

# Annual Sustainability Report 21/22

An aerial photograph of an industrial facility, likely a refinery or chemical plant, situated along a river. The facility features several large white storage tanks, industrial buildings, and a tall smokestack emitting a plume of white smoke. The surrounding landscape is a mix of green fields and reddish-brown earth. A large green abstract shape is overlaid on the left side of the image, and a white wavy line runs across the top right.

**ra**  
nardini

**#GREAT<sub>BY</sub>NATURE**





01

We turn earth's  
gift into fuel for a  
sustainable world.

**This is our  
energy.**



[102-50 | 102-51 | 102-52]

## About this report

As a way of continuing our transparency reporting practice, as well as demonstrating our commitment to achieving the best socio-environmental, economic and governance results, we present our 2nd Annual Sustainability Report, regarding crop year 2021/2022, which comprises the period from 1 April 2021 to 31 March 2022.

We have prepared our report based on the Global Reporting Initiative (GRI) standards, one of the most widely used criteria in the world. Accordingly, we present our contributions to the Sustainable Development Goals (SDGs), proposed in 2015 by the United Nations (UN).

The search for sustainability has always been present in our actions and we are proud to connect our values to our practice, as well as sharing, together with our stakeholders, our continuous work towards a sustainable global economy.

Enjoy your reading!



Learn more about Nardini on our website through the QR Code beside or through the link: [www.nardini.ind.br](http://www.nardini.ind.br)

### STAFF

**Nardini general coordination:**  
Fábio Luiz Gonçalves

**Nardini ESG Committee:**  
Anderson Robes, Carolina Bizari, Mauro Berto, Paula Costa, Vanderlei Caetano

**Technical consulting editorial coordination, graphic project, writing, editing, review and translation:**

Soluta Management and Environment

**Images:** Nardini Photo Collection



[102-14]

# A message from the CEO

Riccardo Nardini

CEO



Nardini's 2021/2022 crop year was full of challenges. Difficulties arose and, one by one, were overcome in the best possible way, with teamwork and commitment from each area within the company. Overcoming these challenges has provided us with the greatest recurring revenue in our history.

For the third year in a row, we faced climate issues. This season, in addition to a severe drought, there were four episodes of frost, besides severe damage caused by fires in the sugarcane fields. As a result, our agricultural planning was greatly affected, resulting in the loss of 800,000 thousand tons of crushing sugarcane. In other words, a significant loss for Nardini.

However, even with this loss, we maintained our revenue above R\$ 1 billion and achieved a record recurring net income. This is due to the flexibility of our sugar and ethanol production mix, among other factors.

Aiming at good corporate governance practices and strategic direction of the business, our Advisory Board began to act, as of July/2021, as a Board of Directors.

Still focused on meeting the company's growth and improvement strategies, changes were implemented in our management. With the departure of the agro-industrial director, we divided this position by appointing two new directors: the industrial director and the agricultural director. This change aims to bring more focus, autonomy and representation for both areas.

Another great advancement was the resumption of the Aporé Project, with the beginning of the crushing process scheduled for April/2023, a reason for great joy and satisfaction to all of us. With an investment of over R\$ 500 million, it will initially produce ethanol and electricity. The initial prediction for crushing is of 800,000 tons of cane. By our estimate, around 1,000 new jobs will be created directly and we will also provide the opportunity for professional growth to our team.

What motivates me is that, despite so many adversities, for the 3rd consecutive year we have increased our score in the GPTW certification, which was 71 in 2019, rising to 77 in 2020 and now, in 2021, reaching 81 points. This result demonstrates how attentive the company is to the needs of its employees and how committed we are in regards to their well-being. This improvement makes me very proud.

In relation to natural resources, we have intensified our work towards a rational use of water in our plant and, as a result, we have obtained significant savings. We went from 0.66 m<sup>3</sup> per ton of cane in 2019 to 0.56 m<sup>3</sup> in 2020 and 0.45 m<sup>3</sup> in 2021.

I must also mention the important contribution of our subsidiary CEN - Companhia Energética Nardini (Nardini Energy Company) - responsible for placing on the market clean energy, of renewable source, collaborating in mitigating the effects of the water deficit that led to alarming levels in the hydroelectric reservoirs. We can assert that CEN contributed for us not being subjected to a new energy rationing.

Nardini continues to work emphatically towards social matters, collaborating with projects in towns and cities in the region. Among them, we can mention:

- **BACK HOME PROJECT** which involves the employees' families, raising awareness of the importance of caring for safety at work;
- **RETIREMENT PREPARATION PROGRAM** which guides the employees for this moment of their lives, teaching them how to act towards a better quality of life through various tools;
- **YOUNG APPRENTICE PROGRAM** which opens the company's doors to develop young people from the towns and cities in the region and prepare them for future insertion in the market;
- **SECURITY IS LIFE PROJECT** with actions towards training and raising awareness for our employees inside and outside the work environment.

We have a 49-year history and have always been focused on continuous and sustainable growth, so I can truly say that we are a #greatbynature company.

I thank the Nardini team for all their dedication and I am very proud of being part of it.

## A MESSAGE FROM THE MATRIARCH

To talk about Nardini, for me, is a pleasant moment, because, since the day it was born, the company occupies an important space in my daily life.

If sustainability is the goal of every enterprise, Nardini complies with its requirements.

Employees are met with a safe, respectful and healthy coexistence.

Nardini maintains its good name through its various commitments: financial, environmental and social.

Being located in an area with small and medium sized towns and large cities, we are inserted within the context of their necessities, ready to attend to all.

Nardini sees, little by little and with good eyes, the reappearance of birds and animals that were here in the past in their natural habitat.

Sustainability has today, as it did in the past, the example of Nardini, working together with the elements that dictate the rules of a company's well-being: social commitment, its financial part and the environmental world.



Lady Guiomar

Nardini Family's Matriarch





# Summary

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## OUR HIGHLIGHTS

Crushing of  
**3.5 MILLION TONS**  
of sugarcane

**3,484,625 GJ**  
**ENERGY**  
**PRODUCTION**

**129% INCREASE**  
in investment

**MORE THAN**  
**80 MILLION**  
invested in  
the Aporé unit

**NEARLY 20%**  
**REDUCTION**  
in the specific  
consumption of water  
per ton of cane, in  
comparison to the  
previous harvest

**MORE THAN**  
**560% INCREASE**  
in values distributed  
to the community

**100% OF**  
**WASTE REUSED,**  
recycled or properly  
destined

**63% INCREASE**  
**IN THE VALUE** of our  
biological asset

**62% REDUCTION**  
in accidents leading  
to work leave

**19.7% INCREASE**  
in operating profit

**NAMED BEST**  
**PLANT IN THE SECTOR**  
in the agricultural  
mechanization  
category in 18th edition  
of the Visão Agro (Agro  
Vision) award

**44% INCREASE**  
in net worth

**9.7% REDUCTION**  
of net debt





# NARDINI

## ORIGIN AND FUTURE

We are Nardini Agroindustrial Ltd., a Brazilian company that has become one of the largest in the national sugar-energy sector. Our production is focused on achieving the best results, delivering products with higher added value, such as crystal sugar and anhydrous ethanol. We also produce electricity from biomass through our subsidiary CEN (Nardini Energy Company).

Founded in 1973, under values of transparency, responsibility and ethics, inherited and followed strictly by the continuators of the work of our founder, Aurélio Nardini, our way of working guarantees the well-being and safety of our employees and the community in which we operate.

Currently, our industrial activities are carried out in the municipality of Vista Alegre do Alto and the production of sugarcane is distributed in several towns and cities within the State of São Paulo. Our crushing capacity is 4.7 million tons of cane per harvest.





## APORE UNIT

From a dream started 15 years ago, we are implementing in the city of Aporé, State of Goiás, another industrial unit from our group, which will generate more than 1,000 direct jobs.

With an estimated investment of 500 million reais, the prediction is that crushing will start taking place in April 2023, with 800 thousand tons of sugarcane, increasing year by year, until reaching 3 million tons.

Our new unit will produce electricity and hydrous ethanol. We have planned the production of 70,000 MW in the first harvest, reaching 300,000 MW at a later stage, the equivalent to the consumption of 27 thousand families a year. 70 million liters of ethanol will be produced in the first harvest, and we expect to reach the 300 million-liter figure.

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## LOCATION OF OUR OPERATIONS

In the 21/22 crop year, more than 3.5 million tons of sugarcane were crushed at our headquarters in Vista Alegre do Alto, in a total area of about 48,000 ha, being 57% of it our own cane. In addition, all harvesting and transportation is carried out by the company itself.

All sugarcane production at the Aporé unit, referring to the 21/22 crop, was sold.

### HEADQUARTERS VISTA ALEGRE DO ALTO

Vista Alegre Farm,  
km 2.5, SP 323 Highway,  
Vista Alegre do Alto, SP

### APORE UNIT

São Francisco Farm, GO  
184 Highway, km 133 - 760m,  
S/N, Aporé Rural Area, Goiás

### MUNICIPALITIES WHERE THERE IS SUGARCANE PRODUCTION IN SAO PAULO

- Ariranha
- Bebedouro
- Cajobi
- Cândido Rodrigues
- Catanduva
- Embaúba
- Fernando Prestes
- Itajobi
- Itápolis
- Monte Alto
- Monte Azul Paulista
- Novais
- Palmares Paulista
- Paraíso
- Pindorama
- Pirangi
- Santa Adélia
- Severínia
- Taiaçu
- Taiuva
- Taquaritinga
- Vista Alegre do Alto





# OUR HISTORY OF ACCOMPLISHMENTS

**1950** — **1955** — **1973** — **1979**

Agricultural engineer and Doctor of wheat genetics, Dr. Aurélio Nardini leaves Italy and sets off to Brazil.

Aurélio Nardini becomes CEO of Catanduva Power Plant, holding this position for 10 years.

Nardini's history starts with the acquisition of Vista Alegre Farm, in the municipality of Vista Alegre do Alto/SP, where there was already a sugarcane distilled spirit mill working in the location.

Relying on the assistance of government incentives, through the ProAlcool program, the company invests in the industrial park and begins the production of ethanol fuel.

**1995** — **1997** — **2001** — **2003**

Installation of the cane yeast production factory for animal feed.

Nardini invests in the sugar manufacturing factory and begins to produce crystal and VHP sugar.

Investment in the construction of a 69 KV substation with 12 MW of power.  
Beginning of the commercialization of electricity.

Inauguration of the sugar refinery, which produces special granulated sugar.

**2007** — **2011** — **2013** — **2020**

Nardini starts the construction of the second industrial unit in Aporé/GO.

Expansion of the cogeneration park, going up to a total of 30 MW in export power and the construction of a new transmission line substation of 138 KV.

Nardini makes investments to expand its crushing capacity from 3.8 to 4.7 million tons of sugarcane.

Largest crushing in Nardini's history: 4.31 million tons of cane with 89.2 TCH productivity and 144.7 kg/ton average ATR.

**2021** — **2022** — **2023**

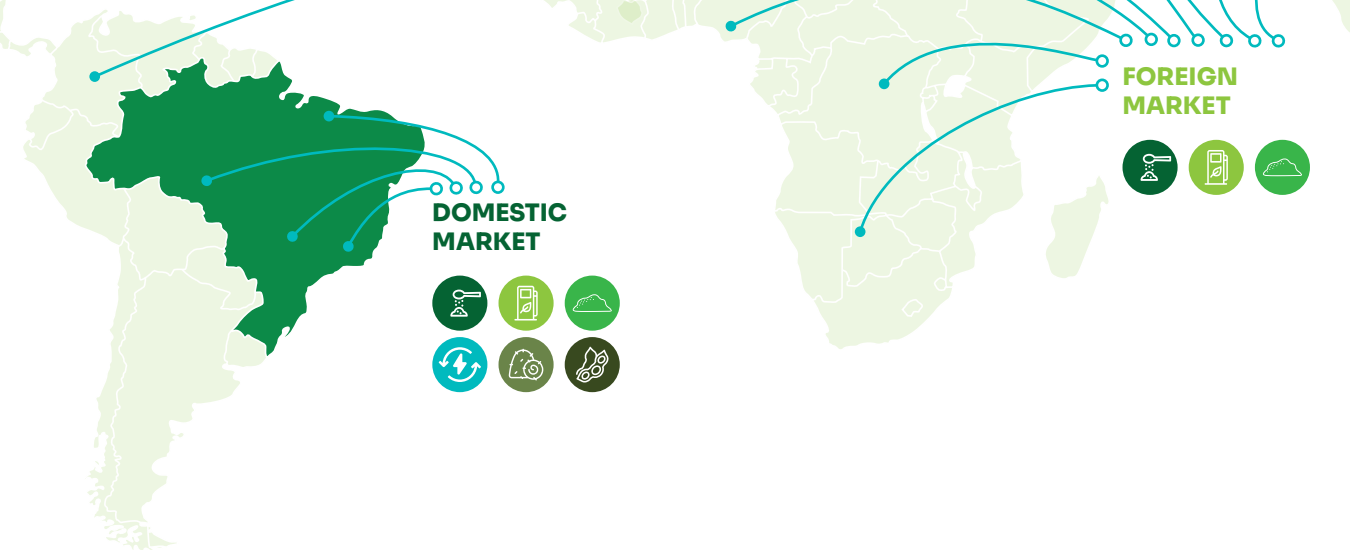
Launching of the cornerstone for the construction of the Aporé/GO unit factory.

Resumption of works in the Aporé/GO factory, generating direct and indirect jobs.

Prediction to start crushing in the Aporé/GO unit.



## PRODUCTS AND MARKETS SERVED



**DOMESTIC MARKET**



**FOREIGN MARKET**



### SUGAR (CRYSTAL AND VHP)

Originating from the processing of sugarcane juice into sucrose crystals of varying sizes, crystal sugar is a white to slightly yellowish natural sweetener. On the other hand, VHP sugar is destined for the foreign market and possesses a gross composition, which allows customers to transform it into different types of sugar for consumption.

VOLUME SOLD: **305,671.30 TONS**

### ETHANOL (HYDRATED AND ANHYDROUS)

Serving the domestic market, we sell carburant hydrated ethanol, used for the direct fueling of vehicles, and industrial hydrated ethanol for the chemical industry. Anhydrous ethanol is water-free and known as dehydrated ethanol.

VOLUME SOLD: **121,029.80 M<sup>3</sup>**

### DRY YEAST - UNALEV

Commercialized under the UNALEV brand, the dry yeast is a light brown powder, obtained from the yeast surplus in ethanol production, with fine granulometry, odor and own flavors.

VOLUME SOLD: **2,712.90 TONS**

### ENERGY

We generate renewable electricity from the co-processing of sugarcane bagasse.

VOLUME SOLD: **156,978.00 MW**

### HYDROLYZED BAGS

By-product of sugarcane processing, hydrolyzed bagasse is used as animal feed for nutritional supplement, as it presents a low calorie content.

SOLD: **1,215.15 TONS**

### PEANUTS AND SOY

The planting of peanuts and soybeans are part of the rotation of crops, a common practice in sugarcane plantation lands, sugar, as a form of green fertilization, through nitrogen fixation in the soil.

SOLD:  
**SOY: 896.96 TONS**  
**PEANUTS: 3,371.86 TONS**



# CERTIFICATIONS

Over the years, we have continued to commit ourselves to the best raw material production and cultivation practices and, therefore, we are recognized and certified by renowned institutions.



## ISO 9001 - QUALITY MANAGEMENT SYSTEM

The ISO 9001 seal guarantees that we have in place an efficient Quality Management System, which brings a clear understanding of our organizational processes and their interactions, to ensure the compliance of our products and the management of these processes and the system as a whole, using the PDCA (Plan-Execute-Verify-Act) methodology.



## FSSC 22000 - FOOD SAFETY MANAGEMENT SYSTEM

Internationally recognized Food Safety Certificate that integrates ISO 22000:2018 and is supported by the Confederation of the Food Industries of the EU (CIAA) and approved by the Global Food Safety Initiative (GFSI).

This certification demonstrates our commitment to food safety, quality, legality and the continuous improvement of our processes and products. This gives us the ability to consistently meet our customers' expectations towards the safety and the quality of our products, while reducing supply chain management costs.



## BONSUCRO

Leading global sustainability and standardization platform for the sustainable production of sugarcane and its by-products. Our certification covers both recommended standards by the institution, them being the Production Standard and the Chain of Custody Standard. Both act together to ensure that sugarcane production benefits the producers' communities, that people are treated fairly and that traceable and lasting supply chains are created.



## RENOVABIO

Fuel regulation program created by the federal government, with the objective of expanding fuel production in the country in a sustainable way in all aspects: social, economic and environmental, in a manner compatible with market growth. It is the government's bet for clean fuel, creating competitiveness in the sector in a more balanced way regarding fossil fuels.



## GREENER ETHANOL

We are committed to implementing the technical directives described in the Greener Ethanol Agro-Environmental Protocol, signed between the Government of the State of São Paulo -represented by the Department of Infrastructure and Environment, the Department of Agriculture and Supply and the Environmental Company of the State of São Paulo - and the sugar-energy sector - represented by UNICA - which consolidates the best sustainability practices in the São Paulo sugar-energy production chain.



## GREAT PLACE TO WORK

The Great Place to Work seal is the best reference in management research to measure the quality of the internal environment and the organizational culture, in addition to identifying the perception of employees regarding the organization and its leadership. The GPTW seal recognizes us as an excellent company to work at.



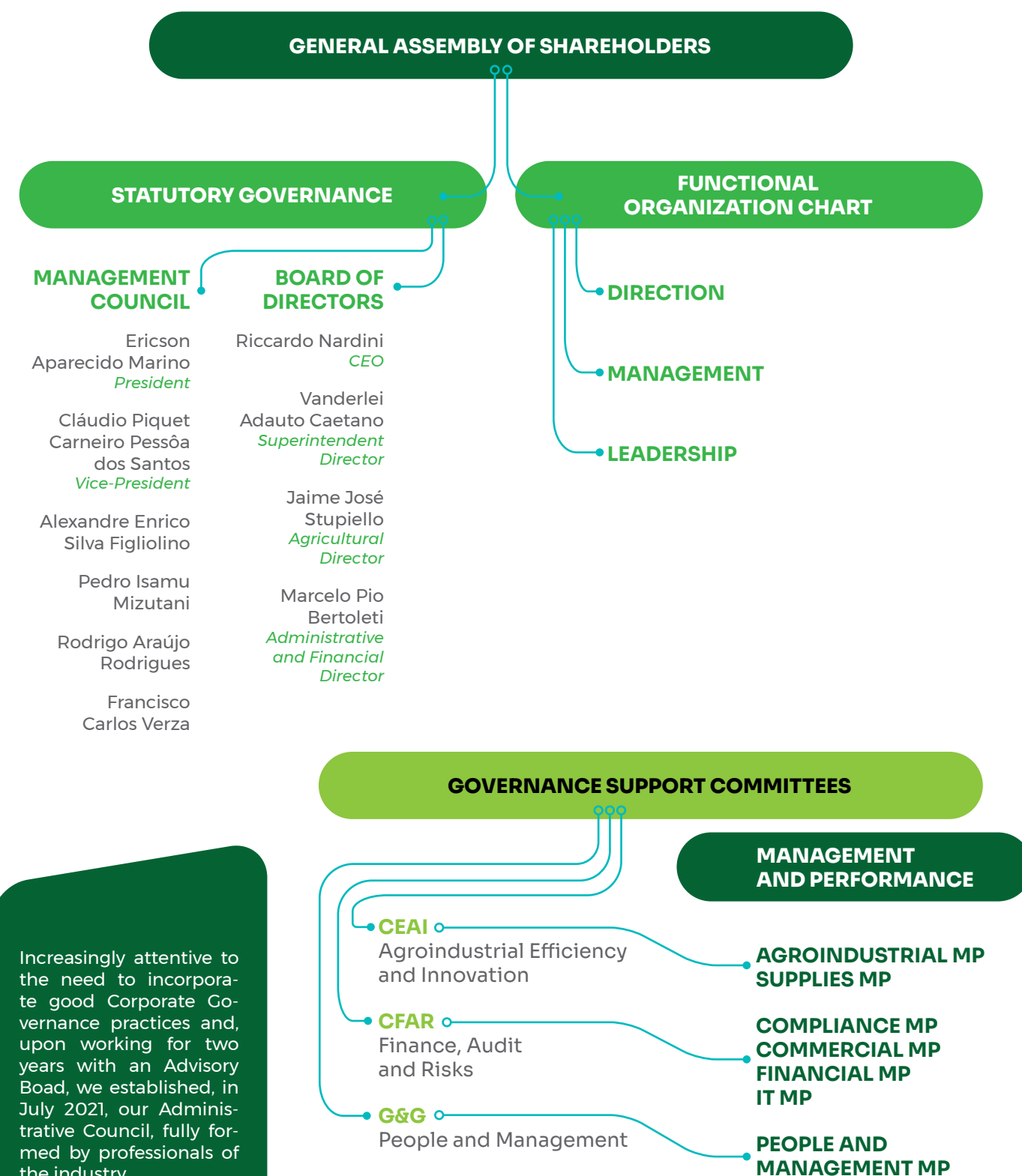
## GREEN ENERGY SEAL - CEN

Nardini - through its subsidiary CEN - holds the Green Energy Seal, as it is registered in the Bioelectricity Certification Program. This Seal is issued and renewed every year by UNICA, in partnership with the CCEE (Chamber of Electricity Trading), encouraging the sugar-energy sector to participate in bioelectricity in the Brazilian energy matrix.

