

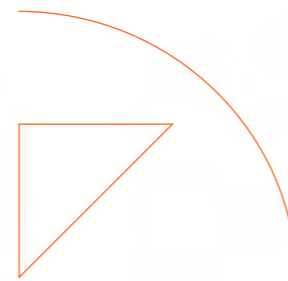
Annual Report

Crop Year 2020/2021

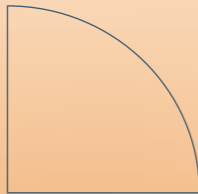


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INTRODUCTION GRI 102-50



Welcome to the Atvos Annual Report, an account of our operations' performance across the financial, environmental, social and governance dimensions in crop year 2020/2021—from April 1, 2020 to March 31, 2021.

On the following pages you will learn about our management approach, the challenges and opportunities presented to us in the 2020/2021 crop year, and our outlook for the future.

We hope you enjoy the report!

CONTACT US GRI 102-53

If you have any feedback, questions or suggestions about this report, please write to contato@atvos.com



MESSAGE FROM OUR LEADERSHIP

GRI 102-14

What we do at Atvos is connected to tomorrow. As a renewable energy company, what we produce today is helping to build a better future for our planet and to make Brazil's energy mix one of the cleanest in the world. It was with this future vision in mind that I stepped up as CEO in early 2021.

The 2020/2021 crop year was undoubtedly a challenging one, marked by adversities stemming from the COVID-19 pandemic. But our more than 9,000 employees and our partners and suppliers were remarkable in their ability to continue to deliver operational excellence while staying safe. We strictly followed safety protocols that ensured operational continuity while allowing us to support our communities in the response to the pandemic. As part of this, we reconfigured our operations to produce 70% alcohol, donating 72,500 liters of the product to 22 municipalities.

Employee safety was among the highlights of the crop year, with Atvos achieving the lowest injury rates in our Company's history. Another

significant milestone was our participation in the Renovabio program. With more than 2.4 million decarbonization credits (CBIOs), Atvos ended the reporting period as one of the leading issuers on the market. And we continued to seek continuous improvement in our indicators and efforts to strengthen low-carbon agriculture, a feature topic of this report.

In operations, we crushed a total of 26.7 million metric tons of sugarcane in the 2020/21 crop year. With high mill yields, we processed 3.65 million metric tons of Total Recoverable Sugar (TRS), an increase of 1.7% from crop year 2019/20.

In August 2020, our Court-Supervised Reorganization Plan was approved by the courts of São Paulo.

I have joined Atvos with a mission to work shoulder to shoulder with our employees in this new phase for the company, with a focus on financial health, cane-field renewal and expansion, increased production efficiency, and

delivering long-term results. To support this, we have further strengthened our governance and sustainability structures and practices. During the crop year we reformulated the composition of the Board of Directors and its four supporting Management Committees, each with a majority of independent members. We revised our Risk Management Policy, which supplements our Risk Matrix in addressing environmental, social and governance (ESG) issues. Among our social initiatives, we approved a Diversity & Inclusion Policy and, in the 2021/22 crop year, we launched a D&I Committee focused on gender equity.

I invite you to learn about these and other initiatives, significant accomplishments, and the challenges we navigated in the 2020/2021 crop year, as well as our efforts to implement the Global Compact principles and support the Sustainable Development Goals (SDGs) and other platforms around which Atvos is engaged.

I hope you find this report informative and inspiring.



GUSTAVO ALVARES
CEO

THE CROP YEAR AT A GLANCE GRI 102-7 | 102-8



26.7 million
metric tons
of crushed sugar cane



426,000
metric tons
of VHP sugar produced



10.2 million
metric tons
of sugar cane delivered
by 45 contract growers



2 billion
liters
of ethanol produced



2.4 million
CBIOs
issued



9,440
employees



2,800 GWh
of cogenerated electricity



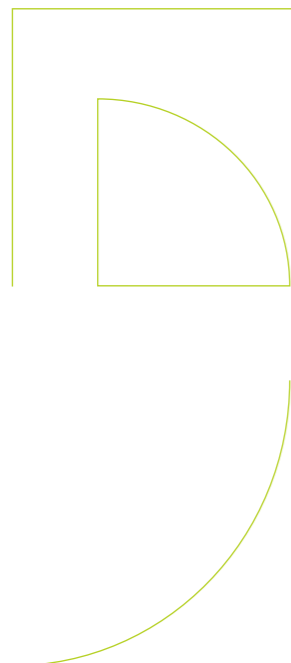
485,000
hectares
cultivated

In crop year 2020/2021,
consumption of our product
avoided **5.4 million**
tCO₂e in emissions

ABOUT ATVOS



CLEAN AND RENEWABLE ENERGY



Atvos Bioenergia S.A. is a bioenergy company based in Brazil. Our company produces and markets anhydrous and hydrous ethanol, VHP (Very High Polarization) sugar and renewable electricity generated from biomass. Our products are a key part of a greener energy mix and reducing reduce greenhouse gas (GHG) emissions. **GRI 102-1 | 102-2 | 102-6**

WE ARE THE SECOND LARGEST ETHANOL PRODUCER IN BRAZIL

Our sugarcane fields cover an area of 485,000 hectares. At our eight mills, in three production clusters, on-site cogeneration plants also convert biomass into clean electricity.



OUR OPERATIONS

GRI 102-3 | 102-4 | 102-7



PRODUCTION CAPACITY

Crush per crop year:

37 million
metric tons
of sugarcane

3 billion liters
of ethanol

enough to fuel 60 million
compact cars with renewable fuel**

700,000
metric tons
of VHP sugar

enough to sweeten 20 million
birthday parties***

3,100 GWh

of co-generated electricity—
enough to supply power
to 15 million people

* Alcídia (Teodoro Sampaio), in the São Paulo Cluster, which is currently curtailed

** Brazil fleet in 2018: 65.8 million

*** Post-refining

OUR MARKET

GRI 102-2 | 102-6



Ethanol

We market ethanol in Brazil to fuel distributors catering to service stations. Hydrous ethanol is used to fuel flex-fuel vehicles and anhydrous ethanol is blended with gasoline to improve emissions and fuel performance.



VHP Sugar

VHP sugar is sold on the international market to refineries for further processing.



Electricity from biomass

Part of the electricity we produce from sugarcane biomass is supplied to our own mills. The surplus is exported to the National Grid under contracts in the Regulated Contracting Environment (ACR) and Free Contracting Environment (ACL).



OUR VALUES

GRI 102-16



Purpose

To deliver creative and profitable clean-energy solutions that are sustainable for our planet.



Belief

Clean energy is essential for the continued progress of humanity.



Principles

- Ethics and integrity: doing the right thing, transparently and honestly
- Valuing and developing people
- Sustainable operations in partnership with suppliers, customers and employees
- Commitment to productivity and results for shareholders and society
- Serving customers with innovation and responsibility

PARTICIPATION IN EXTERNAL INITIATIVES

GRI 102-12

Atvos has voluntarily subscribed to corporate and multi-stakeholder initiatives that reinforce our stance in support of sustainable development. Highlights of the 2020/2021 crop year include:

Global Compact Network Brazil

In 2016 we joined the UN Global Compact, the largest corporate sustainability initiative in the world, with more than 12,000 participant organizations in 160 countries that have committed to a set of principles in the areas of human rights, labor, environment and anti-corruption.

In 2020 we became members of Global Compact Network Brazil's Steering Board, and we were named to lead the Action for Sustainable Agro Platform, a working group that brings together more than 70 companies, organizations and government agencies to promote efficient and sustainable production systems and food security in Brazil. For further information: <https://pactoglobal.org.br>

Instituto Ethos

We have been a member of Instituto Ethos since 2017, through which we have benchmarked and shared experience with other organizations as a source of inspiration for our own initiatives. As a member, we also draw guidance from the Ethos Guide on Promoting Gender Equity and the Business Pact for Integrity.

Acordo SP

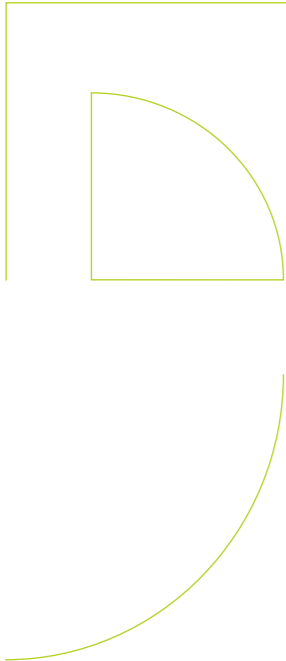
In 2019 we joined Acordo SP, an initiative of the São Paulo State environmental regulator (CETESB) that is engaging companies around strategies to tackle climate change. Our Conquista do Pontal (UCP) mill in São Paulo State has committed to monitor and to work to reduce GHG emissions.

Women Empowerment Principles (WEPs)

In 2019 we subscribed to the WEPs, a movement that has brought together 19 sugar and ethanol companies to achieve progress in promoting gender equity in the industry, where less than 10% of workers are women. The initiative directly supports our goals linked to SDG 5.

GOVERNANCE STRUCTURE

GRI 102-10 | 102-18 | 102-22 | 102-23 | 102-24



In December 2020 private equity firm Lone Star Funds acquired a controlling interest in Atvos, with Novonor remaining as a minority shareholder. Under our Court-Supervised Reorganization Plan (CRP), approved by the courts of the state of São Paulo in August 2020, a new Board of Directors (BoD) has been established with a composition of five members—with three independent members—and a Chair elected by the full body of Board members.

Four committees have been established to advise the Board of Directors. The Compliance & Risk Committee now reports directly to the BoD, and the People Committee now includes representatives from the Sustainability and Communications departments to monitor ESG (environmental, social and governance) performance.

BOARD OF DIRECTORS

Composition

Alex Grau (Chairman) and Gustavo Alvares (members appointed by shareholders); Julio Toledo Piza, Luciano Sfoggia, Timothy Powers (independent members)

FINANCIAL, INVESTMENT & AUDIT COMMITTEE

Scope

Assists the BoD in assessing financial risks in transactions or potential transactions, and in engaging and overseeing the work of independent auditors.

PEOPLE, ORGANIZATION, SUSTAINABILITY & COMMUNICATIONS COMMITTEE

Scope

Oversees the training of leaders and their successors, compensation criteria and sustainability matters.

COMPLIANCE COMMITTEE

Scope

Supports our commitment to ethical, honest and transparent conduct, performs audits to address any non-compliance incidents, and works to improve controls and processes. This committee also directly supervises the Risk & Compliance and Internal Audit functions, ensuring they each act independently.

AGRICULTURE COMMITTEE

Scope

Provides oversight of our Investment Plan and Agricultural Development Plan.

Agricultural and financial inspectors have also been engaged for the duration of the court-supervised reorganization, to monitor and oversee operating and financial indicators and compliance with the reorganization plan (CRP).

COMPLIANCE GRI 102-16 | 103-1 | 205-2

Our actions are based on ethics, integrity and transparency. We are signatories of the UN Global Compact and the Instituto Ethos Business Pact for Integrity. At this institute, we are members of several forums and joint compliance and anti-corruption initiatives.

In the 2020/2021 crop year we updated our Compliance Management System Policy and Code of Conduct, which guide our own and employees' business conduct. The contents of these policies have been rewritten in plainer language, with a greater emphasis on controls and transparency in dealing with third parties and government officials, and on ensuring that reports received via our Ethics Hotline are independently and thoroughly investigated.

The Risk & Compliance function is governed by a Compliance Management System that outlines measures and guidelines to prevent, detect and remediate misconduct, including any instances of corruption. This is achieved by assessing and monitoring risks, establishing policies and guidelines, providing regular training and communications, managing third-party risks, engaging in collective initiatives, and implementing and strengthening controls. In crop year 2020/2021, the system was audited by an independent firm and the audit findings have helped to improve standards and internal controls.

In accordance with best practices, the Risk & Compliance function reports directly to the Board of Directors via a Compliance Committee led by an independent member. Compliance is also a factor in assessments to determine executives' variable compensation.

In a survey to assess the maturity of our Compliance Management System, 99.6% of respondents (735) said they recognize our culture of compliance as being a core business value. 96% said they have a clear understanding of our compliance standards, and 92% agree that our leaders set an example of ethics, integrity and transparency.

In a survey on compliance, 96% of respondents said they had a clear understanding of our compliance standards

Policies updated in crop year 2020/2021*

- [Atvos Compliance Management System Policy](#);
- Employee Code of Conduct
- Anti-Corruption Guidelines
- Guidelines on Gifts, Entertainment & Hospitality
- Guidelines on Managing Conflicts of Interest
- Due Diligence Guidelines

*All employees were informed about the updates.



In crop year 2020/2021:



1,717 employees received refresher training on anti-bribery. Awareness and engagement communications on anti-bribery covered 100% of employees.



We had no confirmed instances of corruption in the year.



We implemented **automated testing** for continuous monitoring, and 100% of recommendations made by external consultants were acted upon.



Our **#MyCommitment** education campaign, launched in the previous crop year, covered 100% of employees in its second and last phase, featuring interactive videos about corruption, workplace harassment, sexual harassment and conflicts of interest.

