



FIAGRIL

Annual Sustainability Report **2021**

ABOUT THE REPORT

GRI 2-1, 2-2, 2-3, 2-5

This is the Annual Sustainability Report of Fiagril Ltda. It was produced in accordance with the guidelines of the Global Reporting Initiative and includes data for the period from January 1 to December 31, 2021.

Our intention, in this Report, is to show who we are and what we do, to reinforce our principles of transparency and sustainable performance with our employees, partners, suppliers and customers. The financial statements were audited by KPMG. The company does not release a public financial report, it only shares these consolidated figures with a few strategic stakeholders. Non-financial data have not been externally audited.

For comments, questions or suggestions about this document, write to the email comunicacao@fiagril.com.br.



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SUMMARY

MESSAGE FROM THE CEO

GRI 2-22

We lived, in 2021, another extremely challenging year because of the economic and social unfolding of the Covid-19 pandemic. For Fiagril, as for the entire agribusiness sector, the biggest issue was the scarcity of products, specially inputs, in the second semester - a scenario we had never experienced in more than three decades of operation.

To overcome this problem, which directly affects our core business, we increased direct imports and anticipated shipments, strategies that proved to be successful. Thanks to these actions, our input revenue reached a new record, surpassing the pre-established goal. In the grain business, the difficulty manifested itself through bad weather, which partially affected the soybean crop and more

strongly the corn crop, affecting sales and preventing us from reaching the goal of expanding sales volumes. But even so, with the strategies of our team, we managed to achieve important gains in profitability.

Finally, in the biodiesel operation, we faced difficulties due to the new federal government policy, which reduced the percentage of this fuel in the diesel oil sold at service stations from 13% to 10%. With great effort from our team, we expanded our customer base, consolidated two branches in Tocantins, opened another one in the Mato Grosso municipality of Alta Floresta and consolidated our position as one of the five largest players in the sector today. All of this made our gross revenue the highest in Fiagril's history.

We maintain a responsible performance, according to our purpose and style, which were reviewed, together with the repositioning of our brand, at the beginning of the year. We ended 2021 with a team of 460 employees and we want to increasingly engage them in our environmental and social actions, especially in the relationship with the communities where we operate.

In this sense, we resumed our participation in the United Nations Global Compact, reinforcing our commitment to Sustainability in agribusiness. A commitment, in fact, that has accompanied us for many years. We are active in risks identification and in the recommendations to customers, in line with the guidelines of the Moratória

da Soja (Soy Moratorium), which reinforces the socio-environmental compliance of our purchases and financing.

Internally, our main focus is to develop talents, and I consider myself personally motivated to use my current position in order to promote this movement, since I started young and had opportunities in the company that enabled me to reach my current position. In this sense, 2021 was an extremely productive year for the People Management area, which implemented a series of programs (detailed throughout this Report). All this without losing sight of the necessary care due to the pandemic, always in order to ensure everyone's health and safety.

For 2022, the year in which we celebrate 35 years of Fiagril's history, we want to continue growing. The plan is to open new branches, not only in Mato Grosso but also in other states with a similar productive profile.

We are confident that we have human capital, financial capital and strong socio-environmental commitments to grow responsibly and sustainably.



Henrique Mazzardo
CEO

HIGHLIGHTS



20
customer service
units



460 employees
(38% female)



Gross revenue of
R\$ 4.02 billion
(a 22% increase)



R\$ 1.3 billion
of revenue with
inputs



New
brand
and new
purpose



Adherence to the
UN
Global Compact

- Integrated people management model
- Integra Mais (Integrate More), virtual training platform
- Liderança Agro (Agro Leadership), development program
- Cultiva Mais (Cultivate More), people management platform
- Programa Voe (Fly Program), for internship
- Direct import of inputs
- Barter Ultra release
- Automatic truck weighing in Lucas do Rio Verde and Sorriso
- Inclusion of corn oil and cottonseed oil in biodiesel production
- De Olho no Óleo (An Eye on the Oil), a reverse logistics initiative
- 63.8% increase in the import of inputs

WHO WE ARE



WE'RE FROM THIS LAND

GRI 2-1, 2-6

Fiagril is a limited liability company headquarterred in Cuiabá (MT) and operating in 19 other municipalities in five Brazilian states: Mato Grosso, Tocantins, Amapá, Minas Gerais and Paraná.

In 2022, it celebrates 35 years since its inauguration in Lucas do Rio Verde, one of the main centers of Brazilian agribusiness. We do business with more than 10 countries, mainly through transactions with Asia. And we are ready to expand to other Brazilian regions with relevant agricultural production. We are a reference in three lines of business:

1

Supply and distribution of inputs to rural growers, along with a technical assistance package, from planting to harvesting;

2

Origination, commercialization, processing and storage of grains;

3

Production of biodiesel and derivatives.

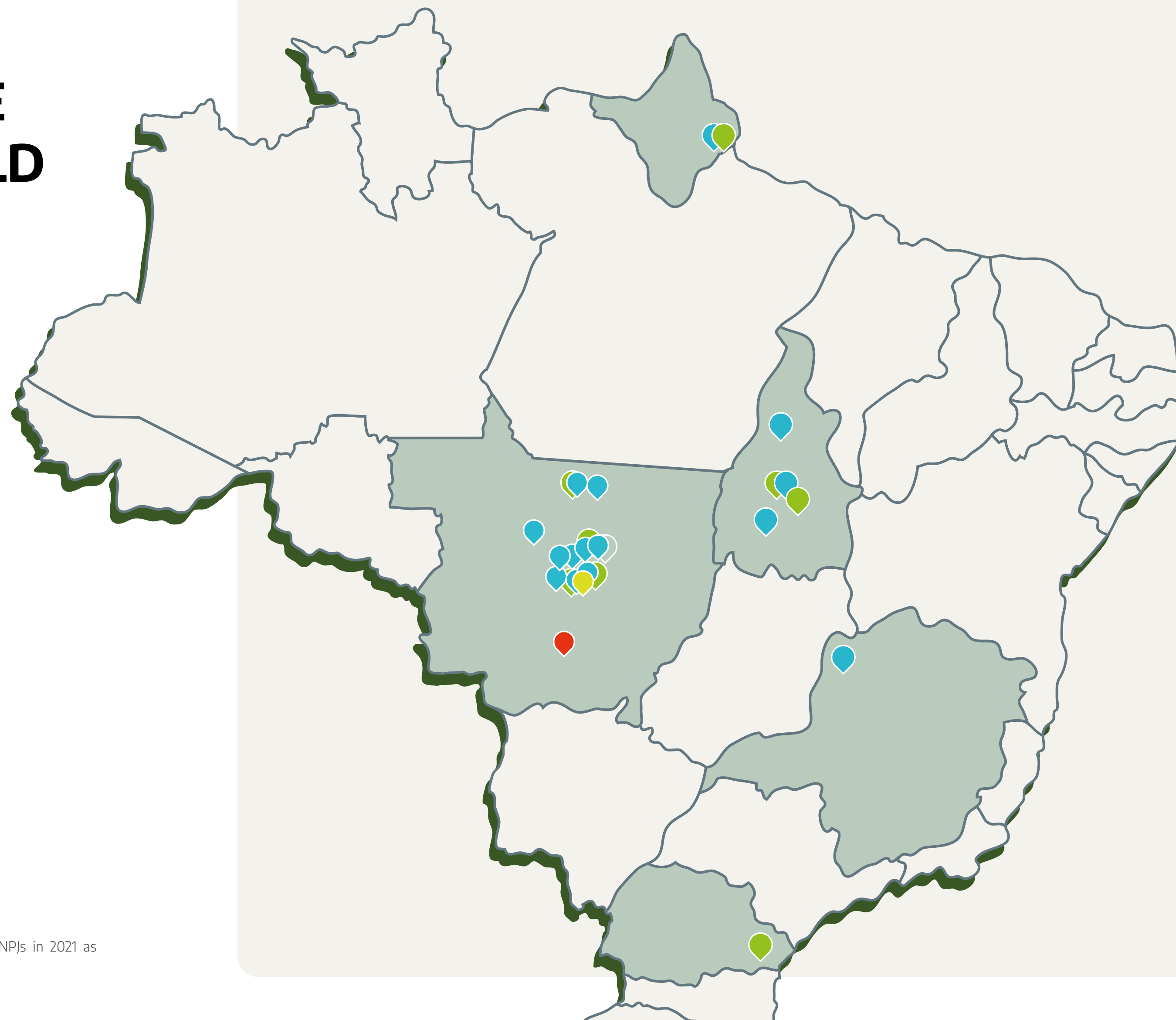
FROM THE COUNTRYSIDE TO THE WORLD

GRI 2-1

We have 28 operational units spread across 20 municipalities: 19 in Mato Grosso, 5 in Tocantins, 2 in Amapá, 1 in Minas Gerais and 1 in Paraná. There are 17 branches for the sale of inputs, 9 branches for grain businesses and 1 biodiesel production unit (in Lucas do Rio Verde) in addition to the Headquarters, in Cuiabá.

Note: we consider all locations where we had active CNPJs in 2021 as operational units.

OPERATIONS MAP 2021



Headquarters

Cuiabá - MT

Origination

Lucas do Rio Verde - MT
Sinop - MT
Sorriso - MT
Feliz Natal - MT
Silvanópolis - MT
Nova Mutum - MT
Porto Nacional - TO
Macapá - AP
Paranaguá - PR

Inputs

Lucas do Rio Verde - MT
Sinop - MT
Sorriso - MT
Nova Mutum - MT
Ipiranga do Norte - MT
Tapurah - MT
Feliz Natal - MT
Gaúcha do Norte - MT
Alta Floresta - MT
Matupá - MT
Juara - MT
Porto Nacional - TO
Guaraí - TO
Gurupi - TO
Macapá - AP
Buritis - MG

Biodiesel

Lucas do Rio Verde - MT

AN EYE ON THE FUTURE

In 2021, we launched the Fiagril purpose and style.

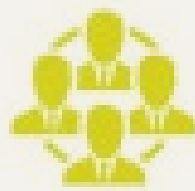
Together, they translate why we exist, how we operate and where we want to be in the coming years.



PURPOSE



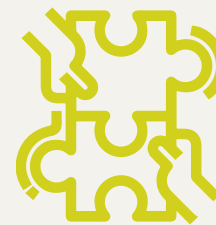
Transforming lives, connecting sustainable production and the world



STYLE



Growing trustworthiness:
with integrity, we take care of relationships



Playing together:
we build long-lasting partnerships



Making it happen:
we create sustainable results

OUR STRATEGY



INTEGRATION WITH STAKEHOLDERS

GRI 2-29

In the relationship with the stakeholders in our production and value chain, we prioritize those who are aligned with the best market practices, so that our purpose and style can be consolidated. This means engaging companies and partners in the adoption of compliance levels similar to ours in relation to the socio-environmental, governance and economic aspects of the operation.

