

Ister

Agroindustrial

Sustainability Report
2020/2021 Harvest





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2020/2021 Harvest

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Letter from the President

[GRI - 102-14]

At the end of the 19th century, the interior of Brazil began to develop, stimulated mainly by agricultural activity. This was noticeable in the interior of São Paulo, where the great economic strength came from coffee. Despite this, in the region of Campinas, more than 120 years ago, a sugarcane plant emerged that would boost the development of the region.

Ester Agroindustrial was born on the banks of the Pirapitingui stream. The name was a tribute to the wife of one of the founders of the venture, but wouldn't come as a surprise if the inspiration was also biblical. A Persian queen, Esther was a strong and courageous woman in the pursuit of her purposes. And there is no shortage of purposes for the men and women who, over these 124 years, have helped to build the history of this enterprise.

We are currently writing another important chapter in this beautiful story. Although the company's managers have always guided their management on non-negotiable values of social and environmental responsibility, in recent years **Ester Agroindustrial** has strengthened its sustainable practices, following a transparent management model and focused on conveying the premises of sustainability to all our stakeholders.

It is a fact that a sugar-energy plant, dedicated to the production of sugar, ethanol and bioenergy, has a high potential for environmental and social impact. Therefore, we have increasingly consolidated robust practices in order to avoid and mitigate negative impacts. In the environmental area, we have advanced in practices such as:

Correct use of by-products, such as vinasse, filter cake and bagasse;

- Risk management of fires of unknown origin in sugarcane fields;
- Control of emissions from boilers;
- Maintenance and enrichment of permanent preservation areas;
- Waste management;
- Conscious application of agricultural pesticides, among others.

In the social area,

- We ensure compliance with laws;
- We have improved our code of conduct;
- We invest in the development of our employees;
- We ensure an adequate working environment;

We carry out actions that bring us closer to the community and that fine-tune our relationship with stakeholders.

We understand that a business based on the pillars of sustainability is the result of continuous improvement, to which **Ester Agroindustrial** is fully committed.

However, based on the premise that building a sustainable business is a journey in permanent motion, we see on the horizon some challenges, which are always accompanied and are contemplated in our strategic planning.

The biggest challenge of **Ester Agroindustrial**, like any other company in the sugar-energy sector, is to produce our raw material, sugarcane, with high productivity, and manufacture our products efficiently and sustainably.

In addition to these central challenges, we currently have some other challenging issues ahead, such as, in the short term, establishing an internal culture even more focused on Safety and the Environment; in the medium term, maintaining this culture; and in the long term, seeking certifications

focused on sustainability that bring positive returns to the company, such as Bonsucro and Renovabio.

We see sustainability as an essential tool to gain even greater competitiveness in the market in which we operate and strengthen ourselves in the pursuit of achieving our major strategic goals, such as increasing our presence in the neutral ethanol market, improving the company's leverage, participating in new markets with our own brand and entering the biogas and bioelectricity segments with solidity.

For **Ester Agroindustrial**, adopting sustainable practices is not an obligation or a burden for our investment area. Dedicating resources and time to sustainability is knowing that we are on the right path, on the path of the future we want for our company and for our children.

We see that investing in an organization where sustainability is one of the main purposes is to invest in the continuity of the business, the happiness of our team and the prosperity of the community.



Enjoy your reading!

Thiago Sousa
Barros dos Santos
Superintendent Director

1. Sustainability

is our strategy [GRI - 102-14]

Respect for the environment and commitment to employees and the local community are hallmarks of **Ester Agroindustrial's** trajectory since its foundation.

The philosophy of the company's management in these areas has crossed generations, resulting even today in a well-established environmental system and in the permanent search to engage all our *stakeholders* (public of interest) to the values and goals of the company, especially our employees.

So much so that one of our main differentials in the market in which we operate is in how much we value each member of our team. Therefore, we are always open for each employee to participate in the processes of the company and also feel "owner" of the business.

We understand that by communicating to team members about our challenges and opportunities and involving them in the search for solutions and in the celebration of achievements, we are giving space for each one to develop their potential and be a protagonist in the construction of the

"company we want to work for".

At the same time, it is our genuine priority to ensure safe working conditions and adopt valuation policies for our employees.

And the result of this philosophy has been operational excellence, with low costs, and a work routine with greater efficiency, safety and happiness. After all, we want everyone to be proud to be part of this team.

A clear example of the quality of the operational work we perform can be seen in our industrial plant, which is notable for producing the best neutral ethanol in Brazil and one of the best in the world, which puts us in a prominent commercial position compared to other market players.

Another great differential of **Ester Agroindustrial** is our product outflow logistics, which is due to the fact that we are located



in one of the largest industrial centers in Brazil – Campinas region – and relatively close to the city of São Paulo (140 km away) and some of the main highways in the country.

In addition to our employees, it is also a priority for **Ester Agroindustrial** to establish the best relationship with the community in which we are present, with public agencies, with our shareholders and also with our suppliers and markets in which we operate.

The sugar-energy sector in 2020/21

The sugar-energy sector has great relevance for the country, since it produces:

- Sugar, which is one of the main commodities exported by Brazil and has a large domestic market;
- Ethanol, which, among its different applications, is a renewable fuel of great importance for reducing the emission of greenhouse gases;
- Bioelectricity, which is a fundamental input to move the country's economy and is offered in a sustainable model of electricity generation.

2020/21 Harvest: ACCUMULATED position between 04/01/20 to 04/01/21

Products	Center-South		
	2019/2020	2020/2021	Var. (%)
Sugarcane ¹	590,361	605,462	2.56%
Sugar ¹	26,761	38,465	43.73%
Ethanol anhydrous ²	9,946	9,691	-2.56%
Hydrated Ethanol	23,313	20,675	-11.31%
Total Ethanol	33,258	30,366	-8.70%
ATR/ ton of sugarcane ³	81,804	87,622	7.11%
Mix (%) Sugar/ Ethanol	34.33% / 65.67%	46.07% / 53.93%	-
Liters Ethanol / Ton of sugarcane	53.78	46.15	-14.19%
Kg sugar / Ton of sugarcane	45.33	63.53	40.15%

Source: SINGLE. Note1 - thousand tons. 2- million liters. 3- Kg of ATR/ ton of sugarcane. For the purpose of calculating the "ATR product", the realized production of ethanol from corn was excluded.

In the period corresponding to this report (2020/21), the Brazilian sugar-energy sector celebrated a slightly better performance compared to the previous crop year. The Center-South region of Brazil completed the 2020/21 harvest with 605.46 million tons of processed sugarcane, which corresponds to a growth of 2.56% compared to 2019/20.

This expansion of industrial milling accompanied the improvement in the quality of the raw material (sugarcane), which reflected in the greater availability of the product, with an increase of 7.11% in the production of sugar and ethanol compared to the previous cycle, according to Unica (Sugarcane Industry Union).

It is quite true that the period covered by this report coincided with the beginning of the crisis generated by the Covid-19 pandemic. However, despite the uncertainties that marked the first half of 2020, the expansion of production and the supply of sugar and ethanol markets were not harmed. The production mix of the 2020/21 harvest represented 46.07% of the total raw material processed for the manufacture of sugar.

It is in this segment that **Ester Agroindustrial** operates, which is a company of tradition and prominence of the national sugar-energy sector, playing great importance in the generation of wealth and income in the region in which it is located.

Challenges and guidelines of Ester Agroindustrial

Despite the turmoil generated by the pandemic, **Ester Agroindustrial** has well-defined strategic objectives, which is important for the company to face with solidity phases of difficulties and uncertainties, as was the initial period of the pandemic.

Such objectives are always reviewed and adjusted according to the needs of the organization, and that come off the paper on a daily basis from the implementation of short and medium term strategic guidelines. Currently, the main guidelines are:

- Expansion of the neutral ethanol market;
- Reduction of dependence on mineral fertilizers;
- Improvement of the company's leverage;
- Market share of sanitizers and gel with own brand;
- Market share of alternative energies (biogas and bioelectricity).

To ensure that these strategic guidelines are achieved, we have well-defined plans for risk mitigation and control of our major challenges.

When looking at the business as a whole, maintaining high agricultural productivity

and operational excellence are always our biggest challenges. Achieving these targets allows us to always have competitive costs and quality to continue to excel in the market. And we still have plenty of room to evolve a lot on both items.

Some of our challenges are inherent to the agricultural area and require specific management plans, such as the weed control plan, the sugarcane plantation recovery plan and the operational excellence harvesting plan. We know that these are the main points in which we operate on a daily basis.

Our main challenge is to produce the raw material that moves our factory, sugarcane, with sustainability, enabling an excellent production of sugar, ethanol and energy. To this end, we seek daily the balance between our operating practices and our financial structure.

The other challenges faced by the company – in areas such as industry, market and people management, for example – are mapped and are closely monitored so that we can achieve our goals without setbacks.

We also seek, in the short term, to expand environmental sustainability programs, improving our indicators in the area, which are already quite positive. In this way, we aim to strengthen our employees' cul-

ture of environmental protection, which is an important step to create conditions to achieve certifications that attest to the quality of our sustainable practices, such as Bonsucro and Renovabio.

Specifically in sustainability, the main challenges of **Ester Agroindustrial** are:

- **In the short term:** Finalize the process of adequacy and obtaining AVCB; keep our Operational License regularized with Cetesb; keep in adequacy and compliance with all regulatory demands with government agencies; continue expanding safety actions in order to keep our operations safe; and further increase the level of occupational safety and productivity of our operations;
- **In the medium term:** Invest in systems for water reuse in the industry;
- **In the long term:** make an investment to increase the concentration of vinasse, aiming to apply it 100% in a localized way.

To monitor the achievement of goals and the performance of operations, **Ester Agroindustrial** has some indicators, such as number of contracts analyzed, third party management project to reduce liabilities and ensure compliance with legislation; fleet availability and industrial availability; absenteeism index; Safety Development Index (IDS); Customer Satisfaction Index (ISC); quality, performance and safety goals,

including 5S and care for the environment in the workplace.

Ester Agroindustrial's Senior Management sees that some factors (business drivers) make all the difference for the company to achieve the strategic goals and objectives outlined and deliver the planned results to shareholders and stakeholders.

Check below the main factors that support Ester Agroindustrial in the pursuit of its strategic objectives:

- Agricultural efficiency: we consider that, with the improvement of agricultural productivity and ATR, we will be increasing our production, even using the same planted area;
- Liability stretching: enables us to generate operating cash, bringing balance to leverage;
- Partnership with biogas companies: will allow the generation of alternative energy and fertilizer with higher concentration and lower organic load;
- Specialized commercial structure: focus on the hospital market, distribution of cleaning products, among others, to improve our B2B.