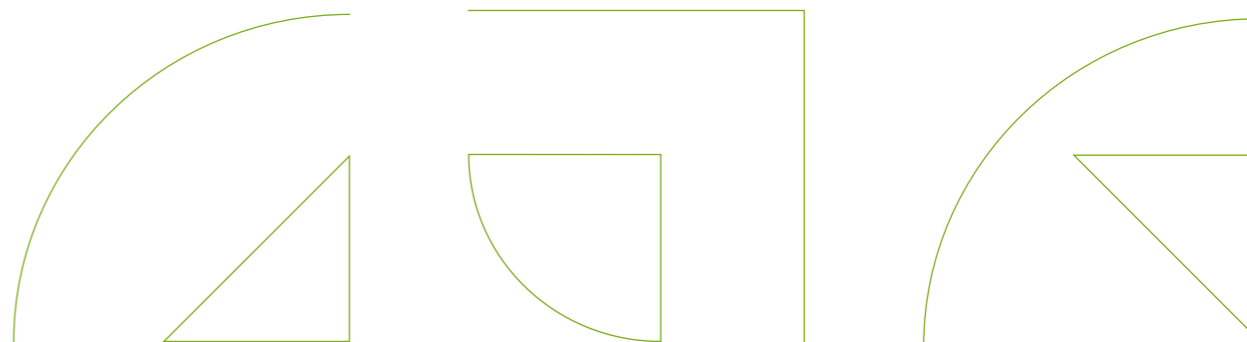
Ethics Hotline GRI 102-17

Our Ethics Hotline receives reports on any conduct that violates our commitment to ethics, integrity and transparency. Communications flows between whistleblowers and the Ethics Hotline are managed by an external firm to ensure confidentiality.

In crop year 2020/2021 the channel received 246 reports, 40% fewer than in the previous crop year. Of these, 227 were resolved by March 2021 (another 97 received in the previous crop year were resolved in the current crop year). The many employees who were sent home during the COVID-19 pandemic may have affected the number of whistleblower reports, especially considering that 36% of reports are typically related to employee interactions.

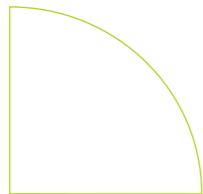
For reports that are deemed to be substantiated, disciplinary and corrective action is recommended and reviewed by our Ethics Committee. If the report involves the CEO or an executive officer, the findings are submitted to the Compliance Committee, which advises the Board of Directors. If a report involves the Compliance team or any member of the Board of Directors, it is received, investigated and reported on through a dedicated workflow to prevent any conflicts of interest.

Ethics Hotline
0800 721 8434
 or via our [website](#)



RISK MANAGEMENT

GRI 102-11 | 102-15 | 205-1



In crop year 2020/2021 we built further on our integrated risk management efforts from the previous crop year. Our Corporate Risk Matrix provides the basis for risk management at Atvos, and includes corruption-related risks.

Through a risk-mapping exercise, we assess the impact that each risk can have across the Financial, Environmental, People and Reputational dimensions. Risk owners then implement mitigation plans, and the risk matrix is regularly revised.

Risk Management Policy

- Crop year 2018/2019 – Developed Risk Management Policy
- Crop year 2019/2020 – Approved Enterprise Risk Matrix
- Crop year 2020/2021 – Revised the Risk Management Policy, to be relaunched in crop year 2021/2022; translated the Enterprise Risk Matrix—incorporating ESG aspects—into risk management plans with assigned owners; risks are now managed via SAP Risk Management

BRAZILIAN GENERAL DATA PROTECTION REGULATION

With the entry into effect of the Brazilian General Data Protection Regulation (BR GDPR) in 2020, we implemented a BR GDPR compliance project to create a secure corporate environment with support from independent consultants. As part of the program, we appointed a Data Reduction Officer (DPO) to respond to inquiries from the authorities. In crop year 2021/2022 the focus will be on training and communications about the new regulation across our different audiences.

INTERNAL AUDIT

98% of internal audit recommendations were implemented by the relevant departments throughout the crop year. In addition, we developed 25 indicators to continuously monitor sensitive processes in other departments.



Enterprise Risk Matrix

1.

We began the crop year with **31 high-level risks** (109 granular risks) and, throughout the crop year, we implemented action plans **to reduce and control** those risks. In this first year we completed 65% of identified action plans, higher than our target of 60%.

2.

The most significant high-level risks in crop year 2020/2021 were:

- **Macroeconomic/political developments:** These are the primary and greatest risks to our results of operations, including market variables such as oil prices, dollar exchange rates and VHP sugar prices, which affect sales planning and revenues. Current government policies, such as tax barriers to imports of corn-based ethanol, are an additional source of risk.
- **Climate risks:** Impacts from drought and frost on leased or contract growers' cane fields, and ultimately on crop yields. In crop year 2020/2021, this risk did not significantly materialize or adversely affect performance.
- **Breaches of personal information:** Disclosure or breaches of the personal information of employees, customers, suppliers and other parties, in violation of the Brazilian General Data Protection Regulation.

MATERIAL FACTORS IN RISK MANAGEMENT

- **ESG risks** These currently represent 69% of the granular risks in the Matrix, reflecting our continuous efforts to identify and monitor Environmental, Social and Governance matters.
- **Pandemic:** Following the outbreak of the COVID-19 pandemic, in crop year 2021/2022 we will further develop crisis management protocols to mitigate impacts in the event that low likelihood, high-impact risks of this kind materialize.

3.

Primary impacts in 2020/2021

A dramatic drop in oil prices in the early crop year, at the height of the COVID-19 pandemic, significantly affected global fuel demand, causing ethanol prices to plunge. Geopolitical tensions among the major oil-producing countries further exacerbated the oil-price collapse, which then cascaded downstream to gasoline prices and, adjacently, to hydrous ethanol prices in Brazil.

The steep decline in fuel demand also affected the Brazilian market, and ethanol sales in particular.

The price slump was partly offset by a weaker Brazilian real against the US dollar, and the consequently higher import-parity prices on oil products. In the second half of the crop year, as global and local fuel demand gradually recovered and the geopolitical situation improved, fuel prices rebounded steeply and exceeded pre-pandemic levels.



Enterprise Risk Matrix

4.

31 high-level risks ramified into 109 granular risks and 108 defined mitigation plans, of which 71 were completed.

Post revision in the 2020/2021 crop year, our risk matrix incorporated 20 new granular risks.

5.

In crop year 2021/2022:

- We have raised our target for action plan completion from 60% to 100%
- We will develop a dedicated risk matrix related to anti-corruption and compliance
- A risk review process will be implemented depending on the level of criticality



STRATEGY



ATVOS AND THE SDGs

As a member of the Global Compact Network Brazil, Atvos has committed to support the Sustainable Development Goals (SDGs). Based on our Sustainability Policy and

materiality matrix (see page 55), we have identified 5 priority SDGs and related targets, and have mapped them to strategic initiatives.

The prioritized SDGs and our initiatives

SDG	Targets we can support	Atvos initiatives
	<p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p>5.b Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p> <p>5.c Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>	<p>We approved our Diversity & Inclusion Policy in 2020.</p> <p>In 2019 Atvos joined the Women Empowerment Principles.</p> <p>Women represent 15% of our workforce, more than the average of 9.2% in our industry. Our target is to reach 26% by crop year 2023/2024.</p> <p>60 women identified as potential candidates for leadership positions will receive training and mentoring in 2021.</p> <p>We trained 25 women to work in our cane field and mill operations in Mato Grosso do Sul, and 13 female tractor operators.</p>

The prioritized SDGs and our initiatives



7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

In crop year 2020/2021: 2 billion liters of ethanol produced; 2,800 GWh of electricity cogenerated from biomass.

7.3 By 2030, double the global rate of improvement in energy efficiency

All our cane field and mill operations have been certified within the RenovaBio program.

Our mills have Green Energy certification awarded by the Brazilian Sugarcane Industry Association (UNICA).



8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the Ten-Year Framework of Programs on Sustainable Consumption and Production, with developed countries taking the lead.

We support 9,440 direct jobs and 27,000 indirect jobs.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Employees and contractors receive training on our Code of Conduct.

8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.

In crop year 2020/2021, we administered 2,424 man-hours of training on human rights policies and procedures, including aspects related to drug abuse and sexual abuse of children.

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Suppliers undergo desktop due diligence on Legal, Tax, HSE, Compliance, Sustainability and Technical aspects.

Within our Parceiros Mais Fortes ("Stronger Partners") program, 100% of participating farmers have joined us in our Commitment for a Sustainable Sugarcane Value Chain.

In crop year 2020/2021 our 1,155 agricultural partners received R\$ 1,365 million in payments.

Our harvesting operations are 100% mechanized.



11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Atvos has eight mills spread across three sugarcane clusters in four Brazilian states.

11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

We have 81 social and environmental projects in 11 cities that are managed through participatory governance within our Energia Social ("Social Energy") program.

The surplus electricity we generate from biomass is exported to the National Grid.

The prioritized SDGs and our initiatives



13.2 Integrate climate change measures into national policies, strategies and planning

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

We have subscribed to the Acordo SP (“SP Agreement”), an initiative led by the São Paulo environmental agency (CETESB).

All our cane field and mill operations have been certified within the RenovaBio program.

24 million CBIOs issued

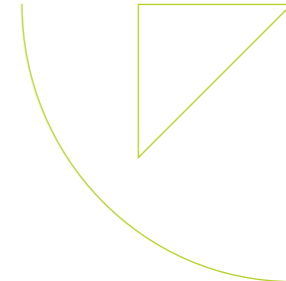
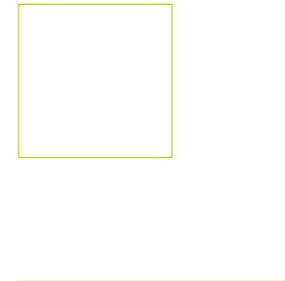
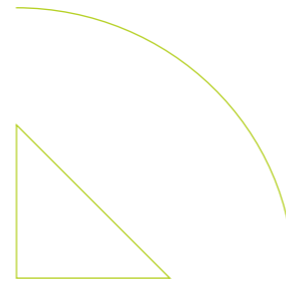
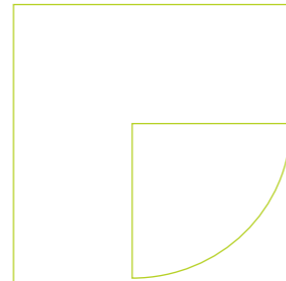
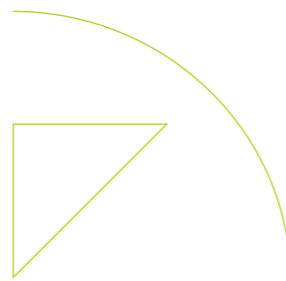
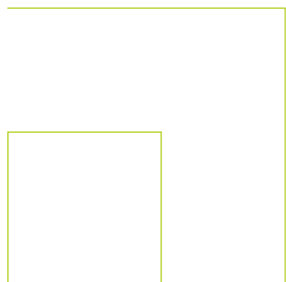
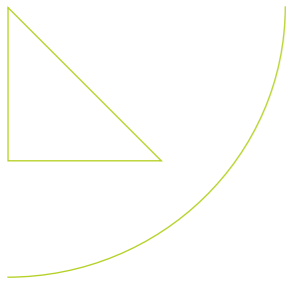
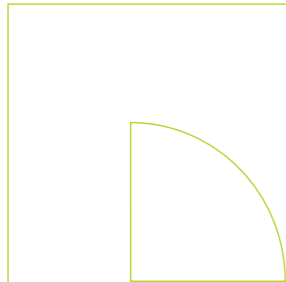
In crop year 2020/2021, consumption of our products avoided 5.4 million tCO₂e in emissions

Our mills operate within a circular economy concept in which byproducts are used as value-added inputs.

In our cane fields, we re-utilize several byproducts from the mill, including vinasse, wastewater, filter cake and ash from biomass boilers.

We continuously monitor protected areas and the quality of headwaters in our field and mill operations.

We invested R\$ 2 million in native tree seedlings.



INDUSTRY OVERVIEW

The automotive industry saw its worst performance in the last three crop years, with light vehicle sales plummeting by 26.7% in crop year 2020/2021. Otto engine (the most common automotive engine) fuel consumption fell in tandem to 48.9 billion liters of gasoline equivalent, the worst performance in the last seven crop years. Average gasoline prices in the domestic market were 3.5% lower than the global average.

Midwest sugarcane crush was a total of 605.5 million metric tons, up 2.6% from 590.4 million metric tons in the previous crop year. Total recoverable sugar (TRS) was 144.7 kg/metric ton of sugarcane, the highest rate since 2010/2011, supporting a sugar production record.

According to the Brazilian Sugarcane Industry Association (UNICA), ethanol supply was a total of 30.36 billion liters in the year, decreasing by 8.7% from 33.26 billion liters in 2019/2020. The share of hydrous ethanol in the fuel market dropped from 29.2% to 27.2% in crop year 2020/2021. Ethanol imports also declined by 65% to just 573,000 m³ in the crop year. With higher sugar prices and uncertainties surrounding fuel demand, only 53.9% of processed sugarcane was used to produce ethanol, with ethanol sales declining to 30.80 billion liters in 2020/2021, down 7.45% from 33.29 billion liters in the previous crop year.

Hydrous ethanol sales stood at 20.75 billion liters, falling 9.87% from the previous crop year. Anhydrous ethanol sales dropped by 2.02% to 10.05 billion liters. On the upside, exported hydrous ethanol sales climbed by 33% to 1.17 billion liters, on the back of a weakening Brazilian real and high global demand for alcohol for hand sanitizers. The average weekly CEPEA/ESALQ price was R\$ 1,894/m³, 3.5% higher than the average in 2019/2020, with a strong price surge during the inter-crop period.

NY #11 sugar prices averaged US\$ 17.00/lb as of March, a year-on-year increase of 12.8% reflecting a rebound in global demand for the commodity. Sugar production stood at 38.5 million metric tons in the crop year, an increase of 43.7% from 26.8 million metric tons in 2019/2020.

In the electricity market, despite lower consumption and favorable hydrologic conditions early in crop year 2020/2021, the year ended with reservoirs at their lowest levels since 2015. The Difference Settlement Price (PLD) exceeded R\$ 500/MWh between November and December.

In this context, in the 2020/2021 crop year we adjusted our product mix to be heavier in VHP sugar and anhydrous ethanol, improving profitability.