All our clients are evaluated in terms of socio-environmental compliance. Our role, in this context, includes delivering innovative solutions, production and crop protection technology,

technical assistance and good agricultural production practices to our customers. By conditioning selection and credit-granting criteria, for example, we believe that we are defining models and training our partners in terms of commitment to Sustainability.

In business with suppliers, we value those who stand out in each sector, considering not only economic performance but also responsible social action and an environmentally correct posture. Our internal policies guide the processes from financing to quality control methods, including risk management, be it

operational, credit or image risk.

Finally, we are very concerned about being partners with the communities with which we seek to engage. Our activities have been expanding in Brazil, following the evolution of agribusiness, and we believe that it is our role to ensure that these populations around our operations can develop in a sustainable way, generating jobs, income and economic growth.



RELEVANT MATERIAL TOPICS

GRI 3-1, 3-2

The materiality matrix used in this Report is the same as last year, which is the result of a review carried out in 2020, with the purpose of increasing the maturity of our management mechanisms. The main objectives of this review were:

- 1 To identify information relevant to the business;
- 2 To prioritize the topics that have the most impact on value creation over time; and
- 3 To indicate which strategies, products, services and initiatives are related to each topic.

To arrive at the list of relevant material topic, we carried out internal and external analyses of materials and documents, analysis of contexts, reading of scenarios, interviews with company managers and with various stakeholders. In consolidating the results, we arrived at the ten material topics relevant to Fiagril:



Governance, ethics and compliance;



Economic development and disclosure with capital markets;



Customer relationship and satisfaction;



Human capital management;



Sustainable agribusiness practices;



Risk management;



Supply chain management;



Eco-efficient management;



Relationship with local communities; and



Climate risk management.

2021-2025 PERSPECTIVES

At the end of 2020, we presented the principles that we believe are the most important to comply with in our operation in the five-year period, which ends in 2025. The list has thirty proposals, divided into seven large blocks: Institutional, Commitment to Sustainability, Inputs, Origination, Biodiesel, Technological Innovations and People Management.

In 2021, with our adherence to the United Nations Global Compact, we aligned each of the commitments with the Sustainable Development Goals defended by the UN, as demonstrated in the infographic.

The monitoring of the main actions carried out throughout the year and the evolution of indicators can be seen at the end of this Report, in the Opportunities and Challenges chapter.



PACTS AND EXTERNAL INITIATIVES

GRI 2-28

As part of our commitment to Sustainability, we integrate several associations and initiatives in favor of more responsible actions from an environmental and social point of view. Some initiatives of note are:



Moratória da Soja (Soy Moratorium)

We have been signatories of this pact since July 2012 and we undergo an annual external audit to certify compliance with the criteria established by the treaty. For more information, visit: abiove.org.br/en/Sustentabilidade/



Agro Plus Program

We are part of this initiative, which is present in the following states: Tocantins, Mato Grosso do Sul, Minas Gerais, Bahia, Goiás, Maranhão and Piauí. For more information about Agro Plus, visit: <https://agroplusbrasil.com.br/en/>



United Nations Global Compact

Aiming at the commitment to global Sustainability, in August 2021 we joined the United Nations Global Compact. Thus, we consolidated the alignment of our strategies with the ten universal principles in the areas of human rights, labor, environment and corruption. For more information about the Global Compact, visit: unglobalcompact.org/



OUR SEALS AND CERFITICATIONS

GRI 2-28

In recognition of our initiatives in defense of more sustainable agricultural production, we have some seals awarded by companies and independent associations that prove our commitment.



Bio+

In 2020, the right to use Bio+ was approved, the first “private quality standard” seal aimed at Brazilian biodiesel. For more information about this seal, visit: biodiesel.abiove.org.br/en/quality/



ISO 17.025

We maintain this certification for our biodiesel unit since 2016. ISO 17025 is a regulation for the standardization of laboratory tests, in regards to testing and calibration, aiming to guarantee the quality and performance of the product. To learn more about this standard, visit: <https://www.iso.org/ISO-IEC-17025-testing-and-calibration-laboratories.html>



Tesouro Verde (Green Treasure) – Amapá

We have the Tesouro Verde Seal of Sustainability, a program aimed at creating a collaborative network to encourage and reward the use of natural resources through the issuance of environmental assets (“forest credits”). To learn more about this initiative, visit: plataformasouroverde.com.br/#/partners/AP



Selo Combustível Social (Social Biofuel Seal)

This seal grants Fiagril the quality of promoter of productive inclusion of family farmers included in the Programa Nacional de Fortalecimento da Agricultura Familiar (National Program for Strengthening Family Agriculture, PRO-NAF). For more information about this seal, visit: www.biodieselbr.com/noticias/agricultura/selo



PARTICIPATION IN ASSOCIATIONS AND CLASS ENTITIES

GRI 2-6, 2-28

We have participation and/or representation in the following entities:

- Brazilian Association of Vegetable Oil Industries (Associação Brasileira das Indústrias de Óleos Vegetais, ABIOVE) – since 2012;
- National Association of Cereal Exporters (Associação Nacional dos Exportadores de Cereais, ANEC); Soybean Working Group (Grupo de Trabalho da Soja, GTS) – formed by civil society organizations, government agencies, soybean traders, ABIOVE and ANEC;
- Brazilian Union of Biodiesel and Biokerosene (União Brasileira do Biodiesel e Bioquerosene, UBRABIO); Union of Biodiesel Industries of the State of Mato Grosso (Sindicato das Indústrias de Biodiesel do Estado de Mato Grosso, SINDIBIO-MT);
- National Association of Agricultural and Veterinary Input Distributors (Associação Nacional dos Distribuidores de Insumos Agrícolas e Veterinários, ANDAV);
- State Council of Agricultural Product Reseller Associations of Mato Grosso (Conselho Estadual das Associações de Revendas de Produtos Agropecuários do Mato Grosso, CEARPA) – since 2007;
- Agricultural Defense Agency of the State of Tocantins (Agência de Defesa Agropecuária do Estado do Tocantins, ADAPEC);
- Association of Cereal Companies of the State of Mato Grosso (Associação das Empresas Cerealistas do Estado de Mato Grosso, ACEMAT).



OUR BUSINESSES



COMMITMENT TO SUSTAINABILITY

GRI 2-6

We work on three business fronts:

- Supply and distribution of inputs to rural growers, along with a technical assistance package, from planting to harvesting;
- Origination, commercialization, processing and storage of grains;
- Production of biodiesel and derivatives.

In all of them, we work with ethics, responsibility and transparency valuing the principles of Sustainability, key to the viability of the operations. Our biggest commitments are the Moratória da Soja (Soy Moratorium) and the UN Global Compact.

We always seek to guide our work by the best market practices. We generate value through the development of rural growers: not only do we supply and distribute inputs, but our technical assistance team offers local customer service and innovative solutions for the countryside.

All this in a changing world, increasingly demanding and concerned with the future of the planet.



ENGAGEMENT OF SUPPLIERS AND CUSTOMERS

GRI 2-6, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2

One of the most important challenges is to engage our partners in building this more sustainable world. One of the goals is to have a 2030 Agenda covering the relationship with suppliers and customers, in order to make this commitment even clearer. We are in the middle of this chain, between growers and consumers. In our strategic positioning, we put ourselves on the side of the grower, providing inputs from different brands and quality technical support (*read more on page 23*). Our sales consultants are our main customer relationship channel.

More than 90% of our grain origination business is concentrated in Mato Grosso. When Fiagrill was founded in 1987, many growers needed credit, the scenario was uncertain in relation to planting in the state. Our first success story was to believe in these pioneers. The second growth cycle was marked by technological evolution. It was difficult to surpass the mark of 40 bags per hectare. Thanks to partnerships with strategic suppliers, we started to offer better varieties of seeds, micro-nutrients, formulated fertilizers, as well as state-of-the-art fungicides and herbicides, and

productivity reached averages higher than 50 bags per hectare. At this moment, we are experiencing the third cycle, the search for more profitability: focus on how to be more efficient in production and commercialization. In this sense, we created Barter Ultra, a tool that enables financial gains in future grain sales (*read more on page 25*). In parallel, it is essential to guarantee the traceability of grains, another central aspect of Sustainability. In the relationship with partner growers, we do this through strict and increasingly automated controls for more than 1,500 customers.



MORE RELIABLE CREDIT SYSTEM

GRI 2-6, 3-3, 204-1, 308-1, 308-2, 414-1, 414-2

In 2021, our credit system underwent five changes with this objective: the rating, which ranged from A to D, also includes E; the Sustainability area was incorporated into the workflow and no financing is approved without a socio-environmental analysis; among other improvements. Our Sustainability team analyzes in detail the information from the grower and also from the area in question.

Fiagril does not buy or finance grain production in:

- Areas embargoed by the Secretaria de Estado do Meio Ambiente (State Department for the Environment, SEMA), Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (Brazilian Institute for the Environment and Renewable Natural Resources, IBAMA) and Instituto Chico Mendes de Conservação da Biodiversidade (Chico Mendes Institute for Biodiversity Conservation, ICMBio);
- Indigenous and quilombola lands;
- Integral protection conservation units;
- Areas listed in the Moratória da Soja (Soy Moratorium);
- Companies or entities whose names appear on the list of compulsory labor.

If there are socio-environmental restrictions, the credit is denied or released in proportion to the area free of impediments. In the case of suppliers with significant risk of child, forced or compulsory labor, we have no relationship at all.

(GRI 408-1, 409-1)

During the year, 80% of the entire customer base was digitized with property data. For the purchase of grains, the idea is to implement the same control and also ensure the geore-

ferencing of areas as a way of intensifying traceability. This work began in 2021 for purchases in the barter modality, with the other modalities analyzed via CPF/CNPJ.

In the harvests related to the period covered by this report, 45% of the volume of soybeans and 51% of the volume of corn underwent a detailed socio-environmental analysis, the others underwent a simplified analysis considering CPF/CNPJ.