2. Welcome to Ester Agroindustrial

Before presenting in depth the performance of the **Ester Agroindustrial Plant** in the different dimensions of sustainability - economic, environmental and social -, we invite you to get to know our organization, which is one of the most important companies in the region in which we are located and has a history that is confused with the trajectory of the sugar and ethanol chain in Brazil.

Our origin

An icon for the agro-industrial development of the countryside of São Paulo. Thus, Usina Açucareira Ester S.A. (**Ester Agroindustrial**) can be considered, which is located in the rural area of the city of Cosmópolis, São Paulo (CEP 13.150-000), on the banks of Rodovia Professor Zeferino Vaz (Highway). **[GRI - 102-1; 102-3]**

Ester Agroindustrial is one of the landmarks of regional development, being one of the oldest sugar mills in the State of São Paulo in activity.

The company is an example of tradition in the Brazilian sugar-energy sector, having been founded on March 2, 1898. The name "Ester" is a tribute paid to the wife of busi-

nessman Paulo de Almeida Nogueira, Mrs. Esther Nogueira. The Plant was founded by Arthur Nogueira, José Paulino Nogueira, Sidrack Nogueira, Antonio Carlos Silva Telles, as well as Paulo de Almeida Nogueira.

At various times, the company's trajectory is part of the history of Brazil, our State and the region in which Cosmópolis is located, which is among the most developed in the country. This is because the company has always been synonymous with innovation since its foundation in the 19th century, with intense performance of its owners, who at the time of the company's origin participated in various political, cultural and sporting events of relevance.

Our products [GRI - 102-2; 102-4; 102-6]

We are a Brazilian company in the sugar-energy sector, which produces and sells basically sugarcane, bioenergy, ethanol and sugar.

More specifically we serve the market with the following products: neutral ethanol, industrial ethanol, alcoholic distillate, hydrated fuel, VHP sugar and crystal sugar.



Neutral ethanol production at Ester Agroindustrial – 2020/2021

Specification of Neutral Ethanol		
ES7001		
Parameters	Analytical Method	Ester Agroindustrial Specification
Specific Mass at 20°C, g/mL	ME7202	0.8071 (maximum)
Alcoholic Grade, % mass	ME7202	94.0 (minimum)
Alcoholic Grade, °GL (v/v)	ME7202	96.1 (minimum)
Acidity, mg/L (as acetic acid)	ME7202	10 (maximum)
pH	ME7202	5.5 - 7.5
Conductivity, µS/m	ME7202	70 (maximum)
Permanganate test, min. at 15°C	ME7202	40 (minimum)
Aldehydes, mg/L	ME7202	4 (maximum)
Acetone, mg/L	ME7202	2 (maximum)
Methanol, mg/L	ME7202	10 (maximum)
Esters, mg/L	ME7202	5 (maximum)
Acetal, mg/L	ME7202	2 (maximum)
Crotonaldehyde, mg/L	ME7202	1 (maximum)
Higher Alcohols (total), mg/L	ME7202	5 (maximum)
N-propanol, mg/L	ME7202	(*)
I-Butanol, mg/L	ME7202	(*)
N-Butanol, mg/L	ME7202	(*)
I-Amyl, mg/L	ME7202	(*)
Benzene, mg/L	ME7202	2 (maximum)
Furfural, mg/L	ME7202	5 (maximum)
Absorbance, 220 nm		0.25 (maximum)
Absorbance, 230 nm	ME7202	0.15 (maximum)
Absorbance, 240 nm		0.08 (maximum)
Appearance	ME7202	Clear and free of suspended materials
Color	ME7202	Colorless
Sensory (odor)	ME7202	Free from strange odors

Remarks: (*): Not Specified

Industrial ethanol production at Ester Agroindustrial – 2020/2021

Specification of Industrial Ethanol		
ES7002		
Parameters	Analytical Method	Ester Agroindustrial Specification
Specific Mass at 20°C, g/mL	ME7202	0.8076 (maximum)
Alcoholic Grade, % mass	ME7202	93.8 (minimum)
Alcoholic Grade, °GL (v/v)	ME7202	96.0 (minimum)
Acidity, mg/L (as acetic acid)	ME7202	30 (maximum)
pH	ME7202	5.5 - 9.5
Conductivity, µS/m	ME7202	300 (maximum)
Permanganate test, min. at 15°C	ME7202	20 (minimum)
Aldehydes, mg/L	ME7202	60 (maximum)
Esters, mg/L	ME7202	80 (maximum)
Higher Alcohols (total), mg/L	ME7202	60 (maximum)
N-propanol, mg/L	ME7202	(*)
I-Butanol, mg/L	ME7202	(*)
N-Butanol, mg/L	ME7202	(*)
I-Amyl, mg/L	ME7202	(*)
Appearance	ME7202	Clear and free of suspended materials

Remarks: (*): Not Specified

Ethanol fuel production at Ester Agroindustrial – 2020/2021

Specification of Hydrated Ethanol Fuel		
ES7003		
Characteristics	Analytical Method	Ester Agroindustrial Specification
Specific Mass at 20°C, g/mL	ME7202	0.8052 to 0.8112
Alcoholic Grade, % mass (INPM)	ME7202	92.5 to 94.6
Acidity, mg/L (as acetic acid)	ME7202	30 (maximum)
pH, at 20°C	ME7202	6.0 - 8.0
Conductivity, uS/m at 25°C	ME7202	300 (maximum)
Appearance	ME7202	Clear and free of impurities
Color	ME7202	Colorless

Additional Requirements		
ES7003		
Characteristics	Analytical Method	Ester Agroindustrial Specification
Sulfate, mg/kg	ANP Current Ordinance	4.0 (maximum)
Sodium, mg/kg	ANP Current Ordinance	2.0 (maximum)
Iron, mg/kg	ANP Current Ordinance	5.0 (maximum)
Sulfur, mg/kg	ANP Current Ordinance	-
Methanol, % volume	ANP Current Ordinance	0.5 (maximum)

Extra neutral ethanol production at Ester Agroindustrial – 2020/2021

Specification of Extra Neutral Ethanol		
ES7004		
Parameters	Analytical Method	Ester Agroindustrial Specification
Specific Mass at 20°C, g/mL	ME7202	0.8065 (maximum)
Alcoholic Grade, % mass	ME7202	94.2 (minimum)
Alcoholic Grade, °GL (v/v)	ME7202	96.3 (minimum)
Acidity, mg/L (as acetic acid)	ME7202	8 (maximum)
pH	ME7202	5.5 - 7.5
Conductivity, µS/m	ME7202	70 (maximum)
Permanganate test, min. at 15°C	ME7202	50 (minimum)
Aldehydes, mg/L	ME7202	1 (maximum)
Acetone, mg/L	ME7202	1 (maximum)
Methanol, mg/L	ME7202	1 (maximum)
Esters, mg/L	ME7202	1 (maximum)
Acetal, mg/L	ME7202	1 (maximum)
Crotonaldehyde, mg/L	ME7202	1 (maximum)
Higher Alcohols (total), mg/L	ME7202	1 (maximum)
N-propanol, mg/L	ME7202	(*)
I-Butanol, mg/L	ME7202	(*)
N-Butanol, mg/L	ME7202	(*)
I-Amyl, mg/L	ME7202	(*)
Furfural, mg/L	ME7202	5 (maximum)
Absorbance, 220 nm	ME7202	0.22 (maximum)
Absorbance, 230 nm		0.12 (maximum)
Appearance	ME7202	Clear and free of suspended materials
Color	ME7202	Colorless
Sensory (odor)	ME7202	Free from strange odors

Remarks: (*): Not Specified

Crystal sugar production at Ester Agroindustrial – 2020/2021

Crystal Sugar Specification				
ES7006		Ester Agroindustrial Specification		
Parameters	Analytical Method	TYPE 1	TYPE 2	TYPE 3
Polarization, Z	ME7201	99.8 (minimum)	99.7 (minimum)	99.5 (minimum)
Humidity, %	ME7201	0.05 (maximum)	0.05 (maximum)	0.06 (maximum)
Ash, %	ME7201	0.05 (maximum)	0.07 (maximum)	0.10 (maximum)
Color ICUMSA	ME7201	100 (maximum)	150 (maximum)	200 (maximum)
Turbidity, UT	ME7201	90 (maximum)	125 (maximum)	175 (maximum)
Sulfite, mg/kg	ME7201	10 (maximum)	15 (maximum)	15 (maximum)
Magnetizable Part, mg/kg	ME7201	5 (maximum)	5 (maximum)	5 (maximum)
Black Dots, No./ 100g	ME7201	10 (maximum)	10 (maximum)	20 (maximum)
Insoluble Residue, level	ME7201	6 (maximum)	7 (maximum)	9 (maximum)
Appearance	ME7201	Non-Stone White Crystal	Non-Stone White Crystal	Non-Stone White Crystal
Taste	ME7201	Sweet, Characteristic	Sweet, Characteristic	Sweet, Characteristic
Smell	ME7201	Pleasant, Characteristic	Pleasant, Characteristic	Pleasant, Characteristic

VHP sugar production at Ester Agroindustrial – 2020/2021

VHP Sugar Specification				
ES7006		Ester Agroindustrial Specification		
Parameters	Analytical Method	TYPE 1	TYPE 2	TYPE 3
Polarization, Z	ME7201	99.30 – 99.49	99.30 – 99.49	99.00 – 99.49
Humidity, %	ME7201	0.10 - 0.15	0.10 - 0.15	0.10 - 0.15
Ash, %	ME7201	0.12 (maximum)	0.15 (maximum)	0.15 (maximum)
Color ICUMSA	ME7201	750 (maximum)	850 (maximum)	1,200 (maximum)

Alcoholic distillate production at Ester Agroindustrial – 2020/2021

Alcoholic Distillate Specification		
ES7008		
Parameters	Analytical Method	Ester Agroindustrial Specification
Specific Mass at 20°C, g/mL	ME7202	0.8188 - 0.8120
Alcoholic Grade, % mass	ME7202	89.7 - 92.2
Alcoholic Grade, °GL (v/v)	ME7202	93.0 - 94.9
Acidity, mg/L (as acetic acid)	ME7202	15 (maximum)
pH	ME7202	5.5 – 7.5
Conductivity, µS/m	ME7202	70 (maximum)
Aldehydes, mg/L	ME7202	4 (maximum)
Methanol, mg/L	ME7202	10 (maximum)
Esters, mg/L	ME7202	5 (maximum)
Higher Alcohols (total), mg/L	ME7202	5 (maximum)
Acetal, mg/L	ME7202	5 (maximum)
Crotonaldehyde, mg/L	ME7202	5 (maximum)
Furfural, mg/L	ME7202	5 (maximum)
Appearance	ME7202	Clear and free of suspended materials
Sensory	ME7202	Free from strange odors
Color	ME7202	Colorless
Sensory (odor)	ME7202	Free from strange odors

Remarks: AE: In Absolut Ethanol;
(*): Not Specified.