REGULATORY OVERVIEW

In the regulatory environment, 2020/2021 was marked by government measures to contain the impacts from the COVID-19 pandemic on the fuels market, including a resolution relaxing requirements on inspections and procedural deadlines ([Resolution 812/20](#)), and labor-related resolutions relaxing deadlines and rules in order to protect jobs and income during the pandemic.

Within the Brazilian Biofuels Program (RenovaBio), the federal government introduced a number of amendments in respect of Biofuel Decarbonization Credits (CBIOs) throughout the 2020/2021 crop year. These included a reduction of the income tax rate from 34% to 15% ([Law no. 13 986/20](#)); enhanced provisions on the underwriting, trading and retirement of CBIOs ([MME Ordinance 122/20](#)); and a reduction of annual compulsory targets: by 50% for 2020 (from 28.7 million to 14.5 million CBIOs) and by 39.5% for 2021 (from 41 million to 24.8 million CBIOs), under [CNPE Resolution 08/20](#).

A significant piece of new legislation, [Law no. 14 052/20](#), addressed debts and renegotiations relating to hydrologic risk (generation output shortfalls below contract volumes) and unlocked payments for power output exceeding guaranteed capacity on the Spot Market, which is controlled by the Electric Energy Trading Chamber (CCEE).

The federal government also laid down guidelines for monitoring national fuel supplies ([CNPE Resolution 12/20](#)) and tax, commercial and quality requirements for direct selling of hydrous ethanol to service stations or retail resellers ([CNPE Resolution 02/20](#)).

During crop year 2020/2021, special regulatory measures were introduced to contain the impacts from the COVID-19 pandemic on the fuel market

Our reorganization

With the approval of our Court-Supervised Reorganization Plan (CRP) by our creditors early in the 2020/2021 crop year, and by the courts of the state of São Paulo on August 17, 2020, approximately 54% of our debt of R\$ 12.3 billion will remain on the balance sheet of Atvos and our mills. The remainder will be assigned to Atvos Bioenergia (NewCo), the parent company of Atvos Participações, in the form of debentures with warrants attached. The debt to be assigned will not affect the cash flows of Atvos Bioenergia or its subsidiaries, and will be paid with dividends received from Atvos Participações or on the occurrence of any liquidity event.

The CRP also provides for the implementation of new mechanisms to strengthen corporate governance. (See [Governance structure](#))

Carbon management

GRI 103-2 | 305

Producing clean energy is at the core of our business. Although we operate in a relatively low-carbon industry, at Atvos we work continuously to minimize our carbon footprint.

In 2020 all of our operational mills were certified within RenovaBio, a federal government program that aims to expand production of biofuels in Brazil as a strategy to mitigate greenhouse gas (GHG) emissions and increase energy security. The program comprises three pillars—decarbonization targets; biofuel production certification; and decarbonization credits (CBIOs).

Our mill certifications cover 98% of our cane fields, one of the highest rates in the program and significantly higher than the industry average of 87% eligibility. As a result, virtually all the ethanol we produce is eligible for issuing CBIOs.

Based on our energy efficiency score (NEEA) and the eligibility rate of our operations, we are entitled to issue an average of one CBIO for every 787 liters of ethanol we produce.



Learn more about [RenovaBio here](#)



ATVOS ENDED CROP YEAR 2020/2021 AS **ONE OF THE LEADING CBIO ISSUERS IN BRAZIL**



AVERAGE ENERGY EFFICIENCY RATING OF 60g CO₂/MJ



2.4 MILLION CBIOS ISSUED



1 CBIO = 1 LESS METRIC TON OF CO₂ RELEASED INTO THE ATMOSPHERE



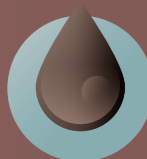
2.4 MILLION METRIC TONS LESS OF CO₂ IN THE ATMOSPHERE

Low-Carbon Agriculture

5.4 million metric tons of CO₂ emissions avoided by the use of Atvos products



1 Substitution of chemical fertilizers



Vinasse

8% increase in vinasse usage, reducing the requirement for chemical phosphorus

82,000 HECTARES OR 32% OF OUR CANE FIELDS



Filter Cake

Nitrogen application reduced by 7% to 21%

7,203 tCO₂ EQUIVALENT REDUCTION

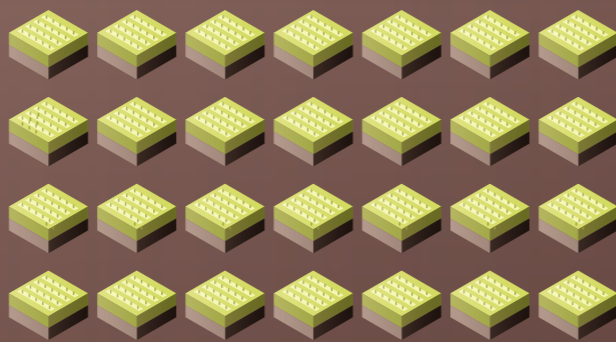


Organomineral fertilizers

A combination of filter cake + ash + nutrients applied with vinasse

R\$ 11 MILLION IN SAVINGS ON FERTILIZER COSTS AT TWO SITES

2 Green manure



28,000 HECTARES with reduced chemical usage

3 Pest control

Monitoring using digital tools



Accuracy improvement from 39% to 67%



3x greater monitoring capacity compared to visual methods

Drone-based monitoring

4X TIMES HIGHER ACCURACY IN IDENTIFYING TARGET AREAS

Pheromone traps



Replacement of chemical pesticides with biological controls in 131,000 hectares of cane fields. A 14% increase from the previous crop year.



PRECISION

application of crop protection products

4 Optimized farm logistics

Cubo Program

Centralized and optimized control of sugarcane haulage using

44 VEHICLES AT FOUR SITES



REDUCTION IN OPERATING TIMES

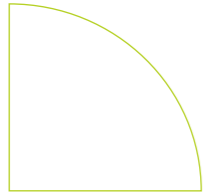
Fuel-efficient harvesters and optimized maintenance to minimize diesel consumption



12% DIESEL SAVINGS in liters per metric ton

2,815 tCO₂ In potential emissions reduction (crop year 25/26)

ESG JOURNEY



We are deeply committed to our more than 9,000 employees, their families, the communities where we operate, and our shareholders. In the near future, our efforts will be focused on four major fronts: financial health; cane-field replanting and expansion; increased production efficiency; and delivering sustainable long-term results.

For Atvos, sustainability means doing business in a way that reconciles our financial, social and environmental responsibilities through structured initiatives and processes that create value while reducing business risks. We pursue continuous improvement through investments, technology and processes that enhance efficiency, reduce costs, and ensure natural resources are used efficiently.

In the 2020/2021 crop year, we conducted in-depth assessments of environmental, social and governance (ESG) issues and incorporated their findings into our long-term strategy. We then created a working group—co-led by the Sustainability, Risk & Compliance, and Investor Relations functions—to oversee four sub-groups spanning each of the ESG topics, with cross-cutting support from other functions organization-wide.

This group is spearheading our ESG Journey at Atvos, a program that aims to achieve consistent progress on environmental, social and governance issues and to drive sustainable growth.

The ESG Journey comprises a set of short, medium and long-term initiatives that build on previous ESG progress:

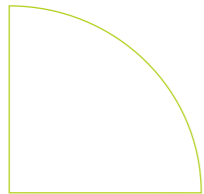
- We have published annual reports prepared in accordance with the GRI Standards since crop year 2010/2011, covering topics listed in a materiality matrix
- ESG issues are covered in action plans, and we have reported on our ESG performance in earnings releases
- All our operations are certified within the RenovaBio program (2020)
- We have revised our Risk Matrix to incorporate ESG issues—a total of 89 granular risks have been identified, of which 48 are being addressed and the remainder will be addressed in crop year 2021/2022



BUSINESS PERFORMANCE



ENVIRONMENTAL MANAGEMENT



Among the positive impacts from our activities, Atvos's mills operate within a circular economy concept in which byproducts are used as value-added inputs.

RESPONSIBLE SUGARCANE PRODUCTION

GRI 103-2 | 103-3 | 304 | 306 | 307

Our sugarcane fields are compliant with Brazil's Forest Code and use good soil management practices that enrich the soil and help to preserve or rehabilitate native vegetation.

We re-utilize several nutrient-rich byproducts from the mill—including vinasse, wastewater, filter cake and ash from biomass boilers—in our cane fields. This prevents these products from going to waste while also reducing expenses on soil management and the use of chemical fertilizers. Byproduct reutilization also contributes to minimizing GHG emissions (See chart on page 28.)

A Vinasse Application Plan ensures compliance with environmental requirements in each state and alignment with operations planning requirements. We also monitor vinasse spills per metric ton of crushed sugarcane to support operational improvements and minimize environmental harm.

GRI 304-2 | 306-3 | 307-1

PROTECTING BIODIVERSITY

GRI 103-2 | 103-3 | 304

Our harvesting operations are 100% mechanized, and burnt-cane harvesting is prohibited in order to prevent fires and help to preserve native vegetation and wildlife.

Atvos has more than 1,000 trained emergency responders, firefighters and rescuers, and a fleet of 143 vehicles including tank trucks, motor graders, front loaders, water tanks, pump sets and pump trucks. These resources are on call to respond to emergencies and fires in the region as part of a Mutual Emergency Response Plan, a multi-stakeholder initiative that brings together companies, governments and communities in joint response operations. In crop year 2020/2021 we reported 22 fire outbreaks on our properties.





ENVIRONMENTAL PRESERVATION

GRI 103-2 | 103-3 | 304-1

Our rural properties registered with the Rural Environmental Registry (CAR)—including properties owned by Atvos, land partners and contract growers—harbor a total of 212,036 hectares of protected areas and legal reserves.

Because it is a practice at Atvos to expand cane fields into areas previously used as pasture land or cropland, our operations generate no impacts on existing biodiversity.

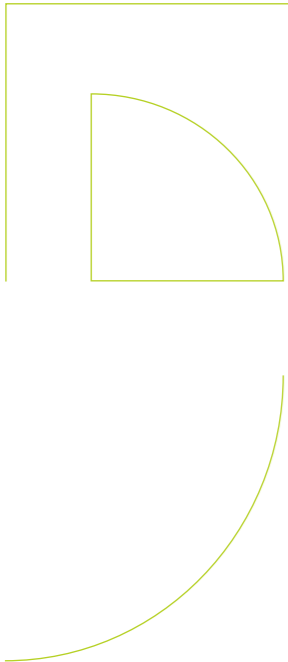
We continuously monitor protected areas and the quality of headwaters in our field and mill operations. Atvos conducts periodic campaigns to raise awareness among employees and surrounding communities about protecting species by avoiding roadkill, combating poaching and preserving biodiversity. Monitoring results are input into environmental reports filed with the environmental authorities.

Atlantic Forest Wildlife Corridor

Atvos has committed to develop the largest Atlantic Forest wildlife corridor in São Paulo State. Launched in 2019 in collaboration with Instituto de Pesquisas Ecológicas (IPÊ), the project is being developed within the Mapa dos Sonhos (“Dreamscape”) program, an initiative that provides recommendations on reforestation siting to reconnect forest patches and preserve threatened species such as the black lion tamarin and the South American tapir. Some of the key outcomes from the project to date include:

- R\$ 2 million invested in native tree seedlings
- 184,000 seedlings planted in an area of 110 hectares—or a total of 18 square kilometers (km²)—at the Morro do Diabo State Park, forming what was then the largest reforested Atlantic Forest corridor in the state, stretching 12 km in length
- By 2022, more than 300,000 seedlings of 81 different species will be planted in an area of 181 hectares.
- 619 hectares of reforestation area Following completion of the rehabilitation program, the reforested portion will be transformed into a protected area as part of the Black Lion Tamarin Ecological Station.

REDUCING OUR FOOTPRINT



To deliver on our commitment to ESG, we have set a number of targets that are factored in the variable compensation received by plant managers and process and production teams:

- Plant water consumption
- Electricity consumption
- Electricity exports

USE OF MATERIALS

GRI 103-2 | 103-3 | 301-1

The primary materials used in our sugarcane fields and mills are sugarcane, farm and mill inputs, and fuels. In 2020/2021 our operations consumed a total of 27,629,334 metric tons of materials, of which 97% were from renewable sources. Significantly, our use of soil amendments decreased by 40% from crop year 2018/2019 to 2020/2021. **GRI 301-1**

(For further information, see page 58)

ELECTRICITY CONSUMPTION

GRI 103-2 | 103-3 | 302-1 | 302-4

The amount of energy (electrical and thermal) we consume and export from our mills is tracked on a daily basis through production reports and bulletins, mill logs and operational logs.

With a prolonged dry season, weather conditions were 5.4% better in 2020/2021 than in the previous crop year, improving the development of sugarcane bagasse and ultimately power generation efficiency, with generation output increasing by 2% compared with the previous crop year. This allowed us to reduce diesel consumption by approximately 26% compared to crop year 2018/2019. Electricity consumption fell by 3.62% compared to the previous crop year, creating a 4% higher surplus of co-generated electricity than in the previous crop year.

(For further information, see page 59)

WATER WITHDRAWAL AND CONSUMPTION

GRI 103-2 | 103-3 | 303-1 | 303-3

We source our water supply from rivers and wells in accordance with applicable environmental regulations, and invest in closed-circuit systems that recycle wastewater back into the production process.

Each of our mills has its own consumption targets, and performance against those targets is tracked using water consumption and wastewater recycling indicators. In the production process, up to 50% of the water consumed in ethanol production is recycled back into the process. The effluent from the process is not discharged into water bodies but is instead used for cane-field fertigation in a planned manner.

In crop year 2020/2021, water withdrawals for sugarcane field irrigation were 52% (2,513 million liters) higher than in the previous crop year due to the extended dry season. Conversely, withdrawals for mill applications were 2% (477 million liters) lower than in the previous crop year.

For complete water consumption and recycling data, see page 60.