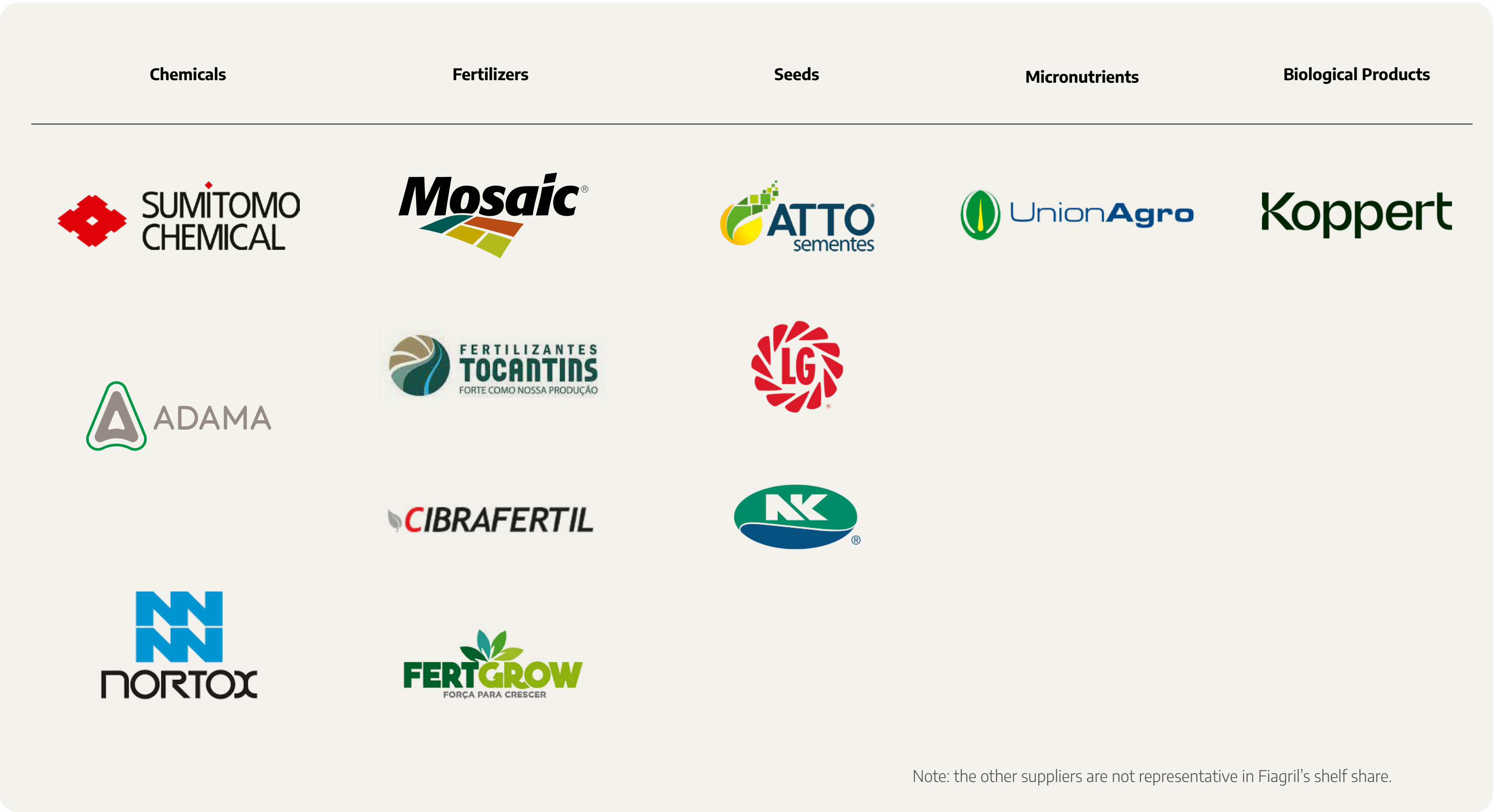


CONCENTRATED MARKET

GRI 2-6, 3-3

As these are highly technological and specific-use products, comparable to those of the pharmaceutical industry, the market for pesticides, micronutrients, growers and seed multipliers is highly regulated by environmental agencies and has few suppliers. Our list of partners has just over twenty industries which sell products of national or imported origin. Among them, we highlight those indicated on the infographic.

All of them work with high standard products and maximum technology. In addition, they are duly registered with the Ministério da Agricultura, Pecuária e Abastecimento (Ministry of Agriculture, Livestock and Supply, MAPA) and comply with environmental and safety legislations.



Note: the other suppliers are not representative in Fiagril's shelf share.

CUSTOMER SATISFACTION

GRI 3-3

To foster relationships with customers, we promote and participate in events aimed at the agribusiness sector and seek to be present on commemorative dates and community actions. Due to the pandemic, no major relationship events were organized in 2021, but our branches remained open, respecting all security protocols to meet customer needs.

Since 2019, we have a Data Intelligence area, which is responsible for developing management analyses, from the

progress of the first negotiations to the delivery of goods. The system also provides real-time information to growers, such as the risk of a severe pest attack, planting failures and application failures, among others. Regarding customer privacy, and in compliance with the Lei Geral de Proteção de Dados (General Data Protection Law, LGPD), we have had no complaints regarding privacy violations or data loss. **(GRI 418-1)**



INPUTS

ALWAYS CLOSE TO THE GROWER

GRI 2-6

We serve more than 1,500 customers in a product sales model linked to the offer of technical assistance for all production stages.

Our strategy is to be on the side of the rural grower always innovating in terms of products and services. We believe it is essential to offer quality solutions and information in an increasingly digitalized world, where people have fewer face-to-face contacts and often visit resellers less frequently. Most of the business is done in a model known as barter, in which we deliver seeds, fertilizers and pesticides and, in exchange, the grower delivers part of the harvest as payment.

In 2021, we sold more than 700 thousand hectares of soybean, corn, cotton and forage seeds. During the harvest, we delivered more than 200,000 tonnes of fertilizers and soil amendments punctually and in sync with the time when the crops are fertilized. Our 74 technical consultants provide guidance on the best use of pesticides for crop protection and offer a Special Nutrition Program with the main innovations available on the market.

Throughout the year, thanks to partnerships with new customers and the increase in cultivated area and technology use, we reached a record R\$ 1.3 billion in gross revenue - an almost 70% increase over the previous year.

By 2025, our goal is to have another fifteen new resellers in operation, following the evolution of Brazilian agribusiness.

INPUTS

TECHNOLOGY AS AN ALLY

GRI 3-3

Our customer relationship platform (CRM) is known as Confia Tech (Trust Tech). We started the implementation in 2019. The following year, we completed the registration base and the mapping of areas. In 2021, several digital tools went live. One example is the generation of real-time reports with technical recommendations to solve any problem related to planting or plant care. Our consultant goes to the property and, with his cell phone, takes geopositioned photos that, once in the system, enable the creation of analyses.

INPUTS

DIRECT IMPORTS AND RELIABILITY

GRI 2-6

One of the main challenges that we faced in 2021 were the logistical difficulties (lack of containers and ships) caused by the Covid-19 pandemic. To overcome this obstacle, we consolidated ourselves as the largest importer of inputs from China, which opens up the possibility of purchasing at lower costs and passing on this reduction to customers. Our customers had no problems (cancellations or lack of products), which was another major positive differential, reinforcing the Fiagril brand as responsible and reliable.



ORIGINATION

PROFITABILITY ON THE RISE

GRI 2-6



The reliability in our work was also the hallmark of the grain origination operation.

In terms of volume, we were slightly below what was achieved in 2020 (and what had been budgeted): one million tonnes of grain compared to 1.2 million in the previous year. This was because the drought led to a drop of around 15% in the soybean crop, reducing business across the sector.

However, thanks to a good storage and sales strategy, profitability was much higher than expected and gross revenue reached R\$ 2 billion. This is due to the fact that we have our own warehouses, spread over four municipalities very close to our partner growers, which facilitates the work of receiving, shipping and storing grains.

GREATER PROFIT SHARING

Barter ULTRA

GRI 2-6, 3-3

Barter Ultra is a new tool that provides growers with security and the possibility of better results when selling soybeans. In addition to guaranteeing the cost of production, it enables increased profitability and a better exchange rate of inputs.

The negotiation of products in the Barter format is traditional at Fiagril, in which the company provides the grower with inputs for planting and receives payment in sacks of grain. Now with the Ultra modality, in addition to this facility, the customer can also participate in the appreciation of soybeans in the market.

It works as follows: with Barter Ultra, Fiagril ensures the “floor” price, guaranteeing the exchange ratio of inputs, as well as opening up the opportunity to profit in case of appreciation on the Chicago stock exchange. To this end, the “call spread” mechanism is available.

The profit obtained with the negotiation is fully destined to the grower and may be reinvested by them.

In this first year of Barter Ultra, twelve clients signed contracts.

ORIGINATION

PRECISION AND AGILITY IN THE LOGISTICS AREA

Throughout 2021, our entire structure worked in a very aligned manner to ensure that the entire logistics operation (payments, receipt at ports, transport) worked in the best way possible. All deliveries were made on time. In the municipalities of Lucas do Rio Verde and Sorriso, the truck weighing automation system, inaugurated at the end of 2020, helped making this stage of the process even more accurate and agile. Now, the driver arrives at the unit and just informs the attendant if they are going to load or unload. They enter the queue and, when their turn comes, they weigh the vehicle and a terminal automatically prints the document. They then perform the desired operation and

return to the scale, all without manual interference. If there is any discrepancy, the computer keeps the gate closed. For 2022, the goal is to implement this model, called Smart Saturno, in the branches of Sinop (MT) and Silvanópolis (TO).

In addition, in 2021, we started to use a platform for monitoring and tracking the loads to be delivered to our partner rural growers. The software estimates the time of arrival at the site, if there was any deviation from the route or any other unforeseen event in the hired trucks. Both Fiagril and the customer are able to follow the movement.



BIODIESEL

FOR A GREENER FUTURE

GRI 2-6

Since 2007, the Fiagril biodiesel plant operates in Lucas do Rio Verde (MT). In 2021, by a unilateral decision of the federal government, there was a brutal cut in the demand for this source of green energy.

By law, diesel used in trucks and other vehicles must contain a certain percentage of biodiesel (just as gasoline sold at gas stations has ethanol in the mixture). The official decision caused that number to drop from 13% to 10%. As a re-

sult, only 1 billion cubic meters were traded throughout the year, while the national production capacity is 1.8 billion. Our factory, of course, was also impacted by this shock. Thus, we maintained production without interruptions, but reduced the pace from 150 thousand to 100 thousand cubic meters, comparing 2020 with 2021. In total, the capacity is 202 thousand cubic meters.

During the year, we invested R\$ 5.5 million to produce biodies-

el from corn oil and cottonseed oil. Our factory is the first in Mato Grosso with this capacity, which makes it possible to diversify production. In 2021, we also entered into a partnership with the municipality of Lucas do Rio Verde to recycle used cooking oil, in order to serve as raw material at the factory (*read more in the Socio-Environmental Management chapter, on page 54*).

RENEWABLE MATERIALS USED IN THE FACTORY IN 2021

Materials	Weight (t)
Soybean oil	73,231
Cottonseed oil	6,735
Corn oil	9,272

GRI 301-1



BIODIESEL

REUSE OF BY-PRODUCTS

GRI 2-6

Another important initiative is the reuse of by-products in the biodiesel plant. In total, more than 23 thousand tonnes of glycerin, sludge and fatty acid were traded by Fiagril throughout 2021.

The glycerin resulting from the production line is the so-called blonde glycerin, which has a minimum concentration of 80% glycerol. Several companies from different sectors (cosmetics, pharmaceuticals, civil construction, animal nutrition, lubricants, paints, explosives, etc.) purchased this material, both in Brazil and abroad.

The sludge is also known as gum. It is a by-product obtained from degumming oil before it is converted into biodiesel. Its main applications are: soap factories and fatty acid extracting industries.

Finally, the fatty acid, also known as olein, takes

part in the esterification process. In our plant, we use fatty acid together with corn oil to produce biodiesel, in the so-called transesterification - which is one of our main competitive advantages.