The products in our portfolio are marketed to tradings and factories in different segments, such as beverage, food, flavor and fragrance, and pharmaceutical industries.

Ester Agroindustrial does not have offices outside the country, but this does not prevent us from serving with excellence numerous countries around the world and in different continents, such as Chile, Uruguay, Argentina, Ghana, Togo, Algeria, Indonesia, China, Saudi Arabia, Bangladesh,

Morocco, Yemen, Egypt, Nigeria, Georgia, South Korea, Malaysia, among others.

Size of the organization [GRI - 102-5; 102-7; 102-8]

Ester Agroindustrial is a privately held joint-stock company. In the period covered by this report (between April 2020 and March 2021), we reached net sales of

R\$510,682,825.00 (all carried out with private sector organizations).

To achieve this level of sales, in the aforementioned crop year we produced 2,640,008 bags of sugar and 110,321,000 liters of ethanol.

Not only the commercial and productive performance prove the economic and financial soundness of **Ester Agroindustrial**. This is also evidenced by the total capitalization level of the organization, whose debt is at MR\$833,072 and net worth at MR\$25,134, as detailed in the table "Liabilities and Shareholders' Equity".

Liabilities and shareholders' equity (passive and uncovered)		
Current		
Suppliers	16	88,161
Loans and financing	17	142,516
Debentures convertible into shares	17	30,917
Wages and salaries payable	-	9,333
Advances from customers	22	97,369
Taxes payable	18	6,293
Other liabilities	-	183
Lease liabilities	13	42,035
Total current liabilities	-	
Non-current		
Suppliers	16	-
Loans and financing	17	272,038
Debentures convertible into shares	17	-
Taxes payable	18	11,455
Provisions for lawsuits	21	7,363
Related parties	20	5,000
Lease liabilities	13	120,409
Shareholders' equity (uncovered liabilities)	23	416,266
Capital stock	-	234,937
Capital reserves	-	84
Equity valuation adjustment	-	9,268
Accumulated losses	-	(219,154)
Total shareholders' equity (uncovered liabilities)	-	25,134
Total liabilities and shareholders' equity (uncovered liabilities)	-	858,206

Employees of Ester Agroindustrial [GRI - 102-8]

The company has 1,044 employees, 897 active and 147 inactive (disability retirees).

In the company, there are activities performed by third parties that are mainly linked to the maintenance area. They work

on schedules that follow the schedules of other employees. Therefore, the third parties follow the same functional routines and the same work pattern as **Ester Agroindustrial**.

Number of employees per employment contract and by gender

Link	Qty	Male	Female
Effective	613	562	51
Eventual	135	112	23
Rural/Effective	68	67	1
Rural	37	25	12
Apprentice	41	24	17
Trainee	3	3	0
Total	897	793	104



Number of employees per employment contract and by gender

City	Qty	City	Qty
AMERICANA	4	JAU	1
AMPARO	1	LEME	3
ARARAQUARA	2	LENCOIS PAULISTA	1
ARARAS	2	LIMEIRA	18
ARTUR NOGUEIRA	95	MINEIROS	1
BARRETOS	1	MOGI-MIRIM	3
CAMPINAS	9	MOGI-GUAÇU	2
CAPIVARI	10	MOMBUCA	1
CHAPADAO DO CEU	1	MONTE SIAO	1
CONCHAL	9	NOVA ODESSA	1
COSMÓPOLIS	462	PAULINIA	6
DESCALVADO	1	PINDORETAMA	1
ENGENHEIRO COELHO	147	PIRACICABA	3
HOLAMBRA	2	PORTO FERREIRA	1
HORTOLANDIA	2	RIO CLARO	1
IBATE	1	SALTINHO	2
IAGARAPAVA	1	SÃO CARLOS	1
IRACEMAPOLIS	2	STA BARBARA D'OESTE	16
ITAPIRA	60	STA CRUZ PALMEIRAS	4
ITU	1	STO ANTONIO DE POSSE	9
ITUIUTABA	1	SUMARE	1
JABOTICABAL	1	TEODORO SAMPAIO	1
JAGUARIUNA	3	VINHEDO	1
Grand Total		897	

In the company, there are variations between the number of harvest and off-season workers. When the grinding cycle begins, about 200 and 300 employees are hired, which usually brings the number of active workers in the organization to more than 1,000 people.

Almost all of **Ester Agroindustrial's** employees were covered by collective bargaining agreements in the 2020/21 cycle, as shown in the table. **[GRI - 102-41]**

Collective bargaining agreements

Union	Qty
Sugar Union	547
Road Union	226
Rural Union	124

The information about the direct and out-sourced employees of the organization contained in this report was compiled based on some assumptions. Firstly, the data were organized by the HSE (Health, Safety and Environment) area. The information was verified and a screening was performed to define which areas were involved in the themes addressed in this report.

Then, the data were analyzed and validated by the management of the sectors responsible for organizing the information. Regarding the quantitative data related to the Human Resources Area, the numbers were consulted through the ERP system used by the company.



3. Governance

Ester Agroindustrial has a Board of Directors composed of seven members, a board of officers composed of a director and a Senior Leadership committee composed of the organization's Board of Officers and Managers, including managers of the areas: Administrative, Commercial, Financial, Legal, HR, Agricultural and Industrial Maintenance. **[GRI - 102-18]**

All topics considered strategic by the company, whether in the economic, social or environmental spheres, are dealt with via a high leadership committee, which is formed by managers considered “key” in making decisions that can influence the business.

If there is a need to form a new committee to address and forward a specific subject, it is formed by managers appointed by Senior Leadership and the information and surveys are passed on and shared with the main committee. **[GRI - 102-18]**



Entrance portal with historical gears of Ester Agroindustrial

Composition of the main governance bodies of Ester Agroindustrial – 2020/21 [GRI - 102-22]

Board of Directors	Position
Thiago Sousa Barros dos Santos	Executive Board
Sidney Martins	Executive Board
Antonio Carlos Coutinho Nogueira	Chairman of the Board of Directors
Sergio Luiz Coutinho Nogueira	Vice-Chairman of the Board of Directors

+ Three other members

Board of Officers	Position
Thiago Sousa Barros dos Santos	Superintendent Director
Sidney Martins	Chief Financial Officer

High-Leadership Committee	Position
Luiz Augusto de Lima Oliveira	Industrial Manager
Agnaldo Veronezi	Commercial Manager
Jose Ribeiro de Oliveira Netto	Corporate Manager Serv. Adm.
Marcel Motta Martins	Motomechanization Manager/Control Tower
Mariane Gonçalves Dias da Costa	Corporate HR Manager
Paula Campanine Barbieri	Corporate Legal Manager
Tassia Cristina Pinto	Finance Executive Manager
Henrique Celestino de Oliveira	Agricultural Manager

+ Board members

The positions held on the Board by Thiago Souza Barros dos Santos and Sidney Martins are accumulated with the functions of superintendent director and chief financial officer, respectively.

The Board of Directors is fully independent and has a three-year term of office, and may be renewed for an equal period. Currently it is composed entirely by men, and

there is no impossibility of composition by both genders (male and female). Some members work at the EPTV Institute, which is the Social Group linked to the EP Group. The Chairman of the Board of Directors of the organization does not hold a position in the board. **[GRI - 102-23]**

Ethics and integrity [GRI - 102-16]

The company has a code of Ethics and Conduct and an internal regulation, in which our values, vision and principles are described to employees and the general public, in addition to bringing standards and codes of behavior of the organization.

Vision of Ester Agroindustrial

"To be recognized and admired by the market and society as a company model and reference of quality of its products and services."

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The principles of **Ester Agroindustrial** permeate the areas of Health, Safety, Environment and Quality, reflecting in our Code of Ethical Conduct, which can be checked at the link: www.esteragroindustrial.com.br/institucional/Código-de-Conduita.pdf

The purpose, values and strategy of the company were defined by the Board of Directors and senior leadership of the company, aim-

ing at the development and expansion of our company. To this end, they also outlined the Security Policies, the Code of Conduct and other policies that currently serve as the basis for the operation of our business. **[GRI - 102-26]**



4. Our report

A sustainability report is a tool that companies that focus on sustainable practices use to present their performance through a wide range of indicators, such as social, economic and environmental, in addition to presenting their governance and the way sustainability guides their management model.

In this 1st Sustainability Report of **Ester Agroindustrial**, the company gives transparency to its performance in different economic, socio-environmental and governance indicators. To this end, it is inspired by the parameters of the GRI (*Global Reporting Initiative*), which is a Dutch non-governmental organization that has one of the most recognized and used reporting models worldwide.

In addition, the report is inspired by the ESG (*Environmental, Social and Governance*) indices. From a look at these three areas of sustainability, these indices allow the company's sustainable performance to be evaluated and the impacts of its operations to be measured.

The process of building the report begins in a dialogue with the company's *stakeholders*. It is from this consultation that the construction of the report can be directed.



• Civil Society

O.C.T Organização Cidadãos Transformadores, Union of Rural Workers of Cosmópolis, José Pedro de Oliveira Foundation - Arie Mata de Santa Geneva, Arie Matão (ICMBio);

• Clients

Freedom Cosméticos; Johnson & Johnson; Campari Group; Procter & Gamble; Procter; Firmenich; DOEHLER América Latina; Takeda Pharma Ltda; Grupo NC Farma (EMS); Vinícola Salton; Colgate-Palmolive Ind; Gapuma; Nedstar; Sasma; Silcompa; VA&E; Alvean; LDC; Czarnikow; and Con-sucar;

• Employees and workers

Direct employees of Ester Agroindustrial; as well as outsourced employees who work at the plant by the companies Sodexo and Resolv;

• Trade and trade unions

Sugar Union; Rural Union; Unica (Sugarcane Industry Union);

• Suppliers

Mauser do Brasil Embalagens Industriais S.A; Quimitel Ind. e Com. de Prods. Químicos Ltda.; Partnerlab Equip. de Laboratório Ltda; Artnerlab Equip. de laboratório Ltda; Lwart; Ecoprimos; Visafértil; Tasqa; Quality; DigitalWork; Vivo; Mactron; Coplacana; Mefsa; Prolink Correntes; PWC; Renata Franco Advogados; and consultancies IDEA; pH Agro; Sisdeli; and Delfini;

• Government agencies and local community

residents of Cosmópolis; community leaders; Cetesb; Ibama - ICMBio; Limeira Fire Department; FJPO Arie Mata de Santa Geneva; PCJ Consortium; Cosmópolis City Hall; Cosmópolis Environment Secretariat; Cosmópolis Civil Defense; Secretariats of Sport, Culture, Education, Industry, Trade, Tourism and Employment Generation; Rendav; Secretariat of Social Promotion and Community Action; and Cosmópolis City Council.
[GRI - 102-40; 102-52; 102-54]

For the definition of **Ester Agroindustrial's** stakeholders, we take into account the work carried out in the implementation of ISO 9001 in the company. For the same, interested parties were selected through the elaboration of a severity and occurrence classification matrix. From the description of the risks or opportunities of each stakeholder, we conclude that our main stakeholders are: customers, suppliers, shareholders, regulatory and supervisory bodies, employees, and unions and their representatives. [GRI - 102-42]

Our first Report is born

The indicators presented in this report refer to the crop year 2020/21, comprising the period between April 1, 2020 and March 31, 2021. This report coincides with the Covid-19 pandemic, in which the company has adopted numerous procedures and strategies, as described in this report. This is the first version of **Ester Agroindustrial's** sustainability report, which is now published biannually, always focusing on the company's crop years. [GRI - 102-50; 102-52]

This work was prepared from a preliminary list of material topics that can be reported, which was the result of the mapping and consultation of the aforementioned stakeholders. [GRI - 102-46]

To participate in the process of defining the most important topics addressed in this report, the *stakeholders* with the highest degree of involvement with **Ester Agroin-**

dustrial were selected. Thus, it was possible to guide this reporting work more precisely. [GRI - 102-42; 102-44]

The *stakeholders* mentioned above were consulted by an online survey among employees, suppliers, financial institutions, customers, government agencies, class entities, community members, among others. In all, 42 of them sent responses, which were used to define the most relevant material themes for this report. [GRI - 102-40; 102-42; 102-43]

Ester Agroindustrial's *stakeholders* are interconnected with our operations, directly or indirectly. Engagement with everyone varies depending on the industry they are involved in. However, everyone somehow interfaces with our business.

