitors the climate risks included in our Risk Matrix.

The potential financial implications are not disclosed as they are considered confidential information.

**305-1 DIRECT (SCOPE 1) GHG EMISSIONS<sup>4</sup>**

**305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS**

**305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS<sup>5</sup>**

Information provided [here](#). Our emissions inventory includes 100% of the Brazilian operations over which we have control or interference, even if this control is shared. Total biogenic emissions are calculated separately from the gross direct Greenhouse Gas emissions. In 2019, total biogenic emissions were 16,905,680.04 tCO<sub>2</sub>eq in Scope 1 and 12,602,592.09 tCO<sub>2</sub>eq in Scope 3.

Gases considered in the calculation were: CO<sub>2</sub>, Methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>) and the families of hydrofluorocarbon (HFC) and perfluorocarbons (PFC) gases. Emissions from NF<sub>3</sub> and PFC gases are not applicable to our activities.

We consider 2013 as a base year since it better represents the scope of our activities. In that year, we incorporated into our inventory the emissions from vinasse and filter cake, which accounted for 14% and 18%, respectively, of total emissions from fertilizers. In 2017, emissions showed a significant increase in relation to historical emissions because of the inclusion of emissions from straw decomposition.

Calculation was done according to the specifications of the Brazilian GHG Protocol Program - developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) -, managed in Brazil by the Center for Sustainability Studies (GVces) of the Business Administration School of the Getulio Vargas Foundation (FGV-Eaes); and standards NBR ABNT ISO 14.064-1 – guidance to quantify and report emissions and removal of Greenhouse Gases. Where applicable, the methodology also followed the determinations for calculations set out in the 2006 IPCC Guidelines for National GHG Inventories of the United Nations and in the Reference Report of the Second National Inventory. The main sources of the emission factors used were:

- IPCC, 2006;
- Ministry of Science and Technology (MTC);
- US EPA Solid Waste Management and Greenhouse Gases, 2006;
- 2017 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting;
- Australian National Greenhouse Accounts NGA Factors;
- Greenhouse gas emissions in the production and use of ethanol from sugarcane in Brazil: The 2005/2006 average and a forecast for 2020;
- Calculation tool of the GHG Protocol Agriculture Guidance;
- Third Inventory of Brazilian Anthropogenic Emissions of Greenhouse Gases Reference Reports of Nitrous Oxide Emissions from Agricultural Soils;
- Internal studies.

The global warming potential rates adopted as reference used the PAGs presented by the IPCC Fourth Assessment Report: Climate Change – Errata (2007) for a time span of 100 years.

**305-4 GHG EMISSIONS INTENSITY**

In 2019, the overall intensity rate of our GHG emissions was 0.024 tCO<sub>2</sub>eq by ton of sugarcane crushed. The amount was determined from the summation of scope 1 and 2 emissions, divided by the total sugarcane crushed.

Scope 1 emissions are a result of stationary combustion, mobile combustion, waste treatment, process emissions, fertilization, and fugitive emissions. Scope 2 emissions are a result of the purchase of electricity.

The GHGs included in the emission calculations are those controlled by the Kyoto Protocol: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, NF<sub>3</sub> and the families of HFC and PFC gases. Emissions from NF<sub>3</sub> SF<sub>6</sub> and PFCs are not applicable to our activities.

GHG emissions intensity in tCO <sub>2</sub> eq/ton of sugarcane crushed					
2014	2015	2016	2017	2018	2019
0.051	0.020	0.023	0.027	0.024	0.024

**2.3 WATER AND EFFLUENTS**

**103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY**

The impacts of sugarcane crops on water supply are much smaller today compared to previous scenarios due to a reduction in withdrawal, made possible by the internal reuse in the processes and by the practice of returning the water to the crop, in the fertigation systems. However, the intensification of water stress can become a major constraint on sugarcane field to achieve high yields.

Climate change tends to increase water risks, accelerating conflicts over water use, imposing restrictions on withdrawal, and increasing fees in basins with a high level of stress. In addition, the regulatory and civil society pressure to preserve water bodies and not to contaminate them with fertilizers and pesticides is increasingly high. The scenario also stimulates investments in technology and in the replacement of equipment that makes intensive use of this resource.

The topic is material, above all, for our ethanol, sugar and bioenergy business.

### 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

Water withdrawal is in compliance with legislation, and we have initiatives in place to reduce consumption and discharge in production units - such as the ReduZa program, which was revised in 2019/2020. As part of this initiative, goals are set annually to encourage teams for the rational use of water resources, regularly rewarding the employees who stand out. In addition to measuring the volumes of water withdrawn, effluents and various water currents in the energy cycle, we have strict quality control in place at all stages of the industrial process, including the treatment of effluents. The analytical results are accessed by the Leadership for monitoring. We also have water management panels, which share good results and indicate opportunities for improvement.

The topic is managed by several areas in a multidisciplinary manner, with emphasis on the Sustainability Area, and integrates our Strategic Sustainability Plan, described [here](#).

More information about the topic is described in item [... efficient...](#) of this report.

### 103-3 EVALUATION OF THE MANAGEMENT APPROACH

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

### 303-3 WATER WITHDRAWAL

Total water withdrawal, broken down by type of source and water, in ML*		
	2019/2020 Harvest	
	Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids)	Other water ( $> 1,000$ mg/L Total Dissolved Solids)
Surface water	48,011.19	0.00
Groundwater	2,877.16	0.00
<b>Total</b>	<b>50,998.78</b>	<b>0.00</b>

\* Data obtained from the summation of the flow meters installed in each of the units at the withdrawal points. Raízen did not map or categorize the withdrawal regions. Therefore, it is not possible to know whether these regions are under water stress.

### 303-5 WATER CONSUMPTION

Water consumption, in ML*	
	2019/2020 Harvest
<b>Total</b>	<b>50,998.78</b>

\* Data obtained from the summation of the flow meters installed in each of the units at the withdrawal points. Raízen did not map or categorize the withdrawal regions. Therefore, it is not possible to know whether these regions are under water stress.



## 2.4 LAND USE

### 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

Brazil is a country with continental proportions, with 8.5 million km<sup>2</sup>, covering almost half of South America, various climate zones, and diverse biomes, which is reflected in the enormous wealth of national flora and wildlife.

In this scenario, monitoring the environmental regularity of company areas and those of partners is essential. Chain mapping and guidance to sugarcane producers, especially small and medium producers, are fundamental mechanisms for risk mitigation.

The topic is material, above all, for our ethanol, sugar and bioenergy business.

### 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

Since 2007, Raízen has been a signatory to the Protocolo Agroambiental do Setor Sucroalcooleiro (Agriculture and Environmental Protocol for the ethanol/sugar industry). The document, an agreement entered into the government of the State of São Paulo and the Sugarcane Industry Union (UNICA - União da Indústria de Cana-de-Açúcar), lists principles and technical guidelines to be adopted by the industries in the sugarcane chain regarding environmental issues. One of these principles is the advancement of the legal deadlines established to eliminate burning during sugarcane harvest. To achieve this goal, Raízen made significant investments in monitoring and responding to fire in the sugarcane fields, using high-definition, long-range cameras to identify fire outbreaks and responding rapidly to prevent spread.

The topic is managed by several areas in a multidisciplinary manner, with emphasis on the Sustainability Area.

More information about the topic is described in item [... efficient...](#) of this report.

### 103-3 EVALUATION OF THE MANAGEMENT APPROACH

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

### 304-1 OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS

We own and operate industrial units, in addition to sugarcane cultivation areas leased from third parties, in the states of São Paulo, Mato Grosso do Sul, Goiás and Paraná - totaling more than 800,000 hectares. Although there is administrative activity, most of the operations close to areas of high biodiversity value are agro-industrial plants for cultivation, harvesting, transportation, and processing of sugarcane.