WASTE MANAGEMENT

GRI 103-2 | 103-3 | 306-2

Each of our operations has a waste facility with trained personnel to collect, sort, segregate and identify waste materials. Atvos works continuously to reduce waste volumes in our operations. Class 2 waste volumes sent to landfills were successfully reduced to zero in crop year 2019/2020 across all our operations. In crop year 2020/2021 our operations generated 4,994 metric tons of waste, an increase of 2.9% compared to the previous crop year driven primarily by higher volumes of scrap metal. We highlight that Class I (hazardous) waste volumes were 32% lower than in crop year 2019/2020. More than 98% of waste volumes were co-processed, sold, reutilized or recycled, generating revenues of R\$ 1,605,465, 44% more than our total waste management expense of R\$ 1,111,889.00.

Alongside awareness initiatives, we have taken a range of other steps to reduce waste volumes at the source, especially contaminated (Class 1) waste, through measures such as cleaning and reusing oil drums, and washing, decontaminating, reusing and selling raw materials packaging.

In the current crop year the volume of contaminated (Class 1) waste sent for coprocessing was the lowest to date, a reduction of 60% from the previous crop year and 92% since our waste management program was established in crop year 2014/2015. That crop year our operations produced 42 metric tons of waste per million metric tons of sugarcane harvested, compared to 3.2 metric tons of waste per million metric tons in 2020/2021. We also have reverse logistics systems in place for batteries, harvester extractor hoods and tires, and sell used oil for re-refining.

EMISSIONS MANAGEMENT

GRI 103-2 | 103-3 | 305-1 | 305-2 | 305-3

At Atvos, carbon emissions management and energy efficiency are factored into our strategic planning, enabling us to actively contribute toward the RenovaBio program. We capture CO₂ from the atmosphere through land-use changes, and help to avoid GHG emissions by replacing fossil fuels with ethanol.

In crop year 2020/2021 we generated total emissions of 523,480 tCO₂e (scope 1), or 33.2 kg of CO₂e per metric ton of crushed sugarcane. However, we also helped to avoid 5.4 million tCO₂e of emissions through the use of the ethanol we produce and the surplus electricity we export. Indirect emissions from consumption of electricity were a total 2,070 t CO₂e compared to 2,160 t CO₂e in the previous crop year. **GRI 305-4 | 305-5**

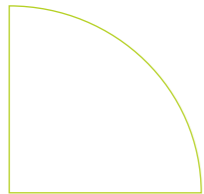
We monitor emissions on a fiscal-year basis using the GHG Protocol methodology, and on a crop-year basis using a methodology developed for the sugar and ethanol industry by the University of Campinas (UNICAMP).

(For more emissions data, see page 60)

In crop year 2020/2021 we helped to avoid 5.4 million tCO₂e of emissions through the use of the ethanol we produce and the surplus electricity we export



CANE-FIELD PERFORMANCE GRI 103-2 | 203



Sugarcane yields are a determining factor in our overall business performance. Atvos pursues a strategy of continuous and sustainable growth that includes the use of best farming practices and a high level of partner engagement in ensuring good sugarcane yields and quality.

Our Parceiros Mais Fortes (“Stronger Partners”) program aligns our suppliers with our resource optimization strategy and social and environmental commitments. Our 45 contract growers delivered 10.2 million metric tons of sugarcane in crop year 2020/2021, an increase of 12% from 9.1 million metric tons delivered in the previous crop year. **Learn more on page 46.**

We also continued our quality initiatives in the year, including our Cana + Forte (“Stronger Sugarcane”) program, for cane-field workers, and our Sugarcane Yield and Quality Program, which addresses fuel consumption, soil compaction and other aspects affecting sugarcane yields and productivity.



10.2 million metric tons of sugarcane
delivered by 45 contract growers



485,000 hectares of cane fields



Record sugar yield

Initiatives implemented in the crop year, building on process improvements and investments in recent years, supported continued improvement in sugar yields in 2020/2021. As in the past few crop years, in 2020/2021 we set a new record for total recoverable sugar (TRS) at 136.8 kg/hectare—an increase of 2% from the previous crop year—and recorded an average sugarcane yield, as measured in metric tons of cane per hectare (TCH), of 65.9.

Innovation for sustainable sugarcane

In recent years we have invested in developing cropping methods suited to each region where we operate.

In crop year 2020/2021 we also deployed innovative solutions that minimize environmental impacts from our operations, improve yields and enhance employee safety. See our greenhouse gas emissions reduction figures in the chart.

100% of our harvesting operations and 96% of our planting operations are mechanized

PEST CONTROL:

100% of our fields are covered by digital monitoring, pheromone traps and natural predators released using drones for biological control.

- Improved employee safety by avoiding the need to enter the cane fields
- Three times greater monitoring capacity compared to previous (visual) methods
- Information accuracy improved from 39% to 67%, supporting action to anticipate issues
- Increased efficiency by prioritizing more susceptible areas for pest control (target areas reduced from 75% to 49%)
- Precision monitoring supports planned biological pest control, reducing dependence on pesticides
- Data collected on temperature, moisture and the date, time and place of release for more efficient biological control

GREEN MANURE AND FERTILIZATION WITH BYPRODUCTS:

75% of our sugarcane fields are in cerrado areas previously occupied by degraded pastureland that requires soil improvement to replenish depleted nutrients.

- 53% increase in area with rattlepods planted as green manure (4,845 hectares)
- Crop rotation with soybeans used in 28,000 hectares of sugarcane fields, accounting for 50% of Atvos-owned properties. This improves sugarcane yields, replenishes nutrients in the soil, and helps to control weeds, diseases and pests
- 8% expansion in area fertigated with vinasse, reaching 32% (83,000 hectares) of our 260,000 hectares of sugarcane fields. Vinasse fertigation is carried out in strict compliance with Vinasse Application Plans approved by state environmental authorities
- Soot and filter-cake are used for soil nutrition, with the latter being applied in a 16% larger area (18,073 hectares) in the current crop year
- Composting centers produce organomineral fertilizer—a mixture of filter cake, ash and added nutrients that is applied along with vinasse, fully replacing chemical fertilizers

- Investments in pump automation have reduced application overlaps and gaps and incorporation of sugarcane trash, for safer application of vinasse

NEW TECHNOLOGIES:

- A pilot project using Plene Emerald artificial seed cane has been expanded to five hectares in Nova Alvorada do Sul (MS). The new technology, developed by Syngenta, encapsulates vegetative propagules to protect them from physical and environmental risks. Artificial seed cane has been shown to reduce planting gaps to less than 3%, potentially increasing sugarcane yields.
- Sugarcane field development is monitored using unmanned aerial vehicles (UAVs), providing a better picture of crop and soil conditions, cane-seed development, planting gaps, weed infestations, weather anomalies, and other factors.

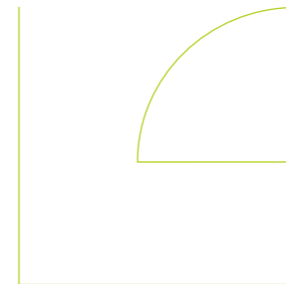


CUBO PROGRAM

Implemented at four of our sites, the Cubo Program works continuously to deploy technologies that can optimize sugarcane field operations to achieve long-term cost reductions. The overarching goal of the program is to deliver operational productivity improvements by optimizing infield harvesting and haulage logistics. This is being achieved via 24/7 remote monitoring and management of the logistics process from a central control tower. The Cubo Program has helped to improve the productivity of our farm equipment (harvesters, infield transporters and trucks) and reduce unproductive time. This has supported the removal of 44 idle farm machines from the field, and generated cost savings per metric ton of hauled sugarcane—amounting to approximately R\$ 9.5 million to date.

Program benefits

- End-to-end monitoring of the logistics cycle
- Integrated management
- Standardized processes
- Faster strategic decision-making
- Greater cane field-mill integration
- Cost savings
- Automated truck scheduling
- Higher equipment productivity
- Reduced greenhouse gas (GHG) emissions



MILL PERFORMANCE

96.3% mill availability
in 2020—a record for Atvos

Throughout crop year 2020/2021, we maintained high levels of operational excellence and set a new record for plant availability at 96.3%. The improved performance reflects precise maintenance planning to reduce downtime by:

- Identifying root causes to eliminate equipment failure and reduce mill rotation
- Compiling lists of strategic spare parts
- Reviewing availability data and addressing any critical events



94.3% mill yield
(RTC) in crop
year 2020/2021:
a new record
for Atvos

* Total Corrected Yield (RTC) is a metric used in the sugar and ethanol industry in Brazil as a measure of mill efficiency.



Mill innovation

In crop year 2020/2021 we achieved further progress on our mill digitization master plan, implementing Industry 4.0 technologies to deliver higher productivity. Real-time simulation has allowed us to enhance the positive impacts from advanced control in the crushing and cogeneration processes.

The Fermentação + Viva program—an initiative to increase awareness and engagement around good practices for high-performance fermentation—has been broken down into a set of eight best-practice guidelines.

After developing a proprietary yeast, we have successfully achieved rapid yeast growth using vertical fermentation units, as well as improving operational continuity in the process. The use of virtual sensors has allowed us to monitor and control the fermentation process and respond promptly to process changes.

We have also perfected the crushing process at our mills. Since 2014, we have used high drainage sleeves on the mill rollers to increase juice extraction efficiency, reduce bagasse moisture and, as a result, increase power generation output.

Logistics

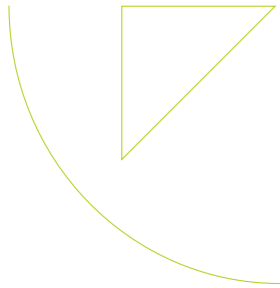
The ethanol and sugar we produce is transported in a safe manner using a multimodal—road, rail and pipeline—logistics system that optimizes quality of delivery.

Despite the challenges in the 2020/2021 crop year, we successfully increased sales volumes in some periods, and our logistics process fully accommodated the added demand.

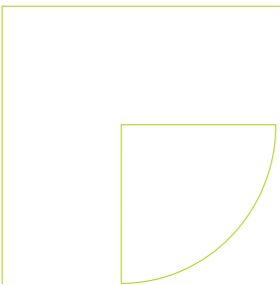
We achieved further progress on our mill digitization master plan to deliver higher productivity



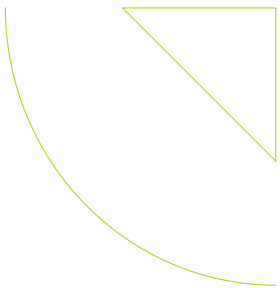
Certifications



Atvos products have a number of important certifications. Among these is certification to issue and sell International Renewable Energy Certificates (I-RECs) on the market, each equivalent to 1 MWh of electricity produced from renewable sources. We have a per-crop year capacity to sell 360,000 I-RECs through our Conquista do Pontal (UCP) operation, which also has Bonsucro certification.



All of our sites have Green Energy certification—which attests that we produce certifiably clean and renewable energy—awarded by the Brazilian Sugarcane Industry Association (UNICA). The ethanol production processes at five of our mills¹ are certified for compliance with US Environmental Protection Agency (EPA) requirements within the Renewable Fuel Standard (RFS2). Two sites² have been certified by the California Air Resources Board (CARB)* within the Low Carbon Fuel Standard (LCFS) program, an initiative to control air pollution and combat climate change.



¹ Conquista do Pontal, Santa Luzia, Alto Taquari, Rio Claro and Morro Vermelho.

² Conquista do Pontal and Alto Taquari.

BONSUCRO – BETTER SUGARCANE INITIATIVE **

This certification attests that we apply sustainable practices throughout the value chain, and entitles us to export sugarcane-based products to countries in Asia and the European Union. It provides assurance that we comply with environmental and social regulations in the industry, respect human rights and labor standards, manage production sustainably, actively manage biodiversity and ecosystem services, and continuously improve key areas of the business.

RENEWABLE FUEL STANDARD (RFS 2)

This certification is required to market renewable fuels in the US. It requires compliance with legal requirements on environmental licensing and ethanol production.

LOW CARBON FUEL STANDARD (LCFS)

This certification is required for ethanol exports to the US, and is awarded by the Environmental Protection Agency (EPA) against submission of documents and engineering information about the source mills.