[102-18 | 102-19 | 102-22]

# CORPORATE GOVERNANCE

## GOVERNANCE STRUCTURE



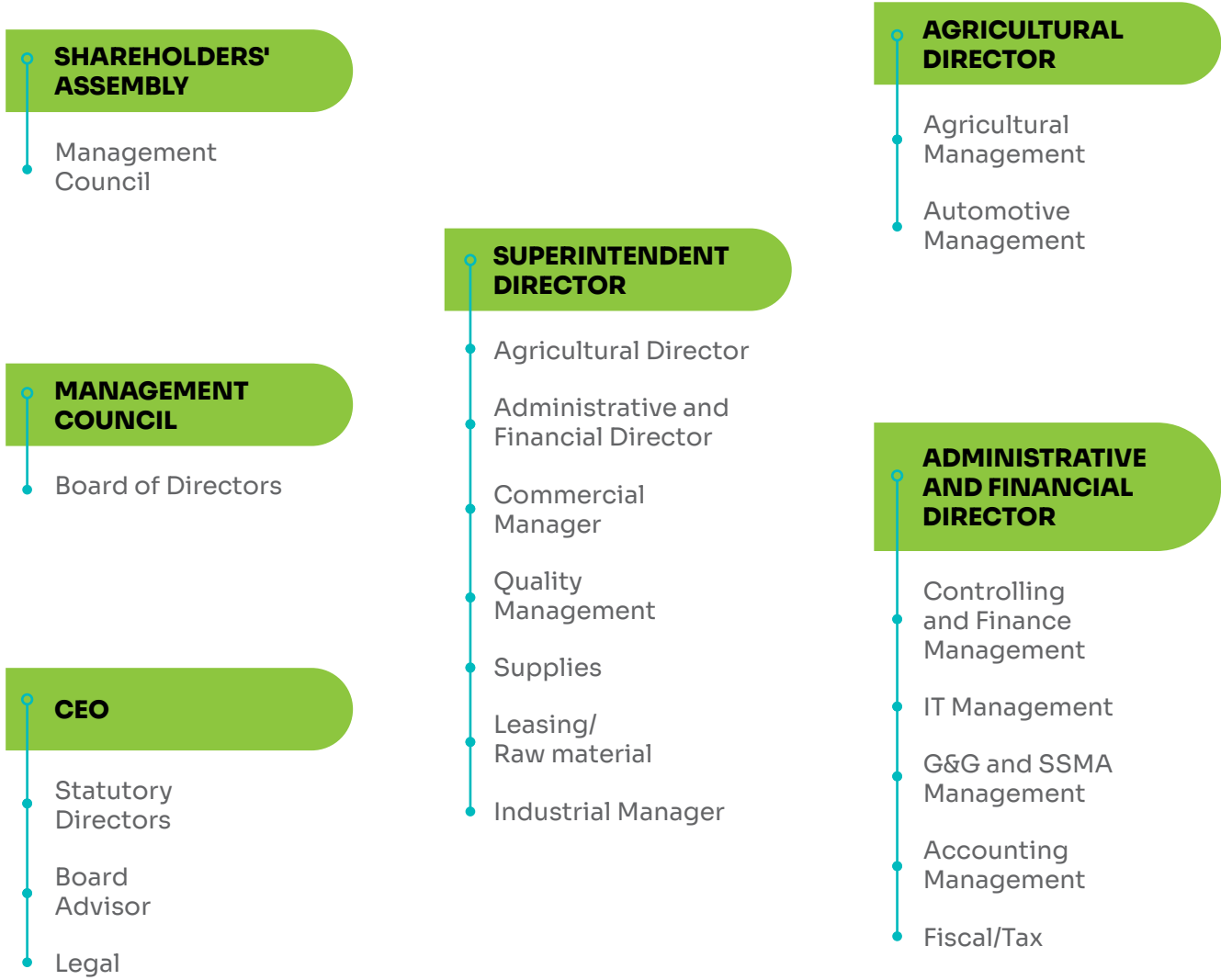




HIERARCHICAL COMPOSITION



DELEGATION OF AUTHORITY



[102-26]

GENERAL ASSEMBLY OF SHAREHOLDERS

The Shareholders' Assembly, the highest governance body, is responsible for defining the companies' general strategic policies, for the election of directors and for supervising their management, among other attributions.

The directors are nominated at the Ordinary General Assembly for 3-year terms and are able to be re-elected. The Shareholders' Assembly ordinarily meets once a year and extraordinarily whenever summoned by any of its members. They analyze economic, social and environmental topics, among other matters regarding the companies' operations.

Through the members' deliberative power, the decisions that will conduct the company are taken, such as: approving business strategies, deciding on profit allocation and dividend distribution, nominating members of the Management Council and the Board of Directors, defining compensation of advisors and directors.

MANAGEMENT COUNCIL

The Management Council serves as a link between the Shareholders and the Board of Directors, with functions, powers and attributions duly established. Its members provide guidance on the guidelines to be followed and on the best approaches, deliberating on important issues, making decisions and taking responsibility jointly for the direction of the business.

Comprised of six independent members, it is responsible for defining and approving strategic plans and monitoring the executive management, regulating the relationship among the interested parties and acting as a guardian of the partners' interests.

The members of the Management Council are appointed by the Shareholders' Assembly for a 2-year term, and may be re-elected, according to the Articles of Incorporation. They are chosen for their independence, knowledge and competence, necessary to support the company in its challenges.

[102-23]

BOARD OF DIRECTORS

Comprised of the Chief Executive Officer (CEO) and three Statutory Directors, the Board of Directors interacts with the Management Council and its committees, in order to contribute to the development of high impact projects for the company, as well as having the function of exercising the executive management of the organization, seeking strategic effectiveness and operational excellence, and defining strategies that meet the partners/shareholders' expectations. Its members are appointed by the Shareholders' Assembly for a 3-year term and may be re-elected, according to the Articles of Incorporation.

The Chief Executive Officer is a member of the Shareholders' Council and exercises the function of leadership in the organization, aiming to achieve the goals defined by the Management Council, as well as responding to its guidelines and directions.

With the desintegration of the Agroindustrial Director position in November 2021, Jaime José Stupiello was named by the General Assembly of Shareholders for the position of Agricultural Director, in March 2022.





## COMMITTEES

The committees support governance and are composed of independent counselors.

## PERFORMANCE MANAGEMENT GROUPS

The Performance Management Groups support the committees by monitoring data and performance indicators. They are working groups made up of management and other process leaders.

[102-20]

## RESPONSIBILITY OF EXECUTIVE-LEVEL POSITIONS AND FUNCTIONS BY ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS

All projects related to economic, environmental and social topics, and that are of great relevance and impact to our business, undergo analysis, feasibility study and approval by the Management Council, before being approved by the General Assembly of Shareholders.

After being duly approved by these bodies, the Board of Directors, led by the Chief Executive Officer, who is also a shareholder, acts together with and/or delegates to the Statutory Directors the responsibilities and other actions necessary for the development of the projects.

[102-25]

## CONFLICT OF INTEREST PREVENTION POLICY

Regarding policies that prevent conflict of interest, we highlight the following:

1

**SELECTION PROCESS FOR SUCCESSORS:** potential candidates are analyzed by the Personnel Management Committee, Management Council, with the participation of the Board of Directors, in accordance with the Director Succession Policy, which determines that candidates do not present conditions that would characterize a conflict of interest.

2

**SELECTION OF COUNSELORS:** in accordance with the Policy for Appointing and Fulfilling Council Positions, potential Counselors must not present conflicts of interest and/or that violate their fiduciary duty as a Counselor.

3

**RELATED PARTIES:** our Related Party Transactions Policy states that whenever a key member in the company's management presents a conflicting interest with that of the company or its subsidiaries, that person must cease to participate in the decision-making process.

[102-11 | 102-29 | 102-30]

## RISK MANAGEMENT

Our Risk Management policy is applicable to all areas where the criteria for identifying, analyzing, treating and monitoring risks are defined, considering in the assessment the internal context as well as the external context.

All events of internal or external origin, related to the company's business strategies and objectives, are mapped and monitored to ensure that any materializations of risk that may occur is already known and managed to an acceptable level. It is worth emphasizing that the risks defined as priority and their respective action plans are monitored by the Board of Directors and the Management Council.

[102-15]

## MAIN IMPACTS, RISKS AND OPPORTUNITIES

### IDENTIFIED RISKS

With the support of specialized consulting, main risks were identified in order to establish responses and monitoring. For all risks classified in a matrix, there is an action plan by the manager responsible for it.

The mapped risks are reported to the company's management in periodic monitoring meetings, as well as the actions taken and their respective progress, aiming to maintain the company functioning efficiently.



### STRATEGIC

- Technology gap
- Image and trust (governance and transparency)
- Markets and competition
- Product non-compliance and sabotage
- Talent Loss
- Sugarcane supply



### FINANCIAL

- Unethical conduct, fraud and non-adherence to norms and rules
- Crisis management
- Liquidity or cash insufficiency
- Loss of revenue and cash generation
- Sustainability and corporate responsibility



### OPERATIONAL

- Work accidents and incidents
- Low productivity of sugarcane fields
- Property damage and physical integrity
- Explosion and fire
- Third-party management
- Infrastructure and logistics
- Production stoppage and industrial inefficiency
- Regulation and taxes
- Reputation and Image
- Information security and data use



[102-16 | 102-17 | 102-26]

## ETHICS AND INTEGRITY

Our mission, vision and values are applied day to day in our operations. They are highly disseminated at all levels of hierarchy and were defined by the senior leadership team, being measured by indicators approved by the Board of Directors, in order to monitor our performance in the face of the challenges assumed.

### MISSION

To produce sugar, ethanol, energy and other products derived from sugarcane, respecting the environment and generating income, well-being and satisfaction for clients and employees.

### VISION

To become a reference in the sugar-energy sector, for its sustainable growth and the quality of its products.

### VALUES

**ENTREPRENEURSHIP:** to develop actions with excellence and to execute them focused on results;

**TEAMWORK: UNION FACILITATES WORK;**

**CONSTANT INNOVATION:** to monitor and to invest in research and development for the sector;

**RESPECT FOR PEOPLE:** to be against any type of discrimination, respecting the Declaration of Human Rights;

**RESPECT FOR THE ENVIRONMENT:** to minimize and to compensate for the environmental impacts resulting from the production process;

**WORK SAFETY:** to develop preventive behavior focused on zero risk.

### CODE OF ETHICS

In a formalized manner, we have implemented the Code of Ethics, a document that regulates the company's involvement with all those with whom we interact, making us responsible for not only financial but also social and environmental development in the region and the country.



Click here and access our Code of Ethics

## NARDINI OMBUDSMAN PLATFORM

The Nardini Ombudsman Platform is a tool which purpose is to receive, register, instruct, analyze and give formal and appropriate treatment to demands related to consultations, complaints, suggestions, praise and criticism from our stakeholders.

The platform is a secure and confidential environment, hosted outside the Nardini System (or environment), and managed by Contato Seguro.

All information received is processed confidentially, within reasonable time, fully observing the rights to defense and response, assuring the victim or complainant exemption and protection from retaliation for the information they may bring.

The records of complaints, suggestions and questions can be made by calling 0800, on the website or the application. Our ombudsmen are available 24 hours a day, 7 days a week, 365 days a year. Calls are always free, from anywhere in the country. Identification is not necessary, anonymity is guaranteed.



**0800 006 6013**

[www.contatoseguro.com.br/nardini](http://www.contatoseguro.com.br/nardini)

## HIGHLIGHTED INNOVATION PROGRAMS IN THIS HARVEST

### INOVA NARDINI PROGRAM

On the verge of its 50th anniversary, Nardini plans to launch the Inova Nardini program, aiming at consolidating strategic projects. Together with existing programs (Líder Agro, Segurança é Vida and Gênio 4.0), the Inova Nardini Program will support the Digital, Technological and Innovation strategy, so that the next 50 years are as promising as our previous ones.

Through the vision and wishes of our team (PEOPLE), we shall rescue what we can do best (PROCESSES) to accelerate growth with security, confidence and scalability (TECHNOLOGY).

### AUTOMATION OF CANE BALANCE AND OTHER PRODUCTS

In need of streamlining weighing processes and truck loading and unloading flows, we implemented automation in processes that involve all weighing flows and procedures directly involved – from weighing cane to other products, both at the output and input of materials and products. The project involved solutions from partner companies, in addition to a lot of effort from the internal automation and IT team. This improvement brought more agility to these processes and, consequently, reduced costs, besides generating greater satisfaction for those involved.





## SUSTAINABLE PEST MANAGEMENT

We implemented a new smart platform for sustainable pest, disease and weed management, free from commercial bias related to chemical and biological products, called MAPFY Shield.

Based on concepts and technical knowledge of consultants with over 40 years of experience in the agricultural sector, the system ensures high operational performance for quick and accurate decision making, bringing "business comfort" to rural producers.

On the technical side, MAPFY Shield works in the cloud and allows for complete pest management.

## SOLUTION FOR EXCELLENCE IN BUSINESS MANAGEMENT AND COMPLIANCE

We implemented a solution that aims to bring excellence in the management of the company, keeping it in business and legal compliance.

The modules implemented bring this concept to the areas of IT, PMO (Project Management), Quality, Environment, Risk Management and also to the Board of Directors. The implementation of the Renovabio and Innovation Management modules is currently being evaluated.

SoftExpert Suite supports us in the entire flow chain of records in the processes of Deviations, Change Control, Investigation of Out-of-Specification Results, Market Complaints, Quality Events, Project Management, IT Tickets, Risk Management, among others, supporting the follow-up of corrective and preventive actions. There were many gains obtained with such implementation and the prospect is to evolve much more.

## DIGITAL GUARDIAN

Another suite implemented and of great evolution was the Digital Guardian solution, which brought about the possibility of digitalization and cloud storage of all documents that require storage by history (GED). The solution has also led to an evolution in the development of electronic flows (BPM) for previously manual processes. The Contractor Management module, scheduled to be implemented, allows for the documentation of contracted service providers to be sent to the tool directly by them, making this process more flexible and agile. The solution also includes the control of electronic (digitized) signatures for documents and contracts handled by the company.

## CASH FLOW MANAGEMENT AND BUDGET PLANNING

Solution for managing, budgeting and controlling cash flow, which integrates different sources of information, fully connected to the company's main system (ERP). By monitoring and analyzing the company's financial transactions, it takes into account the steps planned, carried out and budgeted under short, medium and long term visions.

The GESPLAN tool is also strategic for simulating, modeling and monitoring corporate planning. Through economic and financial analyses, balance sheet, income statement (DRE) and cash flow statement (direct and indirect), it is possible to visualize, analyze and compare different scenario projections (short, medium and long term) and the business consolidation of multiple organizations.

## AUTOMATION OF REPETITIVE PROCESSES

Aiming at continuous innovation, we acquired a platform for automating our repetitive processes carried out by our employees. The solution called Automation Anywhere, and known as RPA, has enabled manual and repetitive processes to be performed by digital robots, at any day and time. Areas such as Finance, Quality and Agricultural Logistics are already using and benefiting from this evolution. Other processes are being mapped and will be implemented to allow users to have more strategic activities, while the robot automatically performs repetitive processes.

[102-13]

## PARTICIPATION IN ASSOCIATIONS

We actively participate in and interact with associations, entities, unions, research institutions and public bodies, in order to contribute to and learn about the main innovations, technologies and evolution of the industrial, sugar-energy and agribusiness sectors.



### BIOCANA (Ethanol, Sugar and Energy Producers Association)

Its objective is the search for corporate solutions, aiming at the development of policies and projects that meet the needs of associated companies, a work that is always guided by respect for environmental, social and economic issues. We have employees who work on Biocana's board of directors and fiscal council.



### UNICA (Sugarcane Industry Union)

Entity representing the main sugar, ethanol and bioelectricity producing units in the Center-South region of Brazil, mainly in the State of São Paulo. It works in harmony with the interests of sugar, ethanol and bioelectricity producers, both in Brazil and around the world. We have an employee who serves on UNICA's Deliberative Council.



### SIFAESP (Manufacturing and Alcohol Industry Union of the State of SP) and SIAESP (Sugar Industry Union of the State of SP)

Employers unions that represent, respectively, the alcohol and sugar industries in the State of São Paulo, before administrative, legislative and judicial authorities.



### SIFAEG (Ethanol Manufacturing Industry Union of the State of Goiás) and SIFAÇUCAR (Sugar Manufacturing Industry Union of the State of Goiás)

Legally represents ethanol and sugar producers, coordinating institutional actions with government agencies, class entities, business segments, institutions, etc., always following the precepts of socio-environmental sustainability.



### RIDESA (Interuniversity Network for the Development of the Sugar-Energy Sector)

It encourages and enables genetic improvement research for the development of RB sugarcane cultivars. Research activities are developed and shared among all Universities, stimulating the exchange of information, knowledge and results. RIDESA also calibrates macro and micronutrients present in soils and recommends sugarcane liming and fertilizing and industrial processes optimization in the manufacture of sugar and alcohol.



### CTC (Sugarcane Technology Center)

Biotechnology company with the main objective of researching, developing and commercializing sugarcane varieties that meet the needs of producers, contributing to increased productivity through the use of disruptive technologies.



### IAC (Agronomic Institute of Campinas)

Generates and transfers science, technology and products for the optimization of crop production systems, with environmental responsibility, aiming at socioeconomic development and food safety, through research, training of human resources and preservation of heritage.