One of the ways to ensure the preservation of biodiversity is through the Bonsucro certification, which reached 22 units at the end of the 2019/2020 harvest. This is because, among the criteria for certification, sugarcane is not cultivated in protected areas or areas of high conservation value.

Biodiversity is one of the topics addressed in the Environmental Management Plan of Bonsucro certified units. The document outlines local initiatives in the industrial and agricultural areas for the preservation and development of wildlife and flora, including: campaigns and daily dialogues aimed at raising employee awareness, commissioning of wildlife studies to identify and propose preservation measures, implementation of signs to reduce run-over accidents in areas of intense flow, training of employees to capture and

release animals, and study of the regeneration stage of Permanent Preservation Areas.

However, we do not have a methodology in place to estimate the value of biodiversity in the places where we operate.

### 304-2 SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY

Some impacts on biodiversity resulting from our operations involve:

- The flow of trucks around the production units and the emissions of pollutants due to industrial activities can interfere with the dynamics of the region's wildlife, which we believe to be the greatest potential impact of our activities on biodiversity.
- The use of substances to control pests and insects, which can have an impact if not well managed. Therefore, we use biological pest control and optimize the application of fertilizers and pesticides (we only use products authorized for cultivation of sugarcane), we control the doses of the products, and adopt the best technologies to ensure compliance with the standards required.
- Loss of riparian forest, restrained by the mapping of existing preservation areas on the properties we manage.
- Animal mortality from being run over, which is mitigated by initiatives such as employee training and proper signage.

### 304-3 HABITATS PROTECTED OR RESTORED

Biodiversity is one of the topics addressed in the Environmental Management Plan of Bonsucro certified units. It is a document composed of measurable actions, whose goal is to demonstrate the management conducted by each of the production units to minimize the environmental impacts of their activities.

The actions include protection and conservation of wildlife through the identification and preservation of existing species in the areas of agricultural operations; environmental education of employees for preservation of species; and a strategic plan for monitoring wildlife to evaluate the impacts of operations on biodiversity by region.

Preservation of flora is considered when selecting the areas for cultivation of sugarcane following environmental criteria (compliance with the Agro-Environmental Zoning, leasing of farming areas only, analysis of the registration for preservation of legal reserves, registration in the Rural Environmental Registry, etc.), and when cultivating the soil with respect to Permanent Preservation Areas and springs, soil management techniques to prevent erosion, among others.

Actions to preserve biodiversity are carried out in the agricultural areas of the production units and the protection measures developed were approved by companies that provide certification on international sustainability standards, such as Bonsucro and International Sustainability & Carbon Certification (ISCC).

The assessment of each protected or restored area is conducted through:

- *Dashboard* of sightings of wild animals in the units' agricultural operation areas;
- Identification of agricultural locations with a higher incidence of animals for subsequent installation of signage, in order to warn about the prohibition of fishing and hunting activities and the risk of run-over;
- Results of the strategic biodiversity monitoring plan using three indicators: Specific Knowledge of Biodiversity, Mapping of Environmental Sensitivity, and Proposition of Management Actions;
- Mapping the regeneration stage of Permanent Preservation Areas and local development actions to promote reforestation.

The rules and premises adopted to perform the actions related to management of biodiversity were:

- Environmental Management Plan (PGA - Plano de Gestão Ambiental): document prepared according to the guidelines established by the Bonsucro Production Standard, containing ten topics with specific actions and goals for each of them, demonstrating the management carried out at the units to minimize the impact of their operations;
- Strategic Biodiversity Monitoring Plan: Evaluation of the impacts of sugarcane activity on biodiversity and ecosystem services, carried out by applying concepts of biodiversity conservation and landscape ecology, in accordance with the requirements of the Bonsucro Standard; and
- Mapping the regeneration stage of the Permanent Preservation Areas: Diagnosis carried out by a contractor, identifying the stages of regeneration of the Permanent Preservation Areas through hydrography mapping, delimitation of the Permanent Preservation Area as defined in the Forest Code, and mapping of land use and coverage in the Permanent Preservation Areas.

**411-1 INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES**

None.

**2.5  
SOLID  
WASTE**

**103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY**

The topic addresses the generation of waste throughout the entire production chain. Specifically in the sector where we operate, practically all raw material is used: sugarcane by-products can be used in soil fertilization, energy co-generation, among other applications.

In this regard, an opportunity is identified to raise the level of sustainability in sugarcane, through, for example, cost reduction in the production of biogas from vinasse. The sugar plant also faces challenges related to disposal of waste, which contains organic materials due to chemicals used in sulphitation and liming; and phosphatization in the treatment of mixed juice and in decoloration.

The topic is material for all our businesses - ethanol, sugar, fuel distribution, and bioenergy.

**103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS**

Raízen operates in a circular economy system, making use of all waste and inputs used in its processes to generate new forms of energy, directly contributing to the environment, generating less industrial waste and creating sustainable products that help clean the Brazilian energy matrix.

Through sugarcane bagasse, we stand out as one of the largest producers of bioenergy, supplying the demand of our plants and exporting energy to the national grid. Bagasse is used as raw material for the production of Second-Generation Ethanol (E2G), a technology that allows the production of up to 50% more ethanol within the same planted area, significantly reducing the carbon footprint of this product.

With the production of bioenergy through the burning of bagasse, we issue and market RECs with partners committed to the use of renewable energy in their processes. RECs are certificates that allow the renewable source of electricity consumption to be traced. It represents one megawatt-hour (MWh) of renewable energy generated and inserted in the national grid.

The topic is managed by several areas in a multidisciplinary manner, with emphasis on the Sustainability Area.

**103-3 EVALUATION OF THE MANAGEMENT APPROACH**

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

**306-2 TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD**

Total weight of waste by type and disposal method*		
	2019/2020 Harvest	
	Hazardous waste	Non-Hazardous waste
Incineration (kg)	28,356.78	0.00
Co-processing (kg)	1,024,410.00	0.00
Co-processing (L)	0.00	0.00
Decontamination (kg)	339,034.72	0.00
Decontamination through microwave process (kg)	0.00	0.00
Reprocessing (kg)	20,270.00	0.00
Sanitary landfill (kg)	170.80	1,662,680.59
Re-refining (kg)	784,991.00	0.00
Reuse (kg)	0.00	83,716.00
Recycling (kg)	0.00	10,202.00
Composting (kg)	0.00	515,801,957.26
<b>Total</b>	<b>2,197,233.30</b>	<b>517,558,555.85</b>

\* A contractor is responsible for the direct disposal of waste. The area that manages the topic internally checks the data received by the supplier to assess whether they are correct.

## 2.6 RELATIONSHIP WITH NEIGHBORING COMMUNITIES

### 306-3 SIGNIFICANT SPILLS

There were no significant leaks for the purpose of our financial statements (over R\$ 1 million). However, we monitor all spills, in contained areas and in uncontained areas, regardless of whether or not they are significant. Significant spills are those exceeding 100L in contained areas and any volume in uncontained areas. All events are recorded, their causes are investigated, and actions are planned to mitigate impacts and prevent recurrences. In 2019/2020, five controllable spills were recorded, two in contained areas, totaling 2,100 liters, and three in uncontained areas, totaling 16,415 liters. In total, 18,515 liters were spilled in the period.

### 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

Maintaining a positive relationship with the communities around the plants and crops is important to avoid conflicts, eventual interruptions and, ultimately, the end of the activity. The vicinity of the operations is dynamic, so it is important that companies anticipate local changes and demands.

The topic is material for all our businesses - ethanol, sugar, fuel distribution, and bioenergy.

### 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

Given that the satisfactory performance of our activities is directly related to a good relationship with stakeholders and the creation of value for the communities, we have developed a Social Performance Policy, which establishes objectives regarding management of risks and social opportunities in our operations. As one of the tools of this policy, we have implemented a software that analyzes and classifies the opportunities for social investment and sponsorship according to their potential return. In this way, the subjectivity of the analysis was minimized and the results of the projects were maximized, since the software is parameterized with our business objectives.