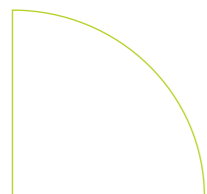
* Up to 1/31/2021

** Up to 1/1/2021



FINANCIAL PERFORMANCE

GRI 103-2 | 103-3 | 201

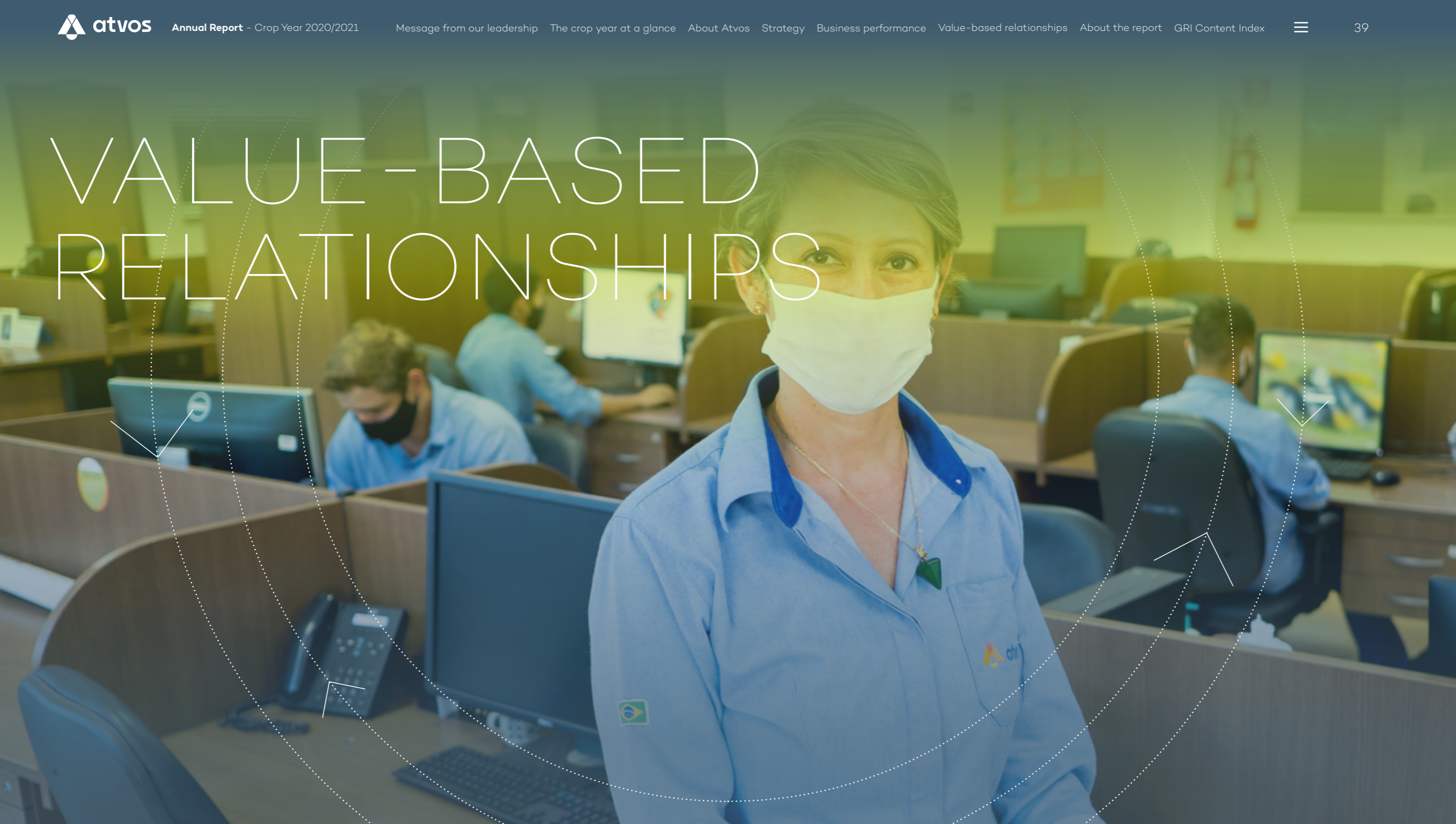


In the 2020/21 crop year, we have continued to consolidate our position as an important player for the economy in the Midwest, driving development in the regions surrounding our operations by supporting jobs and regional supply chains. The table opposite summarizes Atvos's contributions to the development of Brazil's Midwest.

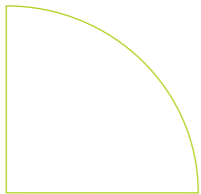
Direct economic value generated and distributed GRI 201-1

Direct economic value generated	2020/2021	2019/2020	2018/2019
Sales of goods, products and services	5,792,954	5,028,105	4,751,862
Inputs purchased from third parties	(1,938,543)	(1,825,015)	(1,987,944)
Gross value added	3,854,411	3,203,090	2,763,918
Depreciation, amortization and depletion	(1,843,826)	(1,862,592)	(1,546,767)
Net added value	2,010,585	1,340,498	1,217,151
Transferred added value	176,757	160,391	147,734
Added value to be distributed	2,187,342	1,500,889	1,364,885
Economic value distributed	2,187,342	1,500,889	1,364,885
Payroll and related charges	833,886	752,224	770,376
Government and society (taxes, charges and contributions)	688,160	690,864	597,984
Assignment of tax losses (federal taxes)	-	(75,166)	9,857
Creditors (interest and rent)	881,625	1,572,014	1,453,757
Income (loss) for the year	(216,329)	(1,439,047)	(1,467,089)

VALUE-BASED RELATIONSHIPS

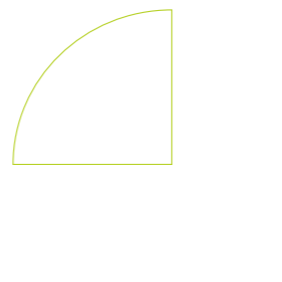
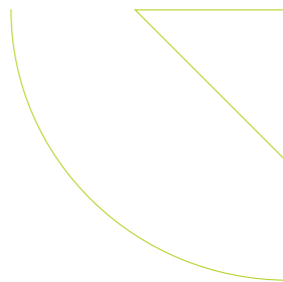
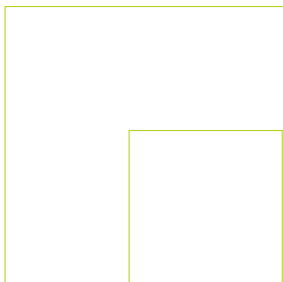


EMPLOYEES



We ended the 2020/2021 crop year with a workforce of 9,440 employees—8,025 men and 1,415 (15%) women, the same percentage as in the previous crop year. Our turnover rate was also level with previous crop years. Including our 4,298 outsourced workers, Atvos had a workforce of 13,738 people in the crop year. **GRI 102-8**

The COVID-19 pandemic posed a major challenge for our team throughout the 2020/2021 crop year, and around 800 people in the at-risk group were required to be placed on leave. At the end of the crop year, 436 people were still on leave. A high level of employee commitment enabled us to maintain positive performance at all sites throughout the crop year.



COVID-19

As in the previous crop year, we had measures in place to prevent and contain the spread of COVID-19.

- All office employees in São Paulo and Campinas and administrative employees at all mills were assigned to work from home. Some employees in the at-risk group (those older than 60, pregnant women, people with chronic illnesses and people with a BMI higher than 40) were also assigned to work from home. Employees whose tasks cannot be done remotely were put on paid leave. Other employees required to be on-site at our operations were divided into shifts to reduce occupancy at our facilities and on shuttle buses;

- We are disinfecting shuttle buses thoroughly after each trip. Windows are kept open and seats marked to ensure minimum distancing. We issued protective kits (face masks and gloves) to bus drivers and provided alcohol-based hand sanitizer containers at bus entrances. We also take people's temperature when boarding shuttle buses and at all plant gates—this also applies to outsourced workers.
- We provide hand sanitizers in all plant areas and in the field, and have issued masks to all employees working on-site. All farm machinery and vehicles have a cleaning kit, and gatekeepers and security staff have also been issued face masks and gloves.

We regret to report that three of our employees died of COVID-19 during the crop year.

EMPLOYEE AND STAKEHOLDER COMMUNICATIONS

In the 2020/2021 crop year we issued a Communications & Marketing Policy that prescribes a communications program focused on ethics and transparency in order to protect our reputation with stakeholders. Our employees have access to digital (WhatsApp, intranet, website and social media) and non-digital (notice boards, leaflets and publications) communication channels with regularly updated content written in audience- and platform-appropriate language.

Atvos also has partnerships with nine local radio stations to air our daily public utility program Minuto Atvos, reaching around four million people in the cities where we operate. Atvos was mentioned in 1,661 articles in the press during the crop year, of which 30% were the result of proactive media outreach.



COMMITMENT TO GENDER EQUITY

Diversity and inclusion are core values for us. We have continued to address related challenges in the sugar and ethanol industry, especially where gender issues are concerned. Following the validation of our Diversity & Inclusion Program, and within our Gender Equity Plan, we made further progress under the commitment we undertook in 2019 to the Women Empowerment Principles (WEPs), an initiative spearheaded by UN Women and the Global Compact.

Women represent 15% of our workforce – a rate higher than the average of 9.2% in our industry

* Based on data from the Brazilian Agricultural Federation (CNA)

As part of our efforts to further bridge the gender gap, we have implemented a dedicated program to increase women’s participation in all areas and at all levels of our organization:

- **Leadership** - 60 potential female candidates identified for leadership positions. We are currently structuring a career acceleration program for these employees, including technical courses, workshops to develop soft skills, and mentoring
- **Mobility** - Around 200 female candidates were identified for promotion to specialist positions within their functions, and in early 2021 a group of 13 female employees received training as tractor operators.
- **Opportunities** - A training program for female residents in communities near our sites in Goiás, Mato Grosso and Mato Grosso do Sul trained a total of 25 women for field and mill activities.

Our goal is to have a 26% female workforce by crop year 2023/2024.

Human rights and diversity

GRI 103-2 | 103-3 | 410-1 | 412-1

Atvos's People Policy is based on six pillars: ethical, upstanding and transparent conduct; health and safety within and outside the company; diversity; careers; succession; and future. All our related initiatives are aimed at valuing people, a core pillar of our business culture.

All of our operations undergo human rights assessments guided by our Code of Conduct, while our suppliers' operations are assessed within the Parceiros Mais Fortes ("Stronger Partners") program.

In the current crop year, Atvos provided 2,424 hours of training on human rights policies and issues, including topics such as combating drug abuse and sexual abuse of children—in Mato Grosso do Sul, training on combating child sexual abuse is provided on an annual basis, as required by state laws.

Employees trained on human rights GRI 412-2	2018/2019	2019/2020	2020/2021
Hours of training	4,646	4,400	2,424
Percentage of employees who have been trained	5.11%	3.12%	2.44%

In December 2020 we approved a Diversity & Inclusion Policy to deliver on our commitment to respecting and valuing differences.



Career development

Atvos provides employees with opportunities to develop professionally, aligning their personal and career goals with business objectives. Supporting this, development Action Plans (APs) guide our employees through a five-stage process: planning, commitment, monitoring, assessment and evaluation. PAs outlining career objectives and goals are developed with support from employees' managers, and progress is tracked against strategic indicators.

In the current crop year, 913 employees were either promoted or awarded new positions in other functions. We also launched a succession program for employees in leadership positions up to the supervisor level, and structured technical qualifications for operations positions through a Qualifications Matrix. Going forward, we plan to deploy new technologies to expand our training offering and reach, delivering continuing training on the ground.

A Qualifications Matrix outlines the training available within the Company by function and role. The matrix was revised and relaunched in October 2020 to enhance productivity and results by standardizing courses and training hours for each function and role.

Average hours of training per year per employee GRI 404-1

	2018/2019	2019/2020	2020/2021
Men	60.2	55.4	24.2
Women	43.9	43.8	13.81

Average hours of training per employee by employee category	2018/2019		2019/2020		2020/2021	
	Men	Women	Men	Women	Men	Women
Executives	6.4	12.8	6.7	4.0	0.5	0
Managers and Coordinators	31.8	19.3	20.1	12.5	9.1	1.4
Technicians	36.9	83.0	49.0	35.3	31.3	17.5
Administrative	28.4	19.9	14.9	10.6	6.0	3.4
Operations leads	79.5	52.5	70.7	49.1	31.6	14.4
Operational/Production	68.9	61.4	66.8	67.9	25.0	15.8
Maintenance	38.5	33.3	30.5	41.1	20.9	10.7
Other	76.3	22.2	54.6	61.2	22.8	13.3
Total	60.2	43.9	55.4	43.8	24.2	13.8

Employee health and safety GRI 103-2 | 103-3 |

403-1 | 403-4

Atvos has a proprietary system for managing health, safety, environment and social responsibility issues, structured in accordance with our Sustainability Policy. The system, dubbed “Attitude”, uses the Plan-Do-Check-Act (PDCA) cycle to achieve continuous improvement in Health, Safety and Environment performance. We set annual, challenging targets for key health, safety and environment indicators. These indicators are tracked on a daily basis and reported on a weekly and monthly basis to inform actions by our leadership team in addressing issues.

As part of our leadership team’s commitment to HSE, our CEO, Board members and key corporate and operations leadership personnel meet on a six-month basis to assess progress in management system implementation and compliance with critical operations requirements.

We recorded a total of 22 reportable injuries in the 2020/2021 crop year—13 at our mills, 7 in field operations, and 2 in vehicle servicing activities—a figure 42% lower than the 38 injuries in the previous crop year. There were no injuries involving administrative employees, and injury rates in field and maintenance activities were the lowest to date.

The same safety guidelines, indicators and procedures applicable to employees also extend to outsourced workers. Of the 22 injuries reported in the crop year, 2 involved outsourced workers, compared to 13 in crop year 2019/2020, an improvement of 85%. No reportable injuries were reported in sugarcane transportation activities.

A record low injury frequency rate of 0.83 incidents per million hours worked.



OCCUPATIONAL HEALTH GRI 403-3 | 403-8

Each of our operations and our partner companies have an Occupational Health Surveillance Program (PCMCO) in place to protect the health of employees. Each of our clusters also has a specialized occupational health service staffed by an occupational physician, an occupational nurse, a nursing technician and ambulance drivers. Occupational physicians are responsible for, among other duties, closely monitoring all cases of occupational diseases at the workplace.

The PCMSO covers 100% of employees, our 2,400 outsourced workers and approximately 500 raw materials and end-product fleet drivers. The program is audited on an annual basis by an occupational physician, and monitored using tools and targets for each of its initiatives to prevent losses.

PERCENT PCMSO PROGRAM IMPLEMENTATION

Structuring Programs	2018/2019	2019/2020	2020/2021
Results	86%	90%	95%
Targets	90%	93%	95%

PROMOTING WORKER HEALTH GRI 403-2 | 403-6

Atvos has a Collective Healthcare and Health Promotion Program (PPSAC) that governs our non-occupational health promotion activities, including management of non-work-related sick leave, health campaigns (such as anti-smoking, hypertension and diabetes awareness campaigns), and vaccination, oral health, drug abuse and other campaigns. We also run wellness programs that encourage exercise, provide nutrition advice for managing diabetes and addressing sedentary lifestyles, and a Sleep Program to evaluate employees susceptible to fatigue and drowsiness which could put them at risk in performing their tasks.

Outsourced workers performing work at heights or in confined spaces are monitored through daily blood pressure measurements and assessments of health fitness to perform their tasks.