TOTAL BY-PRODUCTS COMMERCIALIZED
IN 2021

Materials	Weight (t)
Glycerin	9,227*
Sludge	13,371
Fatty acid	577

*Glycerin: about 57% of this total was exported and 43% sold nationally.



ECONOMIC AND FINANCIAL PERFORMANCE



ENCOURAGING RESULTS

GRI 2-6, 3-3

In an extremely challenging year, mainly due to the uncertainties caused by the Covid-19 pandemic, we ended 2021 with one of the best financial results in Fiagril's history. Although some volumes sold were lower than expected, our gross revenue exceeded R\$ 4 billion, with good margins in the three operations: inputs, grains and bio-diesel.

The rise in commodity prices and the appreciation of the dollar against the real helped to ensure the good performance, despite the logistical difficulties observed especially in the second half of the year. The whole world depends on inputs and finished products that come from China. With the pandemic, many shipments were delayed, generating a ripple effect, with a lack of ships and containers. Thus, agribusiness

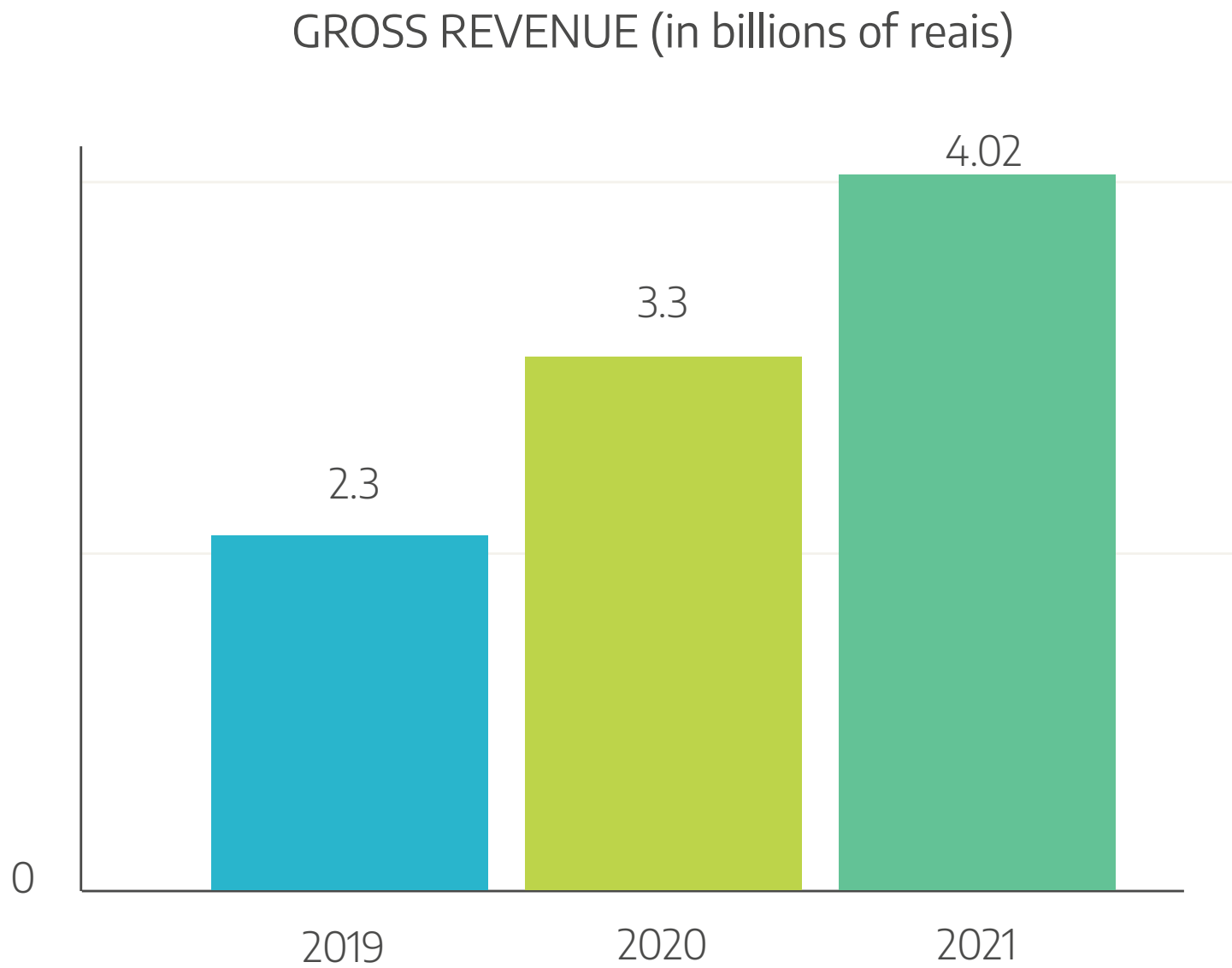
foresaw a lack of fertilizers and pesticides. Our strategy of anticipating purchases with suppliers proved to be extremely successful and enabled us to fulfill all contracts with rural growers here in Brazil. In addition, the decision to carry out a soybean stock-carrying operation (where the physical grain is kept in the warehouse and the price is hedged on the Chicago stock exchange) enabled significant gains, increasing profitability in the grain business and optimizing the operational efficiency of warehouses.

Other factors that could have negatively affected the financial performance were rising inflation and drought, which caused a drop of approximately 15% in the harvest in Mato Grosso, which corresponds to 90% of our businesses. This meant that there was practical-

ly no washout (fine for breach of contract) in 2021. Almost all the pre-agreed negotiations, both with rural growers and with trading companies, were carried out. Likewise, defaults remained at very low levels. The reduction in total grain harvested only led to a reduction in spot business. Thus, the gross revenue of the inputs area reached a record of R\$ 1.33 billion (69% higher than the revenue in 2020).

In relation to grains, this indicator rose to R\$ 2 billion (a 47% increase compared to the previous year). In total, the revenue of R\$ 4.02 billion represented a growth of 75% compared to 2019 and of 22% compared to 2020.

In 2021, Fiagril's profits will continue to grow compared to 2019 and 2020, demonstrat-



ing the success of our financial strategies and of our financial and operational management. Fiagril Ltda. does not present a public financial report. There is a work of financial consolidation which results in the preparation of the Financial

Statements document, which is externally audited and shared in a restricted way with some strategic audiences. (GRI 2-2)



Cheaper securities

As we had already done at the end of 2020, in December 2021 we launched new Agribusiness Receivables Certificates (CRAs) in the total amount of R\$ 75 million. The major advantage of this type of security is that the interest on the financing is lower than in negotiations with banks. Part of the papers was traded with a maturity of 4 years and a rate of 4.5% per year plus the Interbank Deposit Rate (CDI) variation. And the rest for 5 years at 5% per year plus CDI. This is an initiative that speaks directly to our Sustainability projects, in addition to lengthening the debt and opening up the possibility of reducing costs for rural growers. The capitalization also helps in Fiagril’s expansion plans.



Cash flow

The logic of our business is to anticipate inputs for rural growers. Corporate and subsidiaries follow the process evolution in detail, observing any unscheduled changes, in order to be as assertive as possible in financial planning.



Indebtedness

This peculiarity of the business (subsidizing the grower to receive payment, or part of it, in grain) requires us to work intensively with banks to guarantee this financing. In 2021, we expanded contacts with financial institutions with the aim of having more partnerships and improving relationships.



Foreign exchange exposure

We hedge both currency and commodities so that we are minimally exposed to market fluctuations. The objective of this initiative is to ensure the planned financial results.

MORE TRANSPARENCY IN 2022

GRI 3-3

For 2022, one of the goals of the financial area is to launch the Investor Relations Portal, with the aim of increasing transparency on the information made available to the external public. Following the example of companies listed on stock exchanges, we want to show, on a single platform (with access control), the most relevant numbers. With this, we will gain visibility, become even more known, even to those who are not in the input and fertilizer market.

FINANCIAL MANAGEMENT STRATEGY AND CHALLENGES

GRI 3-3

We believe in the responsible use of natural resources, in order to improve indicators of economic and social well-being, generating wealth for the organization and all its stakeholders (shareholders, employees, suppliers, customers and communities). Our financial management is guided by the Business Plan designed by the company and endorsed by the shareholders.

The annual budget is built based on the desired metrics for each business unit. The most relevant indicators are also analyzed by business area, taking into account the particularities of each one.

In 2021, an important novelty was the creation of the Time em Campo (Team on the Field) project, a monthly, 30-minute meeting, with the participation of the board and all employees, online. Valuing transparency, we present the main insights, market challenges and company strategies. There is also a chat time where leaders answer questions. By making everyone align their expectations, we are able to “play together” for the best results.



CORPORATE GOVERNANCE



CLEAR POLICIES AND RULES

GRI 3-3

At Fiagril, we have a modern governance structure, with clear policies and rules, which has been gaining more and more space in the company’s day-to-day activities. In 2021, we created the Privacy Policy and the Cookies Policy, both to meet the requirements of the Lei Geral de Proteção de Dados (General Data Protection Law, LGPD), and we revised the Code of Ethical Conduct, the Information Security Policy and the Sustainability Policy. In addition, we defined a new purpose and style - an initiative that had the effective participation and approval of the Board of Directors. **GRI 2-12**

All decisions are guided by our internal rules and premises. Check the list of Fiagril’s Policies in the infographic.



Compliance Policy



Credit Policy



Sustainability Policy



Ethics Policy



Anti-Corruption Policy



Internal Regulation of the Ethics Committee



Remuneration Policy



Authority Policy **(GRI 2-23)**



Benefits Policy

WELL-DEFINED ROLES

GRI 3-3

Our governance structure is composed of a Board of Directors (CA) and an Executive Board. The CA is supported by the Risk and Audit Committee. The Executive Board is supported by internal committees: Risk Committee, Ethics Committee, Executive Credit Committee.

The Risk Committee assesses financial, operational and legal risks. The Ethics Committee pronounces itself whenever requested on matters pertaining to the Code of Ethical Conduct and the Anti-Corruption Policy - in 2021, there were no records related to the topic of corruption. The Credit Committee decides on the allocation of resources to growers and suppliers, as well as their effective execution, once the amounts are released. In addition, each of Fiagril's areas has an executive who reports weekly to the

board to ensure the monitoring of results and the strategic decision-making. The Internal Audit and Compliance area produces verification reports for the Board of Directors whenever necessary. Our environmental and social impacts are also monitored and the results disclosed in monthly meetings with the CEO and CFO.

In 2021, audits (internal and external) were started to identify the main processes and formalization of pending documentation - a process that was still ongoing at the beginning of 2022. The expectation is that the work will result in the creation of an annual plan for the company. In parallel, a group of 37 employees with more experience in their respective areas' processes was invited to act as editors of regulatory documents, a way of supporting the

internal development of colleagues and, thus, improving service to the company's stakeholders.