For the relationship with specific groups in the communities, we initiatives in place that are aimed at education, professionalization, culture, health, citizenship, and sports. Our objectives in the relationship with this audience include: offer assistance to children, adolescents, youth and adults through the projects developed; promote dialogue with communities; generate employment, income and professional training in the vicinity of our facilities; among others.

Additionally, we support communities at critical times, such as in the fight against the respiratory disease pandemic caused by the new Coronavirus (COVID-19), whose actions are presented [here](#).

Our Operations Management System (SIGO) covers updated procedures in order to better analyze the impacts of our operations and the effectiveness of the initiatives undertaken.

The institutionalized policies and procedures to assist in the relationship with the surroundings include:

- Code of Conduct, revised in 2019/2020 (learn more [here](#)).
- Social Performance Policy
- Sustainability Policy

- Ethics Channel, for reporting violations of the Code of Conduct, internal policies and applicable legislation (learn more [here](#)).
- Customer Service (SAC) and Ombudsman. Upon receiving a complaint/grievance from the community, we register the call and forward it to the Communication area, which conducts the appropriate analysis and returns within five working days for subsequent response to the requesting party. If necessary, the Legal area is involved. The main demands related to Human Rights refer to reports of moral and/or sexual harassment. To identify demands related to environmental impacts, we use the damage or pollution filter. The most common topics identified were dust, strong odor, and soil. Regarding social impacts, we identified demands regarding transportation (tank truck, sugarcane truck and cars in our fleet, driver behavior in traffic, and recklessness in traffic), excessive noise, conditions of the production units, threat/physical and/or moral harassment, structural and/or handling risks, among others.

**Demands received by Customer Service (SAC) and Ethics Channel, by topic**

	2019/2020 Harvest			
	Filed	Addressed	Resolved	Received in previous periods and resolved in the harvest
<b>Human Resources</b>	74	74	87	13
<b>Environmental impacts</b>	215	215	215	0
<b>Potential impacts</b>	134	134	134	0

The topic is managed by several areas in a multidisciplinary manner, with emphasis on Sustainability, Social Responsibility, and Health, Safety and Environment (HSE).

More information about the topic is described in section [... THAT LEAVES A LEGACY...](#) of this report.

**103-3 EVALUATION OF THE MANAGEMENT APPROACH**

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

**202-1 RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE**

We seek to maintain attractive salary ranges compared with other companies in the market. In 2019/2020, the lowest salary paid for men and women was equivalent, respectively, to 113.7% and 121.9% of the national minimum wage (R\$ 998.00), considering active employees in March 2020, except apprentices and interns.

### 203-1 INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

We have developed a social criticality matrix, an analysis tool that points out, among the municipalities where we operate, those to be prioritized by our Social Performance area. This process considers the mapping of risks and impacts of operations and the opportunity for local development, through a positive agenda. In the locations where we map high social criticality, we develop the matrix based on the insights of local stakeholders. The number of people benefited is measured in order to verify the effectiveness of the projects undertaken.

In 2019/2020, more than 3 million people benefited, directly and indirectly, through our projects and sponsorships, in addition to the initiatives undertaken by the Raízen Foundation and other sector and voluntary actions. The investment was approximately R\$ 20 million.

Number of people benefiting from Raízen's social projects*					
	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Educational projects	337,000	225,000	53,000	65,000	-
Social inclusion projects	615,000	274,000	800,000	410,000	1,314,036
Raízen Foundation projects	333,000	309,000	193,000	26,000	12,935
Cultural projects	-	-	-	165,000	-
Sector projects	-	-	-	191,000	1,680
Sports projects	-	-	-	2,500	-
Training and professional inclusion	21,000	5,000	4,000	2,200	2,822
Volunteerism and internal campaigns	171,000	196,000	201,000	318,000	1,723,712
<b>TOTAL</b>	<b>1,477,000</b>	<b>1,009,000</b>	<b>1,251,000</b>	<b>1,179,700</b>	<b>3,055,185</b>

\* Includes people benefited directly and indirectly and considers estimates for the calculation of those benefited indirectly.

Raízen's social investments, in R\$ thousand					
	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Incentivized Projects*	7,584	7,003	6,157	7,339	8,742
Raízen Foundation**	4,848	5,098	5,604	5,815	6,993
Sponsorships***	-	-	-	1,070	4,034
<b>Total</b>	<b>16,830</b>	<b>14,093</b>	<b>11,761</b>	<b>14,263</b>	<b>19,769</b>

\* Social projects fostered through FUMCAD, PRONON, PRONAS, FMI, ROUANET, and PROAC.

\*\* Operation under the following pillars: professionalizing, social-educational, and education and citizenship projects and communities (free of charge).

\*\*\* Sponsorships focusing on culture, sports and sector events. This information started to be reported only in 2018/2019.

Investments in infrastructure totaled approximately R\$ 43.9 million with a focus on maintenance of rural roads, which also benefited communities close to our operations.

Approximately R\$ 200,000 was allocated to shoulders and sensing in order to better map the roads, primary and secondary, around our facilities; classification of the locations of bridges and landfills, crossing the road beds with bodies of water, validated by the units' Transport team; and identification of the stretches where there is a need for dust control. In the coming years, the project will enable:

- The interconnection with the road network and mapping of interchanges and accesses;
- The specification of the type of soil at each stretch;
- The development of a new agricultural freight remuneration model (R\$/km);
- Routing between farms (best route) and the estimated distance between points;
- Rotogram with points of attention online for transport fleet; and
- Online monitoring of fleets traveling off the established route

**413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS**

During the harvest, we implemented stakeholder engagement programs in 65% of our operations, in addition to impact assessments and local development programs, respectively, in 75% and 39% of the locations.

**Percentage of program operations in the communities, in %\*\***

	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Community engagement programs	37	69	71
Impact assessment programs	37	65	75
Local development programs	21	44	39

*\*Raízen does not report the percentage of operations that perform environmental impact assessments and continuous monitoring; public disclosure of results of environmental and social impact assessments; comprehensive local community consultation committees and processes that include vulnerable groups; company councils, occupational health and safety committees and other workers' representation bodies to manage impacts; and that they have formal processes for grievances from the local community because the internal management does not consider these breakdowns, but rather the information provided in the indicator.*

**Scope of programs developed, in %, by type of operation and program in 2019/2020**

	Offices	Production units	Distribution terminals	Airports
Projects originating from incentives acts	75	71	22	27
Professional training courses	0	42	0	0
Projects conducted with investments from BNDES	0	0	0	0
Winter Clothes Drive	75	100	56	40
Christmas Campaign	100	96	35	20
Amigo Leal (Loyal Friend)	100	29	4	0
Volunteering	75	38	7	0
Child Hygiene	50	42	16	7
Used Toys	50	17	10	7
Youth at Home	0	17	0	0
Lago, Laguinho e Lagão	0	21	0	0
Big Concert	0	13	0	0
Dreaming Big	0	4	0	0
XV de Piracicaba	25	4	0	0



## 2.7 DIVERSITY AND HUMAN RIGHTS

### 413-2 OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

From a social standpoint, a potentially negative impact is the closing of a production unit in a municipality with low population density, since the units are usually labor intensive and layoffs can have a significant effect on the location. In addition, our operation may cause some impacts on the surrounding community, such as:

- Circulation of trucks: dust, vibration, and damage to private properties, roads and bridges;
- Air: Emissions from the industrial park;
- Infrastructure: Conditions of the Living Area Facilities for drivers of finished products.

### 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

Cases of human rights violations have been recurrent in several production chains. The inspection and judicial agencies have been unanimous regarding the co-responsibility of large companies for the production chain, with the application of fines and sanctions, such as the inclusion in the list of slave labor.

The topic - which also covers issues related to diversity in work teams, especially issues related to equal opportunities - is material for all our businesses: ethanol, sugar, fuel distribution, and bioenergy.