# 03

## FINANCIAL MANAGEMENT

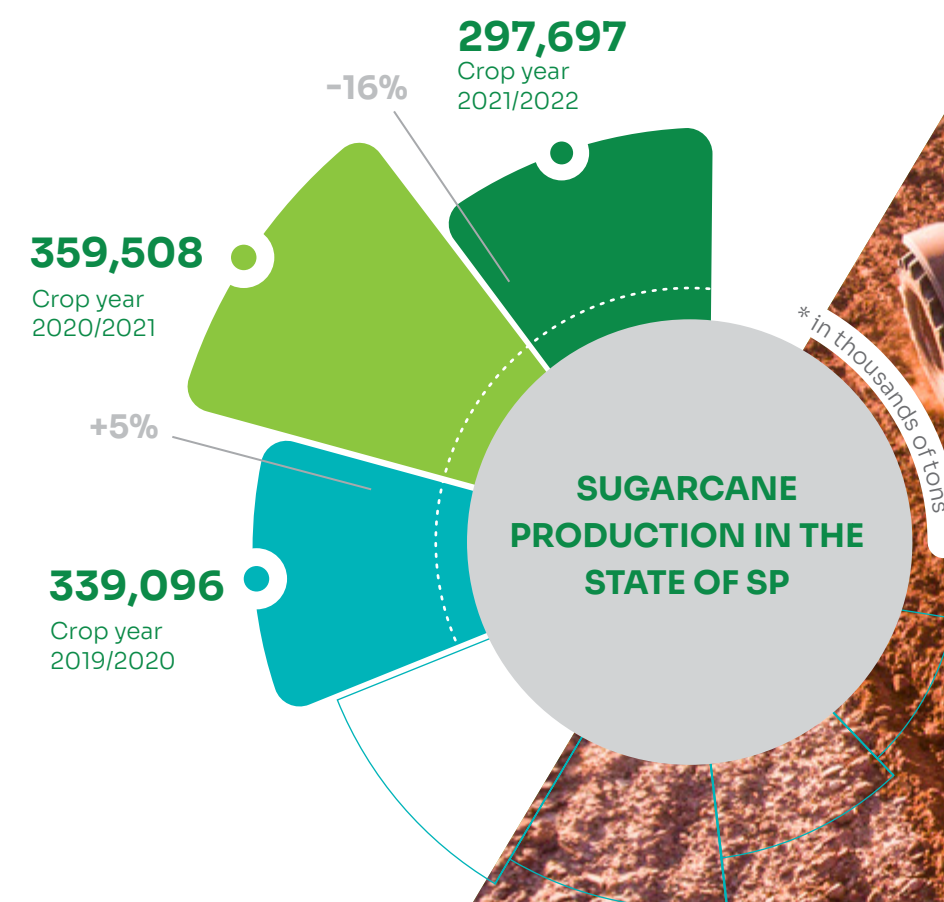
[201-2 | 203-1]

### PRODUCTIVITY AND MARKET INSTABILITIES

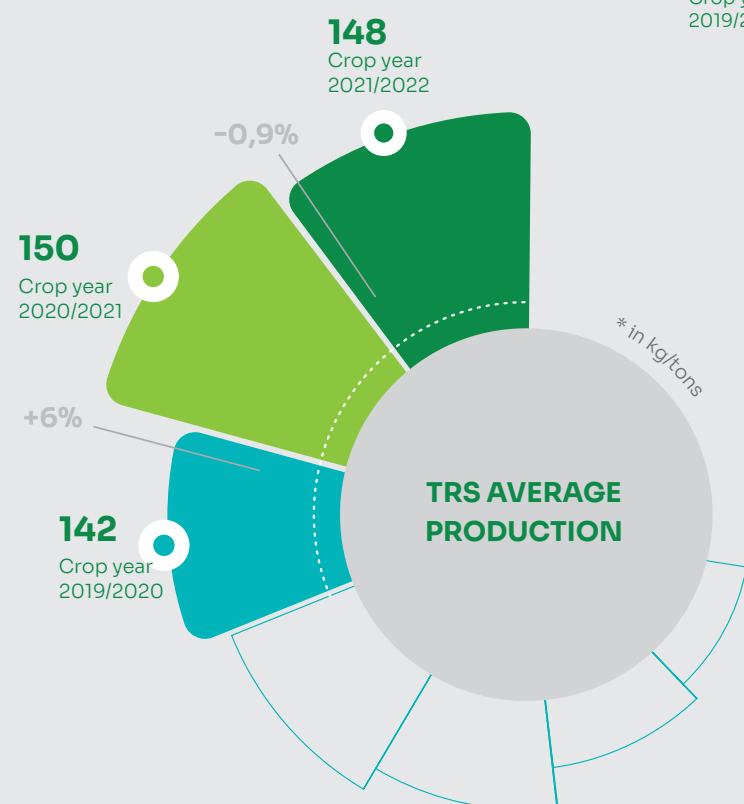
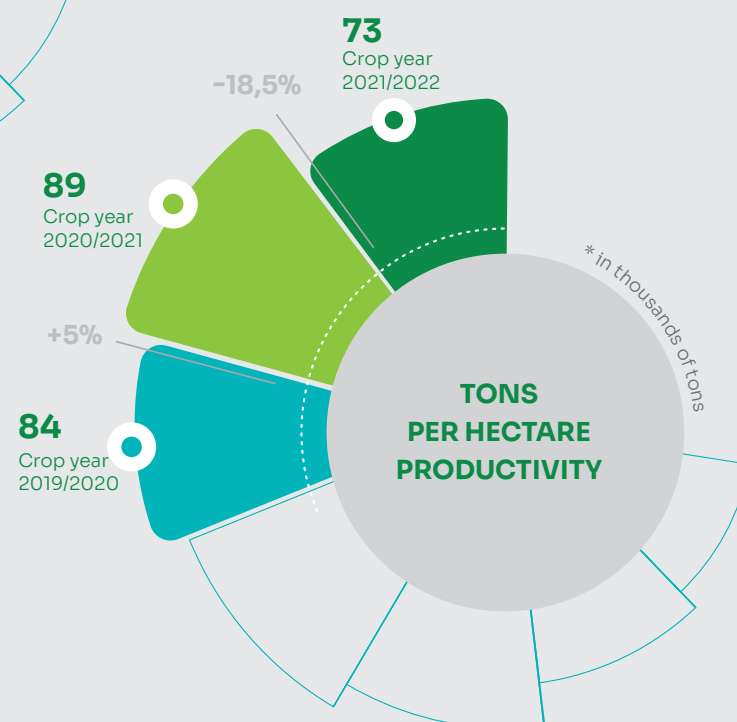
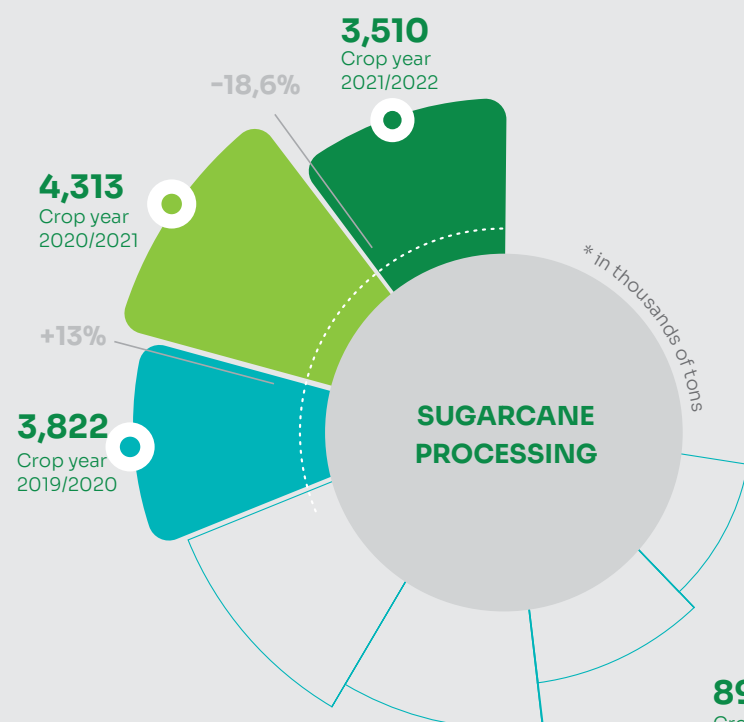
#### SUGARCANE PRODUCTIVITY WAS IN A DOWNTURN IN THE 2021/2022 CROP YEAR

The Brazilian productivity of sugarcane and, consequently, of sugar and ethanol, suffered a downturn in this harvest. The main factor that triggered this effect was the weather, with periods of extreme temperatures, long droughts, frosts and an increase in fire outbreaks in harvesting areas. The state of São Paulo, responsible for most of the sugarcane produced in the country, was also the one that presented the biggest drop in production, mainly in the center-west region, where our operations are concentrated.

Fonte: Unica - Observatório da Cana







In view of this scenario, all the main productive indicators of the sugarcane market had negative variations. Here at Nardini, adverse impacts were felt in relation to sugarcane processing and ton harvested per hectare, with a reduction of around 18%. Regarding the TRS average of sugarcane, we had a reduction of 2.2%, and the TRS average of production, 0.9%. Despite these numbers, we managed to maintain a balance between our own sugarcane processing and that of third parties, remaining at the same 60/40 ratio as in the previous harvest.

## CROP YEAR 2021/2022 PRODUCTION

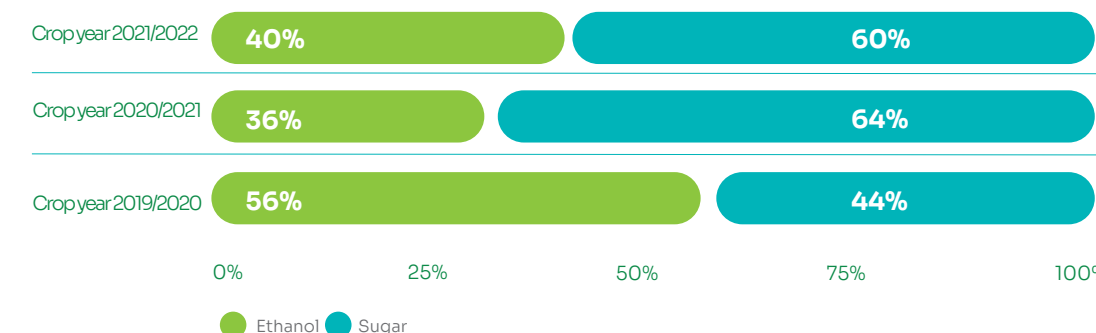
	UNIT	CROP YEAR 2019/2020	CROP YEAR 2020/2021	CROP YEAR 2021/2022
<b>SUGAR (TOTAL)</b>	t	226.7	390.6	296.4
<b>ETHANOL</b>	m <sup>3</sup>	178.3	136.0	120.9
<b>ELECTRICITY</b>	MW	163.0	158.0	144.3
<b>YEAST</b>	t	2.7	3.3	2.8

\* Values in thousands

The impacts on the main production indicators also resulted in lower volumes of cane crushing, consequently affecting the production of our main items. All of them had negative variations, with the biggest drop being that of sugar, with -24%, followed by yeast -15%, ethanol -11% and electricity -8%.

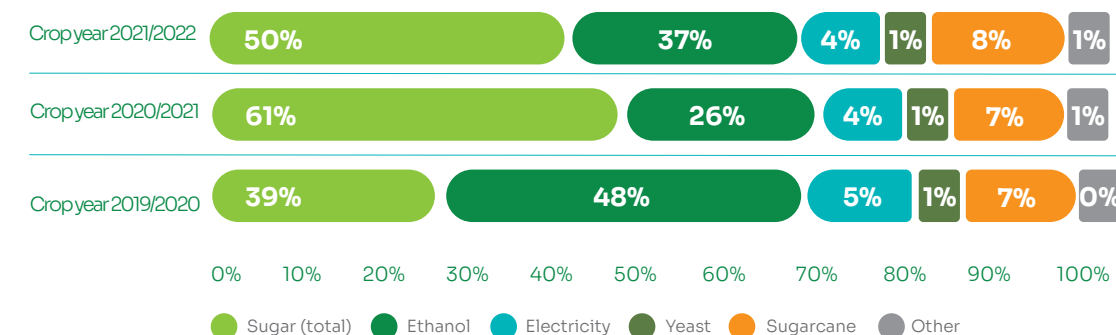
**Since sugarcane is the most volatile agricultural commodity in terms of production and prices, it is necessary to have a well-structured risk analysis.** Our management remained attentive to fluctuations in the market, identifying, evaluating and minimizing risks whenever possible, even in unfavorable scenarios, such as in this harvest. For the 2022/2023 harvest, the expectation is for a recovery in productivity, with better market conditions and better remuneration for sugar and ethanol, as products.

## PRODUCTION MIX



The reduction in foreign demand for Brazilian sugar, as well as the favorable demand-price ratio for the use of ethanol in the country, were the directions that guided our production. **Such changes in demand were viewed as an opportunity by our management.** We increased our ethanol production and reduced that of sugar, consequently increasing the revenue obtained by each of them.

## REVENUE PER PRODUCT

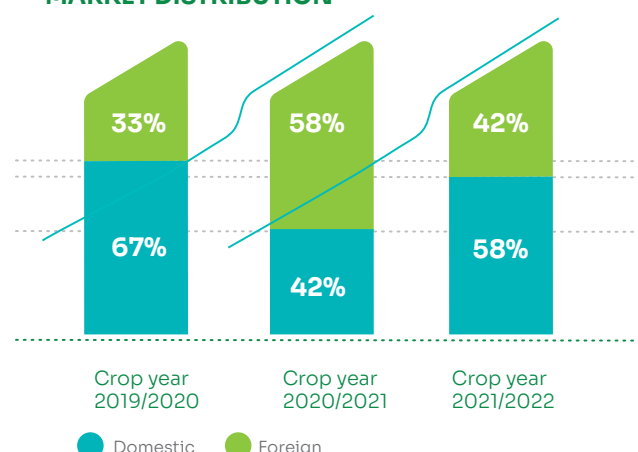


In relation to the trade balance of sales in the foreign and domestic markets, the scenario is the opposite of in the previous harvest. Of the total produced, 58% were destined for the domestic market and 42% for the foreign market. This inversion was also an action visualized and interpreted in an intelligent manner, intensifying the productive efforts for the markets of greater demand and profitability.



We have been focused on maintaining the balance of our operational and commercial activities, without damaging our cash balance. We were able to take advantage of market conditions in a favorable way, altering the production mix according to the items with the highest market value during the harvest, enabling better financial returns.

### MARKET DISTRIBUTION



[203-1 | 203-2]

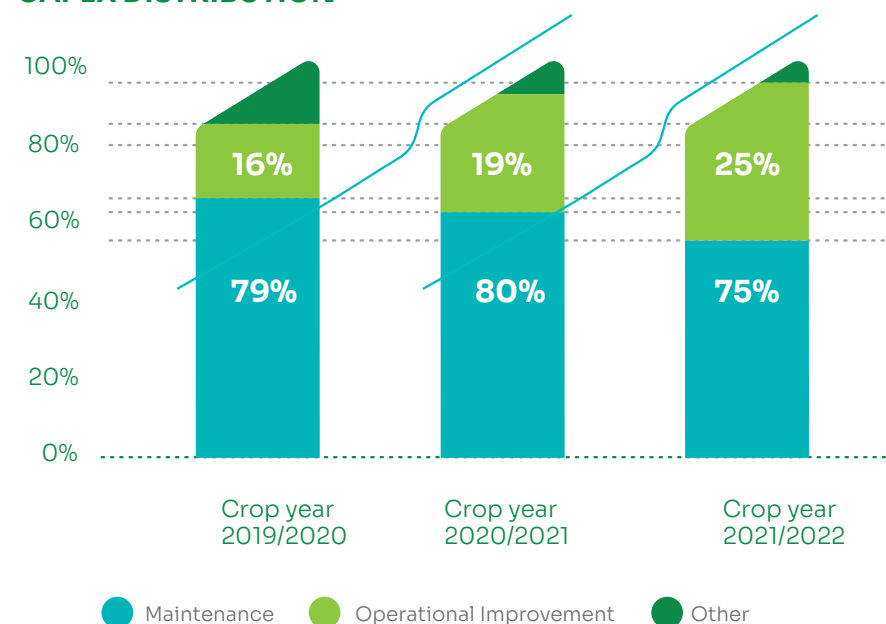
## CONSISTENCY IN OPERATIONS

### IN TOTAL, WE HAD A 72% INCREASE IN OUR CAPEX THIS HARVEST.

This harvest effectively relied on the resumption of the construction of the Apore unit. As a result, investments increased, due to the investment plan in the new unit. On the other hand, these investments will increase production capacity and generate results – the revenue from the new unit's first crushing is expected for the 2023/2024 harvest.

**The operating costs of the sugarcane market and its by-products were also indirectly impacted by macroeconomic conflicts.** Speculation in relation to oil caused the price of diesel to increase, which raised our cost of production, since diesel is used in our main agricultural machinery. We also highlight our storage policy adopted for the main fertilizers and pesticides used in our planting, due to their conditions of scarcity in the market and the difficulty in obtaining them.

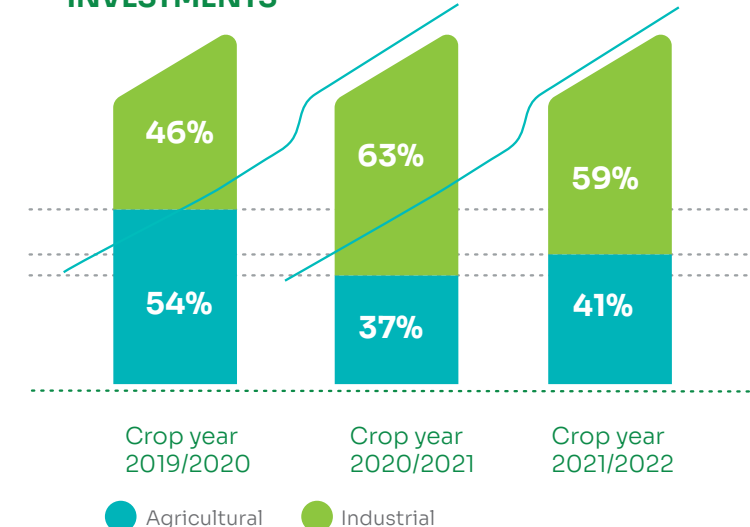
### CAPEX DISTRIBUTION



### IN ADDITION TO MAINTAINING OUR OPERATION, WE WENT BEYOND AND INVESTED 129% MORE THAN IN THE 2020/2021 CROP YEAR.

Several works are in progress to improve the operational capacity of the production area, such as in the juice treatment lines, sugar storage and investments in the health and safety of our employees. We also incurred in expenses with the acquisition of new tractors and harvesting implements.

### INVESTMENTS



With market changes, the valuation of our biological assets increased by 63%. In addition to the investments proposed in the harvest, our assets appreciated in relation to the previous period, making our position in the market more solid.

[201-1 | 203-1 | 203-2 | 204-1 | 207-4]

## STABILITY IN RESULTS

### EVEN WITH THE UNFAVORABLE SCENARIO OF THIS HARVEST, OUR RESULT HAS REMAINED FIRM.

We managed to surpass the high levels reached in the last harvest, with all our main economic and financial indicators showing positive variation, demonstrating that Nardini's operations remain solid and balanced.