RISK AND HAZARD ASSESSMENTS

GRI 403-2 | 403-7

We have procedures in place for assessing, classifying and addressing risks involved in performing tasks. These assessments cover risks to third parties and not only the individuals performing the relevant tasks. The risk matrix is updated to reflect any changes in activities, products, processes, technologies and facilities; in the event of any accidents or incidents; or at least every two years.

Employees are instructed on their right to refuse to perform a task that appears to be unsafe. Anonymous reports about unsafe conditions or violations of our policies can be made through our Ethics Hotline.

If an accident occurs, a commission is established to investigate the root causes, and the investigation is only closed when all required corrective and preventive action has been taken and assessed for effectiveness.

Each operation develops local instructions on how to ensure that all employees and outsourced workers in “HSE-critical roles” can perform their tasks in a safe and healthy manner. Visitors also receive instructions appropriate to the location and purpose of the visit. **GRI 403-5**



Our Sleep Program evaluates employees susceptible to fatigue and drowsiness which can place them at risk.

Communications GRI 404-4

All HSE incidents are immediately reported to the leadership team at each plant. Safety alerts are issued and discussed in toolbox talks and monthly department meetings. Any incidents are monitored and discussed as part of the agenda of the following committees:

- **Senior Leadership HSE Committee:** a committee composed of plant heads, executive officers and the CEO, which meets on a six-month basis.
- **Plant/Cluster HSE Committees:** committees composed of department managers, which meet at least every two months.

SUPPLIERS, OUR PARTNERS

GRI 102-9 | 414-1 | 103-1 | 308

Prior to materials suppliers submitting quotes, they are required to undergo comprehensive desktop screening on Legal, Tax, HSE, Compliance, Sustainability and Technical aspects. All requested documentation is then regularly reviewed. In crop year 2020/2021 the supplier onboarding portal was integrated with our ERP system to create a seamless online process.

Contractors are also assessed on a quarterly basis and, where any issues are identified, an action plan is developed to address those issues.

In 2020/2021 we had a total of 2,266 suppliers, of which 600 were newly onboarded. All newly onboarded suppliers underwent screening and were periodically assessed throughout the crop year. **GRI 308-1 | 414-1**

No new suppliers were identified as having significant actual and potential negative social impacts. **GRI 414-2**

Supplier due diligence

GRI 308-1 | 308-2 | 407-1 | 408-1 | 409-1 | 411-1 | 412-1 | 414-1 | 414-2

Our supplier due diligence process assesses reputational issues based on negative coverage in the media and in other public sources. The following items are assessed: involvement in unlawful activities, such as corruption, money laundering, criminal organizations, or human rights violations; and whether the supplier has been recommended/imposed by a government official, a politically exposed person, or a close relative.

Due diligence references include blacklists (identifying convictions involving human rights) and labor courts, where we have access to significant labor claims in which the supplier and/or its owners appear as defendants.

When onboarding suppliers, the Procurement department also requires that they submit clearance certificates for labor obligations (CNDT) and indemnity fund (FGTS) contributions if they will allocate employees to work for Atvos.

In addition, prior to onboarding, suppliers are required to declare that they do not use child and/or forced labor, and to commit to observing best labor practices.

VALUE CHAIN

Parceiros Mais Fortes (“Stronger Partners”) Program

Prior to onboarding, all suppliers undergo due diligence by the Compliance department and on-site assessments by a multidisciplinary team from Atvos, and sign a **Sustainable Sugarcane Supply Chain Commitment** based on the ten principles of the Global Compact. This strengthens supplier engagement around sustainable development issues such as respecting human rights, combating child and forced labor, protecting habitats, anti-corruption and legal compliance.

Sustainability Assessment Rounds:

Contract sugarcane growers are assessed on compliance with our Sustainable Supply Chain Procedure, a document providing guidance on best practices. A checklist summarizes the social and environmental items to be covered in the assessments, such as rest areas, pesticide storage, number of registered workers, and type of employment. Assessments are conducted periodically by a multidisciplinary team, and non-conforming suppliers receive notices and are subject to contract termination. We performed these assessments on 74% of contract growers during the crop year, using appropriate social distancing protocols due to the pandemic. **GRI 407-1**

Stronger Partners

Supplier figures in 2020/2021



10.2 million metric tons of sugarcane delivered by contract growers, 12% more than in the previous crop year



45 contract sugarcane growers



25,715 plantation hectares



74% reviewed in Sustainability Assessment Rounds



VALUE CREATION

In 2020/2021 we made R\$ 865 million in payments to 45 contract growers, an increase of 24% from the previous crop year, and R\$ 500 million in payments to 1,104 land partners.

Direct jobs



Local income opportunities

Whenever possible we hire employees from local communities. In crop year 2020/2021 we employed a workforce of 9,440 people.



Agricultural Partnership Revenue 2020/2021 (R\$ million)

Cluster	Site	Land Lease / Partnership	Contract Growing	Total
South Cluster	UAL	19.1	-	19.1
	UCP	78.2	109.2	187.5
	UEL	69.4	127.2	196.6
	USL	96.2	145.2	241.4
Goiás Cluster	URC	59.8	110.2	170.0
	UMV	43.6	88.1	131.7
	UAE	28.7	124.2	152.9
Taquari Cluster	UAT	51.4	95.8	147.2
	UCR	54.2	65.0	119.1
ATVOS	Total	500.58	864.88	1,365.46

In addition to supporting direct jobs, Atvos drives local agribusiness economies by doing business with local suppliers and contractors, and generating income for landowners under a land-lease model.

Farms Benefited - Agricultural Partnerships (2020)

Cluster	Site	Land Lease / Partnership (no. of Contracts)	Land Lease / Partnership (no. of individuals)	Contract Grow- ing ¹	Total
South Cluster	UAL	30	38	-	38
	UCP	271	269	6	275
	UEL	103	59	5	64
	USL	199	158	5	163
Goiás Cluster	URC	154	139	5	144
	UMV	133	111	6	117
	UAE	135	108	12	120
Taquari Cluster	UAT	86	80	4	84
	UCR	177	142	8	150
ATVOS	Total	1,288	1,104	51	1,155

¹We have a total of 45 contract growers, although the sum of contract growers across sites would seem to suggest a total of 51 suppliers, as 6 of them supply sugarcane to more than one site.

In crop year 2020/2021 our 1,155 agricultural partners received R\$ 1,365 million in payments.



COMMUNITIES GRI 103-2 | 103-3 | 203-1 | 203-2 | 413-1 | 419-1



For greater transparency in our community activities, we provide an online tool through which public, private and third-sector organizations can request community support. Requests are approved directly on the platform to ensure traceability.

Before requests are submitted for approval by senior management, they are assessed by the Compliance and Sustainability functions based on our Private Social Investment Guidelines.

In crop year 2020/2021 we received a total of 17 requests (donation of scrap and end-of-life materials, loan machinery, and charitable donations), of which 8 were approved, 7 were rejected, and 2 were referred to our Social Energy

Program. The number of requests for support decreased by 31% from 53 requests in the previous crop year.

The reduction was due to our efforts being directed to meet requests for 70% alcohol. In the 2020/2021 crop year we received 60 requests for 70% alcohol, and donated a total of 72,429 liters to 22 municipalities in four states (GO, MS, MT and SP). Combined with our alcohol donations in March 2019, at the onset of the pandemic, we have donated a total of 174,629 liters of alcohol to support the municipalities where we operate. Atvos's online request tool proved especially valuable during the pandemic, helping us to promptly address requests for support in the COVID-19 response.

OUR APPROACH TO PRIVATE SOCIAL INVESTMENT

GRI 102 -43 | 203 -1 | 413-1

Our community outreach is managed through our private social investment program, Energia Social ("Social Energy"). Atvos works to support local development as a way to contribute to

better living standards in the communities where we operate. Using a participatory management approach, in which thematic committees identify relevant local needs and community boards validate projects, we have supported more than 80 projects creating significant economic, social and environmental benefits in 11 municipalities. The focus areas of our community initiatives are education (primary, professional and environmental), livelihoods, culture, health, safety and environmental preservation.

In crop year 2020/2021, a review of the Energia Social program identified the need for a new social and environmental assessment spanning all municipalities where the program is present. Local leadership personnel participated in planning the relaunch of the Program in a new format that, among other things, accommodates the constraints caused by the pandemic and the post-pandemic new normal. The operating model and guidelines for the program will be adjusted to reflect this new reality and recent trends in areas such as public health and diversity.

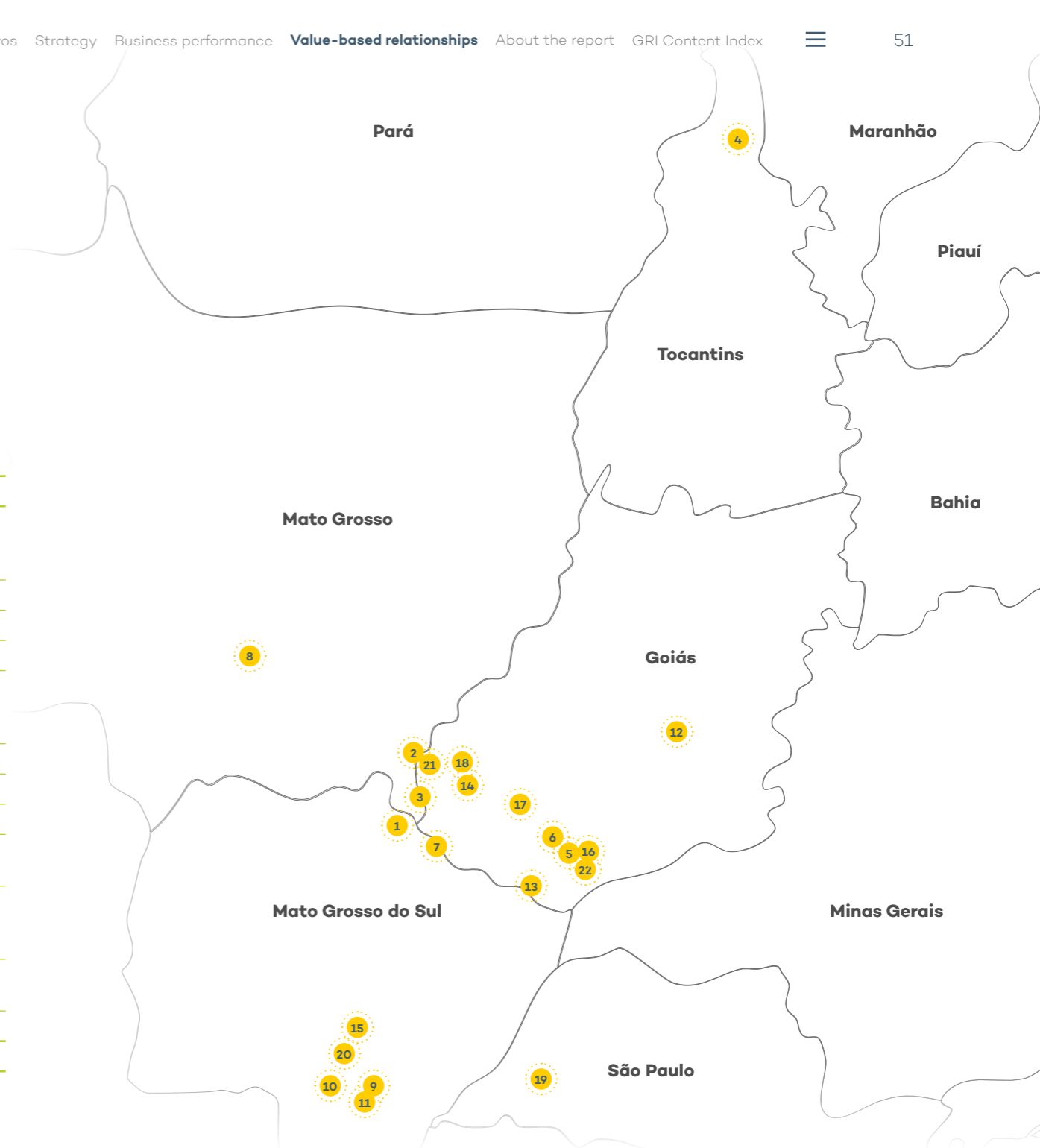


DONATION OF 70% ALCOHOL

Following the outbreak of the COVID-19 pandemic, we mobilized and reconfigured our operations in record time to produce 70% alcohol. Atvos donated 102,200 liters of 70% alcohol and hydrous ethanol in the previous crop year, and 72,429 liters in crop year 2020/2021, benefiting 22 municipalities.

Municipality	State	Volume (L)
1 Alcinópolis	Mato Grosso do Sul	1,500
2 Alto Araguaia	Mato Grosso	2,500
3 Alto Taquari	Mato Grosso	3,600
4 Araguaína	Tocantins	10,000
5 Cachoeira Alta	Goiás	3,000
6 Caçu	Goiás	700
7 Costa Rica	Mato Grosso do Sul	5,300
8 Cuiabá	Mato Grosso	3,529
9 Deodópolis	Mato Grosso do Sul	3,000
10 Dourados	Mato Grosso do Sul	2,000

Municipality	State	Volume (L)
11 Glória de Dourados	Mato Grosso do Sul	1,500
12 Goiânia	Goiás	10,000
13 Itajá	Goiás	1,400
14 Mineiros	Goiás	6,500
15 Nova Alvorada do Sul	Mato Grosso do Sul	5,000
16 Paranaiguara	Goiás	1,300
17 Jataí	Goiás	500
18 Portelândia	Goiás	500
19 Presidente Prudente	São Paulo	6,100
20 Rio Brilhante	Mato Grosso do Sul	3,000
21 Santa Rita do Araguaia	Mato Grosso	500
22 São Simão	Goiás	1,000
TOTAL		72,429



Institutional and government relations

GRI 102-13 | 102-43 | ODS 17

Throughout the 2020/2021 crop year we continued to engage and work with key industry and trade associations at the federal and state level.