The Board of Directors is composed of seven members (one woman and six men, all shareholders or appointed by shareholders with employment ties at Fiagril or other companies in the group) and the Executive Board by three. Both have a two-year term (the current one started on June 25, 2020). The CEO of the Board of Directors does not hold an executive position at Fiagril. **(GRI 2-11)**

Fiagril's top management, in turn, has five members.

SOCIETAL STRUCTURE



EXECUTIVE BODY

All senior management members are from the local community, in this case, the municipality of Lucas do Rio Verde, where Fiagril was founded. **(GRI 202-2)**



HENRIQUE ALEXANDRE MAZZARDO
CEO

At Fiagril since 2003, he built his career through the Accounting, Financial and Commercial areas, assuming the Presidency of the company in 2020. He has vast and in-depth knowledge of Fiagril’s operations and the entire market in which the company operates.



WANDER MEYER
CFO

He has more than 35 years of professional experience, working as a C-Level in the main trading companies in the world, in operations in Brazil and also in international markets (USA, Mexico and Paraguay). He started at Fiagril in 2021.



GUILHERME KUMMER
DIRECTOR OF ORIGATION AND BIODIESEL

He worked in the financial market in financial institutions and brokers, joining Fiagril in 2004, with a presence in the Commercial, Logistics and Risk areas, now also working in industrial Operations.



DIONEIA CANCI
DIRECTOR OF PEOPLE & MANAGEMENT

She started her professional career in 2007 at Fiagril, allocating 13 years of experience in Human Resources management for agribusiness. She holds an MBA in marketing, branding and growth, certifications in BVC, insights discovery, MTBI and change management, as well as M&A experience.



MARCOS ELIESIO CASTRO
DIRECTOR OF INPUTS

He worked for 24 years at Syngenta and Coamo (South Co-operative) with the distribution of inputs and has a good relationship with suppliers and growers. He joined Fiagril in 2013 to head the business and supplies unit.

ETHICS AND COMPLIANCE IN EVERYDAY LIFE

GRI 2-23, 2-24, 2-27, 3-3

The concern with ethics and compliance is present in our daily lives. Our contracts with service providers have anti-corruption and anti-slavery and child labor clauses, among others. In the case of grain suppliers, we also carry out a prior analysis linked to environmental issues.

Internally, employees must comply with the company's policies and procedures - all in line with internationally recognized human rights protection precepts. We also carry out operations, both at branches and at headquarters, to assess risks related to corruption. In 2021, there were 27 such initiatives.

Throughout the year, we registered a single case related to

the theft of two loads of grain, which were recovered and the employees' contracts terminated. (GRI 205-1, 205-3)

Upon hiring, everyone undergoes basic training on the topic and must sign the statement of commitment to the [Code of Ethical Conduct](#). (GRI 205-2)

Both the Code of Ethical Conduct and the Privacy Policy are available on our website. Other regulatory documents are available for consultation on the internal document management platform and are considered evaluation points during the trial period (through a platform that has an approval and review flow). Thus, we guarantee that 100% of the team is aware of the topic. The Compliance area is responsib-

le for ensuring full compliance with the established rules, including cases of conflict of interest. (GRI 2-15)

In the name of transparency, throughout the year we held 25 workshops (on-site and online) covering the main practices of the company. All employees participated in the conversations, in which directors explained in detail the business areas, the importance of compliance for Fiagril (especially aspects related to the Anti-Corruption Policy) and our commitments to ESG (Environmental, Social and Governance). (GRI 205-2)

Fiagril understands cases of non-compliance with laws and regulations when monetary sanctions are equivalent to or exceed R\$ 500 thousand. Thus,

there were no significant cases of non-compliance in 2021.

Throughout the year, no environmental or social nonconformities were recorded. There were also no cases of non-compliance regarding the health and safety impacts of product and service categories on customers (GRI 416-2) and in relation to marketing communications. (GRI 417-3)



ATTENTION TO DEVIATIONS AND COMPLAINTS

GRI 2-16, 2-23, 2-25, 2-26, 3-3



Internal Audit

It supervises the application of policies and procedures and tests internal controls, identifying possible vulnerabilities to recommend process improvements in order to mitigate operational risks.

Compliance

It disseminates, through training and workshops, knowledge of the organization’s policies and procedures for the performance of activities in a safe way, in compliance with current legislation. Our Internal Regulation includes Anti-Corruption Policy, Compliance Policy, Personal Data Protection Privacy Policy, Information Security Policy and Code of Ethical Conduct mainly.

Ombudsman

Channel made available to society in general, intended to receive reports, complaints and suggestions. All reports and manifestations are treated with confidentiality and can be anonymous, if the requester so wishes, being forwarded for response and/or action to the competent areas, ensuring the channel’s secrecy and independence.

Reports of irregularities, misconduct and violations of the Code of Ethical Conduct or company standards or current legislation, as well as criticisms, suggestions for improvements or compliments must be directed to our Ombudsman Channel, which operates 24 hours a day, 7 days a week, via telephone or email. All contacts are treated with confidentiality and may be anonymous. According to the Internal Regulation, cases can be forwarded to the areas, to the Ethics Committee or to the Board of Directors so that measures can be taken. In 2021, among the manifestations carried out through this channel, three were considered critical and dealt with in the competent authorities. This routine helps to foster our corporate culture.