We had an increase of more than 11% in gross revenue and of 19.7% in operating profit, even with the reductions in production. Our net asset value was the index that had the greatest increase, with a positive variation of 44.6%, which demonstrates the business' capacity to appreciate in value, even in the face of adversities.

In addition to the progress in results, we managed to maintain our net debt, reducing it by almost 10% compared to the last harvest, of which 18% is classified as short-term debt, against 22% obtained in the last analysis.

Financial leverage also decreased, representing an increase in own investments, but with the cash balance increasing by 12.1%. That is, even with lower leverage, the company was able to manage its resources to reduce debt and still keep a higher value in cash than that found in the result of the 2020/2021 harvest.

**Such data reinforce the security and balance with which the company's accounts have been managed, as a result of the continuity of good operational management and, also, of the work developed by each member of the team.**



**+ 13.76%****Gross  
Revenue****+ 10.7%****Net  
Revenue****+ 44.6%****Net Asset  
Value****+ 19.7%****Operating  
Profit****+ 7.5%****Net  
Profit****+ 16.6%****Adjusted  
EBITDA****- 9.7%****Net  
Debt****0.68****leverage  
net debt /  
EBITDA****+ 12.1%****Cash and  
Financial  
Investments**

**The result is everyone's  
merit and therefore it must  
be shared.**

We continue to generate direct and indirect benefits, especially when it comes to returning to the community. We continue to be the largest employer in the municipalities where our units are located, focusing on hiring local professionals and suppliers, investing and contributing to local development.

### VALUE GENERATED AND DISTRIBUTED

	2019/2020	2020/2021	2021/2022
<b>REVENUE</b>	802,590	1,039,566	1,152,968
<b>THIRD PARTY INPUTS</b>	-628,502	-699,944	-772,012
<b>GROSS VALUE ADDED</b>	174,088	339,622	380,957
<b>DEPRECIATION AND OTHER EXPENSES</b>	153,303	160,326	165,549
<b>NET VALUE ADDED</b>	327,391	499,948	546,506
<b>AMOUNT RECEIVED IN TRANSFER</b>	10,527	5,343	21,382
<b>ADDED VALUE</b>	337,917	505,291	567,888
<b>DISTRIBUTION OF ADDED VALUE</b>	0	0	0
<b>PERSONNEL AND CHARGES</b>	119,136	118,594	123,870
<b>TAXES</b>	74,630	82,606	65,462
<b>INTEREST AND RENTALS</b>	82,271	99,622	156,931
<b>REMUNERATION OF EQUITY</b>	61,821	204,414	221,261
<b>COMMUNITY</b>	0.059	0.055	0.363

\* Values in millions

The amounts donated to the community in this harvest had a significant increase, going from 55 to 363 thousand reais. This was mainly due to the intensification of donations and social projects, which included the Aporé unit. We carry out actions in the areas of Environment, Education and Culture and Quality of Life, reinforcing our mission of being a productive unit that generates income, well-being and satisfaction for all.



[201-4 | 205-1 | 205-2 | 205-3 | 206-1 | 207-1 | 207-2 | 207-3]

## TRANSPARENCY AND REGULARITY

Interfaces with the government are essential for the maintenance of our operations. Through them, it is possible to establish a favorable business environment for the company, demonstrating security to our clients, partners and employees.

We always work towards maximum security, aiming to obtain efficient and effective processes in the calculation and payment of taxes, in accordance with the set of municipal, state and federal norms and jurisprudence currently in effect, respecting our employees, the community and the interests of the company and its partners.

We have our business strategies aligned with government actions, identifying market risks and opportunities in advance. The strategies were presented and discussed on a monthly basis by our Management Council, and the Board of Directors established guidelines for the future, based mainly on crop production planning and commercial goals.

Donations were made to various institutions in cities in the region of Vista Alegre do Alto and Aporé, approved and controlled by the Municipal Funds for the Rights of Children and Adolescents, the Municipal Funds for the Support of the Elderly, as well as projects approved and aimed at PRONON (National Support Program for Oncology Care) and PRONAS (National Support Program for Health Care for People with Disabilities).

The company carried out recent assessments related to the tax risk in the case of subordination to the legal framework review, in order to obtain greater financial benefits applied, as in the case of accelerated depreciation. As of 2021, the company started to exclude from the IRPJ and the CSLL calculation basis the accelerated depreciation incentivized of rural activity, provided for in art. 6 of Provisional Measure No. 2.150-70/2001.

As of the 2023/2024 harvest, we will be producing ethanol at the Aporé unit, which will guarantee us new financial support from the government of the state of Goiás, through the PRODUZIR Program, which will reduce our operating costs in view of the possibility of financing an ICMS monthly installment.

Another highlight was that we completed another harvest without any reports of corruption, unfair competition, trust and monopoly. Our Ethics and Ombudsman Channel remain active and ready in case of risky situations, and all our employees are instructed on good practices and dealing with issues.

We are improving our anti-corruption practices and controls by evaluating, from this perspective, several operations, such as:

- Contracting with third parties;
- Contact with regulatory bodies and entities in the tax and labor areas, at municipal, state and federal levels;
- Contact with public prosecutors and state and federal courts;
- Obtaining licenses, authorizations, renewal or regularization from regulatory agencies, such as: ANP, ANEEL, etc.

To reinforce transparency, we submitted our individual and consolidated financial statements to an audit carried out by an independent and specialized third-party company, through which it was found that all the data presented, as well as Nardini's equity and financial position, are in accordance with good Brazilian accounting practices, always respecting the legal compliance of its operations and results.

The company's management and employees increasingly commit themselves to integrity, which brings security to the business. In this way, we have maintained good relations with all our main stakeholders, promoting the general well-being of the society surrounding us.



04

## RELATIONSHIP MANAGEMENT



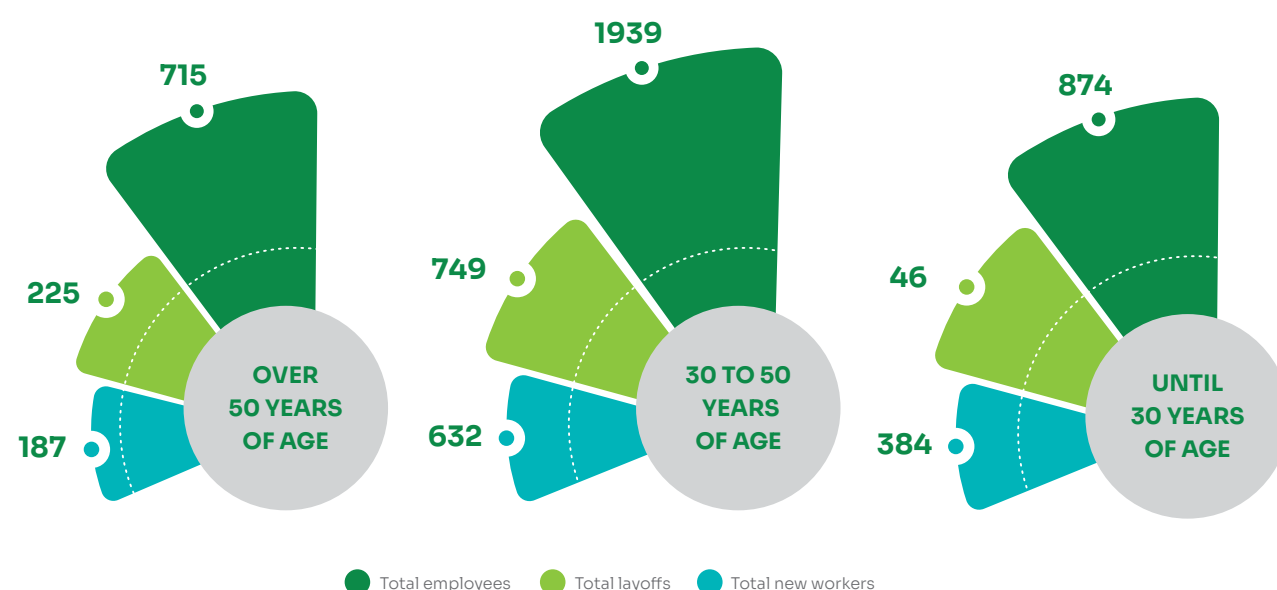
[102-8 | 401-1 | 401-2 | 404-1 | 404-2]

## HUMAN CAPITAL

**NARDINI AGROINDUSTRIAL IS INTERESTED IN THE FUTURE AND IN THE IMPROVEMENT OF ITS EMPLOYEES, ENCOURAGING THEM AS TO VALUE, PROGRESS AND PROFESSIONAL GROWTH.**



To reinforce our team, 1,203 employees joined the company, including hired and seasonal workers. We finished the 2021/2022 harvest with a total of 3,528 employees, with a turnover of 38%.



Most of our employees are between 30 and 50 years old. However, we do not fail to value inclusion and diversity. A great example is the "PLANNING THE FUTURE Program: in the search for quality of life". In its third successful year and, in partnership with the Industrial Social Services (SESI), **the program was awarded the Master Cana Social 2021 trophy.**

### PLANNING THE FUTURE PROGRAM

Program aimed at preparing employees for retirement and promoting their financial, spiritual, emotional, social and physical health, resulting in a better quality of life. It considers this phase as part of a process inherent to people's careers and productive lives – a fresh start. It also encourages commitment to good financial planning.

The program takes place during the off-season, counting on 30 participants. Theoretical classes are taught and practical activities on each topic are performed, encouraging everyone to have a more conscious future.



### NARDINI APPRENTICE PROGRAM

Nardini's Apprentice Program promotes the insertion of young people into the market, encouraging development and professionalization. In addition to the Administrative sector, which serves the program with 60 students performing various administrative routine activities, the program also counts on a group of 19 young people in the company's Automotive sector, with projects designed for the development of young people and the commitment of leaders in passing forward their knowledge of the profession, training future professionals for the market, as well as for Nardini itself. In the next harvest, the **Nardini Internship program** will be launched with a more strategic vision for the business, enabling future projects.

We are interested in valuing our employees, for that reason we always seek to improve each year, encouraging them into the path of development and, through such actions, we have obtained the Great Place To Work seal, being recognized as a great company to work at for the third consecutive year.



[202-1 | 401-2]

## BENEFITS OFFERED

We have an exclusive Compensation and Benefits area, which periodically carries out wage surveys in the market, in order to verify our competitiveness in relation to supply and cost-benefit, mainly in our business area and region of operation.

### BENEFITS OFFERED

- HEALTH INSURANCE (STATE AND LOCAL)
- DENTAL PLAN
- PHARMACY AGREEMENT
- LIFE INSURANCE AND ADDITIONAL LIFE INSURANCE
- COLLECTIVE TRANSPORTATION
- FOOD ALLOWANCE
- ON-SITE MEAL
- STUDENT SCHOLARSHIP PROGRAM
- 50% SUBSIDY IN CO-PARTICIPATION
- 50% REFUND IN MEDICAL APPOINTMENTS AND EXAMINATIONS





## PAP - PERSONAL SUPPORT PROGRAM

In this harvest, a new benefit was offered to employees and their dependents: the Personal Support Program.

This Program consists of free and confidential psychological, legal and financial counseling by calling 0800 779 9979, from Monday to Friday from 7 am to 8 pm. The service is humanized, 100% led by trained professionals, each of them in their own area of expertise, with the purpose of serving the greater good that is the human being.

[404-1 | 404-2 | 404-3]

## TRAINING

In this harvest, our results were only possible through the union and commitment of our team, in addition to all the preparation they had in more than 320 training courses, accounting for **more than 58,000 hours of training and qualification**.

### AGRO LEADER PROGRAM TRAINING IS FINALIZED WITH 'TEAM BUILDING' FOR LEADERSHIP



In December 2021, training for the Agro Leader Program 2020/2021, with the participation of 100% of Nardini's leadership, provided by specialized consultancy, ended with "Team Building". Directed by the People & Management area, the event was attended by the company's leaders and directors.

The Agro Leader Program met the needs of our leaders, providing tools to support them in managing people and their activities. Vanderlei Adauto Caetano, Nardini's Superintendent Director, believes that learning must be shared. "We want the teachings transmitted during this year not to be withheld from you, but for you to be multipliers of this knowledge inside and outside the company. We count

on the energy and competence of each one of you to succeed in the challenges that lie ahead. And always remember: be an inspiration to those you lead", emphasizes the Director.

[403-7 | 403-9]

### LOTO TRAINING

Employees from the Industrial Mechanical Maintenance, Electrical Maintenance and Instrumentation, Broth Treatment, Boilermaking and CEN areas participated in the LOTO (NR10) and Machinery and Equipment (NR12) training.

LOTO is the Blocking and Signaling of Hazardous Energy. It is a system that guarantees a state of zero energy (thermal, mechanical, pneumatic, chemical, electrical and hydraulic) when the employee is at risk in maintenance, inspection or cleaning activities in equipment or systems, thus eliminating or neutralizing this risk.

This is another step taken towards excellence in HSE (Health, Safety and Environment) and in the search for **zero accidents**.



## SUGARCANE PEST CONTROL

The damage and losses caused by the borer, a pest that pierces the sugarcane and creates galleries, hinder the production of sugar and alcohol and are irreversible. Once the bit drills and enters the culm, it is not possible to recover that part. The pest infects the plant when it is still in its larval stage. The adult moth lays its eggs on the leaves, where they are incubated. When the eggs hatch, the caterpillars penetrate the culm and "will pierce the cane, enter it and start making galleries inside, which will disrupt the production of sugar and alcohol", explains Marcos Roberto Camassutti, Agricultural Leader. We carried out training in the use of technologies for the application of biological product to control this pest, through the use of drones.

[102-8 | 102-24]

## DIVERSITY

Facing the existing challenges in the sugar-energy sector, especially related to gender issues and following our values of respect and teamwork, we support and believe in diversity. For that, we are increasingly including women in our operations.



**In this harvest, the number of female professionals in the agricultural sector has increased generously. This is because we motivate and encourage professional development. The work fronts have begun to count on great women on their team, such as: sugarcane drivers, operators, in addition to other strategic positions.**



*For me, it has been a unique and very important experience. I am acquiring new knowledge to put it into practice in the best way and, consequently, bring profitable advantages to the company. This initiative taken by Nardini is a step forward in terms of gender equality and a way to provide opportunities and to break taboos and prejudices against us women."*

Evandra - Agricultural Logistics Analyst at Nardini.







**OUR TEAM IS REPRESENTED BY 11% OF WOMEN, A SUPERIOR FIGURE IN RELATION TO THE SECTOR.**

According to the Brazilian Confederation of Agriculture and Livestock (CNA), only 9.2% of employees in this sector are women.

	HIRED	SEASONAL	OVERALL TOTAL
<b>APORÉ</b>	<b>323</b>	<b>54</b>	<b>377</b>
Female	25	3	28
Male	298	51	349
<b>VISTA ALEGRE</b>	<b>1,618</b>	<b>473</b>	<b>2,091</b>
Female	147	75	222
Male	1471	398	1869
<b>OVERALL TOTAL</b>	<b>1,941</b>	<b>527</b>	<b>2,468</b>

[102-12 | 413-1]

# COMMUNITY

**IN ALL HARVESTS, NARDINI DEVELOPS PROGRAMS AND ACTIVITIES FOR THE COMMUNITY. THIS YEAR COULD NOT BE DIFFERENT!**

Continuing our role as a company and transforming agent of our community, we carried out several actions and continued our projects in the 2021/2022 harvest.

## NARDINI PARTICIPATES IN “GOOD PARTNER COMPANIES” AT RIO PRETO'S HOSPITAL



At the end of December 2021, we made donations to the National Support Program for Oncology Care (PRO-NON) and the National Support Program for Health Care for People with Disabilities (PRONAS/PCD), together with São José do Rio Preto's Regional Faculty of Medicine Foundation (FUNFARME).

The action will contribute to a smart operating room project and a professional rehabilitation project and employment for people with disabilities, served by the Unified Health System (SUS), at the Lucy Montoro Rehabilitation Network in São José do Rio Preto. For the opening ceremony of the supported and incentivized projects, on March 22, FUNFARME held the event “Good Partner Companies 2021”, which was attended by leaders of national and international business groups and public authorities.



## NARDINI HAS ALREADY DONATED MORE THAN 15,000 LITERS OF 70% ALCOHOL

Since the beginning of the pandemic, we have developed several internal and external actions to combat COVID-19. One of the important actions we carried out was the donation of 70% alcohol to hospitals and city halls throughout the region that serve entities that take care of children and the elderly. So far, the company has donated more than 15,000 liters, a very significant number in this pandemic scenario.

It is important to remember that 70% alcohol is one of the main agents used for cleaning surfaces and preventing the spread of the virus, as it acts instantly on microorganisms and satisfactorily prevents the infection.

## BACK HOME

In March, the children who won the “Back Home 2022” award were at Nardini's Recreative Club, together with their parents, for a morning full of games, knowledge and fun.

The purpose of the award is to make employees aware of the importance of safe behavior, through drawings made by their children/siblings, reminding them that, at the end of the day, they should return safe and well to their families.



## NARDINI GATHERED ABOUT 230 PIECES FOR THE WINTER CLOTHING CAMPAIGN



## WINTER CLOTHING CAMPAIGN

This year the campaign took place at both Nardini units, in Aporé and Vista Alegre do Alto. The donations were intended for social causes, helping warm up the winter for many families who are facing difficulties.

## INCLUSION OF PEOPLE WITH DISABILITIES (PCD'S)

Implemented by Nardini in 2007, it is a Social Inclusion Program for People with Disabilities (PcD's), in partnership with the “Ítalo Bologna” School Reference Center for Assistance to PcD's, of the National Service for Industrial Training (SENAI), in Itu (SP). The objective of the program is to encourage the inclusion of people with disabilities in the market, eliminating discrimination and prejudices existing in society. And, in this sense, the work has been taking great proportions, firmly involving the community, partners such as APAE's and specialized care centers.

In the next harvest, the Program will provide specialized training to the People & Management team and leaders on the subject.



## RECOGNITION

### NARDINI'S AGRICULTURAL AREA IS AWARDED AT VISÃO AGRO BRASIL



Once again, Nardini was nominated among the plants that made a difference in the 2019 and 2020 cycle in the sugar-energy market in Brazil, receiving the award: **Visão Agro in its 18th edition**, being elected the best in the sector in the agricultural mechanization category.

Reginaldo Chara, agricultural manager at Nardini, Vista Alegre/SP unit, attended the event representing the company.

“

*This award was a very important reward for Nardini, as it recognizes the excellent work, dedication and commitment of the entire team. I believe that this achievement was only possible through the development of employees, with training, control of online equipment, with high technology and investments, in addition to great support from the board”.*

[403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7 | 403-8 | 403-9 | 403-10]

## #SafetyisLife

The implementation of the Occupational Health and Safety Management System is based on the ISO 45001 standard, internationally recognized for its risk management system.

The system is being implemented in all areas of the company (industrial, administrative, automotive and agricultural), by a specialized company which manages the implementation process of the Health and Safety Management System.

The continuous improvement of the SSMA takes place through the PDCA methodology. In this harvest, the project was started, contemplating structuring and cultural technical tools.

### WE ACHIEVED A 62% REDUCTION IN ACCIDENTS LEADING TO WORK LEAVE DURING THE 2021/2022 HARVEST.

Currently, 100% of our employees, third parties and even suppliers are covered by this management system, each according to its specificity. Thus, as for example in the case of third parties, we require the presentation of evidence of compliance with contractual requirements and labor rights in force. In the form of annual contracts, we carry out monthly and fortnightly inspections, also as a form of monitoring.