For the preparation of this report, we sent an online questionnaire prepared by a specialized consultancy, which subsidized us for the construction of the materiality matrix. [GRI - 102-43]

In the construction of this report, we also analyzed the market performance of numerous companies in the sector, as well as their respective reports. All the data collected were analyzed and validated by the members of the company's Senior Management Committee, who also granted an interview that made it possible to close the list of material topics of this report, ensuring that this work is in line with the company's strategic vision. The material themes are presented in the following table. [GRI -103-1]

Material Themes [GRI - 102-44; 102-47; 103.1]

Sustainable Development Goals (SDGs)

Material and Priority Themes



• Environmental management



• Product responsibility



• Ethics and integrity



• Technology and innovation



• Health and safety at work

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Material Themes



• Employee satisfaction



• Relationship with the community



• Relationship with suppliers



• Economic performance

Material themes

The process of defining the material themes of a sustainability report is known as materiality and determines the relevance and importance of the approach of each theme in the reporting process, pointing out aspects that reflect significant impacts (economic, environmental and social) of the organization or that influence the evaluations and decisions of an organization and/

or its stakeholders.

In the construction of **Ester Agroindustrial's** 1st Sustainability Report, we mapped the organization's performance in different GRI indicators, diagnosing what is relevant to the company and the sugar-energy sector. **[GRI - 103-1]**



The definition of the Material Themes of this report also considered the company's position in relation to the UN 2030 Agenda action plan and its respective Sustainable Development Goals (SDGs), as mentioned in the table.

For more information about this reporting process or to resolve doubts, please contact the responsible team of **Ester Agroindustrial** by email sustentabilidade@usinaester.com.br. **[GRI - 102-53]**



5. Economic performance

[GRI - 201-1]

Brazil has more than 400 sugarcane mills in operation. A very important segment for the national economy, being responsible for a Gross Domestic Product (GDP) of about R\$156 billion, according to data from the Center for Advanced Studies in Applied Economics (Cepea) of 2017.

Sugar, ethanol and bioelectricity plants are important not only because they generate wealth and income, but also because they internalize development. A clear example of this is the state of São Paulo, where most of the country's sugarcane mills are located.

One of the most traditional is **Ester Agroindustrial**, whose good corporate management results in a solid economic performance, which is crucial for the continuity of the business. In the period corresponding

to this report, the organization reached Net Operating Revenue of R\$564,072.00.

In the 2020/21 crop year, the company had operating costs in the order of R\$413,327.00 and paid the amount of R\$32,916.00 + R\$173,014.00 from capital providers. In addition, in the period there was no retained economic value, as no operating profit was recorded.

Direct economic value generated and distributed in the 2020/2021 harvest [GRI - 201-1]

I. Direct economic value generated	
Net operating revenue	R\$ 564,072,000.00
II. Economic value distributed	
Operating costs	R\$ 413,327,000.00
Payments to capital providers	R\$ 205,930,000.00
Salaries and employee benefits	R\$ 42,38,000.00
Payments to the government	R\$ 43,123,000.00
Investments in the community	R\$ 11,080.00

Net Operating Revenue		2021
Gross revenue from the sale of products and services		
Sugar		193,302
Alcohol		356,225
Others		14,546

Cash flow from financing activities		
Borrowings and financing	28	226,708
Amortization of principal of loans and financing	28	(173,014)
Payment of lease and partnership liabilities	13	(38,497)
Capital Increase	-	-
Payment of taxes in installments	-	(3,636)
Related parties	-	(590)
Net cash generated by (invested in) financing activities	-	10,972
Taxes and deductions on sales	-	(39,487)
Interest paid	28	(32,916)

Expenses by nature	
Raw material sugarcane, inputs and resale	180,806
Cane price adjustment	12,634
Personnel expenses	42,387
Depreciation and amortization	81,236
Third-party services	60,202
Electricity, water and telephone	2,837
Freight over sales	11,467
Others	21,758
	413,327

Classified as	
Costs of products sold	(341,324)
Selling expenses	(46,334)
Administrative and general expenses	(25,669)
	(413,327)

In the period of this report, **Ester Agroindustrial** did not suffer any lawsuit for unfair competition, trust practices or monopoly due to its performance in the sugar-energy market. **[GRI - 206-1]**

Investments **[GRI - 203-1]**

In the 2020/21 crop year, **Ester Agroindustrial** allocated resources to important actions focused on improving the company's operations and also on the benefits of the local community.

The company made investments and studies related to the Pirapitingui River dam, with the objective of improving the fulfillment of the company's demands.

The municipality of Cosmópolis has also carried out different actions in the dam to ensure security in the city's water supply, and some of the initiatives have the partnership of **Ester Agroindustrial**. An example was the donation, by the company, of an area for the installation of the Effluent Treatment Plant, which is in the process of being completed.

Ester Agroindustrial also invested in infrastructure to combat fires of unknown origin that affect areas not related to the Plant. This is because our emergency brigade supports the local community through Civil Defense, through the company's fire identification system.



Highly equipped, this system monitors the green areas of the farm and the region through cameras. It also has fire fighting trucks, fleet of light vehicles with equipment for monitoring, tracking and fire fighting, among other actions pertinent to the emergency care area.

As this is an atypical crop year, due to the emergence of the Covid-19 pandemic, some actions that had been outlined by **Ester Agroindustrial** were not followed up. However, the company's objectives include the resumption of important initiatives that were temporarily halted, such as, for example, adaptation actions to increase the volume of water abstraction from the Pirapitingui River dam, support in the adaptation of the vicinal that connects the city to the Plant, actions related to the environment, together with ICMBio/Ibama, among others.

Ester Agroindustrial and the local community

The proximity of **Ester Agroindustrial** to the local community is well known. It is noteworthy that the company, which was founded in 1898, is older than the municipality in which it is located. The city of Cosmópolis was founded in 1944. Since the municipality emerged, the plant has played a fundamental role for local development and meeting the demands of the community.

In the period of this report, **Ester Agroindustrial** was important for the population of the city and neighboring locations in different aspects, such as the generation of direct jobs, the generation of wealth, the contracting of services.

The plant donated areas for planting seedlings, aiming at environmental compensation; and sponsored the implementation of the city's new library, through the Project "New Library: Together We Can Do More".

Regardless of the area, **Ester Agroindustrial** aims to continue the partnership with the local government, as has been the case for decades. The company understands its relevant role, direct and indirect, in the economy, the environment and the prosperity of society as a whole. But not only in the city of Cosmópolis, but also in the metropolitan region of Campinas, in which the plant is inserted.

Alcohol donations in the pandemic

With the emergence of the Covid-19 pandemic, in early 2020, Brazilian and global society began to face one of the most delicate periods in recent decades.

To contribute to the confrontation of this health crisis, organizations from different areas have adopted, according to their conditions, different measures. In **Ester Agroindustrial** it was no different. The first step was to bring information to employees and adopt strict protocols within the

company, since the physical integrity of our team is a priority. In addition, we use our manufacturing excellence to produce and donate alcohol.

In addition to allocating alcohol to different institutions of the society of Cosmópolis and region, the company also made donations of the product to employees. In this way, the following were donated:

- 2019/2020 Harvest: 1,618 packs of 1 liter;
- 2020/2021 Harvest: 1,430 packs of 1 liter.

Supply chain [GRI - 102-9]

To carry out routine operations, a sugarcane plant has numerous suppliers of equipment, inputs and services, especially in the industrial, agricultural and motor-mechanization areas.

At **Ester Agroindustrial**, these suppliers are mainly related to agricultural inputs, industrial inputs and services partially performed by third parties in the area of cutting, loading and transportation (CCT) of the raw material, which is sugarcane.

It is noteworthy that about 99% of cutting activities are mechanized in the company's crops. Only manual cutting is carried out in

Alcohol donations during the pandemic by Ester Agroindustrial

Entity/Institution	19/20	20/21
Municipal Health Fund	150	0
Marcos Yassuo Kamogawa -USP	50	0
Municipality of Cosmópolis	150	50
Municipality of Sumaré	50	0
Santa Casa de Misericórdia de Cosmópolis	50	50
Union of Rural Employees of Cosmópolis, Artur Nogueira, Paulínia and Campinas.	50	50
Total in liters	500	350

specific areas, where access with the machine is not possible, a situation that is rare in our plots.

Our main suppliers are:

- Agricultural inputs - Coplacana, FMC and Syngenta (provide agricultural inputs, and all products purchased are used for preparation, planting and cultural treatments);
- Industrial inputs - Suez, Dryller, Serquímica etc (all the products they supply are used in the industrial extraction of ethanol and sugar, basically).

In the period related to this report, **Ester Agroindustrial** has not undergone significant changes in operations or in its supply chain. [GRI - 102-10]

Precautionary principles or approach [GRI - 102-11]

Ester Agroindustrial applies the Precautionary Principle insofar as:

- Does not use fire as a way to facilitate the harvest of sugarcane, since it employs the method of mechanized harvesting of the raw material, which totally dispenses with the use of fire;
- Maintains the Fire Risk Management Program in Sugarcane Production Areas, which

manages the measures implemented to prevent the occurrence of fires, such as the use of blockages in the entrances of sugarcane cultivation areas. Thus, it is possible to warn about the entry of unauthorized people and allow the construction and correct maintenance of firebreaks, which have at least the width established in current legislation (they are calculated from the projection of the tree canopy to the first leaf of the sugarcane);

- Developed and implemented Project Águia, which consists of a modern monitoring system for location and automatic fire detection. Its main assignment is to be the Telematics Monitoring and Operations Center, aiming at the uninterrupted monitoring of occurrences, which allows a rapid intervention of the Fire Brigade of **Ester Agroindustrial**.