### 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

We have a number of institutionalized policies and procedures in place for guaranteeing human rights throughout the production chain and in the surroundings of our operations:

- Code of Conduct, revised in 2019/2020 (learn more [here](#)).
- Anti-Corruption Policy
- Social Performance Policy
- Sustainability Policy
- Ethics Channel, for reporting violations of the Code of Conduct, internal policies and applicable legislation (learn more [here](#)).
- Reputational and legal analysis of the counterparty by the Trading area
- Procedures for selection, qualification and re-qualification of suppliers of equipment, materials, and services
- Certifications such as Bonsucro and International Sustainability and Carbon Certification (ISCC).
- Assessment of sugarcane suppliers, under the ELO Program (learn more [here](#)).
- Inspections on contracted carriers (learn more [here](#)).

With each harvest, we work to promote greater gender equality. The initiatives include, among others, the implementation of 180-day maternity leave, as an improvement to the benefit provided by law; and rooms in which returning employees can pump and store milk with even greater comfort, encouraging breastfeeding.

Our remuneration, benefits and training practices do not make any kind of differentiation in terms of gender. As a result, women are present at all hierarchical levels, and we are raising awareness on the subject to further increase this participation. We also hold attraction events focused on the female audience; we promote groups of dialogues on respect to identify possible barriers that may be impacting women’s careers; we offer vocational courses to surrounding communities, with the participation of 50% of women; and we seek gender balance in programs such as Apprentice, Internship, Summer Internship, and Trainee; among other initiatives.

Actions, policies and procedures are defined and monitored by our Diversity and Inclusion Committee, and managed by the Vice Presidency for Human and Organizational Development. More information is detailed in item [... diverse talent...](#) of this report.

Externally, we also joined the Movimento Mulher 360 (360 Women’s Movement), a group formed by large companies from various sectors committed to expanding women’s participation in the corporate environment.

**103-3 EVALUATION OF THE MANAGEMENT APPROACH**

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

**401-3 PARENTAL LEAVE**

Parental leave						
	2017/2018 Harvest		2018/2019 Harvest		2019/2020 Harvest*	
	Men	Women	Men	Women	Men	Women
Employees entitled to take the leave	782	218	708	222	24,338	4,505
Employees who took the leave	782	218	708	222	658	205
Returned to work at the end of the period	781	162	705	171	656	154
Returned to work and were still employed after 12 months	538	115	655	139	549	125
Rate of return to work	87%	81%	89%	83%	99.7%	75%
Retention rate for employees who took the leave	78%	65%	93%	81%	78%	73%

\*Starting in 2019, Raízen began reporting this indicator according to GRI’s premise, which guides considering all professionals covered by the organization’s policies, agreements or contracts that include a leave.

405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

Percentage of employees by employee category, age group and gender in the 2019/2020 harvest (%)								
		Under 20 years old	21-30 years old	31-40 years old	41-50 years old	51-60 years old	Over 60 years old	Total
Administration	Men	0.021%	3.335%	3.342%	0.981%	0.489%	0.139%	8.31%
	Women	0.062%	3.231%	2.514%	0.569%	0.111%	0.024%	6.51%
Apprentice	Men	0.804%	0.163%	0.00%	0.00%	0.00%	0.00%	0.97%
	Women	0.662%	0.139%	0.00%	0.00%	0.00%	0.00%	0.80%
Coordination/Su- pervision	Men	0.00%	0.406%	1.307%	0.541%	0.173%	0.01%	2.44%
	Women	0.00%	0.125%	0.468%	0.118%	0.024%	0.007%	0.74%
Directors	Men	0.00%	0.00%	0.024%	0.104%	0.021%	0.003%	0.15%
	Women	0.00%	0.00%	0.00%	0.00%	0.003%	0.00%	0.00%
Management	Men	0.00%	0.007%	0.350%	0.284%	0.139%	0.01%	0.79%
	Women	0.00%	0.00%	0.101%	0.055%	0.00%	0.00%	0.16%
Operation	Men	0.007%	0.482%	1.005%	0.645%	0.201%	0.031%	2.37%
	Women	0.00%	0.00%	0.007%	0.014%	0.00%	0.00%	0.02%
Presidency	Men	0.00%	0.00%	0.00%	0.003%	0.00%	0.00%	0.00%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Production	Men	0.732%	13.972%	22.879%	17.082%	11.032%	3.633%	69.33%
	Women	0.094%	1.914%	2.274%	1.630%	1.002%	0.468%	7.38%
Vice Presidency	Men	0.00%	0.00%	0.00%	0.014%	0.007%	0.00%	0.02%
	Women	0.00%	0.00%	0.00%	0.003%	0.00%	0.00%	0.00%
TOTAL	Men	<b>1.564%</b>	<b>18.365%</b>	<b>28.908%</b>	<b>19.655%</b>	<b>12.062%</b>	<b>3.828%</b>	<b>84.38%</b>
	Women	<b>0.818%</b>	<b>5.409%</b>	<b>5.364%</b>	<b>2.389%</b>	<b>1.141%</b>	<b>0.499%</b>	<b>15.62%</b>
	Total	<b>2.382%</b>	<b>23.774%</b>	<b>34.272%</b>	<b>22.043%</b>	<b>13.203%</b>	<b>4.327%</b>	<b>100.00%</b>

**Percentage of employees by employee category, age group and ethnicity in the 2019/2020 harvest**

		Asian	Caucasian	Indigenous	Not informed	Black	Brown	Total
Administration	Men	0.07%	6.65%	0.007%	0.01%	0.25%	1.31%	8.307%
	Women	0.05%	5.40%	0.007%	0.01%	0.16%	0.88%	6.511%
Apprentice	Men	0.00%	0.51%	0.00%	0.01%	0.08%	0.37%	0.967%
	Women	0.00%	0.49%	0.00%	0.00%	0.05%	0.26%	0.801%
Coordination/Su- pervision	Men	0.03%	2.07%	0.003%	0.00%	0.03%	0.31%	2.437%
	Women	0.01%	0.66%	0.00%	0.00%	0.00%	0.07%	0.742%
Directors	Men	0.00%	0.14%	0.003%	0.00%	0.00%	0.01%	0.153%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.003%
Management	Men	0.01%	0.73%	0.00%	0.00%	0.00%	0.05%	0.790%
	Women	0.00%	0.14%	0.00%	0.00%	0.00%	0.01%	0.156%
Operation	Men	0.01%	1.29%	0.00%	0.00%	0.23%	0.84%	2.371%
	Women	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.021%
Presidency	Men	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.003%
	Women	-	-	0.00%	-	-	-	-
Production	Men	0.07%	38.67%	0.014%	0.04%	4.63%	25.91%	69.331%
	Women	0.01%	4.19%	0.00%	0.00%	0.52%	2.67%	7.381%
Vice Presidency	Men	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.021%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.003%
TOTAL	Men	<b>0.19%</b>	<b>50.08%</b>	<b>0.028%</b>	<b>0.07%</b>	<b>5.21%</b>	<b>28.80%</b>	84.381%
	Women	<b>0.07%</b>	<b>10.90%</b>	<b>0.007%</b>	<b>0.01%</b>	<b>0.74%</b>	<b>3.90%</b>	15.619%
	Total	<b>0.26%</b>	<b>60.99%</b>	<b>0.035%</b>	<b>0.08%</b>	<b>5.94%</b>	<b>32.70%</b>	100.00%

Percentage of people with disabilities (PwD) by employee category and gender						
		2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Administration	Men	1.60%	2.80%	4.40%	3.58%	0.29%
	Women	1.40%	2.20%	1.40%	3.18%	0.24%
Coordination/Su- pervision	Men	0.20%	0.20%	0.50%	0.58%	0.02%
	Women	0.80%	0.60%	0.60%	0.51%	0.00%
Directors	Men	0.00%	0.00%	0.00%	0.00%	0.00%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%
Management	Men	0.40%	0.40%	0.40%	0.87%	0.00%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%
Operation	Men	0.00%	0.40%	2.00%	0.44%	0.01%
	Women	0.20%	0.00%	3.20%	0.00%	0.00%
Presidency	Men	0.00%	0.00%	0.00%	0.00%	0.00%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%
Production	Men	1.10%	1.50%	0.00%	2.07%	1.51%
	Women	2.00%	2.60%	0.00%	2.94%	0.26%
Vice Presidency	Men	0.00%	0.00%	0.00%	0.00%	0.00%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%
GRAND TOTAL	Men	-	-	-	-	<b>1.84%</b>
	Women	-	-	-	-	<b>0.51%</b>
	Total	<b>2.00%</b>	<b>1.70%</b>	<b>2.10%</b>	<b>2.22%</b>	<b>2.34%</b>

**406-1 INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN**

48 reports of discrimination were filed in 2019/2020 - 14 through the Ethics Channel, of which five were confirmed; and 34 arising from labor complaints received by the Legal Department. The cases were investigated by the corresponding areas and, if confirmed, administrative measures were taken, such as verbal and written reprimand or even termination of the employee for cause.