The control of the places and activities developed, with regard to Occupational Health and Safety, is carried out by Nardini's OSH team - Occupational Health and Safety - which guides and supervises compliance with the requirements.

During 2021, there were visits from several service providers, operating in the agricultural, automotive and industrial areas, totaling 574 employees who provided services, alternately, according to the needs of each area.

These providers are evaluated through the assessment form, in which a score is assigned to each item evaluated, generating an overall score that will indicate whether such supplier meets the quality, health and safety requirements.

The company's Occupational Medical Service implemented the PCA (Hearing Control Program), for the identification of cases related to hearing loss and subsequent treatment.

The Ergonomic Work Analysis (AET) was also implemented, in order to reduce the incidence of musculoskeletal diseases.

In the last crop year, we reported that we were studying the feasibility of the “Quality of Life Program”, which is aimed at treating occupational diseases. We have made progress on this issue and we are in the process of implementing disease prevention programs, such as for: prostate cancer, diabetes, hypertension, etc.



### INTEGRATED SIPAT 2022

In March, we held the Integrated SIPAT, a week rich in knowledge, with events, contests, lectures and interventions, focusing on the importance of safety and health at work. The events took place in all departments of the Plant.





[102-9 | 308-1]

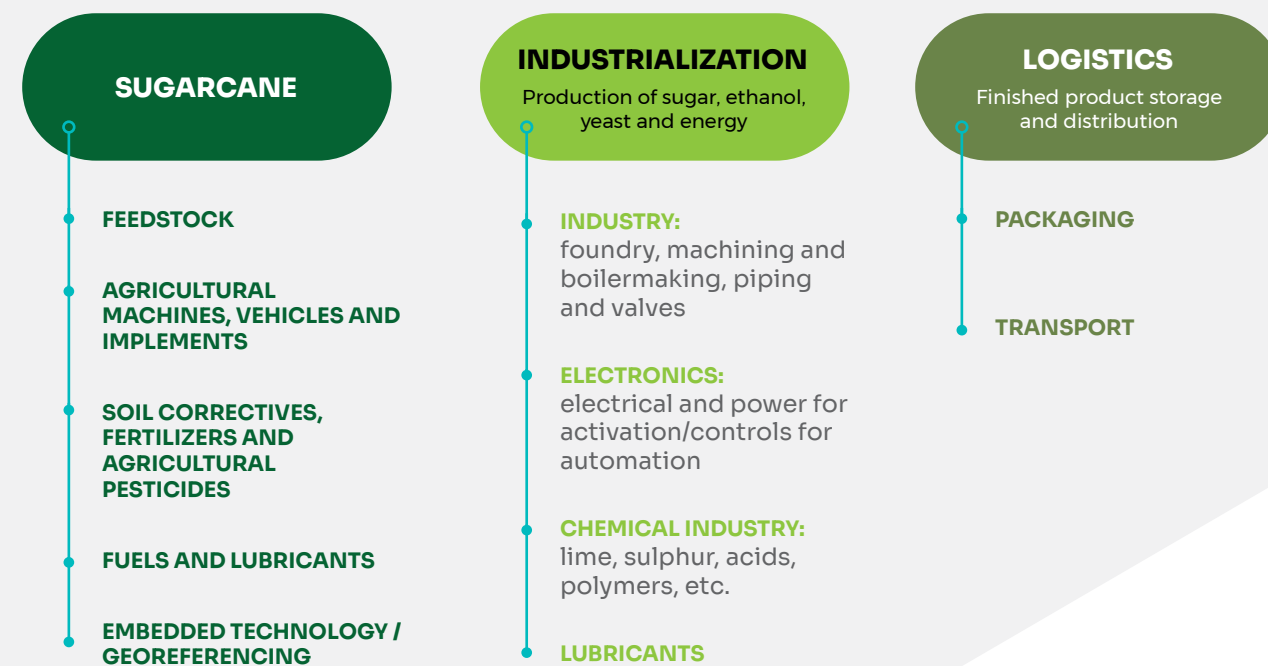
## SUPPLY CHAIN

We always seek the best management of our supply chain, following the entire supply process, ensuring that our values and objectives, based on quality and sustainability, are disseminated, ensuring a relationship of trust with our partners.

For this, **100% of our suppliers are constantly evaluated and their social and environmental obligations** are a prerequisite for signing contracts. Among the requirements, we can highlight: Statute on Land Law, Environmental Legislation, Child and Adolescent Statute, in addition to the maintenance requirements of the Bonsucro Certification Mass Balance Production and Chain of Custody Standard.

For raw material suppliers, registration in the Rural Environmental Registry (CAR) is required. Additionally, we encourage the environmental recovery of permanent preservation areas and legal reserves on rural properties.

Suppliers of products and services are subject to internal approval standards, according to ISO 9001 (Quality Management System), FSSC 22000 (Food Safety) and Bonsucro certification standards, allowing them to be classified according to their criticality. The assessment, also provided for in the contract, includes compliance with social, environmental, employment, documental and financial health practices of the company to be hired.

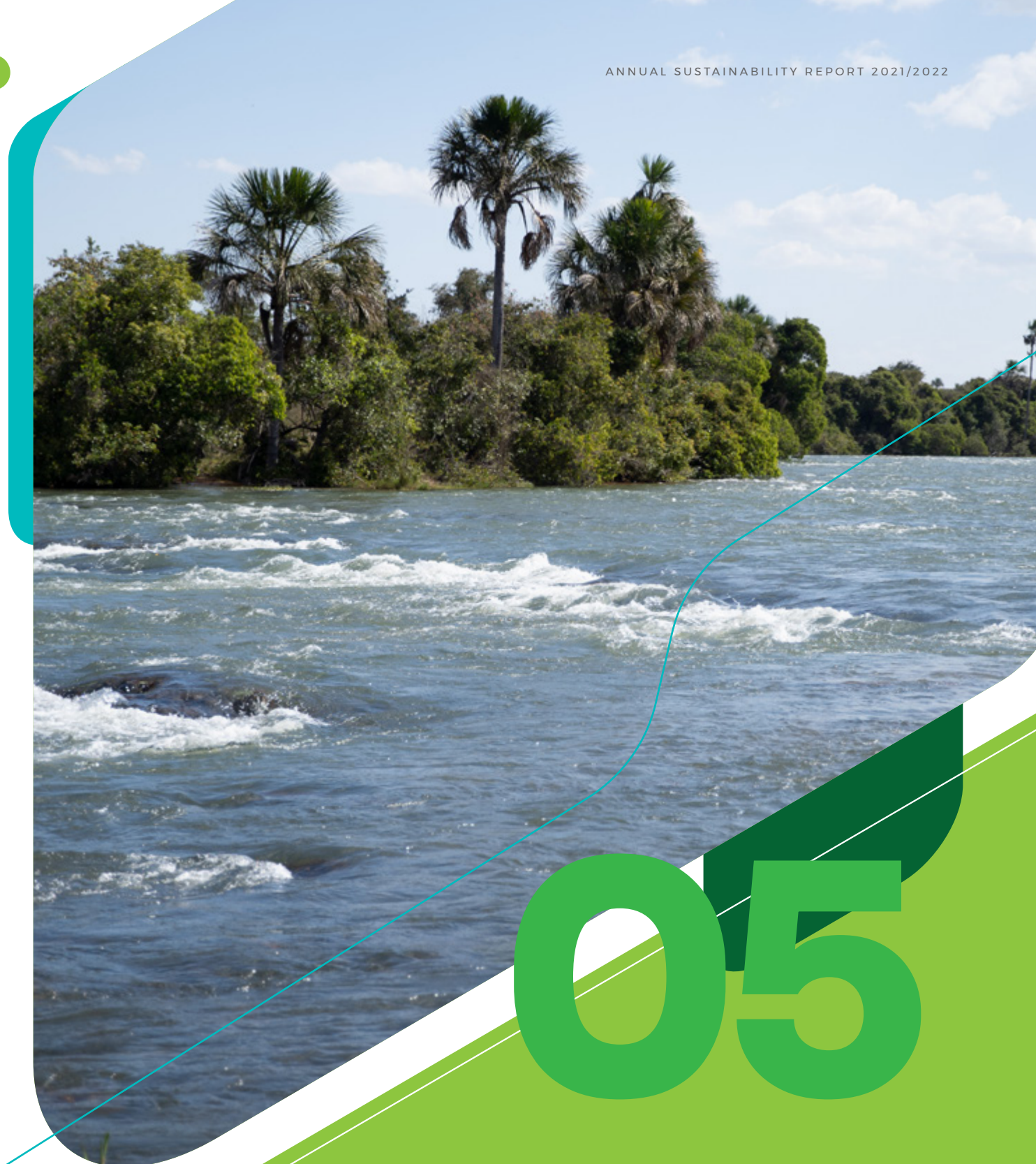


### RAW MATERIAL SUPPLY CHAIN

Nardini's sugarcane production chain is critically highlighted by the volume of raw material that is delivered. There are more than 58,000 hectares planted in the formats of leasing, suppliers, partnership and own areas, with an average distance of 29.4 km from the production unit.

### PRODUCT AND SERVICE SUPPLY CHAIN

Our main channels for purchasing critical products and services are strategically located, in general, in the industrial centers of the following municipalities: Ribeirão Preto, Sertãozinho, Catanduva, São José do Rio Preto, Piracicaba, Araraquara, Matão, Jaboticabal, Monte Alto, Cassilândia, Chapadão do Céu, Chapadão do Sul, Rio Verde, Jataí, Goiânia and towns and cities surrounding our headquarters and branch.



# ENVIRONMENTAL PERFORMANCE





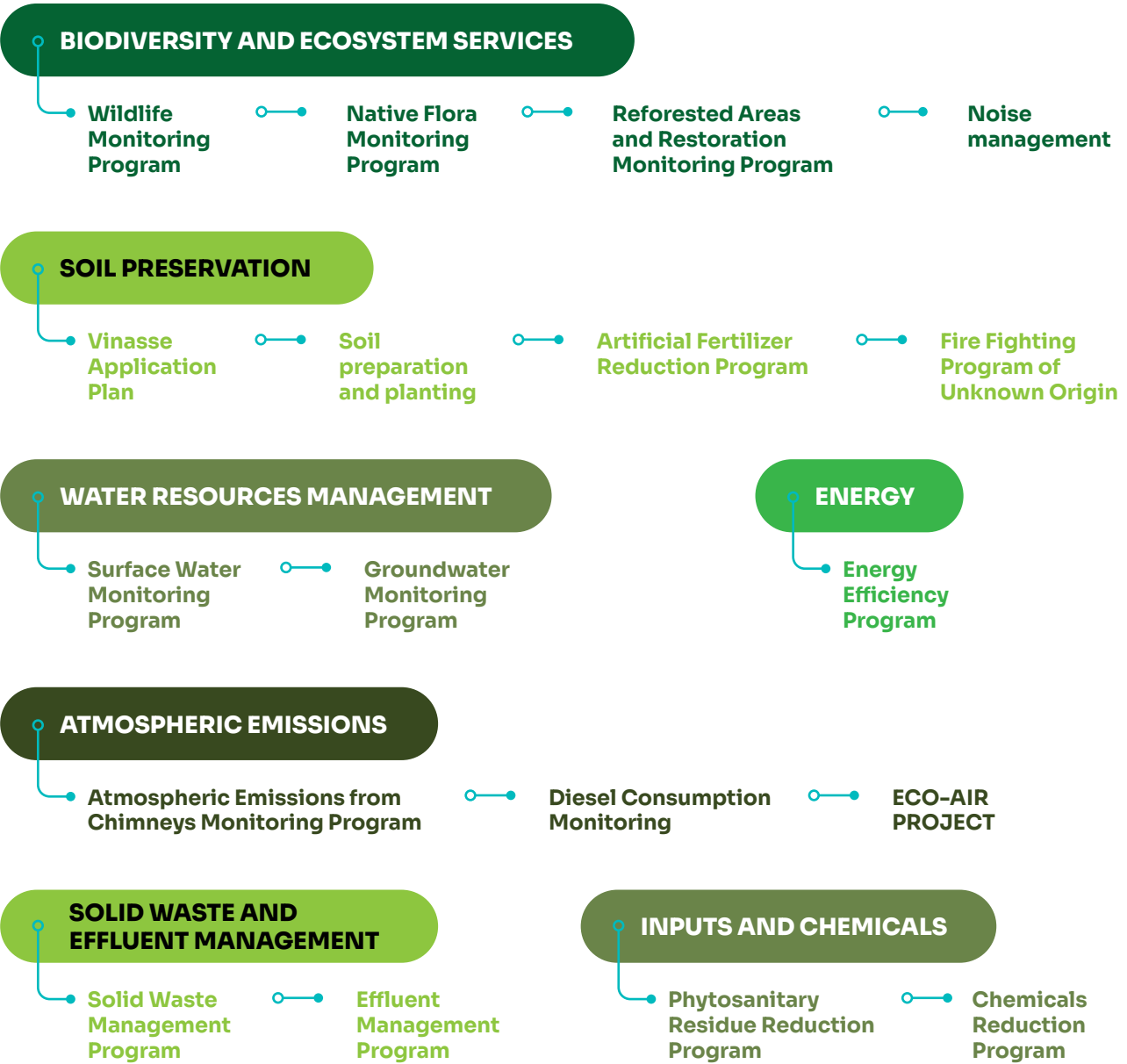
As Brazil is the world's largest producer of sugarcane and the state of São Paulo is the country's leader in production, the sugarcane activity has great prominence, mainly due to the contribution to the national economic sector and the need for renewable fuels.

Sugarcane-derived bioenergy becomes a sustainable option to address climate change, while providing other essential ecosystem services.

For us, sustainability, management and environmental compliance are strategic issues, as, in addition to contributing to the preservation of the environment, they also contribute to reducing direct and indirect costs, motivating the commitment to produce more and more sustainable solutions.

# ENVIRONMENTAL MANAGEMENT

We have an Environmental Management Plan (EMP), a document that presents a set of management and monitoring activities and tools, voluntarily adopted by us, with the purpose of protecting the environment, preventing pollution and improving our behavior and environmental performance.



# ENVIRONMENTAL REGULARIZATION

Compliance with Environmental Legislation is assessed through targets and indicators for each of the specific programs. Through specific software, our employees constantly monitor updates on the legislation applicable to our activities.

[302-1]

## ENERGY



Nardini Energy Company (CEN) produces energy through steam generated by the burning of sugarcane bagasse, which drives the turbines of generators that transform mechanical energy into electrical energy. The energy produced is used in our processes and the surplus is sold to the local concessionaire. The total energy produced in this crop year was 3,484,625 GJ, 15% of which was sold.

In the 2021/2022 harvest, as in the previous one, only 14% of the energy used in our processes came from the burning of fossil fuels (diesel oil, gasoline and LPG), the other 86% came from renewable sources (biomass and ethanol) and only 0.2% of electricity was purchased from the concessionaire to supplement consumption.

(See more information on page 76).

## ENERGY EFFICIENCY PROGRAM

Our Industrial Unit, even producing energy from bagasse, seeks to reduce its consumption in all production stages. We make investments in technology and process improvement to monitor and maintain energy efficiency. Consumption control is carried out daily, through an internal system.

[303-1 | 303-2 | 303-3 | 303-4 | 303-5]

# MANAGEMENT OF WATER RESOURCES

Water is an essential natural resource for our industrial process and we constantly invest in actions and efforts to reduce consumption, to ensure the conservation and quality of water and the rational use of this resource.

In compliance with environmental legislation, we capture surface and underground water with the appropriate ordinances granting the right of use. Additionally, we manage water resources by daily monitoring, besides water recirculation and reuse systems and the reuse of water and of our treated effluents, without releasing them into water bodies.

TOTAL FRESH WATER CAPTURE (TOTAL SOLID DISSOLVED ≤1,000 MG/L), BREAKDOWN BY TYPE OF SOURCE, IN ML*		
	20/21	21/22
Underground water	1,868	1,203.5
Surface water	1,194	805.6
TOTAL	3,062	2,009.1

\* Capture for exclusive use in the production process.  
\*\* The plant is located in areas without hydric stress. Total dissolved solids ≤1 g/L

Our specific water consumption has been decreasing year after year, being approximately 18% lower than the industry average, proving efficiency for our operations and improvement of industrial processes with water reuse.

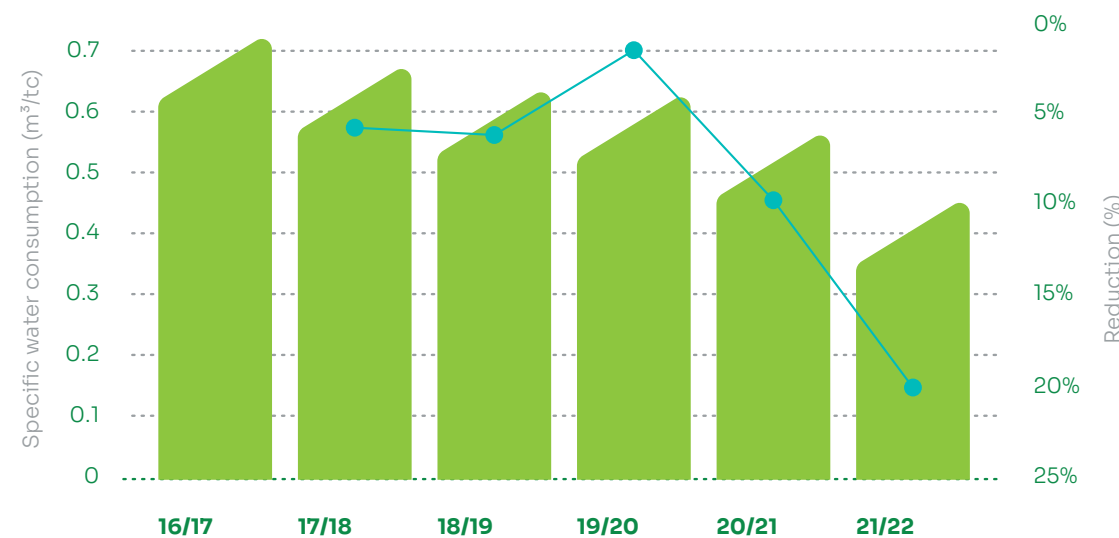
As a result of water management and the implementation of the Water Project, we reached our goal established in the previous crop year and **reduced the industrial consumption of water resources by approximately 20%**, from 0.56 in the 2020/2021 crop year to 0.45 m<sup>3</sup>/tc (ton of cane) in 2021/2022. This result was obtained through implemented actions, such as the reuse of water from the tower drains and backwash, implementation of condensate in the boiler and increase in the capacity of the ETE's.



### WATER PROJECT

Implemented in the 2021/2022 crop year, the Water Project aims to further reduce the company's water consumption. By means of an Action Plan, with prioritization of points with higher rates of flow gain, some actions are being implemented, such as: reuse of water from the drains of the towers and backwash, implementation of condensate in the boiler and increase in the capacity of the ETE's.

#### SPECIFIC WATER CONSUMPTION



All the effluent generated in the factory is reused in our production process, with a portion of 30m<sup>3</sup>/h treated and returned to the industrial process and the excess of the wastewater, applied in the fertigation of the sugarcane fields, meeting the release standards established in the CONAMA Resolution n°. 430/2011.

### SURFACE AND GROUNDWATER MONITORING PROGRAM

Twice a year, surface water quality is monitored at three strategic points to confirm that water courses are not being affected by products or waste originating from agricultural and industrial activities. Groundwater is monitored daily for free residual chlorine and monthly for turbidity. The results of the analyses are presented to the Municipal Health and Sanitary Surveillance.