Purchasing practices [GRI - 204-1]

The company, which has a single industrial unit in the city of Cosmópolis, prioritizes the acquisition of equipment and contracting services in the local community.

Of the budget made in the 2019/20 harvest for the purchase of products and services, 63.7% of the acquisitions were with local suppliers, considering a distance of a radius of 100 km from our operational matrix.

6. Environmental Performance

The concern and care for the environment have been a common agenda in several companies and segments. The sugar-energy sector, in turn, has adopted several actions to preserve and mitigate environmental risks, since the maintenance of natural resources is fundamental to its activity.



As a company and part of the industry, **Ester Agroindustrial** has a serious commitment to the environment. And this commitment is old. We have in our DNA a legacy in relation to environmental premises, which began with a member of one of the company's founding families, Paulo Nogueira Neto.

"Dr. Paulo", as he used to be called, was considered the father of Brazilian environmentalism. He was the first person to occupy the Coordination of the Special Secretariat for the Environment, which originated the current Ministry of the Environment.

In its management, 26 stations and ecological reserves were created (totaling 3.2 million hectares of protected areas) and several environmental laws were approved. In addition, he became one of the formulators of the concept of sustainable development, assumed in 1987 by the United Nations.

Environmental Management [GRI - 307]

All the pioneering and innovative vision regarding the environmental issues of "Dr. Paulo" were also applied at **Ester Agroindustrial** in the period in which he actively participated in the management of the company, as one of its directors. One of these actions was the implementation of Brazil's first Arie (Area of Relevant Ecological Interest).

According to Law 9,985/2000 (SNUC), art. 16, the Area of Relevant Ecological Interest is a "general area of small extent, with little or no human occupation, with extraordinary natural characteristics or that houses rare examples of the regional biota, and aims to maintain natural ecosystems of regional or local importance and regulate the permissible use of these areas, in order to make it compatible with the objectives of nature conservation."

Created through Presidential Decree (Federal Decree No. 90.791), on January 9, 1985,

the first Arie of Brazil is the Matão de Cosmópolis, which protects 173 hectares of semi-deciduous seasonal forest - a typical vegetation of the Atlantic Forest in transition with the Cerrado.

This forest and other forest fragments in its surroundings are responsible for the protection of springs, streams and rivers; for the production, regulation and supply of water; for microclimatic regulation and balance and for the filtering of pollutants in the region; for fertility and soil protection, in addition to providing scenic landscapes and preserving a historical and cultural heritage.

Since then, **Ester Agroindustrial** has acted to protect its environmental heritage, which is done through a well-structured Management and Supervisory Board. Within the unit, the company seeks to mitigate environmental risks related to its operations.

To this end, the company has a team of professionals in the area of HSE (Safety, Health and Environment) consolidated and of great knowledge, which aims to support the business in order to ensure that environmental impacts do not occur. **[GRI - 307-1]**

This is possible through proactive management and present in the factory routines. The teams are always working on environmental inspections in the industrial areas and in the field, where training and capacity building are also carried out in order to ensure the expansion of envi-

ronmental awareness. In these actions, the themes of waste management, atmospheric emissions, water abstraction and consumption are addressed, among other issues. **[GRI - 103-1]**

Materials **[GRI - 301-1]**

In order to mitigate environmental impacts, the management of materials used in **Ester Agroindustrial's** production processes is of paramount importance, especially those used to store inputs and raw materials.

For producing ethanol and sugar in bulk, the plant uses gallons to store the ethanol produced for the domestic market, with 300 units with a capacity of 50 liters, totaling 6,000 liters; and 500 units of capacity of 250 liters, totaling 125,000 liters.

For the foreign market there are 174,790,000 units of 250-liter drums, which totals a volume of 43,693,750 liters, and 3,674 units of IBC containers (Intermediate Container for bulk goods), with a total volume of 3,674,000 liters.

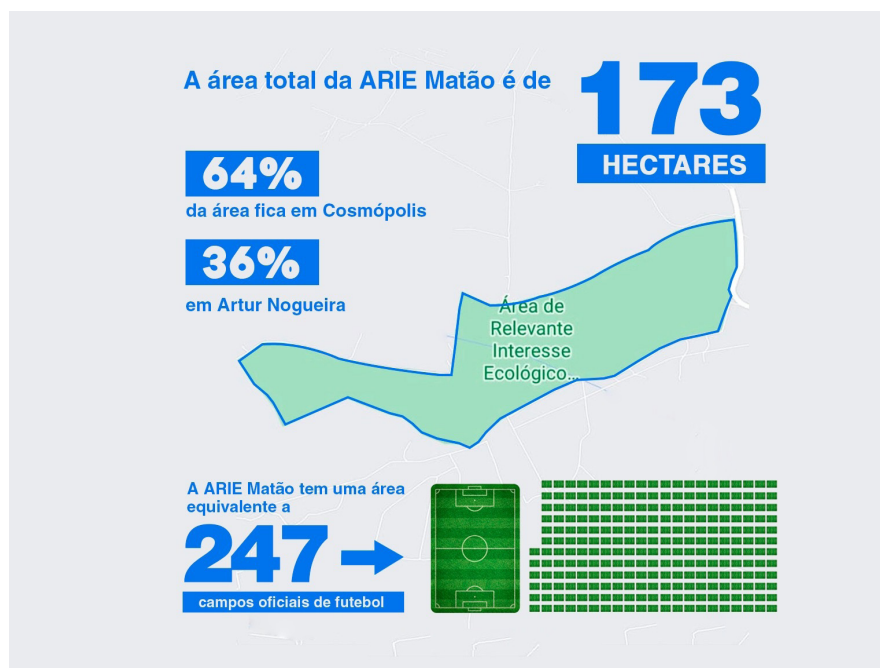
Energy **[GRI - 302-1, 302-2, 302-4]**

Ester Agroindustrial has a considerable production of electrical energy through sugarcane bagasse. Proof of this is that, in 2012, CPFL Renováveis and **Ester Agroindustrial** signed a quota purchase and sale agreement, through which CPFL Renováveis committed to acquire 100% of the



Aerial image of ARIE Matão

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quotas held by **Ester Agroindustrial**. Thus, CPFL Bio Ester was constituted, which currently gathers assets, technical, human and financial resources for the production of electricity and water vapor.

In this initiative, **Ester Agroindustrial** committed to the operation and maintenance of the plant. The plant is self-sufficient in its operation, exporting the surplus electricity, according to the agreement with CPFL Bio Ester.

The production of energy at the plant relies on sugarcane bagasse as a renewable source. The 2020/2021 harvest presented a milling of 2,086,139.64 t/sugarcane, which generated 517,866.77 tons of sugarcane bagasse. During the harvest, the company consumed 8,680 MWh.

The use of electricity by water cooling towers for the industrial process was 1,104 KWh, the consumption necessary to reduce and optimize water demand in the industrial area.

Steam consumption totaled 505.47 kg/t/sugarcane and was supplied to the plant through the exhaust/extraction of steam turbines, which move the mill and the electric power generator. This shows that the plant uses the total steam and its condensate returns to the boilers. Thus, there is the use of heat and the reduction of steam consumption for heating the feed

water of the boilers.

All this resulted in 118,120 MWh, which were sold to the cogeneration plant belonging to CPFL, in the 2020/21 harvest.

These figures show the contribution of sugarcane bagasse to the additional revenue of the plant, with the sale of electricity at the price already charged by the sugarcane, according to the methodology of Consecana-SP (Sugarcane, Sugar and Ethanol Producers Council).

Through this methodology it is possible to measure the percentage amount of fiber from sugarcane, a parameter used to quantify the bagasse delivered to the sugarcane.

With the amount of fiber, it is possible to measure, through spreadsheets of calculations related to the sugar-energy sector, the amount of energy to be generated. For this, industrial process supervision and control software are also used, which facilitates the management of the operation and performs online measurements of the main variables of the process. Dedicated instruments are also installed to measure the generation and export of electricity.

The **Ester Agroindustrial** plant has an industrial twin, the Simulador Pentagro, which allows the modeling and simulation of processes in the industrial plant. The soft-

ware uses the sequential modular method of flowchart execution and efficient methods for the solution of mass and energy balances, and convergence in recycles.

The company also uses other energy sources,

such as renewable and non-renewable fuels, in its agricultural and industrial processes, as shown in the table. Most of the equipment that consumes these fuels are agricultural machines, which carry out the activities of cultivation/management of sugarcane.

Fuel consumption at Ester Agroindustrial – 2020/21 harvest

Equipment Type	Description	Qty. Fueled (liters)
OWN	Diesel oil S10 Class B 5% Biodiesel	2,116,052.47
	Hydrated ethanol fuel	8,289.26
	Total: Equipment Type: 1	2,124,341.73
THIRD PARTY	Diesel oil S10 Class B 5% Biodiesel	5,088,993.61
	Hydrated ethanol fuel	23,593.45
	Total: Equipment Type: 2	5,112,587.06
SUPPLIER	Diesel oil S10 Class B 5% Biodiesel	638.83
	Hydrated ethanol fuel	236.27
	Total: Equipment Type: 3	875.1
RENTED	Diesel oil S10 Class B 5% Biodiesel	732,149.78
	Hydrated ethanol fuel	187,712.49
	Total: Equipment Type: 4	919,862.27
Grand Total		8,157,666.16

The table divides the equipment into its own, including the fleet of plant vehicles (Type 1), third parties (Type 2), suppliers (Type 3) and leased equipment that the company uses in the operation (Type 4).

Water [GRI - 303-1]

The use and interaction of the power plant with water says a lot about its commitment to the environment and future generations. The water used in the **Ester Agroindustrial** process is captured through the Pirapitíngui dam, according to the location sketch.

In addition, the company's water reuse process is 100% closed, as shown in the flowchart. Thus, the use of water collected from the source is low flow, which avoids waste in agro-industrial processes.



Aerial image of the Pirapitingui Dam next to Ester Agroindustrial

The plant has a modern system based on IoT (Internet of Things), which receives the data related to water abstraction and transforms it into information for the communication protocols requested by regulatory bodies.

This structure replicates the data, not allowing the access of third parties or user/service provider, and does not change the information generated by the datalogger, thus ensuring its inviolability, in addition to undergoing audit, which confirms the safety of the data trafficked and reliability before environmental agencies.

With regard to impacts related to representation, **Ester Agroindustrial's** primary criterion consists of the company's legal compliance with the water collection and consumption grants issued by the regulatory agency, DAEE (Department of Water and Electricity of the State of São Paulo).