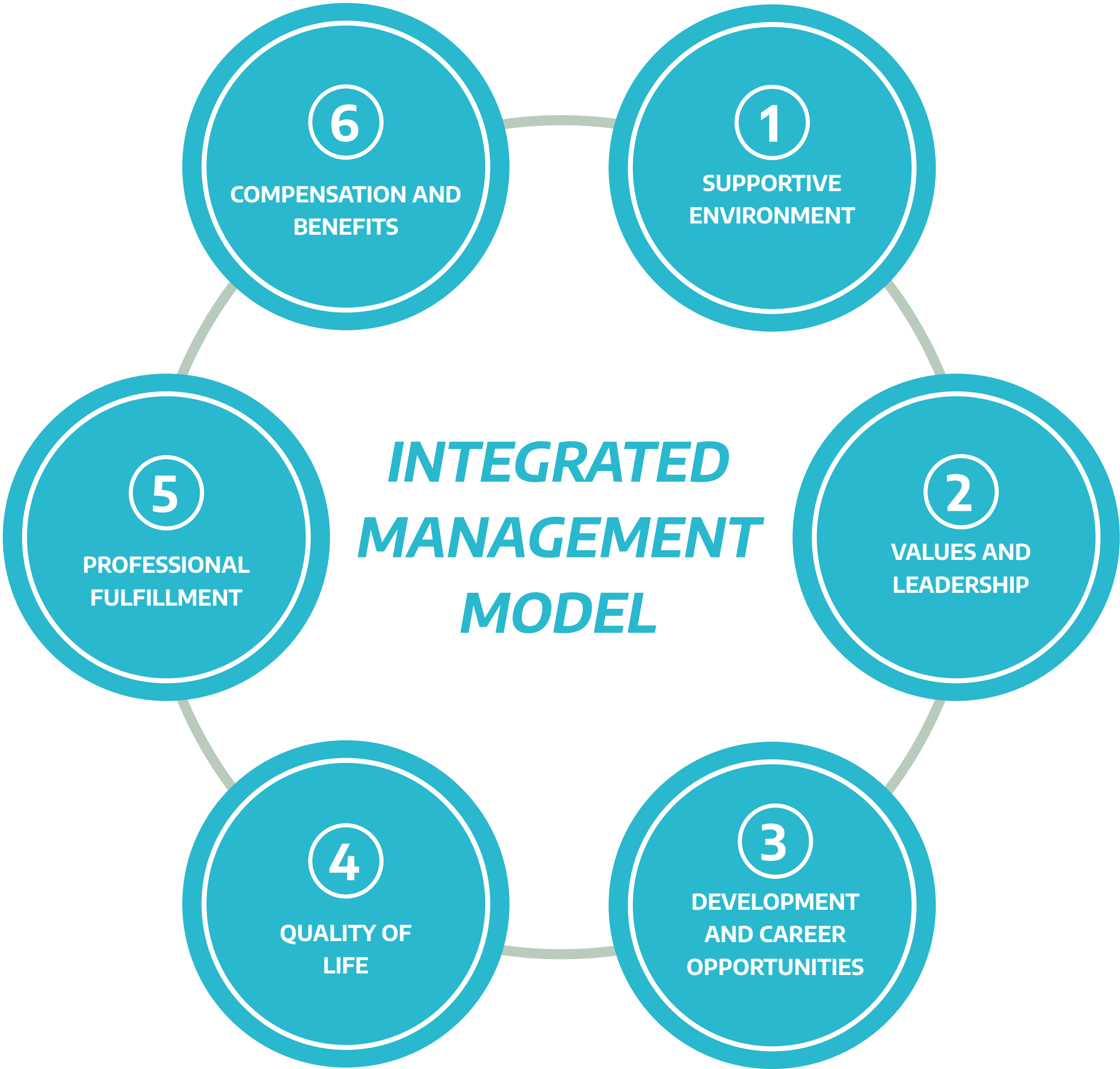
PEOPLE MANAGEMENT

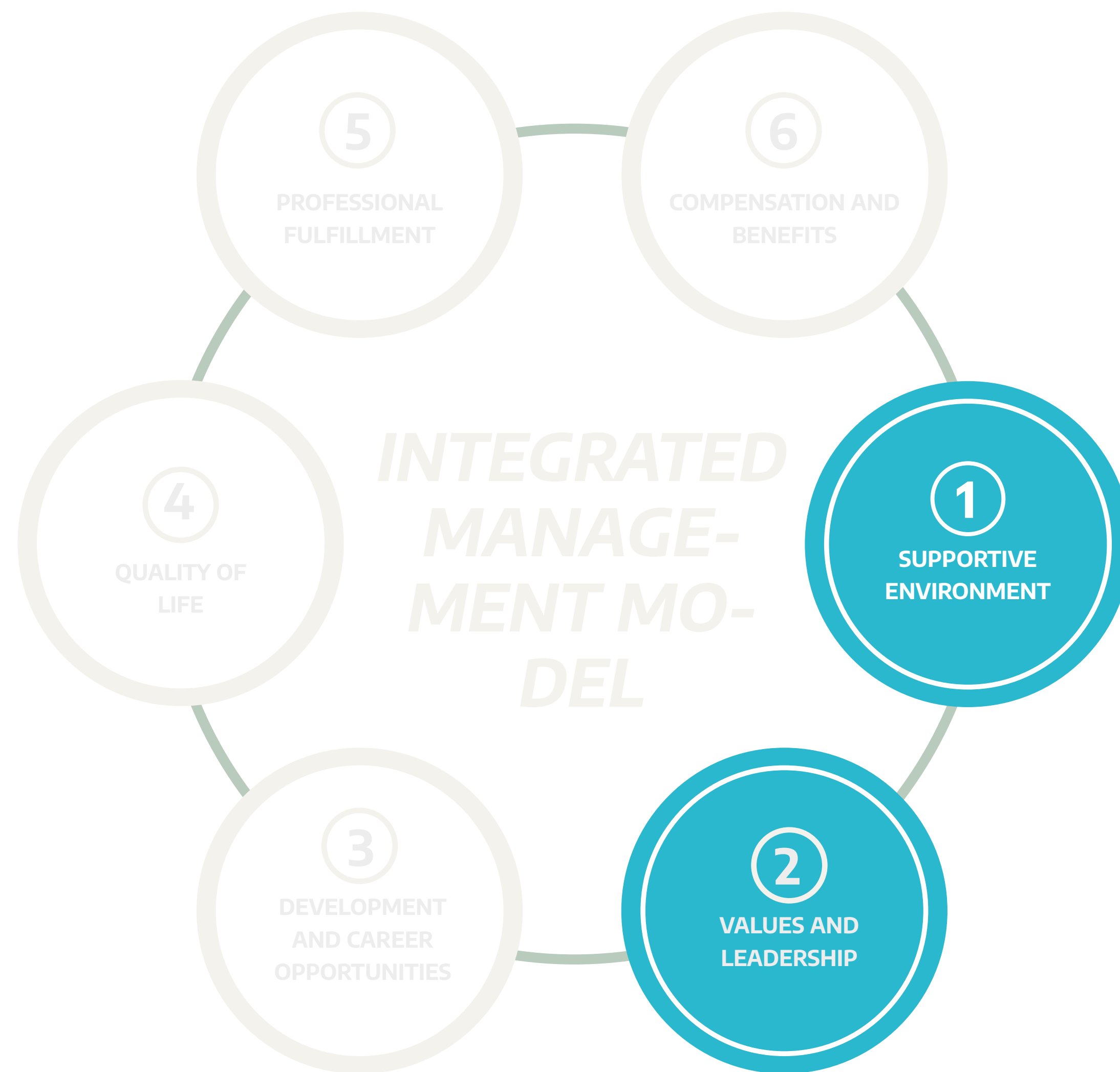


PEOPLE WHO TRANSFORM OTHERS

GRI 3-3

A company is made up of people and the People & Management area is focused on attracting, developing and caring for the employees who carry out the company’s day-to-day activities. In 2021, we implemented a series of initiatives in the area, involving systems and programs for professional development and appreciation, including concern for the topic of Health and Safety at Work. As a way of encouraging everyone to do their best every day, we have adopted an Integrated Model of Attraction, Retention and Reward, which organizes the factors that influence everything from recruitment and selection to the decision to stay with the company.



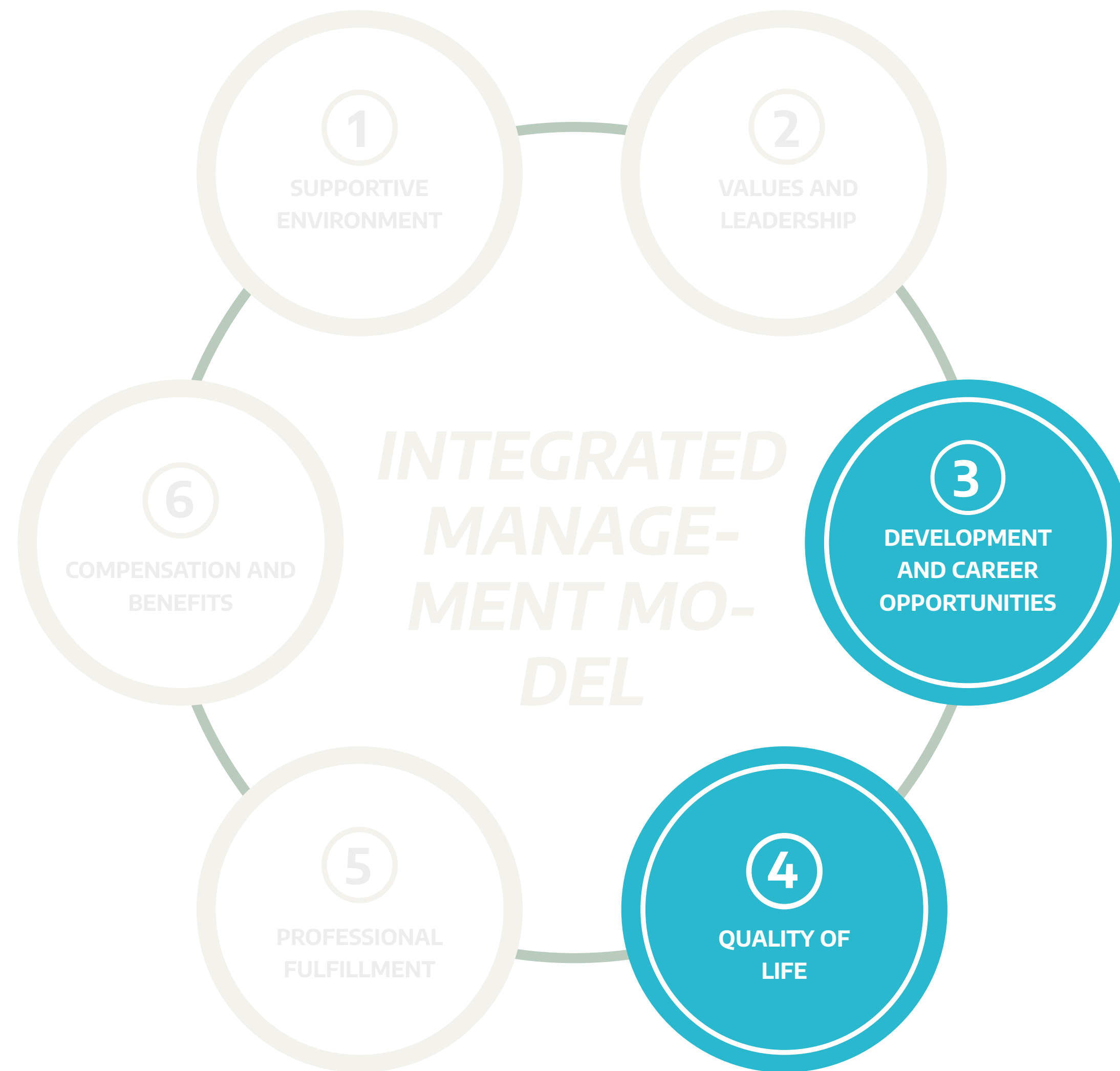


1. SUPPORTIVE ENVIRONMENT

A healthy environment, with transparency in processes and information and good working conditions for all, is the starting point for professional fulfillment. In this sense, we automate processes to speed up the handling of information and implement channels for contacting employees, such as corporate TV and intranet.

2. VALUES AND LEADERSHIP

One of the main challenges when launching the purpose and style was to have all employees aligned with these values, especially the leaders, who are opinion makers for their teams. To internally disseminate these concepts, we promote development workshops for the entire team, alignment meetings with leaders and internal engagement campaigns.



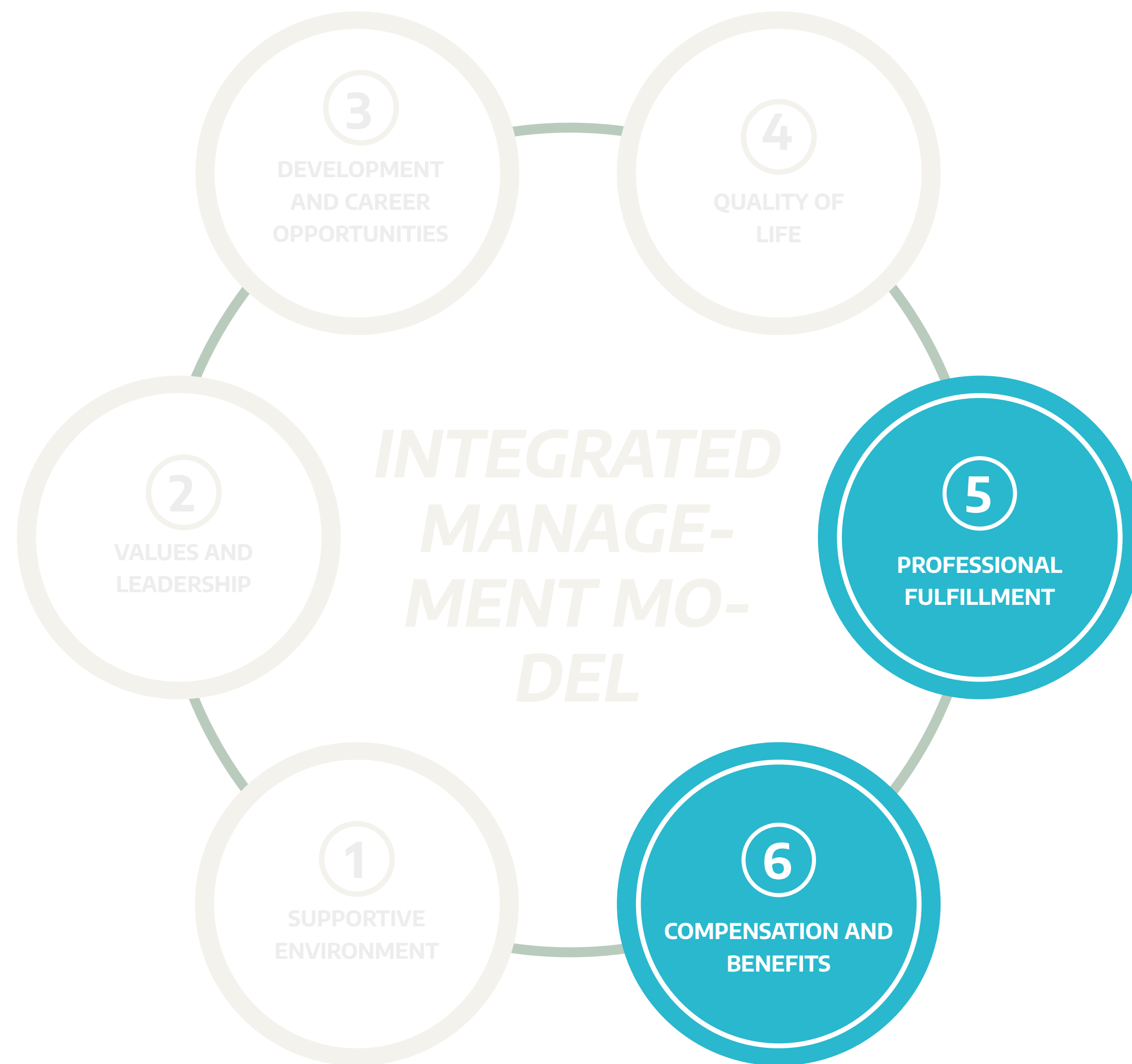
3. DEVELOPMENT AND CAREER OPPORTUNITIES

In the company’s day-to-day activities, we want to explore development opportunities so that everyone can build their own career evolution. In 2021, we were able to put into practice the complete assessment model. In the commercial area, the assessment is of the 90° type: self-assessment plus manager assessment. Each employee aligns expectations (short and medium term) with the leadership and sets up an Individual Development Plan (PDI). For leaders, the 360° assessment guarantees feedback from the manager, peers and subordinates, in addition to self-assessment. Collective workshops help define PDIs.