## SOIL PRESERVATION

### SOIL PREPARATION AND PLANTING PROGRAM

We have implemented a standard operating procedure for soil preparation and planting. This procedure requires good management practices, acting towards maintenance or recovery of the physical, chemical and biological conditions of the soil. Interpolation techniques of the property, through GPS-RTK and software, allow the study of the area's relief, locating contour lines and carriages in strategic locations, reducing the speed of water flow, favoring infiltration in the soil and preventing the occurrence of erosion and, consequently, silting of rivers and springs. The occurrence of erosions should be less than 20 units per year.

In the industrial area, chemical products are mapped with the location of the points where they are stored. Employees are instructed to carry out periodic inspections to prevent valves from being open, or any other problem that may cause chemical products to be spilled.

### VINASSE APPLICATION PLAN - PAV

Our Vinasse Application Plan (PAV) is filed annually with the environmental inspection body and establishes the criteria and procedures for storage, transport and application of vinasse in the fields, which rate is determined according to the sugarcane field's potassium needs. This calculation is performed through annual and semiannual analyses of vinasse.

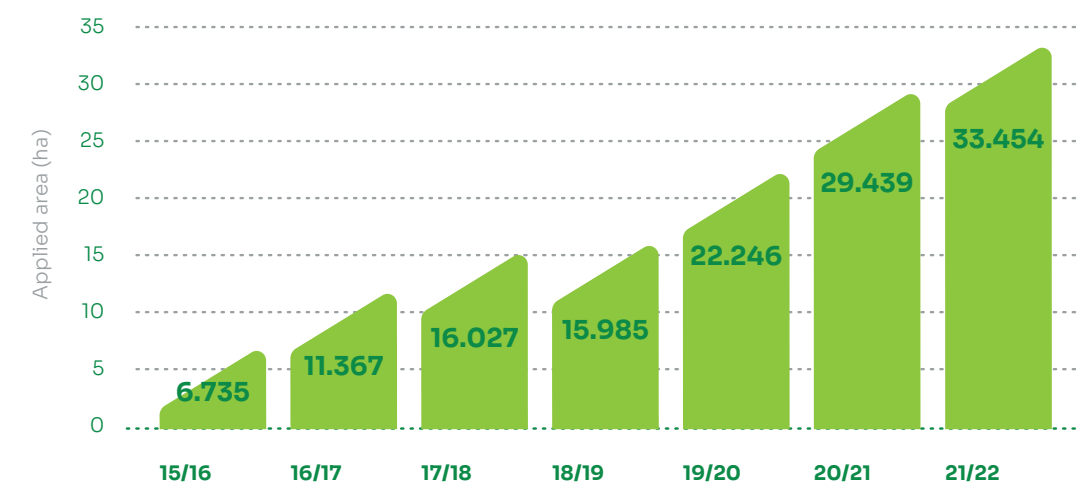
The fertigated area is related to the volume of sugarcane processed, directed to the production of ethanol previously scheduled.

### PHYTOSANITARY WASTE AND CHEMICAL PRODUCTS REDUCTION PROGRAM

As a way of minimizing environmental impacts, we seek to adopt the best practices used in the sector for the use of pesticides and in the management of areas for renovation and expansion of plant cane, as well as ratoon cane, in order to ensure the productivity of plantations and reduce the risks of diseases and epidemics.

We adopted integrated pest management as a method to reduce the use of agrochemicals, and this crop year the area of application of biological control increased by 12%, when compared to the previous year, totaling 33,454 ha.

#### AREA OF APPLICATION OF BIOLOGICAL CONTROL







The integrated management of pests and diseases presents several available technologies: mechanical, biological, chemical and natural control. Controls are carried out in owned, leased and supplier areas, when there is a pest control index.

After mechanized harvesting, depending on the amount of straw covering the soil, the application of herbicide is not necessary. When necessary, we use products registered with the Ministry of Agriculture, Livestock and Supply.

In the industrial area, the daily monitoring of the consumption of chemical products is performed, aiming at reducing it with ideal dosages.

INTEGRATED MANAGEMENT OF PESTS AND DISEASES

- Use of Cotesia Flavipes wasps to control the sugarcane borer (*Diatraeasaccharalis*).
- Use of the fungus Metarhizium anisopliae that controls the root leafhopper (*Mahanarvafimbriolata*).

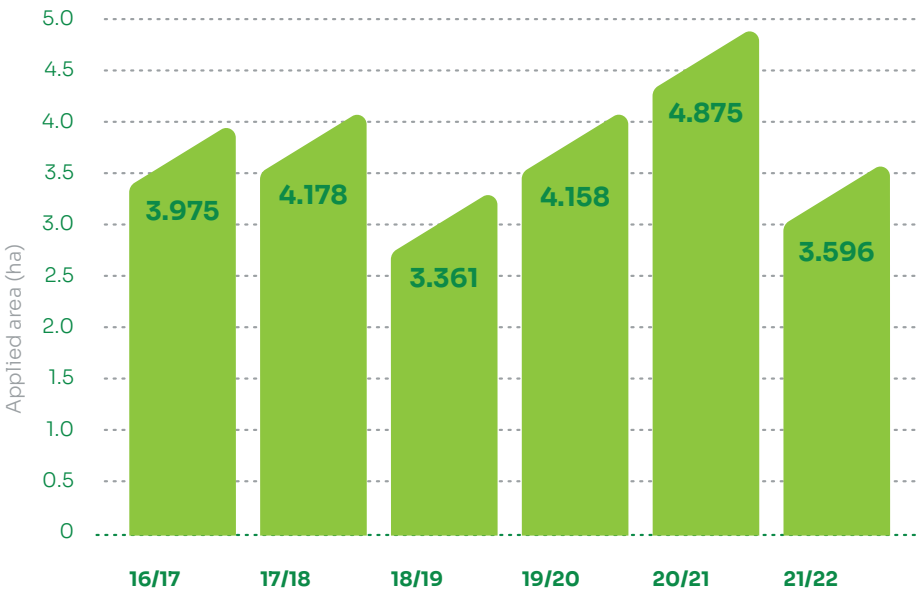
INTEGRATED WEED MANAGEMENT

- Use of herbicides in a planned way, according to the weeds.
- Monitoring of mechanized harvesting areas, since according to the amount of straw covering the soil, the application of herbicide may not be necessary.

ARTIFICIAL FERTILIZERS REDUCTION PROGRAM

The compost generated by industrial waste such as filter cake and boiler ash, which can be enriched with gypsum, is used in planting and ratoons, replacing mineral fertilizers. The area of use of the organic compost may vary, according to the production estimate and agronomic recommendation. Currently, the target area of application is at least 3,500 ha. In the industrial area, daily monitoring of fertilizer consumption is carried out in order to reduce it with ideal dosages.

ORGANIC COMPOUND APPLICATION AREA



PROGRAM FOR PREVENTION AND FIGHTING OF FIRE OF UNKNOWN ORIGIN

In agricultural areas, 100% of the sugarcane is harvested mechanically. Even though there is no planned burning, we develop actions to minimize accidental fires or fires of unknown origin, especially in critical periods. In the industry, the main focus is the prevention of fire in the pile of sugarcane bagasse, which is monitored and, according to the need, humidified.

Fire prevention and firefighting actions:

- Mapping and monitoring the criticality of the areas;
- Maintenance of firebreaks;
- Training and composition of a qualified and strategically distributed team for combat;
- Participation in the Mutual Assistance Plan (PAM).

[304-1 | 304-3 |

BIODIVERSITY AND ECOSYSTEM SERVICES



We are aware of the environmental and social responsibility that economic development determines and we understand that the protection of natural resources is fundamental for the preservation of future generations and for the perpetuity of the company itself.

None of our operating units, whether owned, leased or managed, are in or adjacent to environmental protection areas.

All of our own areas are registered in the Rural Environmental Registry System (SiCAR), with permanent preservation areas (APP) and legal reserves respected, monitored and gradually restored through natural regeneration and planting of seedlings of native species, aiming at enrichment of ecological corridors. Currently, of the 1,120 ha of APP's and existing legal reserves, only 19 ha are in the initial stage of regeneration and in the process of ecological restoration, with follow-up, until the area shows signs of natural stabilization, creating favorable conditions to proceed with its other successive stages. All the rest is in a medium to advanced stage of regeneration.

On supplier properties, we encourage forest restoration in protected areas, through guidance and donation of seedlings, when necessary.



[304-2]

### SIGNIFICANT IMPACTS OF OUR ACTIVITIES ON BIODIVERSITY

The assessment of environmental impacts made it possible to identify significant issues regarding the occurrence of negative impacts from our operations, considering that they are all subject to mitigation through the implementation of preventive, monitoring and/or compensatory measures. In specific situations, where there is a need to implement a monitoring plan, it is considered that the measures adopted are efficient and sufficient to protect the environment.

The environmental diagnosis of our area of direct influence recorded that the areas subject to expansion have already been anthropized and consolidated for decades. With regard to aspects related to the biotic environment, we seek to develop programs for the conservation and protection of APPs and forest fragments, which, in addition to the ecosystem services they provide, also supply food and shelter for terrestrial, avifauna and aquatic fauna.

### WILD FAUNA MONITORING PROGRAM

In the faunal inventories carried out, 25 species of mammals, 193 birds, 25 amphibians, 11 reptiles and 40 fish were recorded. The main impact factor on the fauna inside our operations is trampling. For this, every employee is required to report through the environmental department when witnessing the fact and, if possible, record the occurrence with photos. According to the occurrences, mitigating measures are adopted.

Wild animals affected by fires are sent to the Veterinary Hospital of UNESP in Jaboticabal for evaluation and treatments deemed necessary by the veterinary team.

To assess the environmental quality in priority areas for the conservation of wild fauna biodiversity, associated with agricultural production areas, a two-year monitoring of mammal bioindicator species is performed.

### NATIVE FLORA MONITORING PROGRAM

In the floristic surveys carried out by superimposing satellite images and field surveys, all APPs were identified in the properties of the Bonsucro scope. All owned areas are registered in the Rural Environmental Registry System (SiCAR), which contains all relevant environmental information. The conservation areas total 1,120 ha which are monitored for two years in order to determine the areas in need of ecological restoration.

### REFORESTED AREAS AND RESTORATION MONITORING PROGRAM

The maintenance of the reforested areas is carried out periodically, with the delivery of the respective monitoring reports of the Terms of Commitments for Environmental Recovery, signed alongside the competent environmental agencies.

With our own seedling nursery, we aim to plant 20,000 seedlings of native trees annually in our own or third-party areas, including, in this amount, donations to suppliers and regional partners, such as city halls.

**IN THE LAST DECADE, MORE THAN 420,000 SEEDLINGS HAVE BEEN PRODUCED AND PLANTED IN THE REGION.**



### NOISE MANAGEMENT PROGRAM

Our Noise Management Program aims at assessing the sound pressure levels emitted by noise sources during industrial and agricultural activities, and verifying the impact on the surrounding community, in compliance with current environmental legislation.

Noise measurement and evaluation technique comply with the methodology described in NBR 10.151 and are conducted annually, always under normal weather conditions. The assessment points for the industry are pre-established and for the agricultural areas they vary according to the operational fronts.

[305-1 | 305-2 | 305-4 | 305-5 | 305-6 | 305-7]

## ATMOSPHERIC EMISSIONS

We are aware of the importance of quantifying our greenhouse gas (GHG) emissions, so this crop year we prepared our first GHG Emissions Inventory, according to the premises of the GHG Protocol, as well as to reference methods from the IPCC (Intergovernmental Panel on Climate Change), in addition to data from specific literature.

Direct GHG emissions (scope 1) come from sources owned or controlled by the company, while indirect GHG emissions (scope 2) refer to the purchase of electricity. Scope 3 emissions, referring to other sources not controlled by the company, are optional to report and will not be included in our first inventory. The intensity of emissions in the period was 0.0214 tCO<sub>2</sub>e/ton of cane.

TOTAL GREENHOUSE GAS EMISSIONS (TCO <sub>2</sub> EQ) IN THE 2021/2022 CROP YEAR	
Scope 1 Emissions	74,802.62 tCO <sub>2</sub> e
Scope 2 Emissions	234.19 tCO <sub>2</sub> e
<b>TOTAL</b>	<b>75,036.82 TCO<sub>2</sub>E</b>
<b>BIOGENIC EMISSIONS OF CO<sub>2</sub>E</b>	<b>1,602,590.28 TCO<sub>2</sub></b>

### RENEWAL

Participation in RenovaBio allows us to understand most of our emissions, using the Renovacalc tool and publishing energy and environmental efficiency indicators. In February 2020, we were certified with 94.23% of our area eligible for the program and obtained the following Environmental Energy Efficiency Scores (NEEA - gCO<sub>2</sub>eq/MJ): 63.9 for anhydrous ethanol and 63.5 for hydrated ethanol. By issuing CBIOS, we guarantee a reduction of 124,501 tCO<sub>2</sub> equivalent.

### ATMOSPHERIC EMISSION MONITORING PROGRAM

Annually, we conduct sampling of particulate matter (PM) and nitrogen oxides (NO<sub>x</sub>) from the boiler chimneys, to prove compliance with the Resolutions of the National Environment Council - CONAMA. Sampling reports are filed with the Unified Environmental Agency of Jaboticabal - CETESB. PM and NO<sub>x</sub> emissions from the chimneys of our boilers fully meet the standards established in the current legislation.





ECOAR PROJECT

Since 2005, we have been monitoring black smoke emissions from the fleet of diesel-powered vehicles using the Opacimeter. Previously, measurements were conducted on all vehicles that entered the Industrial unit, but from 2015 onwards, the Black Smoke Test was carried out on all vehicles (own and third parties), carrying cargo or passengers, powered by diesel oil, with the aim of monitoring the company's environmental performance. At a minimum, 70% of vehicles must meet black smoke emission standards.

As a result of the fleet renewal policy, we have obtained better results every year. For disapproved vehicles, there is an action plan for compliance.

DIESEL CONSUMPTION MONITORING

This program aims at reducing diesel consumption per ton of sugarcane, with targets set for each type of vehicle, such as harvesters, sugarcane trucks and buses.

[306-1 | 306-3 | 306-5]

WASTE

Our waste management is based on the National Solid Waste Policy, always seeking to reduce the generation of waste in the processes and increase the rate of its reuse.

[306-2]

MANAGEMENT OF SIGNIFICANT WASTE-RELATED IMPACT

The organic mixture (composting) is crucial for the high rate of reuse of industrial organic solid waste. The sugarcane harvested in the field, through agricultural mechanization, amounts mineral and vegetable impurities, which are removed in the industrial process, generating the filter cake that, together with the soot and ashes resulting from the washing of the gases from the bagasse burning in the boiler, are sent for composting for the production of organomineral fertilizer, used in the areas of sugarcane plantation and renovation.

All waste generated, resulting from our operations, is classified according to origin, type, composition and hazard. Each one has a form of storage and a suitable destination.

We dispose of centers for the temporary storage of solid waste, for later proper disposal. In addition, we enhance recycling opportunities, through our program of selective collection and awareness of the correct segregation of waste, avoiding mixing with hazardous waste. Hazardous waste is disposed of following criteria of environmental legislation and collected by companies licensed for this purpose.

For waste such as batteries and electronic products, considered hazardous waste, we carry out collection campaigns with employees and send it to its correct final destination. We monitor the main industrial and hazardous solid waste to reduce its generation.

WASTE BY TYPE AND DISPOSAL METHOD (T)	2019/2020	2020/2021	2021/2022
HAZARDOUS WASTE			
Class I Landfill	89	84	67
NON-HAZARDOUS WASTE			
Reuse			
Recycling	1,160	1,290	1,552
Composting	148,835	146,231	122,973
Landfill			118
TOTAL	150,084	147,605	124,710

\*Data from previous seasons have been revised. [102-48]

SOLID WASTE MANAGEMENT PROGRAM

In 2010, a solid waste minimization and management program was prepared, in compliance with the technical requirement of the Environmental Impact Study (EIA-RIMA) and Law No. 12,305/2010, which established the National Solid Waste Policy (PNRS).

The Solid Waste Management Program intends to determine the procedures for segregation, handling, packaging, collection and transport for recycling or final disposal of solid waste and to monitor the main industrial solid waste, as well as hazardous waste, correlating with the processing of sugarcane.



EFFLUENT MANAGEMENT PROGRAM

We possess one Industrial Effluent Treatment Station and three sanitary sewage treatment stations. All sanitary sewage is treated. Approximately 25 m³/hour of industrial effluents are treated and reused in the industrial process during the harvest period. The effluents are analyzed every six months, meeting the parameters of the Resolutions of the National Environment Council (CONAMA).





[102-21 | 102-43]

# MATERIALITY

With the preparations for our last Annual Sustainability Report - 2020/2021 - we developed our materiality study to define priority and relevant topics, taking into account the opinion of our internal and external stakeholders, as well as sectorial and benchmarking studies of other companies with award-winning reports.



To learn more about our Materiality Study, click here and access our 20/21 report.

[102-40 | 102-42]

## LIST OF STAKEHOLDER GROUPS

WHO SUPPORTS US	WHO INFLUENCES US	WHO INSPECTS AND REGULATES US	WHO WE RELY ON
<ul style="list-style-type: none"> <li>Shareholders</li> <li>Clients</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Associations</li> <li>Class entities</li> <li>Unions</li> <li>NGOs</li> <li>Neighborhood Associations</li> <li>Local Social Projects</li> <li>Universities and Research Institutions</li> <li>Schools</li> <li>Employees</li> </ul>	<ul style="list-style-type: none"> <li>Public regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Banks</li> <li>Suppliers</li> </ul>

[102-44 | 102-47 | 103-1 | 103-2 | 103-3]

## MATERIAL TOPICS - THEIR LIMITS, MANAGEMENT AND EVALUATION FORM

MATERIAL SUBJECT		ITEMS INCLUDED IN THE TOPIC	LIMITS	MANAGEMENT FORM AND ITS COMPONENTS	EVALUATION OF MANAGEMENT FORM	SDGS
Environmental	Water and Effluent Management	Measures for Reuse and Reduction of Water Consumption	Internal/ External	The management of water resources is carried out based on daily monitoring, attention to the granting of right of use, in addition to systems for recirculating and reusing water and reusing our treated effluents, without releasing them into water bodies. As a result, we reduced the industrial consumption of water resources by approximately 10%, measured in volume of water consumed per ton of sugarcane processed.	Daily recording and monitoring of capture, preparation of action plans to reduce specific water consumption.	<div>6</div> <div>12</div>
		Water Quality Management and Proper Disposal of Effluents	Internal/ External	The surface waters of the main water resources around the industrial complex are monitored in the driest and traditionally rainy periods to assess the quality of the waters. There is no release of effluents into receiving water bodies.	Semi-annual analysis of OD, OG, COD, BOD, pH and temperature.	