**407-1 OPERATIONS AND SUPPLIERS IN WHICH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK**

None. Our managers are informed of the union's role, the dynamics of collective bargaining and current labor legislation.

**408-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOR**

There is no significant risk of child labor in the supply chain. Risk is managed through technical monitoring, document checks, visits to suppliers, definition of improvement plans, among other actions. The relationship with links in our chain is described in section [... THAT MOBILIZES PARTNERS...](#) of this report.

## 2.8 SUSTAINABLE PROCUREMENT

### 409-1 OPERATIONS AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR

There is no significant risk of forced or compulsory labor in the supply chain. Risk is managed through technical monitoring, document checks, visits to suppliers, definition of improvement plans, among other actions. The relationship with links in our chain is described in section [... THAT MOBILIZES PARTNERS...](#) of this report.

### 103-1 EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY

Social and environmental non-compliance by suppliers imposes legal and reputational risks on buyers. The consolidation of the understanding that the responsibility of companies is not limited to their operation requires risk management measures compatible with the nature of the inputs and services purchased and provided.

In addition to risk management, several organizations have reported significant gains through support and recognition of best social and environmental practices, strengthening ties and lasting partnerships.

The topic is material for all our businesses - ethanol, sugar, fuel distribution, and bioenergy.

### 103-2 THE MANAGEMENT APPROACH AND ITS COMPONENTS

The relationship with suppliers and partners is guided by our Code of Conduct. We also have open channels of dialogue ([Customer Service and Ombudsman](#)) and targeted communication tools ([Supplier Portal](#), [Sugarcane Supplier Portal](#), etc).

Regarding the supply chain, we have the Procurement Policy, which defines the guidelines for the purchasing process - which holds the ISO 9001 (Quality Management), FSSC 22000 (Food Safety Management), ISO 17025 (Laboratory Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management). All eligible suppliers agree to our terms and conditions, and are assessed at the registration stage. We also perform monthly checks on contractors' documentation: Certificates of Good Standing (CNDs - Certidões Negativas de Débitos) for suppliers that present a high risk to our production process, National Registry of Blocked Companies (CNEP - Cadastro Nacional de Empresas Punidas) and National Registry of Disreputable and Suspended Companies (CEIS - Cadastro Nacional de Empresas Inidôneas e Suspensas). In the case of irregularity, new contracts are blocked until the matter is resolved. Recidivism can even lead to cancellation of contracts. Teams at the production units and terminals are trained to report cases of non-compliance, facilitating the development of action plans for both parties.

We also have specific practices in place for establishing contracts with the other supplier categories. Through a strict carrier approval process, for example, we check items related to legal, environmental, safety, human and labor rights, in addition to annual audits and informal inspections, in order to ensure that these partners comply with our criteria (learn more [here](#)). The relationship with sugarcane suppliers is conducted by the Agricultural Business area, and all contracts must be in accordance with our clauses and legal requirements. Producers are assessed periodically under the [ELO Program](#).

The topic is managed by several areas in a multidisciplinary manner.

### 103-3 EVALUATION OF THE MANAGEMENT APPROACH

The evaluation of the management approach for this topic is monitored based on the performance of our operations, as determined by the following indicators:

### 204-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS

In 2019/2020, approximately R\$ 4.4 billion was spent on suppliers, with 7% of this amount referring to contracts with local suppliers, i.e., suppliers in the same state as our operations. This indicator considers the supply of equipment, materials, and services used in production and non-production processes.

Percentage of spending on local suppliers, by regional complex, in %*					
	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
<b>Araçatuba Complex</b>	22.9	21	19.9	17.3	15.7
<b>Araraquara Complex</b>	9.9	8.2	9	7.7	9.3
<b>Assis Complex</b>	6.9	7.5	5.8	1.8	8.7
<b>Caarapó Complex</b>	2.9	4.5	4.8	3.6	3.8
<b>Jataí Complex</b>	6.9	9.3	11.9	9.1	9.0
<b>Jaú Complex</b>	7.1	7.5	6.3	7.2	6.6
<b>Piracicaba Complex</b>	12	9.1	10.8	9.6	10.3

\* SAP ECC indices (plants). Starting in 2017/2018, all purchases from the Procurement area have been considered.

Percentage of spending on local suppliers, by state, in %				
	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest*	2019/2020 Harvest
<b>Amazônia (AM)</b>	-	21	19	25
<b>Ceará (CE)</b>	36	14	27	22
<b>Espírito Santo (ES)</b>	48	23	25	64
<b>Goiás (GO)</b>	22	2	24	26
<b>Minas Gerais (MG)</b>	27	24	30	23
<b>Paraná (PR)</b>	63	42	53	45
<b>Paraíba (PB)</b>	22	15	-	-
<b>Rio de Janeiro (RJ)</b>	27	14	17	16
<b>Rio Grande do Sul (RS)</b>	34	26	31	35
<b>Rondônia (RO)</b>	-	-	18	13
<b>Santa Catarina (SC)</b>	-	-	26	8
<b>São Paulo (SP)</b>	91	87	85	87
<b>Total geral</b>	<b>78</b>	<b>76</b>	<b>69</b>	<b>74</b>

\* The total for Rondônia and Santa Catarina in previous years is not available because they were in the "other States" category, with a percentage under 15%.

### 308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA

100%.

### 308-2 NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

#### • Carriers

Em 2019/2020, 41 transportadoras foram submetidas a avaliações de impactos socioambientais, dos quais cinco apresentaram impactos socioambientais negativos. Dois transportadores apresentaram derramamento em área não contida, três estiveram envolvidas em acidente de alto potencial controlável, dos quais duas tiveram acidentes com afastamento e em uma houve registro de acidente com uma fatalidade. Com todos os fornecedores, foram acordadas melhorias.

No mesmo período, houve encerramento de um contrato operacional (2,4% do total) devido *performance* aquém do exigível e potencial para geração de impactos. Além disso, esse fornecedor não se adequou às recomendações identificadas em inspeção.

#### • Supply chain

We consider negative social and environmental impacts: having a contract with companies that employ people under slave or bonded labor conditions or that do not collect their employees' taxes on time; negotiating with suppliers involved in acts of corruption, suppliers that are not in compliance with tax matters and that do not comply with the contractual conditions in terms of lead time and quality.

A total of 1,792 possible suppliers were evaluated and registered during the crop year, of which 198 were blocked for purchases because they had the potential to cause significant negative social and environmental impacts. As these suppliers, when identified, are blocked in the system, no improvement plan is established, only business relations are prevented.

In addition, in performance monitoring (Supplier Qualification Index - IQF) - in which 166 strategic partners participated - three companies were blocked because they did not meet our minimum requirements for lead time and quality. In the 2019/2020 harvest, 150 meetings were held with the strategic suppliers monitored in the IQF, which account for 80% of our purchasing volume.