With the innovations implemented and the adoption of savings measures in water use (monitored online), the company currently captures about 30% to 40% of the total volume that the regulatory agency scaled in the last grant issued.

Fundraising volumes are monitored daily and accessed remotely by the supervisory agency. Through this system, it is possible to identify whether the volume captured and consumed is above the grant or the capacity commonly used by the company. This control is carried out together with the plant's industrial and environmental maintenance teams.

The company also works with its stakeholders to manage water resources in a shared manner, in addition to seeking the engagement of suppliers and customers, in order to mitigate significant impacts related to water.

The "Pirapitingui Dam" establishes, in an essential and practical way, the management of the sharing of water resources with stakeholders. The most specific case is the municipality of Cosmópolis, which is fully supplied by the waters of this reservoir. The collection station for water treatment of the municipality is also located on the banks of the dam.

Several actions related to reservoir management are taken in conjunction with the stakeholders involved. The municipality of Cosmópolis, together with **Ester Agroindustrial**, is often related to its management in the search for better supply conditions. [GRI - 102-43]

In 2019, a report was carried out in order to check the conditions of the dam and identify opportunities, in order to ensure the availability of water in the future. Thus, some improvement actions were generated and monitored by **Ester Agroindustrial**. In addition, the city has sought improvements related to increasing depth for greater water reserves, among other actions aimed at avoiding impacts related to the use of this natural resource.

The Plant also operates with the service order opening system whenever any leak is evidenced, so that it can be remedied as

soon as possible. In addition, monitoring allows the reservoir to be in good condition and to be inspected biweekly by the environment area to verify the daily volume of water, among other actions that effectively seek to monitor and control the conditions of the dam and the best management of water use in the organization. **[GRI - 103-1]**

Emissions [GRI - 305-1, 305-2]

Ester Agroindustrial prioritizes the detailed monitoring of emissions generated by its operations. Therefore, it is attentive to the emissions released into the atmosphere by its chimneys, which are monitored and controlled annually. However,

we have not yet mapped the other sources, such as the fleet of vehicles related to the plant's business.

Considering this, the company aims to start the survey of Scopes 1 and 2. As these data are already monitored, the idea for the next two years is to compile all the information recorded and establish reduction targets, based on current consumption or emission.

Considering the monitoring that is already carried out, the total direct emissions (Scope 1) in metric tons of CO₂ equivalent in its two boilers, in the base year 2020, is:

Comparison of Particulate Matter (PM) Emission - Boiler 1

Parameter	Units	1st Collection	2nd Collection	3rd Collection	LE (*)
Particulate Matter (MP)	Mg/Nm ³	378	405	227	450

LE = Emission Limit according to Conama Resolution number 436 of December 22, 2011 – Annex III – Emission Limits for atmospheric pollutants from heat generation processes from the external combustion of sugarcane biomass (Nominal Thermal Power Between 50 and 100 MW). The results should be corrected to 8% of oxygen.

Comparative Emission of Nitrogen Oxides (NO_x) Boiler 1

Parameter	Units	Mean Col. 1, 2 and 3	Mean Col. 4, 5 and 6	Mean Col. 7, 8 and 9	LE (*)
Nitrogen Oxides (NO _x)	Mg/Nm ³	163	162	150	350

LE = Emission Limit according to Conama Resolution number 436 of December 22, 2011 – Annex III – Emission Limits for atmospheric pollutants from heat generation processes from the external combustion of sugarcane biomass (Nominal Thermal Power Between 50 and 100 MW). The results should be corrected to 8% of oxygen.

Comparison of Particulate Matter (PM) Emission - Boiler 2

Parameter	Units	1st Collection	2nd Collection	3rd Collection	LE (*)
Particulate Matter (MP)	Mg/Nm ³	103	79.1	78.7	200

LE = Emission Limit according to Conama Resolution number 382 of December 26, 2006 – Annex III – Emission Limits for atmospheric pollutants from heat generation processes from the external combustion of sugarcane bagasse (Nominal Thermal Power Greater than 75 MW). The results should be corrected to 8% of oxygen.

Comparative Emission of Nitrogen Oxides (NO_x) Boiler 2

Parameter	Units	Mean Col. 1, 2 and 3	Mean Col. 4, 5 and 6	Mean Col. 7, 8 and 9	LE (*)
Nitrogen Oxides (NOx)	Mg/Nm ³	116	133	143	350

LE = Emission Limit according to Conama Resolution number 382 of December 26, 2006 – Annex III – Emission Limits for atmospheric pollutants from heat generation processes from the external combustion of sugarcane bagasse (Nominal Thermal Power Greater than 75 MW). The results should be corrected to 8% of oxygen.



Annually, analyses are carried out, which are monitored by Cetesb and aim to verify the efficiency in relation to gas washing systems, in order to verify deficiencies and reduce the volume of gases emitted into the atmosphere.

All CO₂ emitted by the processes related to the chimneys comes from biogenic emissions, as it is the product of the burning of biological material (biomass) and not from non-renewable fuels, since the emission from fossil fuels in the plant's fleet is not yet monitored, which is the subject of concern of the company for the next two years.

Biodiversity

[GRI - 304-1, 304-2, 304-3, 304-4]

The paradigm of food production with economic, social and environmental sustainability is the great challenge of today. Added to this picture are the challenges related to global warming and the need for companies to adapt to carbon emission reduction initiatives.

Following the environmental culture, which values sustainable development and also meets the standards required by regulatory agencies, as well as the requirements of the market in which it is inserted, **Ester Agroindustrial** adheres to the Environmental Adequacy Plan in its production units, both in its own and leased areas.

Based on the classification proposed by IBGE (Brazilian Institute of Geography and Statistics), the region in which the plant is located is part of the transition of the Atlantic Forest and Cerrado biomes, with the largest portion of the Cerrado biome. The predominant vegetation in the region is the savannah, with occurrences close to areas of Semideciduous Seasonal Forest.

Ester Agroindustrial also has high natural regeneration of shrub and tree species. This class is usually associated with ancient sugarcane setbacks, close to the remaining forest fragments, which provide propagules for the regeneration of these areas or even the low agricultural fitness ranges, where natural vegetation is recovering because it has been in this process for a considerable time.

As previously mentioned, at the beginning of the presentation of the company's Environmental Management, **Ester Agroindustrial** has among its environmental preservation areas Arie Matão de Cosmópolis. Check out in the images the maps of this reserve, which is the first Arie of Brazil, responsible for the protection of 173 hectares of Semideciduous Seasonal Forest.

This forest and other forest fragments in its surroundings are responsible for the protection of springs, streams and rivers; for the production, regulation and supply of water; for microclimatic regulation and balance and for the filtering of pollutants in the region; for fertility and soil protection;

in addition to providing scenic landscapes and preserving a historical and cultural heritage.

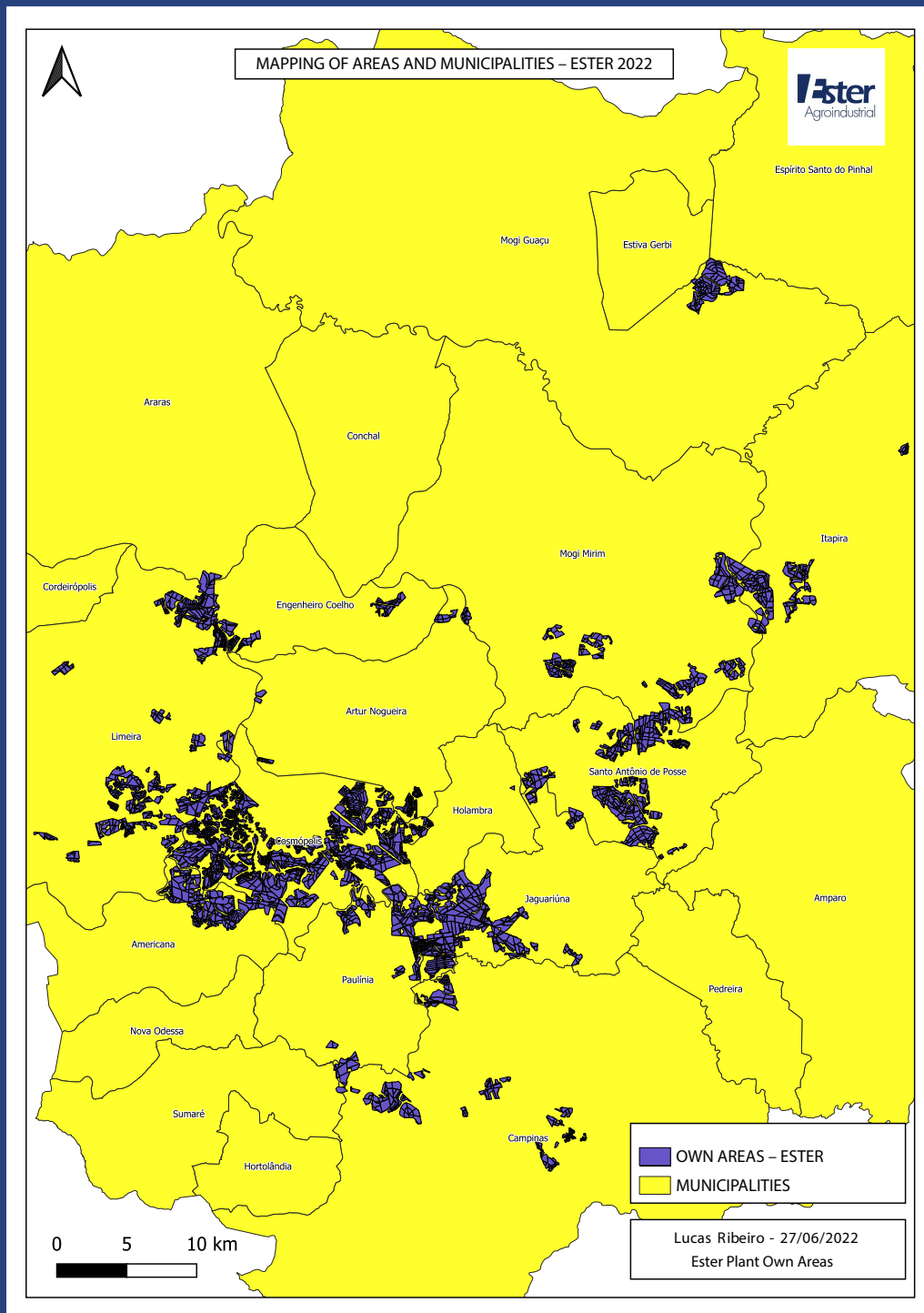
Much of **Ester Agroindustrial's** preservation areas serves as an important ecological corridor for the conservation of the state's biological diversity, through its APPs (Permanent Preservation Areas) and forest fragments.