Environmental	Soil use and conservation	Soil Conservation Practices	Internal	Construction and maintenance of contour lines, terraces and interventions, which aim to reduce the speed of water flow, favoring soil infiltration and avoiding silting of rivers and springs (according to the Standard Operating Procedure developed by the technical team of Nardini Agroindustrial). Interpolation of the property, by means of GPS-RTK and software that allow the studies of the property's relief, offering conditions to locate contour lines and carriages in strategic locations, which meet the needs according to the relief and type of soil, aiming, also, at the trafficability for the harvest. As vegetative practices, crop rotation with peanuts, soybeans and sunn hemp are used, which benefit soil conservation and promote greater species diversity, that is, greater sustainability in agricultural production.	Inspection for evaluation and validation of execution as designed, and must meet 100%.	2
		Proper Management of Vinasse Application for Irrigation and Fertilization (Fertigation)	Internal	Vinasse application is carried out with hydro-roll by sprinkling, according to agronomic recommendations and determination of the plant's needs, calculated as a function of the concentration of potassium in the soil and in the vinasse and the CEC of the soil, with mineral nitrogen supplementation, according to productivity. We have invested in fertigation with vinasse enriched with mineral nitrogen fertilizer, to complement nutrients and the localized application with a georeferenced system.	Monitoring application rates by area using an application (BI) controlling the amount of planned trips per area in real time and also with soil analysis.	12
	Environmental Compliance	Compliance with Environmental Legislation	Internal/ External	For Nardini Agroindustrial Ltda., the Compliance of activities with the Environmental Legislation is a strategic issue, insofar as, besides contributing to the preservation of the environment and, consequently, of nature and biodiversity, it also contributes to reducing the direct costs (water, energy, raw materials and other inputs) and indirect costs (fines and liabilities for environmental damage), motivating the commitment to produce more and more sustainable solutions, such as the generation of electricity from biomass and biofuels that contribute with the reduction of carbon emissions.  The company adopts a set of management and monitoring activities and tools, both for compliance with Environmental Legislation and for the adoption of additional measures to protect the Environment, especially for the prevention of pollution events and improvement of environmental performance.  The Environmental Management Plan is the instrument used by the company as a tool to comply with Environmental Legislation, in addition to establishing practices and procedures to monitor, mitigate and, when possible, eliminate the main environmental impacts related to the development of production processes, aiming to seek continuous improvement, as well as presenting the company's environmental performance and contributing to the formation of its employees as conscientious people, with regard to environmental issues.	Compliance with Environmental Legislation is assessed through the goals and indicators of specific programs. In order to monitor the update of the Environmental Legislation, the Company has specific software for this purpose, through which employees are constantly updated on the legislation applicable to the activities.	11
	Energy Efficiency	Adoption of Energy Efficiency Measures	Internal	The operations are supplied internally by the production of electric energy, through the cogeneration of energy produced by biomass (sugarcane bagasse), a clean and renewable source. Measures such as awareness and operational maneuvers that contribute to a lower specific consumption (kg of steam per ton of cane). Maneuvers that provide lower water consumption in the process and, consequently, result in lower steam consumption.	Monitoring of energy generation and consumption in real time and through an intelligent simulator.	7

Social	Health and Safety	Management of Health and Safety at Work	Internal	Safety is one of Nardini's values and is present in the daily lives of its more than 2,500 employees. All sectors are certified by Bonsucro and the company conducts several safety education programs aimed at the protection and the safe behavior of our people. Integration of new employees and accident prevention training are carried out.  In early 2021, the Vista Alegre do Alto unit realized there was a need to further reinforce the work safety culture among its employees. The project started with the support of an external consultancy, involving the following actions: training of all levels of leadership in behavioral safety management, training of the Health, Safety and Environment team with the objective of developing internal consultants, training in safe and healthy behavior for employees. In addition, the tools aimed at occupational safety and which include human factors also underwent a process of review and improvement. Among the main partial results of this project, it is possible to relate a reduction in the accident rate, greater employee engagement with the theme of safety, an increase in ideas for improvements related to safety issues, in addition to a better identification and management of the triggers of risk behavior.	Nardini monitors its health and safety performance through proactive and reactive indicators related to employee health and safety. With all these actions, Nardini aims to promote the health and safety of its employees and become one of the safest companies to work at.	3
		Promotion of Health and Safety of own and outsourced employees	Internal	All Nardini employees are represented by formal committees that discuss issues related to occupational health and safety, namely: Internal Commission for Accident Prevention (CIPA) and Internal Commission for the Prevention of Rural Work Accidents (CIPA - TR) and the Safety Committee, formed by representatives from all levels of the company, through election or appointment, and act as facilitators in safety matters, having also a large and trained group of industrial/ administrative and rural brigadiers. The Health, Safety and Environment Committee is formed by representatives of the Department of Health, Safety and Environment and by the leaders of the areas and has the role of monitoring the indicators, proposing solutions and making decisions related to these areas. Nardini also has collective agreements formalized with the unions: Chemists, Rural Workers and Drivers, which include several clauses related to employee health and safety.		
		Risk Assessment and Accident Investigations	Internal			





Social	Human Capital Management	Management of Hiring, Turnover and Job Retention	Internal	Nardini believes that the basis of support for its business is to recognize the value of performance and achievement potential and to promote sustained growth for and through people. For this, it has provided continuous opportunities for professional and personal development to employees, in a healthy, safe and ethical environment, where there is clarity about the company's commitments, values, mission and vision.		
		Benefits Offered	Internal	Nardini's leadership, at all levels, is united and courageous in the decision-making process, keeping people safe and the business running.	To define the solutions, the People & Management area considers the company's strategic alignment, aspects of the expected organizational culture, climate survey results, the specific demands and challenges of the business and the individual development plans, resulting from the performance evaluation cycle.	1
				Initiatives are promoted to reinforce the company's meritocratic and humanized culture. The theme is present in discussions with the entire management of the company. Culture is also a constant subject in training and meetings held with leaders, which corroborate their role as protagonists for the company's results. Research carried out by GPTW brings culture as a perceived value in the company, with a high rate.		3
				The company hires around 1,100 new employees per harvest, valuing and giving opportunities to more than 20 surrounding towns and cities. A process considered successful, in view of the diverse and positive spontaneous manifestations received in the research and in opportune dialogues in the period.		4
	Healthy Relationship	Prevention of Child and Forced Labor	Internal			5
						8
	Healthy Relationship	Developing Healthy Relationships with Clients and Suppliers	External	Suppliers of Inputs and Services: Nardini has an opportunity policy that guarantees the participation of any supplier, as long as it meets the company's selection and qualification criteria. Among the criteria, it is worth highlighting legal requirements, such as the delivery of documentation for registration, compliance with specific legislation and criticality in relation to the intended result. All suppliers are informed about the selection and qualification process.	Suppliers of Inputs and Services: performance is analyzed monthly, according to deliveries and defined criteria, generating a classification. If there is a problem, Nardini informs such suppliers immediately and, when in compliance, they are informed every six months.	10
				Raw Material Suppliers: Nardini has a department that manages contracts and monitors opportunities, evaluating, through technical, economic, social and environmental criteria, the viability of the business, offering the supplier the following options: spot contracts, partnership or land lease. All suppliers are informed about the selection process. Suppliers are free to contact professionals in the Agricultural Management and Contracts areas to: clarify technical and payment doubts, request support in agronomic recommendations, or any other matter related to the business.	Raw Material Suppliers: performances are analyzed by harvest, according to delivery and defined criteria, generating a classification where, when there are problems, Nardini defines whether or not to continue with the contract, informing the supplier, reporting its performance. An annual satisfaction survey is carried out with suppliers where, regardless of the result, any negative manifestation is dealt with and the respective actions reported.	11

Social	Healthy Relationship	Developing Healthy Relationships with Clients and Suppliers	External	Clients: Nardini is open to serving all clients and customers. At each contact, there is a commercial negotiation that, if made possible, also involves alignment with the production and quality management areas, validating or not the fulfillment of the client's needs. Every closed deal becomes part of the company's production planning, in which there is a monthly alignment with all the areas involved. The company prioritizes the loyalty of many regional clients, even with relatively small volumes.	Clients: there is a customer service system after delivery of the product, in which any problem portrayed, being the same, has its cause analysis and negotiations carried out, formalized and returned to the customer for validation. An annual customer satisfaction survey is carried out on the company's most relevant products (ethanol, energy, yeast and sugar). Even if, in general, the client is satisfied to the point that we meet the internal KPIs, when there is a clear negative point, we work with a focus on this specific point in order to solve the problem.	11
		Developing Healthy Relationships with the Local Community	External	Nardini understands that a company in operation naturally ends up generating impacts on society, especially in the communities located in its surroundings, and has responsibilities in this regard. The impacts generated can be positive, ranging from promoting employment with an impact on the local economy to meeting local demands for the sustainable development of these communities, as well as negative, which can cause harmful social, environmental and economic impacts to the local population. We represent a scenario that impacts more than 20 towns and cities of different sizes and realities, they are local communities that have different desires and needs and something that facilitates this process is the good relationship with them. This relationship is cultural, which has been going on since the first years of our activities, through the positioning of our founder, Aurélio Nardini.	The company has a Social Investment Policy, which has been approved by the superintendent directors of the business unit, and aims to establish relationships with communities focusing on the social investment criteria conducted by Nardini. The policy contemplates investments primarily in towns and cities where we have employees' residence, the responsible area evaluates the projects, following the guidelines of this policy and submitting them for approval in its governance structure.	16





Economic	Productivity, Technology and Innovation	Increase in Agricultural Productivity	Internal	<p>To monitor, evaluate and develop new working and management methods, as well as new technologies already in use and to be used (implementation, tests, pilot projects, successful cases, etc.) and their benefits in each agricultural process. The climatic factor corresponds to approximately 50% of the formation and maintenance of the sugarcane plantation, the other 50%, approximately, corresponds to the factors of management, technology and investments in general.</p>	<p>Longevity of the cane field, higher ATR, ton of sugar per hectare, effective control of pests and weeds, reduction of trampling, agricultural quality control indicators, benchmarking, monitoring of data with suppliers and partners, in addition to support from consultants and Institutions of research.</p>	2
		New Products and Innovations	Internal	<p>There is an Innovation Committee in the Nardini group, formed by at least 1 employee from each area of the company, including the participation of the PMO and the Board of Directors. The Committee has the following activities:</p> <ul style="list-style-type: none"><li>- Needs assessment;</li><li>- Presentation and evaluation of opportunities (adherence, impacts, costs, ROI, etc.);</li><li>- Prioritization of opportunities;</li><li>- Support to sponsors for presentation to the PMO and the Board of Directors;</li><li>- Monitoring and support for approved projects, together with the PMO;</li><li>- Demonstration of the results obtained.</li></ul> <p>This committee incorporates the Genio4.0 Project, focused on all opportunities for operational improvement with the use of Technologies aimed at Automation and Digital Transformation - Revolution 4.0.</p>	<p>Meetings are held monthly with PowerPoint presentations, live demonstrations and/or videos of completed processes. There is also the presentation of new opportunities, the positioning of the opportunities/projects in progress, when all the members of the committee can monitor the activities aimed by the group and, thus, evaluate their effectiveness. The evaluation of each project that goes through GENIO4.0 is also performed by the PMO, in addition to the validation carried out by the Nardini Board of Directors.</p>	8 9 12 17
	Economic Performance	Financial Performance: Revenues	Internal/ External	<p>The company uses the best commercial practices to capture the highest sales price of its final products, taking advantage of the great flexibility of the production mix. It has the support of consulting firms specialized in the sugar and ethanol segment and also uses the capital market to protect prices and currency. It has a strong relationship with brokers and trading companies, with an always up-to-date view of the domestic and foreign markets, supply and demand.</p>	<p>The result of production flexibility, combined with the ability to obtain the best sales prices, appears in the financial indicators, with a good profit margin.</p>	
		Financial Performance: Distribution of Economic Value	Internal/ External	<p>The calculation of the distribution of wealth occurs through the payment of salaries and variable bonuses to all its employees, collecting all their direct and indirect taxes, interest payments on loans and financing, payment of rentals of movable and immovable assets and remuneration of shareholders' capital, through the distribution of dividends. The calculation method is done through payroll management mechanisms, transactional system, converging to consolidate the numbers in the annual calculation of the audited financial statement.</p>	<p>The management tools for controlling transactional activities, calculation and collection of taxes, payment of rents and interest, as well as control and calculation of dividends, have worked satisfactorily, aiming to maintain the integrity and confidentiality of all its records.</p>	8 10
		Indebtedness	Internal/ External	<p>The company uses the best market tools to control and manage its financial contracts for loans and financing, it also uses a pioneering tool in the market, which supports the best decisions in contracting short and long-term credit lines, so we can have equality of conditions with financial agents.</p>	<p>The control and management tools used by the company are of high performance, thus allowing the mitigation of faults and errors in calculations that could potentially generate financial losses for Nardini, as well as controlling the maturities of fixed and interest installments, for payment on due date. It also contributes to the search for the best negotiation, aiming to obtain the lowest possible financial cost in credit operations.</p>	



# GRI SUMMARY AND COMPLEMENTATIONS





GRI SUMMARY

GRI	GRI STANDARD	REPORTED INFORMATION (DISCLOSURE)	PAGE NUMBER OR DIRECT ANSWER	SDGS
102 General Contents	GRI 100: GENERAL DISCLOSURES			
	ORGANIZATIONAL PROFILE			
	102-1	Company's name.	Nardini Agroindustrial Ltda	-
	102-2	Activities, brands, products and services.		8, 9 and 12
	102-3	Location of the organization's headquarters.	Address: Vista Alegre Farm, S/N -km 2.5 District: Rural Area City: Vista Alegre do Alto – SP CEP: 19.920-000	-
	102-4	Operations location.	13	-
	102-5	Nature of ownership and legal form.	Limited business partnership	-
	102-6	Markets served.		-
	102-7	Size of the organization.		9
	102-8	Information about employees and other workers.	36 and 39	8
	102-9	Supply chain.	44	8
	102-10	Significant changes in the organization and its supply chain.	There were no significant changes in the organization and its supply chain when compared to the previous year	8
	102-11	Precautionary principle or approach.	21	8 and 12
	102-12	External initiatives.	40	1,4, 10 and 16
	102-13	Memberships in associations.	25	17
	STRATEGY			
	102-14	Statement by the highest executive.	4 and 5	8
	102-15	Main impacts, risks and opportunities.	21	8 and 12

ETHICS AND INTEGRITY				
102-16	Values, principles, norms and codes of behavior.		22	8
102-17	Mechanisms for ethical guidance and concerns.		22	8 and 16
GOVERNANCE				
102-18	Governance structure.		17	-
102-19	Delegation of authority.		17	8
102-20	Responsibility for executive-level roles and functions for economic, environmental and social topics.		20	8
102-21	Consultation with stakeholders on economic, environmental and social topics.		56	-
102-22	Composition of the highest governance body and its committees.		17	8
102-23	Chairman of the highest governance body.		19	8
102-24	Selection and appointment to the highest governance body.		39	8
102-25	Conflicts of interest.		20	8
102-26	Role played by the highest governance body in defining purpose, values and strategy.		19 and 22	8
102-27	Collective knowledge of the highest governance body.	We have an internal communication system that addresses the most diverse subjects of general interest, as well as topics related to social and environmental issues, with the objective of updating and obtaining engagement from employees, including high governance.		8
102-28	Evaluation of the performance of the highest governance body.	The performance evaluation is applied to the Board of Directors, through the internal RM tool (People Management System), once a year. It is a 180° assessment, that is, it also includes a self-assessment, which helps to link managers' performance to business priorities.		8
102-29	Identification and management of economic, environmental and social impacts.	a) It is the role of the Board of Directors to analyze the market, foreseeing possible impacts, to assist in decision making.  b) Stakeholder consultation was applied in the development of the report and its materiality is used to support the highest governance body in the identification and management of impacts, risks and opportunities arising from economic, environmental and social topics.		8




**102  
General  
Contents**

102-30	Effectiveness of risk management processes.	The Board of Directors is responsible for planning and operating an effective risk management and internal control system, with regard to economic, environmental and social aspects, including, when necessary, the adaptation of policies and procedures, in order to ensure that Nardini can achieve its goals. All these functions are performed under the supervision of the Management Council.	8
102-31	Analysis of economic, environmental and social topics.	Formal meetings are held, with a pre-established frequency, to address economic, environmental and social issues. Urgent matters are dealt with in extraordinary meetings.	8
102-32	Role played by the highest governance body in sustainability reporting.	The Sustainability Report is analyzed and approved by the Chief Executive Officer. Other Directors and members of the Management Council are also involved in the validation of the material.	8
102-33	Communication of critical concerns.	Critical concerns are formally reported through meetings between the Board of Directors and the Management Council and, later, with the shareholders.	8
102-34	Nature and total number of critical concerns.	The company does not have formal control over the number of critical concerns, due to the wide variation in which they can occur. Such concerns are impacted by the sense of urgency for decision making. Matters dealt with at Board of Directors, Management Council and Shareholders meetings are recorded in the minutes.	8
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups.	57	-
102-41	Collective bargaining agreements.	100% of our employees are covered by collective bargaining agreements.	-
102-42	Identification and selection of stakeholders.	57	-
102-43	Approach to stakeholder engagement.	56 and 57	-
102-44	Main concerns and topics raised.	57	-

**REPORTING PRACTICE**

	REPORTING PRACTICE			
102 General Contents	102-45	Entities included in the consolidated financial statements.	Nardini Agroindustrial Ltda and Companhia Energética Nardini (CEN).	8 and 9
	102-46	Defining report content and topic boundaries.		-
	102-47	List of material topics.	57	-
	102-48	Information reformulations.	55	-
	102-49	Changes to the report.	None	-
	102-50	Period covered by the report.	Start Date Crop Year: 04/01/2021 End Date Crop Year: 03/31/2022	-
	102-51	Date of most recent report.	2021/2022	-
	102-52	Reporting cycle.	Annual	-
	102-53	Contact for questions about the report.	Fabio Luiz Goncalves Quality Assurance Manager E-mail: fabio.goncalves@nardini.ind.br Phone: (16) 3287-9933	-
	102-54	Reporting statements in compliance with the GRI Standards.	Este relatório foi preparado em conformidade com as Normas GRI: opção Essencial.	-
	102-55	GRI Content Summary.	63	
	102-56	External verification.	There was no external verification process for this report.	-
103 Management Method	103-1	Explanation of the material topic and its limit.	57	-
	103-2	Management form and its components.	57	8
	103-3	Evaluation of the form of management.	57	8
GRI 200: ECONOMIC TOPICS				
201 Economic Performance	201-1	Direct economic value generated and distributed.	31	8
	201-2	Financial implications and other risks and opportunities arising from climate change.	27	8 and 13
	201-3	Defined benefit plan obligations and other retirement plans.	They do not have a defined retirement plan.	8 and 10
	201-4	Financial support received from the government.	34	8 and 17
202 Market Presence	202-1	Ratio between the lowest wage and the local minimum wage, with discrimination by gender.	37	5, 8 and 10
	202-2	Proportion of board members hired from the local community.		8





203 Indirect Economic Impacts	203-1	Investments in infrastructure and support services.	27, 30 and 31	8 and 9
	203-2	Significant indirect economic impacts.	30 and 31	8 and 9
204 Purchasing Practices	204-1	Proportion of spending with local suppliers.	31	8 and 9
205 Fight against corruption	205-1	Operations evaluated for risks related to corruption.	34	8 and 17
	205-2	Communication and training in anti-corruption policies and procedures.	34	8 and 17
	205-3	Confirmed cases of corruption and actions taken.	No cases were identified during the reporting period of this report.	8 and 17
206 Unfair Competition	206-1	Lawsuits for unfair competition, trust and monopoly practices.	No cases were identified during the reporting period of this report.	17
207 Tributes	207-1	Tax approach.	34	8 and 17
	207-2	Governance, control and management of fiscal risk.	34	8 and 17
	207-3	Stakeholder engagement and management of their tax concerns.	34	8 and 17
	207-4	Country-by-country reporting.	31	8, 9 and 17
GRI 300: ENVIRONMENTAL TOPICS				
301 Materials	301-1	Materials used, broken down by weight or volume.	75	-
	301-3	Products and their packaging recovered.	100% of crystal and demerara sugar big bag packaging is returnable. This volume is calculated through the issuance of invoices to customers.	-
302 Energy	302-1	Energy consumption within the organization.		-
	302-3	Energy intensity.		-
	302-4	Reduction of energy consumption.	The reductions noted in items 302-1 and 302-3 currently refer to operational changes and behavior.	-
	302-5	Reductions in energy requirements for products and services.		-