#### • Sugarcane suppliers

In 2019/2020, a total of 1,172 producers participated in the ELO Program, through which they received support from a technical team and action plans based on the evaluations to which they were subjected. At the close of the 2019/2020 harvest, 99% of the sugarcane suppliers were included in the ELO Program. No negative social and environmental impacts were identified for these suppliers. More information is available [here](#).

### 414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA

100%.

### 414-2 NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Same as 308-2.

The following indicators are no longer material, but continue to be disclosed as strategic:



# 3. OTHER INDICATORS

## 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

### RAÍZEN ENERGIA<sup>2</sup>

Value added statement, in R\$ thousand					
	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Revenues - Gross sales of products and services	12,557,268	12,900,645	15,844,028	23,960,173	32,352,319
Revenues - Returns of sales, discounts and abatements	-10,198	-11,257	-31,266	-44,050	-72,857
Income - Constitution of estimated loss for doubtful accounts, net	-5,025	-1,811	-182	-3,856	-1,451
Revenues - Other operating revenue (expenses)	49,885	25,989	114,241	407,789	370,656
<b>Revenues - Total</b>	<b>12,591,930</b>	<b>12,913,566</b>	<b>15,926,821</b>	<b>24,320,056</b>	<b>32,648,667</b>
Inputs acquired from third parties - Cost of products sold and services provided	-5,981,389	-6,124,579	-8,521,465	-16,741,661	-23,965,820
Inputs acquired from third parties - Materials, energy, services provided by third parties, and others	-769,049	-809,235	-973,690	-953,640	-967,688
Inputs acquired from third parties - Gains arising from changes in true value and true-up of gains or losses on biological assets	637,937	304,621	-367,432	-261,158	12,881
Inputs acquired from third parties - Constitution (reversal) of estimated losses on investments, fixed and intangible assets, net	0	-156,200	14,263	136,692	-2,452
	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>

<sup>2</sup> The reported amounts are in R\$ 1,000, according to Financial Statements disclosed to the market and filed with the Brazilian Securities and Exchange Commission (CVM - Comissão de Valores Mobiliários).

Inputs acquired from third parties - Reversal (constitution) of estimated loss for inventory obsolescence	-377	-72,383	54,277	1,163	-6,022
<b>Inputs acquired from third parties - Total</b>	<b>-6,112,878</b>	<b>-6,857,776</b>	<b>-9,794,047</b>	<b>-17,818,604</b>	<b>-24,929,101</b>
Gross value added	6,479,052	6,055,790	6,132,774	6,501,452	7,719,566
Depreciation and amortization	-1,876,896	-1,818,791	-2,136,639	-2,108,939	-3,128,170
<b>Net value added produced</b>	<b>4,602,156</b>	<b>4,236,999</b>	<b>3,996,135</b>	<b>4,392,513</b>	<b>4,591,396</b>
Value added received in transfers - Results of equity accounting	-73,260	-69,635	-21,423	30,985	-21,206
Value added received in transfers - Financial revenues	664,798	665,347	646,169	570,141	443,542
Gain from exchange rate variations	195,862	2,706	29,585	115,778	90,105
Gains in operations with derivatives	668,922	736,068	148,816	195,495	648,408
<b>Value added received in transfers - Total</b>	<b>1,456,322</b>	<b>1,334,486</b>	<b>803,147</b>	<b>912,399</b>	<b>1,160,849</b>
<b>Value added for distribution</b>	<b>6,058,478</b>	<b>5,571,485</b>	<b>4,799,282</b>	<b>5,304,912</b>	<b>5,752,245</b>

#### Value-added distribution, in R\$ thousand

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Value added distribution Personnel - Direct remuneration	1,273,054	1,234,931	1,102,838	1,075,138	1,184,718
Value added distribution Personnel - Benefits	236,691	276,800	288,020	325,691	340,283
Value added distribution Personnel - FGTS (government severance fund)	117,679	117,464	118,351	120,969	121,228
<b>Value added distribution Personnel - Total</b>	<b>1,627,424</b>	<b>1,629,195</b>	<b>1,509,209</b>	<b>1,521,798</b>	<b>1,646,229</b>
Taxes, fees and contributions - Federal	374,844	576,159	773,247	1,024,186	1,133,745
Deferred federal taxes	387,202	121,858	-109,607	-140,987	-200,771
Taxes, fees and contributions - State	460,644	463,286	551,613	655,597	729,286
Taxes, fees and contributions - Municipal	2,572	8,158	7,928	10,846	13,229
<b>Taxes, fees and contributions - Total</b>	<b>1,225,262</b>	<b>1,169,461</b>	<b>1,223,181</b>	<b>1,549,642</b>	<b>1,675,489</b>
Remuneration of third-party capital - Financial Expenses	969,697	868,270	875,762	996,675	1,353,705
Remuneration of third party capital - Loss from exchange rate variations	637,387	70,870	52,721	186,413	760,912
Remuneration of third party capital - Loss on derivative transactions	91,562	0	59,228	46,604	0
Remuneration of third party capital - Rentals and leases	321,502	429,110	436,387	491,345	138,481
<b>Remuneration of third-party capital - Total</b>	<b>2,020,148</b>	<b>1,368,250</b>	<b>1,424,098</b>	<b>1,721,037</b>	<b>2,253,098</b>

Remuneration of own capital - Dividends and interest on own capital	9,865	211,636	0	44,334	1,601
Remuneration of own capital - Retained earnings	1,175,779	1,193,031	642,807	473,022	273,979
Remuneration of own capital - Share of non-controlling shareholders in retained earnings	0	-88	-13	-4,921	-98,151
<b>Remuneration of own capital - Total</b>	<b>1,185,644</b>	<b>1,404,579</b>	<b>642,794</b>	<b>512,435</b>	<b>177,429</b>
<b>Value added distributed</b>	<b>6,058,478</b>	<b>5,571,485</b>	<b>4,799,282</b>	<b>5,304,912</b>	<b>5,752,245</b>

### RAÍZEN COMBUSTÍVEIS<sup>1</sup>

Value added statement, in R\$ thousand			
	2017/2018	2018/2019	2019/2020
<b>Revenues</b>			
Sales of goods and services	76,907,237	93,970,810	108,409,402
Gross revenue	77,739,353	95,388,153	110,106,352
Returns	-439,725	- 517,091	-730,261
Other deductions	-392,391	- 900,252	-966,689
Other operating revenue	219,864	272,949	1,313,113
Revenue associated with the construction of own assets	0	0	0
PDD - Reversal / (constitution)	-26,426	- 6,953	-9,234
<b>Revenues</b>	<b>77,100,675</b>	<b>94,236,806</b>	<b>109,713,281</b>
<b>Inputs acquired from third parties</b>			
Cost of goods sold	-70,543,533	- 84,602,920	-95,246,465
Materials, energy, third-party services, and other	-1,112,048	- 1,437,187	-1,832,579
Loss / recovery of assets	0	20,937	0
Other	16,827	0	-234,927
<b>Inputs acquired from third parties</b>	<b>-71,638,754</b>	<b>- 86,019,170</b>	<b>-97,313,971</b>
<b>Gross value added</b>	<b>5,461,921</b>	<b>8,217,636</b>	<b>12,399,310</b>
Depreciation, amortization, and depletion	-603,853	- 343,777	-823,748
Depreciation and amortization	-206,898	- 343,777	-823,748
Amortization of exclusive supply rights	-396,955	0	0
<b>Net value added produced by the entity</b>	<b>4,858,068</b>	<b>7,873,859</b>	<b>11,575,562</b>
Value received in transfer	687,942	1,641,562	6,252,154
Financial income	139,098	230,577	311,438

Fair value of financial instruments	40,026	0	0
Active exchange rate variation	98,999	279,263	1,353,804
Gain on derivatives	253,554	952,509	4,398,967
Equity accounting income	0	0	5,416
Other values received in transfer	156,265	179,213	182,529
<b>Total value added for distribution</b>	<b>5,546,010</b>	<b>9,515,421</b>	<b>17,827,716</b>