- We serve in a governance capacity at important sugar and ethanol industry associations and unions, including:
 - » the Mato Grosso do Sul Bioelectricity Producers' Association (BIOSUL), as chair of the Governing Board;
 - » the Goiás State Ethanol Industry Union (SIFAEG), as deputy chair of the Governing Board;
 - » the Sugarcane Industry Association (UNICA), as a member of the Governing Board;
 - » the Mato Grosso State Sugar and Ethanol Industry Union (SINDÁLCOOL/MT), as a member of the Governing Board;
 - » the Brazilian Bioenergy Union (UDOP), as a member of the Governing Board; and
 - » the Cogeneration Industry Association (COGEN), as a member of the Governing Board.

- We also support the activities of the Brazilian Sugar and Ethanol Forum (FNS); the Sugar and Ethanol Supply Chain Chamber of the Brazilian Ministry of Agriculture and Food Supply (MAPA); and the Ethanol Supply Oversight Commission (CMAE) of the Brazilian Ministry of Mining and Energy (MME).
- In addition, we follow discussions within the Brazilian Industry Confederation (CNI), the Brazilian Agriculture Confederation (CNA), the Brazilian Transportation Confederation (CNT), the Brazilian Agribusiness Association (ABAG), the Parliamentary Front for Agriculture (FPA), Instituto Pensar Agro (IPA) and the Parliamentary Front for the Sugar and Ethanol Industry, in Congress.

Investor relations

We strive to foster transparent relationships with all our stakeholders. In investor relations, we publish information about our results of operations in an integrated manner in earnings releases, financial statements, and company notices as necessary. In crop year 2020/2021 we began publishing earnings releases on a quarterly basis to allow investors to better understand our performance and perceived risks.

All information is available on our investor relations website, which recorded 2,459 downloads in the year and has 286 users who have subscribed to receive information, ensuring equitable disclosure of information.



ABOUT THE REPORT

GRI 102-40 | 102-42 | 102-43 | 102-54

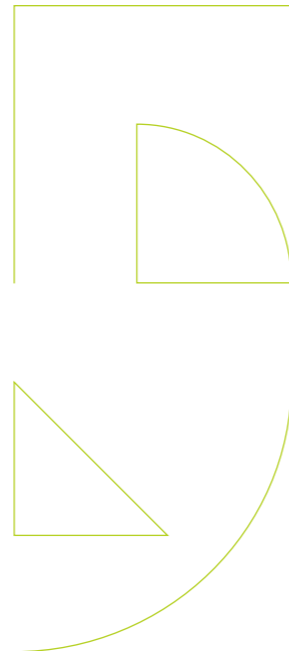


OUR ANNUAL REPORT

The Atvos Annual Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards—Core option. The contents of the Report address material topics identified by stakeholders and listed in a Materiality Matrix—a list of topics that are deemed to have the most significant impact and influence on Atvos.

Our most recent materiality review was conducted at year-end 2019. We surveyed 91 employees and 64 external stakeholders (agricultural partners, suppliers, the financial market, customers, civil society, the media, investment banks, industry associations and government representatives) via an online questionnaire, and interviewed ten Atvos executives and six financial-market executives. This review generated a total of 11 material topics, including 3 rated as “priority” and 8 rated as “very important” topics. We plan to develop a new materiality matrix in the following crop year to reflect changes in internal and external circumstances. For further details about our materiality process, [read our Integrated Report for the 2019/2020 crop year.](#)

Our annual report also delivers on the commitment to Communication on Progress (COP) we undertook in 2016 when we subscribed to the ten principles of the United Nations (UN) Global Compact and the Sustainable Development Goals (SDGs) of the 2030 Agenda. Our materiality matrix maps identified material topics to the priority SDGs that we seek to support through progress on related indicators, initiatives, targets and goals.



Material topics and their boundaries GRI 102-44 | 102-46 | 102-47|

Capitals	Order of relevance	Material topic	GRI Topic	GRI Standards	Impact within Atvos	Impact outside Atvos
Intellectual/Financial	1 st	Field and mill productivity and technology*			Yes	Suppliers and agricultural partners
	3 rd	Indebtedness*			Yes	Investors, creditors, suppliers, agricultural partners and customers
Social and relationship	2 nd	Ethics, integrity and transparency*	Ethics and integrity Anti-corruption	102-16, 102-17, 205-1, 205-2 and 205-3	Yes	Suppliers and agricultural partners
	4 th	Respecting human and labor rights	Freedom of association and collective bargaining/Child labor/Forced or slave labor/Rights of indigenous and traditional peoples/Human rights assessment	407-1, 408-1, 409-1, 410-1, 411-1, 412-1 and 412-2	Yes	Communities
	5 th	Health and safety	Occupational health and safety/ Safety practices	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10 and 410-1	Yes	
	6 th	Training and recognition	Training and education/ Non-discrimination/Freedom of association and collective bargaining	404-1, 406-1 and 407-1	Yes	
	7 th	Partner and supply-chain relations and risk management	Supplier environmental assessment / Supplier social assessment	308-1, 308-2, 414-1 and 414-2	Yes	Suppliers and agricultural partners
	8 th	Clean and efficient energy	Energy	302-1	Yes	Customers and society
	9 th	Environmental risk controls and prevention	Materials/Energy/Water/ Biodiversity/ Emissions/ Effluents and waste/ Environmental compliance/ Supplier environmental assessment	301-1, 302-1, 303-1, 303-3, 304-1, 304-2, 304-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-2, 306-3, 306-5, 307-1, 308-1 and 308-2	Yes	Society, customers, suppliers and agricultural partners
Natural	10 th	Soil stewardship	Effluents and waste	306-2, 306-3 and 306-5	Yes	Community and society
	11 th	Water stewardship	Water	303-1 and 303-3	Yes	Community and society

*Priority topics

GRI APPENDIX

Workforce information GRI 102-8

Workforce by employment contract and gender¹

Contract type	2018/2019			2019/2020			2020/2021 ²		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Indefinite term	8,746	1,402	10,148	8,424	1,320	9,744	7,875	1,273	9,148
Temporary	204	174	378	152	142	294	150	142	292
Total	8,950	1,576	10,526	8,576	1,462	10,038	8,025	1,415	9,440

¹Excluding interns, board members, outsourced workers and employees on unpaid leave. Temporary employees are employees with definite-term employment contracts and apprentices.

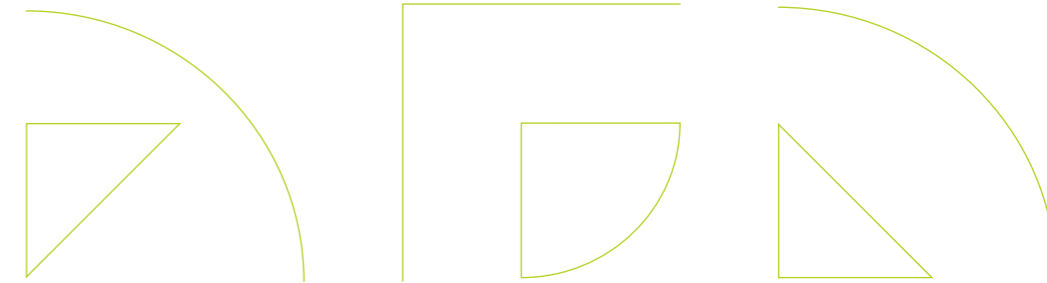
²Data as of March 2021 (the last month of crop year 2020/2021).

Total workforce by employment type, employment contract, and region

Region	2018/2019			2019/2020			2020/2021		
	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total	Definite term	Indefinite term	Total
Midwest	76	7,925	8,001	198	7,600	7,798	202	7,079	7,281
Southeast	302	2,223	2,525	96	2,144	2,240	90	2,069	2,159
Total	378	10,148	10,526	294	9,744	10,038	292	9,148	9,440

Workforce by region and gender

Region	Women	Men	Total
Midwest	1056	6225	7281
Southeast	359	1800	2159
Total	1415	8025	9440



Workforce by employment type

Employment type	2020/2021		
	Men	Women	Total
Full time	7,998	1,386	9,384
Part time ¹	27	29	56
Total	8,025	1,415	9,440

¹Includes apprentices receiving half a salary.

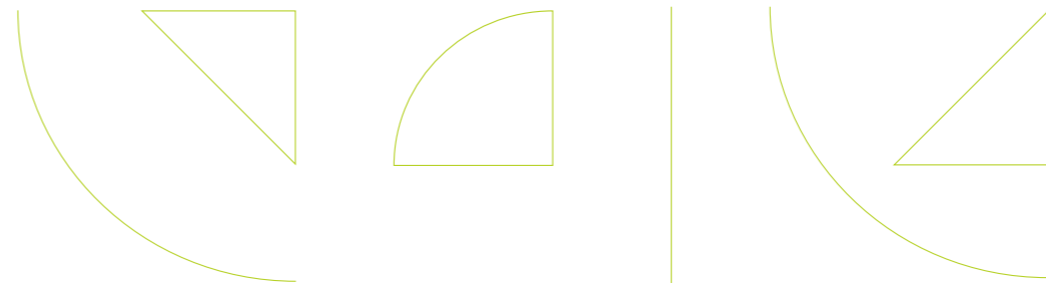
Workforce by age group and gender - Crop year 2020/2021

	Women	Men	Total
< 30	431	1827	2258
30 - 50	879	4993	5872
> 50	105	1205	1310
Grand total	1415	8025	9440

Workforce by employee category

Employment type	2020/2021		
	Men	Women	Total
Executive Officer	24	2	26
Manager	77	18	95
Coordinator	108	17	125
Technical/supervisor	538	151	689
Administrative	208	165	373
Operational	7,064	1,059	8,123
Trainee	6	3	9
Total	8,025	1,415	9,440

Members of governance bodies	2018/2019	2019/2020	2020/2021
Board of Directors	7	5	7



Materials used in end products (t) GRI 301-1

Name of material	Renewable/Non-renewable	2018/2019	2019/2020	2020/2021
Sugarcane				
Company-farmed sugarcane processed	Renewable	18,074,216	16,477,727	15,475,646
Partner sugarcane processed	Renewable	8,592,981	10,392,110	11,211,157
Subtotal		26,667,197	26,869,837	26,686,803
Agricultural inputs				
Soil amendments	Non-renewable	384,952	324,858	230,765
Pesticides	Non-renewable	322	201	160
Fungicides	Non-renewable	15	15	3
Herbicides	Non-renewable	3,819	3,757	2,773
Fertilizers	Non-renewable	103,435	96,209	90,106
Other organic fertilizers	Non-renewable	1,305	1,141	560,111
Subtotal		493,848	426,181	883,918

Name of material	Renewable/Non-renewable	2018/2019	2019/2020	2020/2021
Mill inputs				
Lime	Non-renewable	8,843	8,361	8,683
Sulfuric acid	Non-renewable	11,152	9,817	10,195
Hydrochloric acid	Non-renewable	125	252	262
Caustic soda	Non-renewable	1,079	779	809
Antibiotics	Non-renewable	21	15	16
Inorganic chemicals	Non-renewable	876	648	673
Organic chemicals	Non-renewable	488	574	596
Subtotal		22,584	20,447	21,234
Diesel	Non-renewable	42,608	40,257	31,641
Ethanol	Renewable	2,070	2,109	1,856
Biodiesel	Renewable	-	-	3,882
Subtotal		44,678	42,366	37,379
Total		27,228,307	27,358,830*	27,629,334
Total renewable materials		26,669,267*	26,871,946*	26,692,540
Total non-renewable materials		559,040	486,884*	936.1522

¹In rounded figures

*Figures restated **GRI 102-48**

In crop year 2020/2021 we used a total of 27,629,33 metric tons of materials in our operations, an increase of 0.98% from the previous crop year.

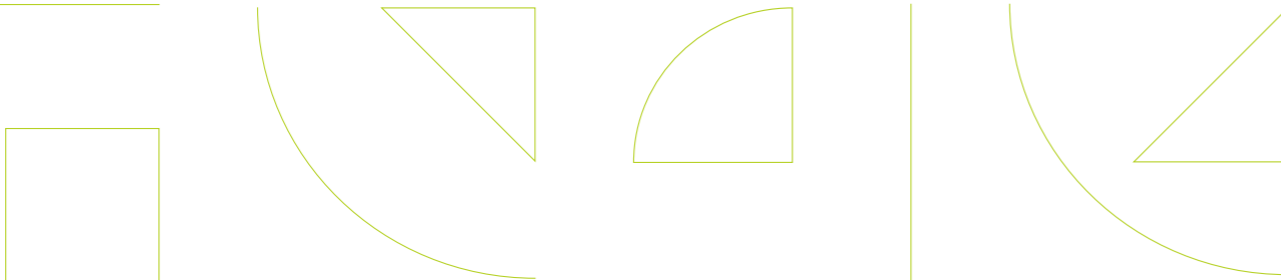
Energy consumption GRI 302-1

Fuel consumption – nonrenewable (GJ)	2018/2019	2019/2020	2020/2021
Diesel	2,045,804	1,720,778	1,519,200
Fuel consumption – renewable (GJ)	2018/2019	2019/2020	2020/2021
Sugarcane bagasse	68,138,748	66,183,125	64,457,185
Biodiesel	206,854	187,119	164,395
Ethanol	55,996	57,041	50,198
Total electricity generated from burning fuel (GJ)	70,447,402*	68,148,063*	66,190,978
Percentage of electricity generated from burning renewable fuels	97%	97%	98%

Electricity consumed (GJ)	2018/2019	2019/2020	2020/2021
Electricity	77,550	76,519	81,424
Electricity sold (GJ)	2018/2019	2019/2020	2020/2021
Electricity	6,847,539	6,844,476	7,115,105
Total energy consumed (GJ)	2018/2019	2019/2020	2020/2021
Nonrenewable fuels	2,045,804	1,720,778	1,519,200
Renewable fuels	68,401,598	66,427,285	64,671,778
Electricity consumed	77,550	76,519	81,424
Electricity sold	6,847,539	6,844,476	7,115,105
Total	63,677,413*	61,380,106	59,157,297