303 Water and Effluents	303-1	Interactions with water as a shared resource.	47	-
	303-2	Management of impacts related to water disposal.	47	-
	303-3	Water catchment.	47	-
	303-4	Discard water.	47	-
	303-5	Water consumption.	47	-
304 Biodiversity	304-1	Owned, leased or managed operating units within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmental protection areas.	51	-
	304-2	Significant impacts of activities, products and services on biodiversity.	52	-
	304-3	Habitats protected or restored.	51	-
	304-4	Species included on the IUCN Red List and national conservation lists with habitats in areas affected by the organization's operations.	76	-
305 Emissions	305-1	Direct emissions (Scope 1) of greenhouse gases (GHG).	53	
	305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy acquisition.	53	-
	305-3	Other indirect (Scope 3) greenhouse gas (GHG) emissions.		-
	305-4	Intensity of greenhouse gas (GHG) emissions.	53	-
	305-5	Reduction of greenhouse gas (GHG) emissions.	53	-
	305-6	Emissions of ozone-depleting substances (ODS).	53	-
	305-7	NOX, SOX and other significant atmospheric emissions.	53	-
306 Waste	306-1	Waste generation and significant waste-related impacts.	54	-
	306-2	Management of significant waste-related impacts.	54	-
	306-3	Waste generated.	54	-
	306-4	Waste not intended for final disposal.	100% of waste is properly disposed of.	-
	306-5	Waste destined for final disposal.	54	-



307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations.	In the 21/22 harvest, Nardini did not have any Notice of Environmental Infraction (AIA) or non-monetary sanctions resulting from non-compliance with environmental laws and/or regulations.	-
	308-1	New suppliers selected based on environmental criteria.		-
308 Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and measures taken.	No negative environmental impacts were identified in the supply chain.	-
GRI 400: SOCIAL TOPICS				
401 Job	401-1	New hires and employee turnover.	36	8 and 10
	401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees.	36 and 37	8
	401-3	Maternity/paternity leave.		5 and 8
402 Work Relationships	402-1	Minimum notice period about operational changes.	Although our collective agreements do not formally present the deadlines for operational changes, we act strategically and gradually, always aiming at not generating major impacts. Therefore, all operational changes are communicated in advance and monitored throughout the entire process, step by step, until total change.	8

403 Health and safety	403-1	Occupational health and safety management system.	42	3 and 8
	403-2	Hazard identification, risk assessment and incident investigation.	42	8
	403-3	Occupational health services.	42	3 and 8
	403-4	Participation of workers, consultation and communication with workers regarding health and safety at work.	42	3, 8 and 16
	403-5	Training of workers in occupational health and safety.	42	8
	403-6	Promotion of worker's health.		3 and 8
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships.	42	3 and 8
	403-8	Workers covered by an occupational health and safety management system.		Our health and safety management system is being implemented and actions are already under way. Currently 100% of our employees, third parties and even suppliers are covered by this management system, each according to its specificity. 3 and 8
	403-9	Work accidents.	42	3 and 8
	403-10	Occupational diseases.	42	3 and 8
404 Training and Education	404-1	Average hours of training per year, per employee.	36 and 38	8
	404-2	Programs for the improvement of employees' skills and assistance for career transition.	36 and 38	-
	404-3	Percentage of employees receiving regular performance and career development reviews.	38	5 and 8
405 Diversity and Equal Opportunity	405-1	Diversity in governance bodies and employees.		5 and 8
	405-2	Ratio of base salary and remuneration received by women and those received by men.		5, 8 and 10
406 Non-Discrimination	406-1	Discrimination cases and corrective measures taken.		5, 8, 10 and 16
407 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk.		In both our operations and the operations of our suppliers, the right of workers to exercise freedom of association or collective bargaining is respected. There are no cases nor significant risk of breach. We always demand that in all our negotiations the legal precepts are complied with. 8 and 16





<b>408 Child Labor</b>	408-1	Operations and suppliers with significant risk of child labor cases.	We value compliance with legal precepts, including in relations with our suppliers and third parties. Thus, we demand, among other issues, respect for the current legislation related to this topic, following the Children and Adolescents Statute, which prohibits the work of adolescents under the age of 16, except as apprentices.	8 and 16
<b>409 Forced or Slave-like Labor</b>	409-1	Operations and suppliers with significant risk of cases of forced or compulsory labor.	We value compliance with legal precepts, including in relations with our suppliers and third parties, demanding compliance with current legislation and the non-use of labor analogous to slavery, under penalty of breach of contract. In addition, we also demand compliance with efforts aimed at dignifying and modernizing labor relations in their sectoral production chains.	8 and 16
<b>410 Security Practices</b>	410-1	Security personnel trained in human rights policies or procedures.	All employees, including the security team, received training in human rights policies or procedures, based on our Code of Ethics and Conduct. All employees sign a proof of receipt and knowledge of the Nardini Company's Code of Ethics. Our code of ethics addresses the company's conduct and internal procedures. A review is scheduled for next year, with a greater focus on diversity and inclusion, behavior and respect for the LGPD.	8 and 16
<b>411 Rights of Indigenous Peoples</b>	411-1	Cases of violation of the rights of indigenous peoples.	Item not applicable. Nardini's operations do not take place in areas with registration of indigenous peoples.	10 and 16
<b>412 Human Rights Assessment</b>	412-1	Operations subject to human rights or human rights impact assessments.	All processes carried out in the company are based on human rights guidelines.	8 and 16
	412-2	Training of employees in human rights policies or procedures.	All employees received training in human rights rights, policies or procedures based on our Code of Ethics and Conduct.	8 and 16
	412-3	Significant investment agreements and contracts that include human rights clauses or that have undergone human rights assessment.	The company's policy is not to hire service providers and materials that disrespect human rights, and the standard draft of the service provision contract contains human rights protection clauses, such as: status of children and adolescents, work analogous to slavery, among others, under penalty of breach of contract. Also in financing and loan contracts, there is a standard clause of the financial agents that stipulate that the company complies with the human rights laws, under penalty of early liquidation of the contract signed.	8 and 16

<b>413 Local Communities</b>	413-1	Engaged operations, impact assessments and local community development programs.	Nardini maintains a study/survey on the customary use of all areas and surroundings where it operates. The process involves research into legal sources, stakeholder consultation and on-site observation. Only religious and ecological activities (festivities and cycling tours) not affected by the company's activities were identified. To guarantee the maintenance of the population's rights, among other actions, the company works with changes in sugarcane transport routes, humidification of roads, improvements in access roads, support with sponsorships and/or donations. For any formal grievance process there is a communication channel. The Nardini Ombudsman Channel is a tool which purpose is to receive, record, instruct, analyze and give formal and adequate treatment to the demands related to consultations, suggestions, complaints, praise and criticism from our stakeholders (community, employees, customers, partners and suppliers). Three communication channels are available, which operate 24 hours a day: Voice service 0800 (from Monday to Friday, from 8 am to 8 pm. After this time and on weekends and holidays, service is provided via PO Box); Email; dedicated Hotsite in a secure environment.	8 and 16
<b>414 Social Assessment of Suppliers</b>	413-2	Operations with significant negative impacts - actual and potential - on local communities.	The operations with possible negative impacts are agricultural activities (CCT, application of chemicals, application of vinasse and cultural treatments). All these activities are controlled through operational procedures and trained employees, previously communicated to stakeholders (neighbors of the property, communities, etc.)	8 and 16
	414-1	New suppliers selected based on social criteria.	100% of our suppliers of raw materials, inputs and services are selected based on social criteria. Compliance with social obligations is a prerequisite for signing contracts.	8, 10 and 16
	414-2	Negative social impacts on the supply chain and measures taken.	Currently, there is no formalized system and measurement of significant negative social impacts - real and potential - identified in the supply chain. However, Nardini always adopts preventive and/or corrective measures when it becomes aware of negative social impacts of suppliers within its scope.	8, 10 and 16
<b>415 Public Policy</b>	415-1	Political contributions.	In accordance with Brazilian law, it is not Nardini's practice to offer any contributions, whether monetary, in cash or in any other form, directly or indirectly, to political parties and agents. Also, according to our Code of Ethics, the company is totally non-partisan, it does not get involved in political campaigns and prohibits favoring government agents.	8 and 10



416 Consumer Health and Safety	416-1	Assessment of health and safety impacts caused by categories of products and services.	All Nardini products are certified in the ISO 9001 management system standard and crystal sugar still has the differential of having the FSSC 22000 food safety certification. In addition, the company has the Bonsucro certification, a sustainability standard, which guarantees all internal health and safety impact assessment practices in search of improvements.	8
	416-2	Cases of non-compliance regarding health and safety impacts caused by products and services.	There were no cases of non-compliance.	8
417 Marketing and Labeling	417-1	Requirements for information and labeling of products and services.	Some of our products do not require labeling, however all necessary information is described in quality certificates issued.  For products that require it, labeling information meets the regulatory requirements set out in specific legislation. When there is a contractual requirement for foreign clients, we adapt the product labeling to the relevant country information.	-
	417-2	Cases of non-compliance in relation to information and labeling of products and services.	There were no cases of non-compliance.	-
	417-3	Cases of non-compliance in relation to marketing communication.	There are no records of non-compliance with laws and/or voluntary codes regarding marketing communications. All our attention is guided by the law before any disclosure.	-
418 Client Confidentiality	418-1	Proven complaints regarding breach of customer privacy and loss of client data.	There were no complaints from clients or regulatory bodies, regarding violation of privacy and/or loss of client data, by any of the relevant areas: Commercial (through the 0800 channel), Communication (through the Ombudsman channel), Technology of Information, nor by our Legal department.	-
419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the socioeconomic area.	During this period, we had no record of fines or economic sanctions for non-compliance with laws and regulations in the economic and social areas.	8 and 16

## GRI COMPLEMENTATIONS

### 301-1: MATERIALS USED, BROKENDOWN BY WEIGHT OR VOLUME

	CROP YEAR 19/20	CROP YEAR 20/21	CROP YEAR 21/22
MATERIAL	TON		
SUGARCANE			
Own processed sugarcane	2,113,873.35	1,719,956.48	1,978,193.44
Partners' sugarcane	1,708,411.84	2,593,156.58	1,531,922.82
Subtotal	3,822,285.19	4,313,113.06	3,510,116.26
AGRICULTURAL SUPPLIES			
Concealers	23,373.86	24,694.08	21,985.74
Insecticides	19.36	14.78	21.04
Fungicides	0.11	0.75	0.59
Herbicides	142.53	117.91	202.52
Fertilizers	20,402.20	13,674.71	15,878.97
Other Organic Fertilizers	87,048.56	80,061.44	70,985.81
Subtotal	130,986.61	118,563.67	109,074.67
INDUSTRIAL INPUTS			
Lime	3,183.12	3,835.00	2,755.82
Sulfuric acid	1,100.66	1,100.66	805.62
Hydrochloric acid	338.50	338.50	186.08
Soda	467.88	566.83	276.83
Antibiotics	0.1	0.05	3.60
Inorganic Chemicals	1,090.99	1,457.24	706.57
Organic Chemicals	57.33	34.84	36.02
Subtotal	6,238.58	7,333.11	4,770.54
FUEL			
Diesel	14,199.05	15,060.32	12,989.95
Ethanol	430.19	406.22	420.80
Subtotal	14,629.25	15,466.54	13,410.75
TOTAL	3,974,139.63	4,454,476.38	3,637,372.22
Materials from renewable source	3,822,715.38	4,313,519.28	3,510,537.06
Materials from non-renewable source	151,424.24	140,957.10	126,835.16





302-1: ENERGY CONSUMPTION WITHIN THE ORGANIZATION

DESCRIPTION	UNIT (GJ)		
	CY 19/20	CY 20/21	CY 21/22
(A) Total consumption of fuels from non-renewable sources	626,500	664,140	573,385
(B) Total consumption of fuels from renewable sources	4,237,243	4,180,361	3,495,966
(C) Electricity, heating, cooling and steam purchased for consumption	8,521	6,878	7,148
(A+B+C) Total energy consumption within the organization	4,872,264	4,851,379	4,076,499
(D) Total energy consumption within the organization	4,225,749	4,169,413	3,484,625
(E) Electricity, heating, cooling and steam sold 2	532,345	568,727	519,616

<sup>1</sup> Item D – Coming from the co-processing of sugarcane bagasse. It refers to item B (total renewable fuel consumption minus that from ethanol).

<sup>2</sup> Item E – Coming from the co-processing of sugarcane bagasse.

302-3: ENERGY INTENSITY

	CROP YEAR 19/20		CROP YEAR 20/21		CROP YEAR 21/22	
CANE CRUSHING (TON)	3,822,285.19		4,313,113.06		3,510,116.82	
	CONSUMPTION (GJ)	ENERGY INTENSITY (GJ/TC*)	CONSUMPTION (GJ)	ENERGY INTENSITY (GJ/TC*)	CONSUMPTION (GJ)	ENERGY INTENSITY (GJ/TC*)
Non-renewable energy source	626,500.00	0.16	664,140.00	0.15	573,384.00	0.16
Renewable energy source	4,236,697.00	1.11	4,181,007.00	0.97	3,497,966.00	1.00

304-4: SPECIES INCLUDED ON THE IUCN RED LIST AND ON NATIONAL CONSERVATION LISTS WITH HABITATS IN AREAS AFFECTED BY THE ORGANIZATION'S OPERATIONS

EXTINCTION RISK LEVELS	AVIFAUNA	MASTOFAUNA	HERPETOFAUNA	ICHTHYOFAUNA
Critically endangered				
Threatened	31	14	3	1
Vulnerable				
Almost threatened	16	8		1
Minimal concern				
Deficient data	3	9		1
Not included	328	71	69	100
TOTAL	378	102	72	103

The species highlighted in the faunal survey prepared in the Preliminary Environmental Report (RAP) were compared with those on the official list of threatened species in the State of São Paulo (SMA, 2014). State Decree No. 60,133/2014.

401-1: TOTAL NUMBER AND FEES OF NEW EMPLOYEE HIRING AND TURNOVER

AGE GROUP	TOTAL EMPLOYEES		TOTAL EMPLOYEES HIRED <sup>1</sup>		TOTAL EMPLOYEES DISMISSED <sup>1</sup>		TURNOVER RATE <sup>2</sup>	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Up to 30 years	108	766	33	351	58	410	42%	50%
30 to 50 years	206	1,733	63	569	81	668	35%	36%
Over 50 years	65	650	19	168	21	234	31%	31%
Subtotal	379	3,149	115	1,088	160	1,312	36%	38%
TOTAL	3,528		1,203		1,472		38%	

<sup>1</sup> Employees considered: seasonal and elective.

<sup>2</sup> Turnover = (number of hired + number of dismissed) / 2 / number of active employees in the crop year.

401-3: MATERNITY/PATERNITY LEAVE

CATEGORIES	MATERNITY LEAVE*	PATERNITY LEAVE*
Number of employees who were entitled to leave	379	3,149
Number of employees who went on leave	10	53
Number of employees who returned to work after their leave ended	10	53
Number of employees who returned to work after the end of their leave and who still work at the company 12 months after their return to work	9	32
Return rate of employees who returned to work after the end of their leave (%)	100%	100%
Return rate of employees who returned to work and remain 12 months after the end of the leave (%)	90%	60.38%

\* Seasonal employees are being considered, regardless of the termination of the contract.



403-5: TRAINING OF WORKERS IN HEALTH AND SAFETY AT WORK

HEALTH AND SAFETY TRAINING
NR 01 - Worker Integration (newly hired)
NR 05 - CIPA (for members elected and appointed annually)
NR 10 - Services in Electrical Installations (for electricians and instrumentalists)
NR 11 - Cargo Handling (for overhead crane, forklift and crane operators; and for manual cargo handling)
NR 12 - Safety in Production Process Machines and Equipment
NR 13 - Pressure Vessels and Process Unit
NR 20 - Safety and Health at Work with Liquid and Flammable Fuels
NR 23 - Basic Information on Fire Fighting Systems
NR 26 - Safety Signaling and Handling of Chemicals
NR 31 - Health and Safety at Work in Agriculture (herbicide application, CIPATR members, machinery operation, cargo handling)
NR 33 - Work in Confined Space
NR 34 - Hot work, use of PTA
NR 35 - Work at Height
Risk Perception
DDS - Daily Security Dialog

403-9: WORK ACCIDENTS

WORK ACCIDENT INDEXES	EMPLOYEES
Number of deaths resulting from work accidents	0
Death rate resulting from work accident <sup>1</sup>	0
Number of work accidents with serious consequences (except deaths)	11
Index of work accidents with serious consequences (except deaths) <sup>2</sup>	1.91
Number of mandatory reporting work accidents	12
Compulsory reporting occupational accident index <sup>3</sup>	2.09
Number of HHT (Men Hours Worked)	5,752,513.71

<sup>1</sup> Death rate = (number of deaths/HHT)\*1,000,000  
<sup>2</sup> Index of accidents with serious consequences = (number of accidents with serious consequences / HHT)\*1,000,000  
<sup>3</sup> Compulsory reporting accident index = (number of mandatory reporting accidents/HHT)\*1,000,000

404-1: AVERAGE TRAINING HOURS PER YEAR, PER EMPLOYEE

AVERAGE TRAINING HOURS BY GENDER AND WORK CATEGORY 2021/2022			
WORK CATEGORY	AVERAGE BY GENDER (MALE)	AVERAGE BY GENDER (FEMALE)	AVERAGE PER CATEGORY
Administrative	14.89	15.44	15.01
Agricultural	21.22	8.30	20.37
Automotive	27.16	1.00	26.98
Industrial	35.50	30.15	35.26
AVERAGE PER EMPLOYEE	23.43		

AVERAGE TRAINING HOURS BY GENDER AND WORK CATEGORY 2020/2021			
WORK CATEGORY	AVERAGE BY GENDER (MALE)	AVERAGE BY GENDER (FEMALE)	AVERAGE PER CATEGORY
Administrative	29.52	26.65	28.75
Agricultural	33.05	18.47	31.57
Automotive	35.22	27.00	35.06
Industrial	45.56	46.51	45.61
AVERAGE PER EMPLOYEE	34.19		





AMOUNT OF TRAINING PER HARVEST		
MONTH	QUANTITY 2020/2021	QUANTITY 2021/2022
April	7	15
May	8	16
June	11	17
July	22	29
August	24	48
September	26	34
October	16	37
November	21	33
December	15	20
January	16	10
February	33	37
March	49	28
	248	324

# REFERENCES

CHERUBIN, M.R. et al. **Land Use and Management Effects on Sustainable Sugarcane-Derived Bioenergy. Land, 2021.**









**Headquarters - Vista Alegre do Alto**

Vista Alegre Farm, N/N - km 2.5

Rural Area, Vista Alegre do Alto - SP



**Aporé Unit**

San Francisco Farm, GO 184 Highway

km 760+133mts, S/N, Rural Area

Aporé - GO



**+55 (16) 3287-9900**

**0800 006 6013**