About this, we highlight the frequent sightings of "cougars" in the Funnel property. This species, according to the International Union for the Conservation of Nature and Natural Resources (IUCN), is threatened with extinction, although it is present in our region - top predator, this cougar moves over large areas.

This fact evidences the presence of an ecosystem that sustains the presence of a diverse local fauna at lower hierarchical levels of the trophic chain, that is, primary and secondary consumers of various orders.

Regarding the environmental assessment of suppliers and among the management that the company's HSE area has carried out, **Ester Agroindustrial** has the future objective of approving new supply partners and establishing audit procedures with the intention of performing more effective validations that meet legal requirements, in line with the company's culture of environmental and social responsibility. **[GRI - 308-1]**

Location of the municipalities where Ester Agroindustrial's own areas are registered.



Detail of the areas occupied by Ester Agroindustrial

Type	Description	Qty. Fueled (liters)
Property	1	8231.6287 ha
Administrative easement	5	46.5448 ha
Total Property Area	0	8185.0839 ha
Rivers more than 3 meters wide average	16	72.9249 ha
Rivers up to 3 meters wide average	0	0.0000 ha
Lake and Natural Lagoon	0	0.0000 ha
Other water bodies	1	129.3928 ha
Other APPs	45	515.5066 ha
Total APP Area	0	791.9970 ha
Native Vegetation	0	0.0000 ha
Legal Reserve	232	1605.8608 ha
Slope between 25 and 45	0	0.0000 ha
Consolidated use	0	0.0000 ha
Legal Compensation Reserve	0	0.0000 ha
Environmental easement	0	0.0000 ha

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In the organization, the area corresponding to agro-industrial production and the administrative headquarters is 1,683,650.00 m², with a built area of 23,772.87 m² and outdoor activity of 140,932.50 m².

Soils

The region where the properties of **Ester Agroindustrial** are located is inserted in the Geomorphological Province called Peripheral Depression of São Paulo. According to ALMEIDA (1964), the place consists mainly of sandstones, and stains of silts and clays may appear. It has relief with wavy or tabuliform shapes, highlighting the testi-

monies hills and small "cuestas".

Most of it is of great topographic amplitude, with large and smooth valleys and the source material is the result of the weathering of sandstones, claystones, siltstones, basalts and diabases, being common the occurrence of thick modern deposits resulting from the reworking of those materials.

The regional relief of this province is predominantly smooth undulating or even flattened in the alluviums. However, there are parts where the sudden "break" of the relief occurs, forming the Cuestas of Botucatu, as shown.

Waste [GRI - 306-1, 306-2]

In order to generate less waste and mitigate impacts on the organization's own activities, **Ester Agroindustrial** adopted some measures, including circularity, in its value chain.

In 2021, the company aimed to manage all waste in order to reduce the demands for landfill, expand recycling and composting and still maintain reverse logistics as part of its management.

As you know, the sugar-energy market re-uses, almost entirely, the waste generated. Therefore, there are opportunities for recycling and reuse of waste related to the

maintenance area, restaurants and toxicological products, something that is currently being treated by the company.

Allied to this, **Ester Agroindustrial** continues to meet the legal requirements of internal management in the environmental area in 2022, counting on a third party to manage this process, which aims to bring the organization to the level of compliance/legal obligation. [GRI - 103-1]



7. Social Performance

For **Ester Agroindustrial**, its greatest asset is people, as they are the ones who make everything happen with development and permanence, knowledge, training and innovation.

In the period corresponding to this report, the company had 1,044 employees. The company had 58 employees integrating the governance bodies of the organization, being a disabled person (dp) manager, a 52-year old male, and 6 people of the female gender. Of these, four professionals were under 30 years of age, 48 were between 30 and 50 years old, and six were over 50 years old. **[GRI - 103-1]**

taled 41 people, 23 male and 18 female. The age range of all of them was under 30. **[GRI - 405-1]**

During the period of this report, the company had 256 safrist employees, 231 male and 25 female. Of these, 112 were aged between 19 and 30 years old; 78 employees between 31 and 40 years old; and 47 people between 41 and 50 years old.

The employees by functional category to-

Employees - 2020/2021 harvest

Male Gender	Female Gender	Total
879	165	1044

Age group

Age	Number of employees
19 to 30 years old	285
31 to 40 years old	224
41 to 50 years old	254
51 to 60 years old	281

City	Quantity
Americana	4
Amparo	1
Araraquara	2
Araras	2
Artur Nogueira	108
Bandeirantes	1
Barretos	1
Campinas	9
Capivari	10
Chapadao Do Ceu	1
Conchal	10
Cosmópolis	509
Descalvado	1
Engenheiro Coelho	186
Holambra	3
Hortolandia	2
Ibate	1
Igarapava	1
Iracemapolis	2
Itapira	63
Itu	1
Ituiutaba	1
Jaboticabal	1
Jaguariuna	3
Jau	1
Leme	3
Lencois Paulista	1
Limeira	54
Livramento Brumado	1
Mineiros	1
Mogi-Mirim	3
Moji-Guacu	3
Mombuca	1
Monte Siao	1
Nova Odessa	1
Paulinia	6
Pindoretama	1
Piracicaba	4
Porto Ferreira	1
Rio Claro	1
Saltinho	2
Sao Carlos	1
Sta Barbara D'oeste	19
Sta Cruz Palmeiras	4
Sto Antonio De Posse	9
Sumare	1
Teodoro Sampaio	1
Vinhedo	1
Grand Total	1044

Among the benefits provided to full-time employees are: life insurance, health plan, maternity/paternity leave, dental plan, reimbursement of glasses, food voucher, chartered transportation, transportation voucher, meal or lunch box supply, and agreement with pharmacy. **[GRI - 401-2]**

In 2021, only one employee took maternity leave, returning to her role in the same year. **[GRI - 401-3]**

Occupational health and safety [GRI - 403-1, 103-1]

Ester Agroindustrial has a robust HSE area, structured from the established by legislation, which aims to support all employees of the company. The system was implemented in order to advance the policies already established by the company in line with the implementation of the Health, Safety and Environment culture.



Ester Agroindustrial's policies were widely disseminated in 2016, aiming to demonstrate the path traced by the company, whose focus is to ensure the safety and health of all its employees.

Committed to the zero accident culture in all its areas and processes, through the continuous improvement system, the priority is to be a company without work-related injuries or illnesses.

Ester Agroindustrial's commitment in Safety and Health values the prevention of fatalities and injuries at work with employees, service providers and visitors. This is the basis of its policy, with compliance with legal and other requirements applicable to occupational safety and health in all its processes, products and services.



An example of the policy adopted is that all employees of the Plant are guided/trained in the integration process (hiring), in DDS (Daily Safety Dialogue) meetings and in team meetings.

The same content applied to internal employees is also taught to service providers during onboarding training. **[GRI - 410-1]**

Occupational Safety and HSE of Ester Agroindustrial [GRI - 103-1, 403-1, 403-2, 403-3, 403-5]

The HSE area of **Ester Agroindustrial** is composed of:

- Corporate HSE Manager;
- Corporate HSE Coordinator;
- Corporate Environmental Supervisor;
- Environmental Technician;
- Civil Firefighter;
- Corporate Supervisor of Occupational Safety;
- 7 Distributed Occupational Safety Technicians;
- Occupational Physician with a workload of 6 hours per day;
- 3 Nursing Assistants distributed in shifts;
- Safety Apprentice;
- Administrative Assistant.

This structure was set up with the aim of supporting all areas of the company, including industrial and agricultural activities. In this way, all employees and areas are covered by the HSE.

Principles of Ester Agroindustrial in Safety and Health

- No activity is so important or so urgent that it cannot be performed safely;
- Never prioritize results or production that endangers the safety or occupational health of employees and partners;
- Act promptly to eliminate or control high-risk activities;
- All accidents at work, occupational diseases, unsafe conditions and risk exposure behaviors are preventable;
- Everyone is responsible for their safety and the safety of their colleagues;
- All managers act proactively and responsibly, and lead safety management at all levels of **Ester Agroindustrial**.

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Preventive actions are also part of the scope of the area, such as Safety Inspections that aim to identify if there is any risk to employees in their areas; evaluations on the correct use of PPE; opening of Work Permits, which aims to map and control all possible risks of activities considered critical; inspections related to meeting legal requirements in various business activities; and participation in DDS, and training of all employees.

There are also corrective actions, such as accident investigation and emergency response with observation and survey of lessons learned. This aims to generate an action plan in order to correct any failures and ensure that similar situations do not happen later. Also managed are indicators such as the Frequency Rate, which enables the partial analysis of accidents throughout the year; and the OPAs (Look, Plan and Act), which were opened and closed.



**PROGRAMA DE OLHO NO OPA
IDENTIFICAÇÃO DE RISCO**



The OPA is a safety reporting tool that seeks to raise the opportunities for behavioral safety and different risks identified by employees in the exercise of their functions. Its function is to assist in the dissemination of risk situations that are evidenced in the day-to-day work. It can be used to inform behavioral deviations, or even risk situations during activities or in the different physical spaces of the company.

Every inspection is managed as an indicator of each area, generating risk conditions score, and allowing to seek weekly the reduction of risks raised through the resolution of each leadership.

The management carried out by the HSE area is composed of routine safety inspections, which identify the risks of each area in which employees may be exposed. After these inspections/audits, a score and an adequacy action plan is generated for each area. These inspections are disclosed to the leaders of each sector, who seek, in turn, to solve cases in order to ensure the safety of all employees.

The HSE carries out safety integration training for employees and any service provider, both in the industrial and agricultural areas. This integration training includes:

- Golden Rules;
- Security Policy;
- Prevention and firefighting (Brigade);
- First Aid (Brigade),
- PT - Work Permit;
- Prohibition of the use of ornaments and siren signs;
- Environment and Sustainability Policy;
- Prohibition of smoking on company premises,



among others.

In addition, the HSE is responsible for training in Regulatory Standards (NRs) according to the needs of the sectors, such as: NR 01 - OSS, NR 05 - CIPA and CIPATR, NR 06 - PPE, NR 07 - PCMSO, NR 09 - PPRA, NR

10 - Care in services with electricity, NR 12 - Care in the use of Machinery and Equipment, NR 17 – Ergonomics at work, NR 20 - Flammable liquids, NR 33 - Confined Space, NR 35 - Work at Height, Acts and Unsafe Conditions; NR 11/ NR 18 - Safety in Electric Hoist Operation; NR 11 - Safety in Rolling

Bridge Operation; NR 11 - Safety in Forklift Operation; NR 11 - Safety in Hilo Operation; NR 11 - Safety in Loader Operation; NR 11 - Safety in the Operation of Crane; NR 12 - Safety in the Operation of the Disintegrator, Concrete Mixer, Press and Oblique Probe; NR 12 - Safety in the Operation of Rotating Tools - Sander, Circular Saw, Polycut; NR 12 - Safety in the Operation of Chainsaw, Brushcutter; NR 20 - Safety Course at Work with Flammables and Fuels; NR 31 - Safety in the Prevention of Accidents with Pesticides, adjuvants and related products; NR 33 - Safety for Work in Confined Space - Authorized Workers and Observers/Watcher; NR 33 - Safety for Work in Confined Space - Entry Supervisors; NR 34 - Safety for Hot Work; NR 35 - Safety for Work at Height; and IT 17 - Training of Fire Fighting Brigade.