*Figures restated

Reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives (GJ) GRI 302-4	2019/2020	2020/2021
Process Optimization	66,183,125	64,457,185



Water withdrawal GRI 303-2

Total volume of water withdrawal across all areas and in areas with water stress, by source (ML)	2018/2019	2019/2020	2020/2021
Source	All areas	All areas	All areas
Surface water (Total)	36,875	34,117	36,153
Groundwater (Total)	481	270	66
Total	37,356	34,387	36,219

Emissions

Direct (Scope 1) GHG emissions GRI 305-1

Direct greenhouse gas emissions (thousand tCO ₂ equivalent) ¹	2018/2019	2019/2020	2020/2021
Total gross CO₂ emissions	641.37	577.866	523.48

Biogenic CO ₂ emissions (thousand t CO ₂ equivalent) ¹	2018/2019	2019/2020	2020/2021
	5,614.79	5,582.90	5,245.58
Biogenic CO₂ sequestration - land-use changes (thousand t CO₂ equivalent)¹	1,440.00	1,482.40	1,482.41

¹GHG Protocol. Emissions factors determined by professors Isaias Macedo and Joaquim Seabra at UNICAMP using IPCC methodology. GWP - AR4. Consolidation approach: Operational Control

Indirect (Scope 2) GHG emissions GRI 305-2

Energy indirect GHG emissions (t CO ₂ equivalent) ¹	2018/2019	2019/2020	2020/2021
	1.69	2.16	2.07

¹GHG Protocol. National emission factor for inventories published by EPE (Empresa de Pesquisa Energética). Consolidation approach: Operational Control

Other indirect (Scope 3) GHG emissions GRI 305-3

Other GHG emissions (t CO ₂ equivalent) ¹	2018/2019	2019/2020	2020/2021
Total	121.26	92.57	88.62

Biogenic CO ₂ emissions (t CO ₂ equivalent) ¹	2018/2019	2019/2020	2020/2021
	9.87	10.97	11.17

¹GHG Protocol. Emissions factors determined by professors Isaias Macedo and Joaquim Seabra at UNICAMP using IPCC methodology. GWP - AR4.

Waste

Waste generated GRI 306-3 (2020)

Total waste generated, by composition (t)	2018/2019	2019/2020	2020/2021
Category	Quantity generated (t)	Quantity generated (t)	Quantity generated (t)
Class 1 (Hazardous)	787	716	489
Class 2 (Non-hazardous)	4,881	4,139	4,504
Total	5,668	4,855	4,994

Fines received

Although we have appropriate monitoring, prevention and mitigation measures in place, environmental impacts remain an important challenge for us. In the 2020/2021 crop year we received 12 fines relating to fires in our sugarcane fields, which in some cases spread to legal reserves and protected areas. Atvos has submitted its defense and is awaiting a decision by the environmental authorities.

Our Santa Luzia operation entered into a settlement with the public prosecution service of Mato Grosso do Sul in a public civil action relating to stable-fly infestations caused by the use of vinasse fertigation in our sugarcane fields. We committed to implement actions to appropriately manage the vinasse application process, and to conduct related research in collaboration with the Brazilian Agricultural Research Corporation (EMBRAPA) and the State University of Grosso do Sul.

The Santa Luzia operation is also party to a public civil action to investigate potential damage caused to the Limoeiro Creek headwaters. A technical study carried out by an independent firm found that the surrounding protected area has supported better natural regeneration and soil protection than the conditions existing before this operation took possession of the property. We have submitted our defense in the case.

Our Costa Rica operation received a fine notice from the environmental authority, IMASUL, for alleged non-compliant handling of vinasse when washing a vinasse tank. We have submitted our defense and are awaiting a decision from the environmental authority.

Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations GRI 307-1

Monetary value of significant fines paid in the period	R\$ 618,529.00
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Monetary value of significant fines imposed in the period, whether or not appealable	R\$ 1,890,677.43
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Total	R\$ 2,509,206.43
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Work-related injuries GRI 403-9

Work-related injuries ¹	2018/2019		2019/2020		2020/2021	
	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization	Employees	Workers who are not employees, but whose work and/or workplace is controlled by the organization
Number of hours worked	22,275,987.42	11,659,617.38	21,387,283	10,649,874	18,438,777.76	8,009,227.314
Number of fatalities as a result of work-related injury	0	0	0	2	0	0
Rate of fatalities as a result of work-related injury	0	0	0	0.19	0	0
Number of serious work-related injuries (excluding deaths)	3	0	2	0	0	0
Rate of serious work-related injuries (excluding deaths)	0.13	0	0.09	0	-	-
Number of recordable work-related injuries (including fatalities)	45	6	25	13	20	2
Rate of recordable work-related injuries (including fatalities)	2.2	0.51	1.16	1.22	1.08	0.25
Types of work-related injuries	Falls from heights, burns and pinch-point injuries	Traffic accidents and falls from heights	Fractures, pinch-point injuries and burns	Fractures and sprains	Fractures due to falls from heights, slipping and falling, pinch-point injuries and burns.	Cuts

¹Based on 1,000,000 hours worked

In crop year 2020/2021 there were 22 reportable injuries on our premises, including 13 at our mills, 7 in field operations, and 2 in vehicle servicing activities. There were no injuries causing permanent disability or death. A total of 100 incidents were classified as involving a High Personal Risk, and 140 were classified as near misses under existing procedures.

GRI CONTENT INDEX

General disclosures

GRI Standard	Disclosure	Page/URL	Omission
GRI 101: Foundation 2016			
	GRI 101 contains no disclosures		
Organizational profile			
	102-1 Name of the organization	7	
	102-2 Activities, brands, products, and services	7 and 9	
	102-3 Location of headquarters	8	
	102-4 Location of operations	8	
	102-5 Ownership and legal form	7	
	102-6 Markets served	7 and 9	
GRI 102: General disclosures 2016	102-7 Scale of the organization	5 and 8	
	102-8 Information on employees and other workers	5, 40 and 56	
	102-9 Supply chain	46	
	102-10 Significant changes to the organization and its supply chain	11	
	102-11 Precautionary principle or approach	14	
	102-12 External initiatives	10	
	102-13 Membership of associations	52	

GRI Standard	Disclosure	Page/URL	Omission
Strategy			
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	4	
Ethics and integrity			
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	10 and 12	
Governance			
	102-18 Governance structure	11	
GRI 102: General disclosures 2016	102-38 Annual total compensation ratio		The ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees is 0.89% (the calculation includes basic salary + productivity bonus + 13 th salary + 1/3 vacation pay + profit sharing). All full-time and part-time employees and contractors are included in the calculation.

General disclosures

GRI Standard	Disclosure	Page/URL	Omission
Stakeholder engagement			
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	53	
	102-41 Collective bargaining agreements	All employees are covered by collective bargaining agreements	
	102-42 Identifying and selecting stakeholders	53	
	102-43 Approach to stakeholder engagement	52 and 53	
	102-44 Key topics and concerns raised	55	

GRI Standard	Disclosure	Page/URL	Omission
Reporting practices			
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	None	
	102-46 Defining report content and topic Boundaries	55	
	102-47 List of material topics	55	
	102-48 Restatements of information	58	
	102-49 Changes in reporting	None	
	102-50 Reporting period	3	
	102-51 Date of most recent report	This is the first GRI Report	
	102-52 Reporting cycle	3	
	102-53 Contact point for questions regarding the report	3	
	GRI 102: General disclosures 2016	102-54 Claims of reporting in accordance with the GRI Standards	53
	102-55 GRI content index	63	
	102-56 External assurance	None	

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Economic performance			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	38	
	103-3 Evaluation of the management approach	38	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	38	
	201-4 Financial assistance received from government	Atvos received a total of R\$ 355.36 million in tax benefits in the crop year.	
Indirect economic impacts			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	50	
	103-3 Evaluation of the management approach	50	
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	50	

GRI Standard	Disclosure	Page/URL	Omission
Anti-corruption			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	12 and 14	
	103-3 Evaluation of the management approach	12 and 14	
	205-1 Operations assessed for risks related to corruption	14	
GRI 205: Anti-corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	12	
	205-3 Confirmed incidents of corruption and actions taken		There were no confirmed cases of corruption at Atvos in the 2020/2021 crop year.
Materials			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	30	
	103-3 Evaluation of the management approach	30	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	30 and 58	

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Energy			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	30	
	103-3 Evaluation of the management approach	30	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	30 and 59	
	302-2 Energy consumption outside of the organization		Information not available
GRI 302: Energy 2016	302-3 Energy intensity	Our energy intensity rate in crop year 2020/2021 was 2.22 in energy consumption per metric ton of sugarcane processed. The types of energy factored in the energy intensity rate include both renewable and nonrenewable fuels and electricity.	
	302-4 Reduction of energy consumption	30 and 59	
Water & Effluents			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	30	
	103-3 Evaluation of the management approach	30	

GRI Standard	Disclosure	Page/URL	Omission
	303-1 Interactions with water as a shared resource	30	
GRI 303: Water and effluents 2018	303-2 Management of water discharge related impacts	60	We do not currently measure the volumes of vinasse and wastewater used for fertigation. Discharge volumes are approved under a Vinasse Application Plan
	303-3 Water withdrawal	30	
Biodiversity			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	28 and 29	
	103-3 Evaluation of the management approach	29	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	28	
	304-2 Significant impacts of activities, products, and services on biodiversity	29	
	304-3 Habitats protected or restored	29	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by the organization's operations		ATVOS does not have operations that pose a threat to endangered species of fauna and flora.

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Emissions			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	31	
	103-3 Evaluation of the management approach	31	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	31 and 60	
	305-2 Energy indirect (Scope 2) GHG emissions	31 and 60	
	305-3 Other indirect (Scope 3) GHG emissions	31 and 60	
GRI 305: Emissions 2016	305-4 GHG emissions intensity	Atvos uses the RenovaCalc Carbon Intensity method as required for the Renovabio program. Our carbon intensity rate in the crop year using this method was 25.7gCO ₂ /MJ. The reference product is ethanol.	
	305-5 Reduction of GHG emissions	Direct (scope 1) emissions were reduced by 267tCO ₂ equivalent in crop year 2020/2021 following the replacement of harvesters with more modern models.	

GRI Standard	Disclosure	Page/URL	Omission
Waste			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	21 and 28	
	103-3 Evaluation of the management approach	21 and 28	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	31	
	306-2 Management of significant waste-related impacts	28 and 61	
	306-3 Waste generated	28 and 60	
	306-5 Waste directed to disposal	31	
Environmental compliance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	55	
	103-2 The management approach and its components	28	
GRI 103: Management approach 2016	103-3 Evaluation of the management approach	28	
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	28 and 61	

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Supplier environmental assessment			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	46	
	103-3 Evaluation of the management approach	46	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	46	
	308-2 Negative environmental impacts in the supply chain and actions taken	No suppliers were identified as having significant actual or potential negative environmental impacts.	

GRI Standard	Disclosure	Page/URL	Omission
Occupational health and safety			
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	44	
	403-2 Hazard identification, risk assessment, and incident investigation	45	
	403-3 Occupational health services	44	
	403-4 Worker participation, consultation, and communication on occupational health and safety	44 and 45	
	403-5 Worker training on occupational health and safety	45	
GRI 403: Occupational health and safety 2018	403-6 Promotion of worker health	45	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45	
	403-8 Workers covered by an occupational health and safety management system	44	
	403-9 Work-related injuries	43	
	403-10 Work-related ill health	No work-related ill health involving Atvos employees was reported in the 2020/2021 crop year.	

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Training and education			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	43	
	103-3 Evaluation of the management approach	43	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	43	
Non-discrimination			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	69	
	103-3 Evaluation of the management approach	69	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		There were 2 reported incidents of discrimination in the 2020/2021 crop year. One is currently being investigated and the other has been resolved (not substantiated)
Freedom of association and collective bargaining			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	47	

GRI Standard	Disclosure	Page/URL	Omission
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	47 and 48	
Child labor			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	46	
	103-3 Evaluation of the management approach	46	
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		No incidents of child labor were identified
Forced or compulsory labor			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	46	
	103-3 Evaluation of the management approach	46	
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		No incidents of forced or compulsory labor were identified

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Security practices			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	42	
	103-3 Evaluation of the management approach	42	
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	42	
Rights of indigenous peoples			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	46	
	103-3 Evaluation of the management approach	46	
GRI 411: Rights of indigenous peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		No incidents of violations involving the rights of indigenous peoples were identified during the reporting period.

GRI Standard	Disclosure	Page/URL	Omission
Human rights assessment			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	42 and 46	
	103-3 Evaluation of the management approach	42 and 46	
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments		All of our operations undergo human rights assessments based on our Code of Conduct, while our suppliers' operations are assessed within the Stronger Partners program
	412-2 Employee training on human rights policies or procedures	42	
Supplier social assessment			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	46	
	103-3 Evaluation of the management approach	46	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	46	
	414-2 Negative social impacts in the supply chain and actions taken	46	

Material topics

GRI Standard	Disclosure	Page/URL	Omission
Social and economic compliance			
	103-1 Explanation of the material topic and its Boundary	55	
GRI 103: Management approach 2016	103-2 The management approach and its components	50	
	103-3 Evaluation of the management approach	50	
GRI 419: Social and economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No significant fines or non-monetary sanctions were imposed during the reporting period	

SASB – Biofuels

Topic	Metric	Page/URL	Omission
Sourcing and environmental impacts of feedstock production	SASB RR-BI-430a.1. Discussion of strategy to manage risks associated with environmental impacts of feedstock production	Risks are managed using probabilistic models to predict yields in future crop years based on historical data and climate projections. These models are used to predict potential losses based on climate risks.	