Throughout the year, 118 employees made their assessments on the new model. The Trilhas de Sucesso (Success Trails) program is a methodology that enables each one to identify career advancement possibilities through online simulations, since all open positions are disclosed internally. **(GRI 404-2, 404-3)**

4. QUALITY OF LIFE

We believe that quality of life is the direct result of good professional conditions: a sense of belonging and wages compatible with the market. We have to understand people’s needs, how each person connects with work, and how each part helps build the whole.



5. PROFESSIONAL FULFILLMENT

Fiagril believes in a work model in which everyone has freedom and autonomy and, at the same time, feels challenged and supported, with clear rules for performance management. This involves strengthening the culture of continuous feedback and of the definition of goals that provide clarity to the process of delivering results.

6. COMPENSATION AND BENEFITS

In 2021, we reviewed job descriptions, reviewed short-term incentives, such as the Programa de Participação nos Resultados (Results Sharing Program, PPR), which includes all employees, and started studying long-term incentives (a work that should be completed in 2022, as well as the implementation of a Private Pension Program). (GRI 2-20)

OUR EMPLOYEES

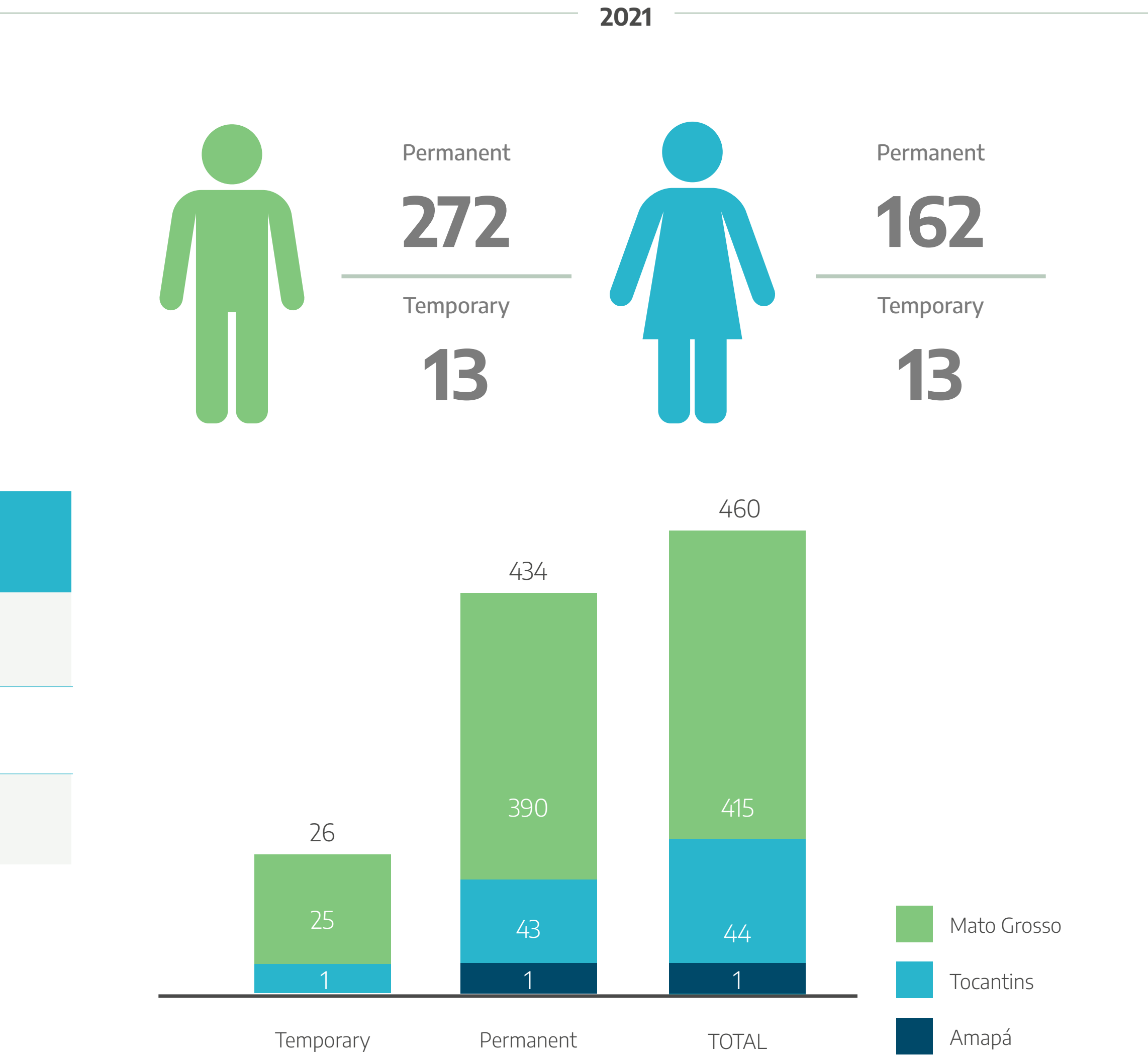
GRI 2-7, 401-1, 405-1

As of December 31, 2021, we had 415 permanent employees and 45 temporary employees, of which 285 are male and 175 are female. During the year, we had 233 people providing services to the company as outsourced workers, especially in the areas of cleaning and surveillance, as well as seasonal workers. (GRI 2-8)

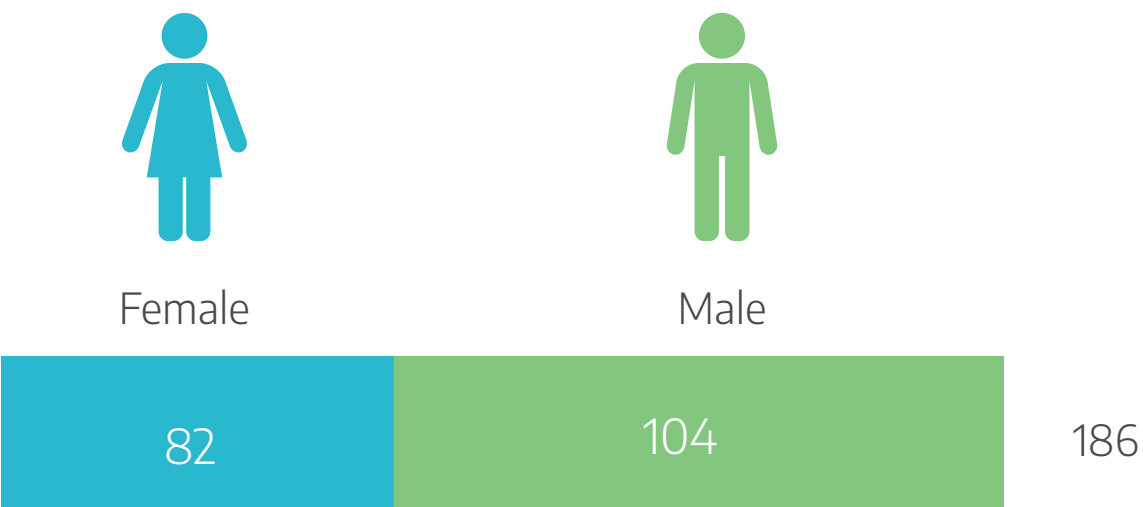
TOTAL NUMBER OF EMPLOYEES BY GENDER AND REGION - 2021

States	Male	Female	Total
Mato Grosso	255	160	415
Tocantins	29	15	44
Amapá	1	0	1
Total	285	175	460

As a calculation rationale, intern and apprentice contracts were accounted for as temporary and part-time work.



NUMBER OF NEW EMPLOYEES ADMITTED IN 2021



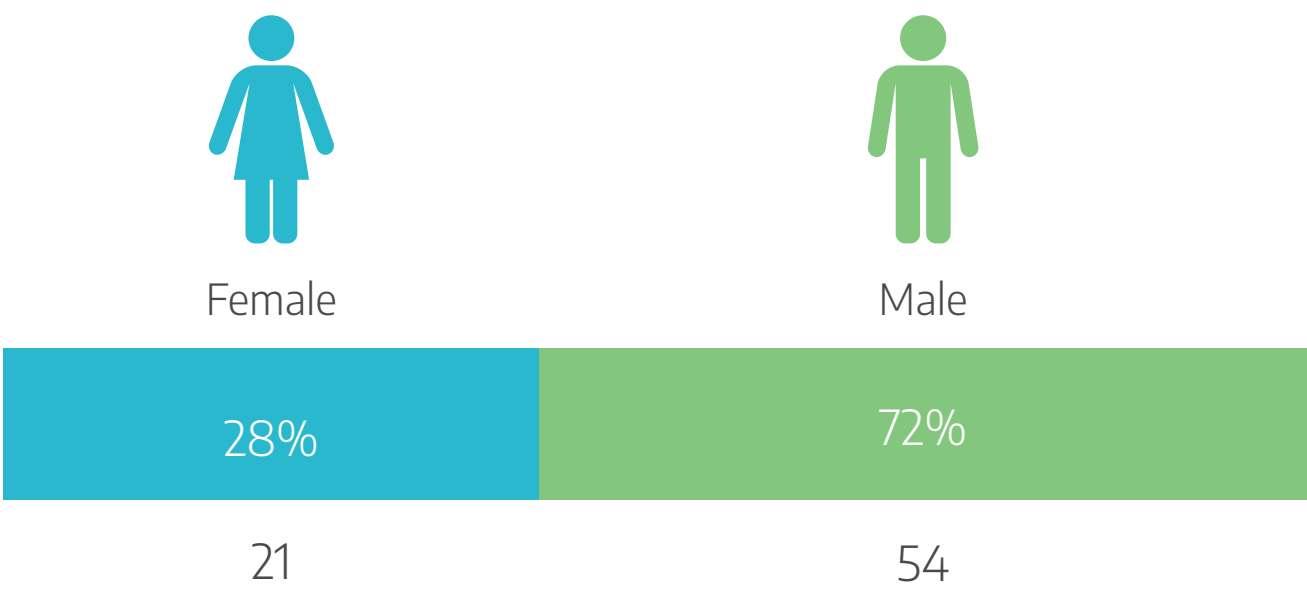
In terms of diversity, 38% of our employees across the company are female, and 28% of leadership positions are occupied by them. In 2021, we started to have a structured program for valuing diversity in the company called Incluir RH (Include HR).

Seeking to encourage paradigm shifts and open dialogue, we will conduct a census among our employees to map people with disabilities. This survey is scheduled for early 2022 and will support the program's next initiatives.