1. Values include operations in Argentina. Since there was a change in how the information was reported in the 2017/2018 harvest, we did not include data referring to previous harvests. To consult these data, visit: <https://www.raizen.com.br/relatorioanual/pt/indicadores-da-gri.html>

### Value-added distribution, in R\$ thousand

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
<b>People</b>					
Direct remuneration	272,222	272,357	301,200	374,641	483,664
Benefits	47,822	56,143	58,889	67,190	64,537
FGTS (Workers' Severance indemnity Fund)	15,518	15,973	16,808	18,035	18,329
<b>Value added distribution Personnel - Total</b>	<b>335,562</b>	<b>344,473</b>	<b>376,897</b>	<b>459,866</b>	<b>566,530</b>
<b>Taxes, fees and contributions</b>					
Federal	550,350	723,661	1,138,670	3,403,160	6,288,730
State	1,390,859	1,342,207	1,504,122	2,015,799	2,024,587
Municipal	10,346	12,886	11,651	12,532	10,000
Other taxes and fees	0	9,215	2,508	7,289	12,366
<b>Taxes, fees and contributions - Total</b>	<b>1,951,555</b>	<b>2,087,969</b>	<b>2,656,951</b>	<b>5,438,780</b>	<b>8,335,683</b>
<b>Remuneration of third-party capital</b>					
Financial expenses	120,047	180,277	222,014	488,832	-614,835
Exchange rate variation passive	404,416	45,351	400,811	989,934	-4,764,948
Losses in operations with financial instruments	564,227	1,022,426	171,263	209,094	-1,162,891
Leases	55,063	54,260	49,854	65,398	-57,850
Change in the fair value of financial instruments - Expenses	0	90,150	0	155,496	224,095
<b>Remuneration of third-party capital - Total</b>	<b>1,143,753</b>	<b>1,392,464</b>	<b>843,942</b>	<b>1,908,754</b>	<b>-6,376,429</b>

<b>Remuneration of own capital</b>					
Dividends and interest on capital	953,164	1,431,000	1,453,986	1,330,498	1,499,533
Retained earnings	62,812	167,815	153,099	323,768	556,559
Share of non-controlling shareholders in retained earnings	184,500	59,758	61,135	53,755	44,792
<b>Remuneration of own capital - Total</b>	<b>1,200,476</b>	<b>1,658,573</b>	<b>1,668,220</b>	<b>1,708,021</b>	<b>2,100,884</b>
<b>Value added distributed</b>	<b>4,631,346</b>	<b>5,483,479</b>	<b>5,546,010</b>	<b>9,515,421</b>	<b>17,827,716</b>

**205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION**

In 2019/2020, 100% of our operations were assessed for risks related to corruption, all of which provide access to the Ethics Channel. 480 reputational analyses were conducted for the Trading area, which represents 100% of the business partners in the area.

The risks refer to negotiations with counterparties under administrative or judicial investigation, in Brazil and abroad; Trade negotiations with Politically Exposed Persons (PEP); and exposure of employees interacting with public agencies, municipalities and quasi-public corporations.

**205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES**

In 2019/2020, all members of Senior Management, in addition to 27,072 employees, were made aware of the anti-corruption policies, totaling 93% of the team. Training was also provided for 5,920 people, or 20% of our employees.

Training is provided whenever an employee joins our team and is refreshed every two years, except for employees who are exposed to risks, who have different periodicity - possibly annual - and who may request training to the Compliance area any time on general topics or specific subjects.

In the 2019/2020 harvest, anti-corruption topics were the focus on the intranet and in general communications to employees - for example, in October, when we published our revised Code of Conduct.

Regarding business partners, we do not measure exclusive communications on anti-corruption policies; however, our institutional policies were shared and made available full-time on our official communication channels.

**205-3 CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN**

30 corruption cases were confirmed, which were closed in the crop year. As a result of the investigations, 21 cases were recorded, with 36 employees dismissed, and two contracts with business partners were terminated in the period. The cases fell into the categories of fraud, embezzlement/theft, bribery and antitrust.

No public legal cases regarding corruption were brought against our organization or employees in the period.

**Confirmed incidents of corruption and actions taken**

	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Total number of reports of corruption	35	52	75
Total number of confirmed incidents of corruption	9	27	30
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	4	21	21
Total number of confirmed incidents in which contracts with business partners were terminated or not renewed due to violations related to corruption	1	4	2
Percentage of operations in which corruption allegations occurred	15%	9%	10%

**206-1 LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES**

In 2019/2020, we were acquitted in the administrative proceeding for alleged cartel practices, which was underway in the Administrative Council for Economic Defense (CADE)

**307-1 NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS**

In 2019/2020, we received 61 non-monetary sanctions - most of them related to contaminated areas, industrial effluents and incidents involving fire in sugarcane fields, which are being addressed in administrative and/or judicial spheres. R\$ 12.3 million in fines were paid.

**Non-compliance with environmental laws and regulations**

	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
Total monetary value of significant fines* (R\$)	0.00	2,617,896.96	12,347,906.00
Total number of non-monetary sanctions	15	17	61

\* Amount greater than R\$ 500,000.

**403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM**

Our leadership has a robust management system - the Integrated Operations Management System (SIGO) - which directs operations on a daily basis and provides tools that help accident prevention. The guidelines related to this topic are documented in our Health, Safety, Environment and Sustainability Policy (HSE) and are disseminated by a corporate committee specializing in the topic. The system was implemented in line with best market practices and international standards, not only taking into account legal requirements. The scope covers all operations. More information is detailed [here](#).

**403-3 OCCUPATIONAL HEALTH SERVICES**

Occupational health services are developed based on the study of work processes, environments, and tasks; and they propose measures to prevent risks and health problems that workers may face in performing daily activities. The programs implemented under the responsibility of the Occupational Health area are part of the Integrated Operations Management System (SIGO) and are subject to internal and third-party audits. More information is detailed [here](#).

**403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY**

We provide first aid training for members of the Internal Accident Prevention Commission (CIPA), civil firefighters, and members of the fire brigade, in addition to training in Basic Life Support (BLS) for nurses.

We also offer training in hearing and respiratory protection, use of protectors, in addition to training provided for in the Regulatory Standards, including: training for work at heights; confined spaces; and operation of machinery. In addition to the applications of Task Safety Analysis (AST - Análise de Segurança das Tarefas) and Daily Safety Dialogues (DDS - Diálogos Diários de Segurança). More information is detailed [here](#).

**403-6 PROMOTION OF WORKER HEALTH**

We offer all employees a health plan regulated by the National Health Agency (ANS), through which beneficiaries have access to consultations, tests, therapies, clinical and surgical admissions that are included in the list of covered procedures. In addition, in partnership with health care providers, we offer medical assistants for outpatient care in some units, focusing on primary health care; and monitoring - of pregnant women, patients with chronic diseases, and hospitalized employees - performed by a specialized technical team and via telephone, on a routine basis.

**403-7 PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS**

We provide information regarding our products through technical documents prepared based on the Globally Harmonized System (GHS) criteria, documents for transportation of hazardous products, and procedures for authorizing the use of new chemicals/inputs.

In the case of contractors, the supplier selection and approval system is maintained and, for the provision of services, we carry out a prior assessment of legal documents that attest to the contractor's compliance with workers' Health and Safety.

**403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM**

**About the occupational health and safety management system<sup>1</sup>:**

	Total number	Percentage
Employees who are covered by such a system	29,119	100%
Employees who are covered by such a system that has been internally audited <sup>2</sup>	29,119	100%
Employees who are covered by such a system that has been audited or certified by an external party <sup>3</sup>	22,070	75%

<sup>1</sup> Third parties are covered by our management system, but were not considered in the disclosure of the indicator.