The risk assessment of all machines is currently being carried out, as required by NR 12, in order to adapt them to the standard. In addition, the partial AVCB of the plant is finalized and new works are planned for the years 2022 and 2023.

Through this tool, the security team feeds a spreadsheet that manages the open and closed OPAs. This control is passed on weekly via management meeting, assisting in the advancement of each sector of the company.

Another highlight is the Preliminary Accident and Incident Notification (NPAI) form, a standard procedure for the company whenever an accident or incident occurs. It

must be carried out by the Security team, which makes a prior analysis of the situation and the description of what happened for the preparation of the document to be sent immediately to the senior leadership and the entire HSE team.

Once this is done, the HSE team, together with those involved, carries out the investigation of the accident/incident in order to understand, in more depth, what happened and generate an action plan that solves the possible causes, in order to ensure that the fact does not recur.

For all its actions, the HSE area is always present in the daily lives of employees, including the ergonomic mapping of workers' activities, in order to identify possible occupational diseases and the use of PPE for each activity; with the transfer of information via training and DDS, which have the objective of instructing employees; and with the realization of programs such as PCMSO (Occupational Health Medical Control Program), PPRA (Environmental Risk Prevention Program) and LTCAT (Technical Report of Environmental Working Conditions), which enable the analysis and surveys of the risks foreseen in each activity.

In this way, the HSE makes a general mapping of the risks of all areas and activities to, in this way, monitor them closely and with assertiveness. **[GRI - 403-2]**

Training and education **[GRI – 404-1, 404-2]**

Always valuing the training and personal and professional development of its employees, **Ester Agroindustrial** offered, in the 2020/21 harvest, 3,944.50 hours of training, divided into several areas.

In addition, the company has a Performance/Personal Development Plan (PDP), which is a program that aims to enhance the high performance of its employees, establishing clear and objective processes and tools. It consists of a Performance Evaluation, Feedback and Career Development process.

At present, **Ester Agroindustrial** does not have a career transition assistance program that aims to facilitate continued employability and end-of-career management due to retirements or termination of employment. The company has several retired and retiring employees, since employees who choose to retire after the granting of the benefit notify their managers in advance. In this way, it is possible to schedule a date that meets the needs of the company and the employee himself.

Care for worker's health [GRI - 403-6, 403-8]

Ester Agroindustrial's occupational health and safety management system follows legal and regulatory requirements through PCMSO and PPRA, and the SENIOR system

for its employees.

For the management of all outsourced workers, we use Vertch's GDT management system. All direct employees and 100% of our indirect workers are covered by this system.

The **Ester Agroindustrial** Health team is available for care and advice through nursing assistants and occupational physician, in addition to carrying out blitzes to instruct, guide and listen to its employees and third-party workers, in order to verify working conditions and map possible improvements. In the Safety blitzes of the sectors, blood pressure, visual acuity and dextus (diabetes examination) are measured. If any changes are noticed, the employee is referred to specific care in the network accredited to the health plan.

The company offers all employees a co-participatory health plan (Unimed), while for casual workers, rural workers and the Young Apprentice Program, guides are provided for consultations in accredited clinics.

Diversified monthly campaigns are also carried out, such as Pink October, Blue November, among others, which have communications on the notice board, electronic panel at the concierge, restaurant and electronic media (e-mail).

The food health of employees also receives special attention, as the outsourced restaurant has a nutritionist, who performs the analysis of nutritional needs and balances

the meals offered.

Ethics in labor relations

In order to avoid reprisals to employees, related to any contact in which they wish to forward comments, complaints or suggestions to the company, **Ester Agroindustrial** offers the Ethics Channel, composed of members of the management and senior leadership of the organization.

In this way, different communications and complaints reach the management of the plant, which are duly analyzed and investigated. If necessary, the issue is discussed between different managers of the company and solutions are adopted, seeking to offer due treatment to the communication forwarded by the employee, whose identity is kept anonymous.

In 2020, the channel did not receive any complaints related to episodes of discrimination, nor even other types of reports.
[GRI - 103-1; 406-1]

Child labor [GRI - 408-1]

In our operations, **Ester Agroindustrial** prioritizes the quality of life and well-being of employees, which is also expressed in our Code of Conduct.

One of the principles of this document is the fight against child labor. In it, it is described that the company does not allow

the practice of this type of work or young people exposed to dangerous jobs to occur in its staff. Young apprentices, for example, work in the organization within the principles of ethics and morals.

In the organization, there are still no mechanisms to identify the existence of child labor in suppliers and prevent them from being hired in case of irregularities. However, it is the objective of **Ester Agroindustrial** to adapt to meet this item. Fortunately, on the other hand, until today the company has never had knowledge of child labor practiced by its suppliers.

Currently, the company sends with its Purchase Order a text stating that **Ester Agroindustrial** does not agree with child labor practices and other situations, highlighting Article 7, item XXXIII, of the Federal Constitution, which provides for the prohibition of night work, dangerous or unhealthy to people under 18 years old and any work to those under 16 years of age, except as an apprentice, from 14 years old.

Ester Agroindustrial, which strictly prohibits the practice of this type of work, has never recorded cases of child labor in its activities or in the operations of its suppliers and, therefore, corrective measures in the area have never been necessary. However, we act preventively, continuously carrying out informative and awareness-raising actions, in order to prevent this scenario from occurring in the company.

The Ethics Committee is in constant contact with the company's leaders and employees, always aiming to prevent situations like this, or even some type of discriminatory practice, from occurring on the organization's premises.

Likewise, the company does not carry out any forced or slave-like labor activity. **[GRI - 409-1]**

Local communities [GRI - 413-1]

Ester Agroindustrial is constantly concerned with the engagement, impact assessment and development of local communities, mainly because it understands their role in the city of Cosmópolis and region.

Some actions are underway, such as constant contacts with the company's employee unions. The goal is to understand and evaluate the needs of employees. We have also made contact and direct interface with the secretariats of environment and urban development in order to create goals and structure environmental issues related to the company and the community, aiming to strengthen the support offered in fire-fighting, among other actions.

Incidentally, the occurrence of fires in rural areas of unknown origin is a major problem for the cities of the region, bringing discomfort to the population due to the emission of black smoke. In view of this, the plant, through actions already mentioned, is always ready to combat the fire

registered in these areas, by the Mutual Assistance Plan (PAM). **[GRI - 102-12]**

To this end, we make available all human and technological resources in order to remedy the problems and reduce them, including with preventive attitudes through the camera monitoring system, which aims to monitor and identify, as soon as possible, fire outbreaks. **[GRI - 102-12]**

Ester Agroindustrial follows, through the HSE team, all areas in which the plant can generate some impact on the community. Thus, it is possible to identify possible environmental impacts, such as waste disposal, atmospheric emissions, distancing from firebreaks, among other actions in which we can interfere in the community. Currently, the Ethics Channel can also be used for the demands of interested parties. Thus, the community can forward suggestions, demands and complaints to the organization.

Our operations also generate impact due to the transport of sugarcane. This issue is mapped and managed so as to prevent our truck fleet from transiting urban areas and moving around strategic areas. Thus, we were able to reduce the circulation of these vehicles on the roads of the municipalities, avoid accidents and reduce the impact that trucks have on the quality of the asphalt.

To address this issue, a plant committee meets periodically in order to evaluate the possible logistical impacts of the organization in each raw material harvesting

area. [GRI - 103-1; 413-2]

In addition, **Ester Agroindustrial** seeks to contribute to society in different areas, including participating in representative associations or institutions, such as Unica (Sugarcane Industry Union), the Arie Matão Council and the PCJ Basin Consortium (Intermunicipal Consortium of the Piracicaba, Capivari and Jundiaí Rivers Basins). [GRI -102-13]

Consumer health and safety [GRI - 416-1]

The company produces ethanol and sugar. Products of great importance for the economy of the country and for the lives of Brazilians.

In order for its production to be made with quality and safety, **Ester Agroindustrial** constantly evaluates its procedures, and improves work instructions, methods, manuals and specifications. In addition, our production is verified and audited by certifying bodies annually.

Thanks to this care, in the 2020/21 cycle the company had no occurrence of non-compliance of its products and services, including those that could cause damage to the health and safety of consumers. [GRI - 416-2]

Production and Certifications

The supply of 100% of **Ester Agroindustrial** products to the industrial market is in bulk. So we don't have to label them. However, the company does not fail to adopt standard procedures that guarantee the quality and safety of its products, such as ISO 9001, Kosher, FDA and Greener Ethanol certifications. [GRI - 102-12, 102-13, 417-1]

The plant is certified in the Greener Ethanol Agroenvironmental Protocol, which aims to adopt and renew sustainability practices in the sugar-energy production chain. The certification is jointly granted by the Government of the State of São Paulo, represented by the Secretariat of the Environment; by Cetesb (Environmental Company of the State of São Paulo); by the sugar-energy sector, represented by Unica (Sugarcane Industry Union), and by Orplana (Organization of Associations of Sugarcane Producers in Brazil).

To obtain the certificate, **Ester Agroindustrial** met the technical policy plan required by the protocol. Among the parameters met are the adequacy to the New Forest Code, the use of sugarcane by-products, the adoption of good practices in the use of agrochemicals, soil conservation, water reuse, the preservation of fauna, the fight against forest fires, the restoration of riparian forests and water APPs in the state of São Paulo, among other requirements.

Final considerations

It is an honor for **Ester Agroindustrial** to present to you our governance. It is focused on building an efficient and high productivity productive system.

We understand that, thus, we can have a more competitive and sustainable business, ensuring the continuity of the organization.

This vision is inseparable from our policies and programs focused on socio-environmental responsibility. We understand that leading a company guided by the values of sustainability is never finished. There will always be something to improve, but we are pleased to have sustainable practices as our permanent priority, since the company's inception more than 120 years ago.

Through this sustainability report, we are able to be closer to all our *stakeholders* and show how valuable each one is to our organization.

Ester Agroindustrial's performance covers a wide value chain, which involves players in numerous areas, especially in agriculture and industry. We have our own and third-party raw material production; suppliers of inputs, machinery, equipment and services, which employ people in various cities in the region; customers, who buy our final products (sugar, ethanol and energy) etc.

Together, we generate wealth, foster development and are a management and sustainability model in the sector in which we operate.



Index [GRI - 102-55]

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Technical data sheet

General Coordination of the Sustainability Report

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