<sup>2</sup> Internal and external audit is done by sampling. The number provided is taking into account the areas (business lines) that are within the scope of the Company's Management System.

**403-9 WORK-RELATED INJURIES**

**Employee health and safety rates and numbers<sup>1</sup>**

	2019/2020 Harvest
Number of fatalities as a result of work-related injuries	4
Rate of fatalities as a result of work-related injuries	0.04
Number of high-consequence work-related injuries (excluding fatalities)	14
Rate of high-consequence work-related injuries (excluding fatalities)	0.13
Number of reportable work-related injuries	82
Rate of reportable work-related injuries	0.77

<sup>1</sup> Types of injuries include mainly hand fractures. A total of 107 million hours were worked in the period. They were company employees and contractors, not considering third parties. Given the changes in GRI 403 disclosures, we no longer report LTIF and TRCF rates by business and region, as we did in previous years. However, we continue to monitor this information and manage it based on these results.

**403-10 WORK-RELATED ILL HEALTH<sup>8</sup>**

**Work-related ill health**

	2019/2020 Harvest
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health <sup>*</sup>	3

<sup>\*</sup> The main types of problems identified in the last four seasons were musculoskeletal problems.

The agents of work-related risks mapped as possible triggers of health problems are:



- Physical agents: noise, heat from artificial sources, vibrations, humidity, non-ionizing radiation, ionizing, ultraviolet, infrared radiation, etc.;
- Chemical agents: metal fumes, dust in the form of sugarcane bagasse or mineral, benzene - present in gasoline, oils and greases, agricultural pesticides (herbicides/insecticides), kerosene, gasoline, etc.;
- Biological agents: pathogenic agents; and
- Ergonomic aspects: weight lifting, working position, physical effort, weight support with upper limbs, etc.

To minimize or eliminate these risks, we have a number of initiatives in place: use of noise dampers, exhaust fans, fume hoods, rotations, trolleys, cranes, manual cranes, and overhead cranes; Workplace Workout Program - Agricultural Area; Safety Dialogues (DDS) for lifting and transporting weight; use of Personal Protective Equipment (PPE); and environmental assessments.

Health risks consider concentration/intensity, duration of the task, frequency of the task, and the probable damage. The risks identified in this indicator have been classified as "carefully acceptable." The agents classified as "acceptable" were not considered and, currently, the area does not map "unacceptable" agents.

**415-1 POLITICAL CONTRIBUTIONS**

In accordance with Brazilian law, we do not make political donations.

**419-1 NON-COMPLIANCE WITH LAWS AND REGULATIONS IN THE SOCIAL AND ECONOMIC AREA**

Na safra 2019/2020, recebemos duas substâncias da Agência Nacional do Petróleo, In the 2019/2020 harvest, two fines were imposed by the National Agency of Petroleum, Natural Gas and Biofuels (ANP) for allegedly marketing a product out of specification. We filed an annulment action against the decisions for understanding that the fines are unjustified, and we are awaiting investigation by the regulatory agency.

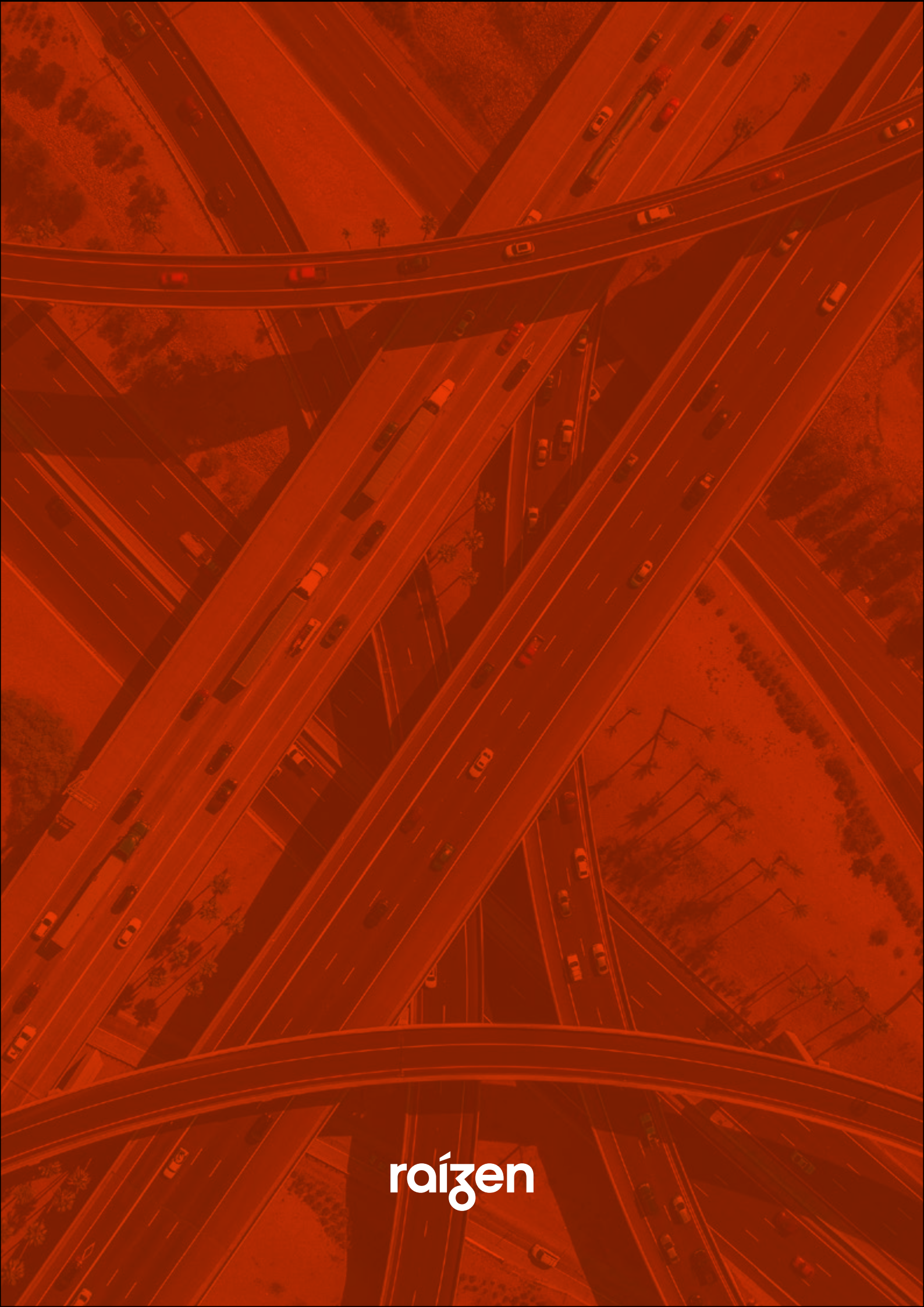
Regarding labor, we received only non-significant fines related to topics such as Apprentice, Regulatory Norms, working hours control, and submission of documents. There were also two non-monetary sanctions on unfulfilled obligations that became effective during the year.

The Legal areas of our business units assess non-compliance and fines received to identify the cause and deal with problems. The contingency related to significant fines, official notifications or sanctions drawn up by public agencies, object of administrative or judicial proceedings, for the alleged non-compliance with tax laws and regulations in the period, is duly reported in the Financial Statements of Raízen Energia S.A. and Raízen Combustíveis S.A., available on the [Investor Relations website](#).

**Non-compliance with laws and regulations in the social and economic area\***

	2016/2017 Harvest	2017/2018 Harvest	2018/2019 Harvest	2019/2020 Harvest
<b>Total number of non-conformities</b>	5	3	0	2
<b>Total amount referring to nonconformities (in R\$)</b>	R\$ 404,000.00	R\$ 380,100.00	R\$ 1,000,000.00	R\$ 1,970,000.00

\* Considers, as significant, fines in excess of R\$ 500,000.00, occurrences that represented relevant impositions and outside the standard of official notifications received or that present reputational or operational risk.



raízen