Throughout the year, there have been no records of cases of discrimination. (GRI 406-1)

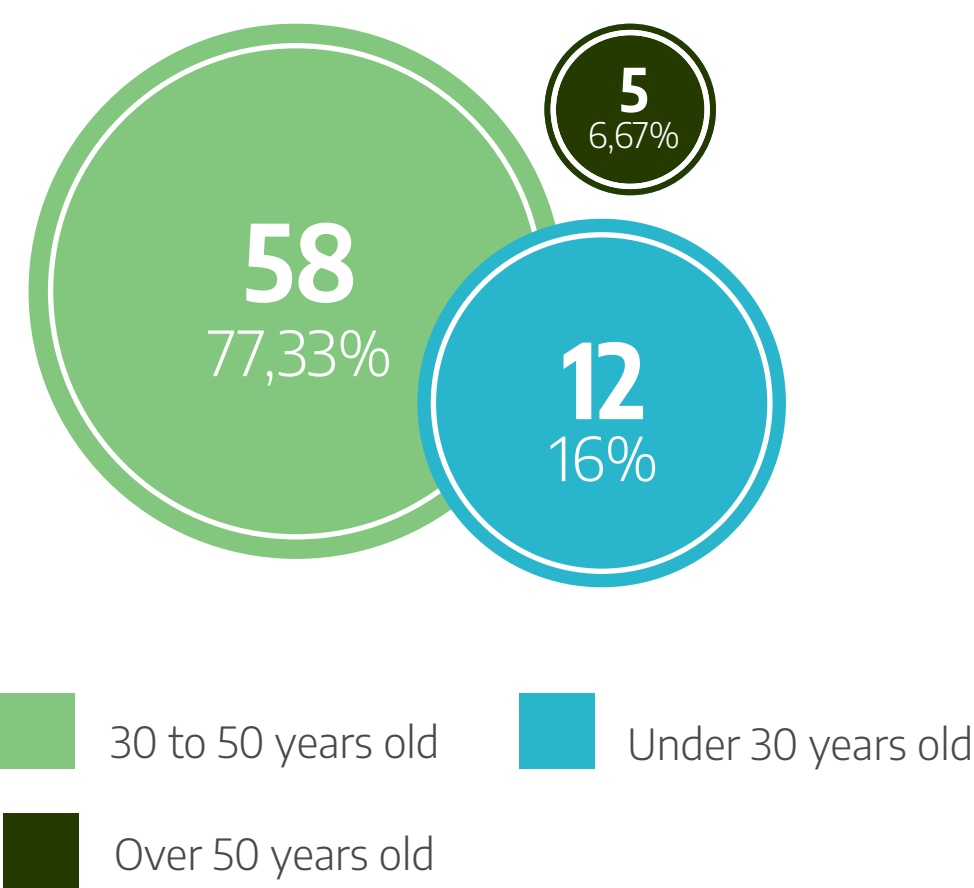


DIVERSITY IN GOVERNANCE POSITIONS (GENDER)

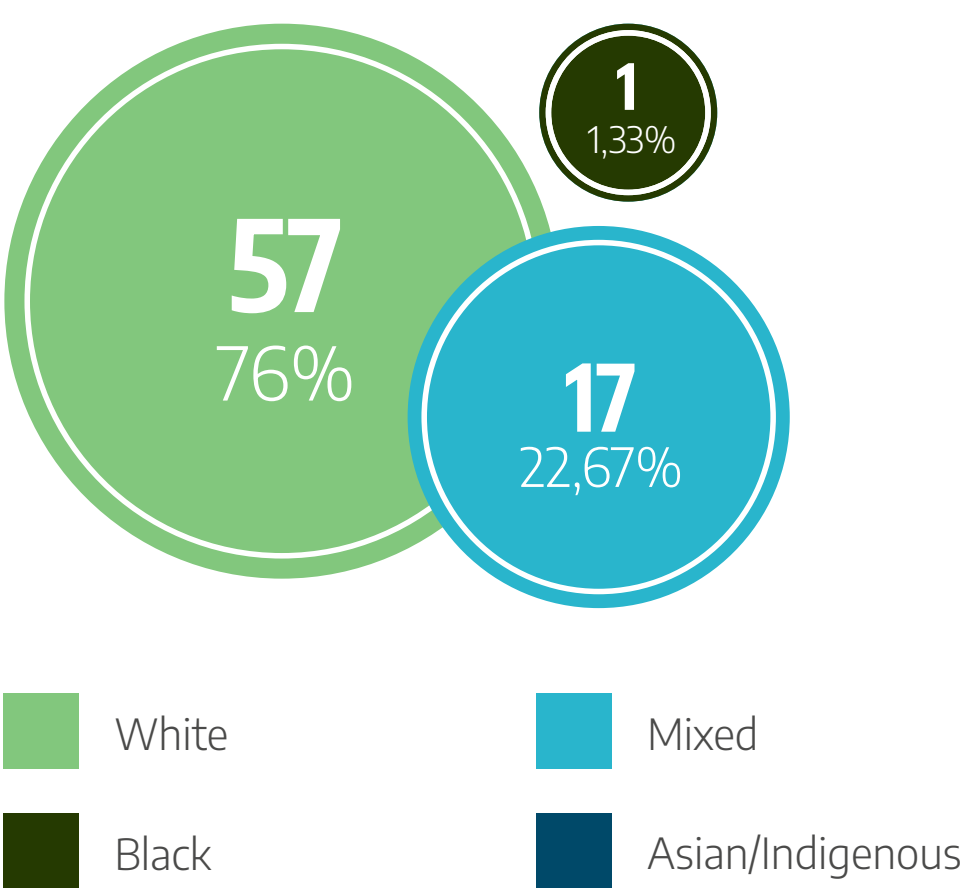


We consider as governance positions: directors, managers, coordinators and supervisors.

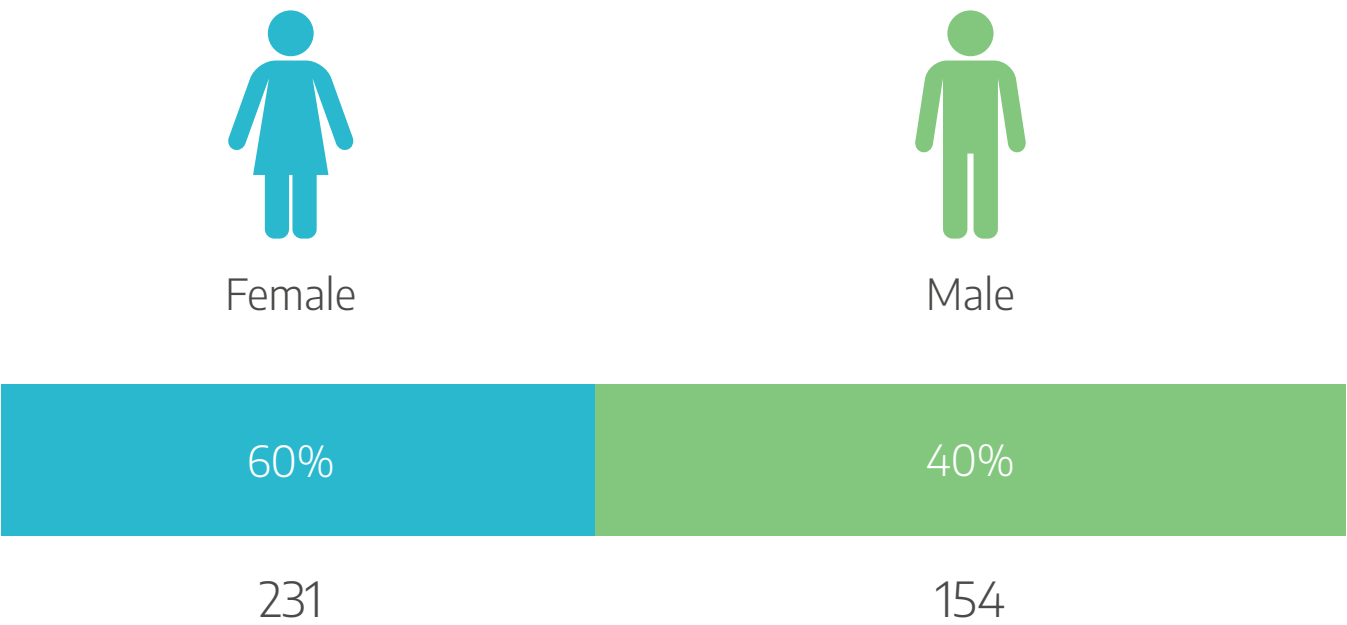
DIVERSITY IN GOVERNANCE POSITIONS (AGE GROUP)



DIVERSITY IN GOVERNANCE POSITIONS (ETHNIC-RACIAL)



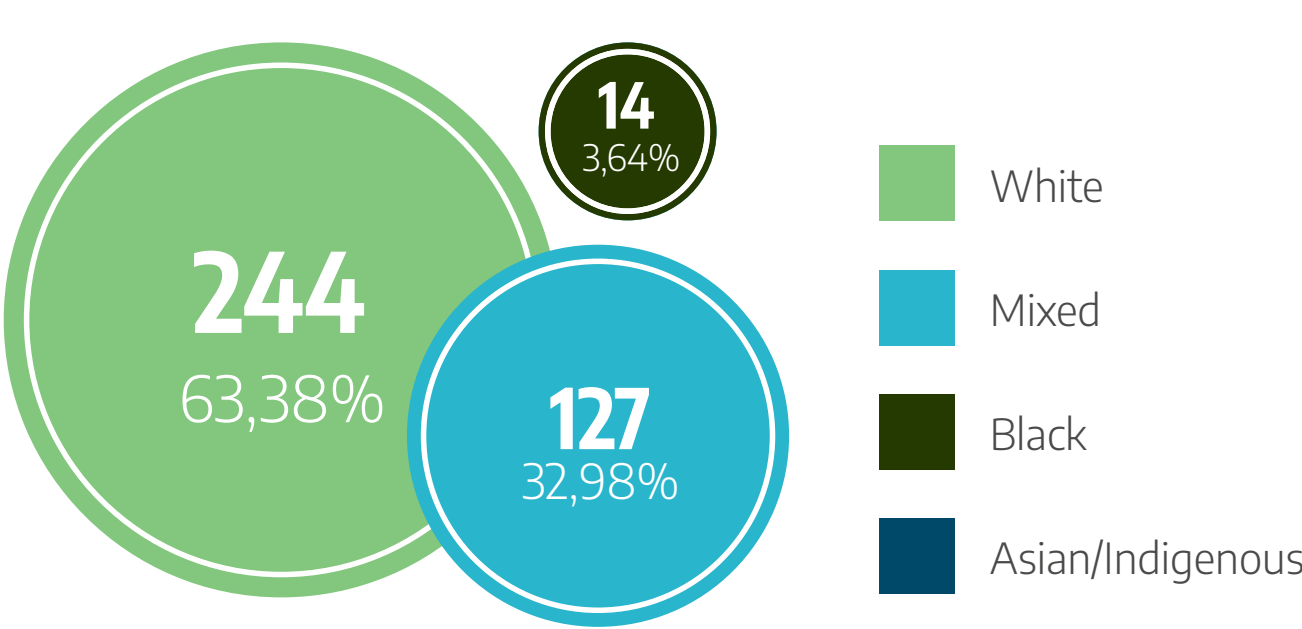
DIVERSITY IN FUNCTIONAL POSITIONS (GENDER)



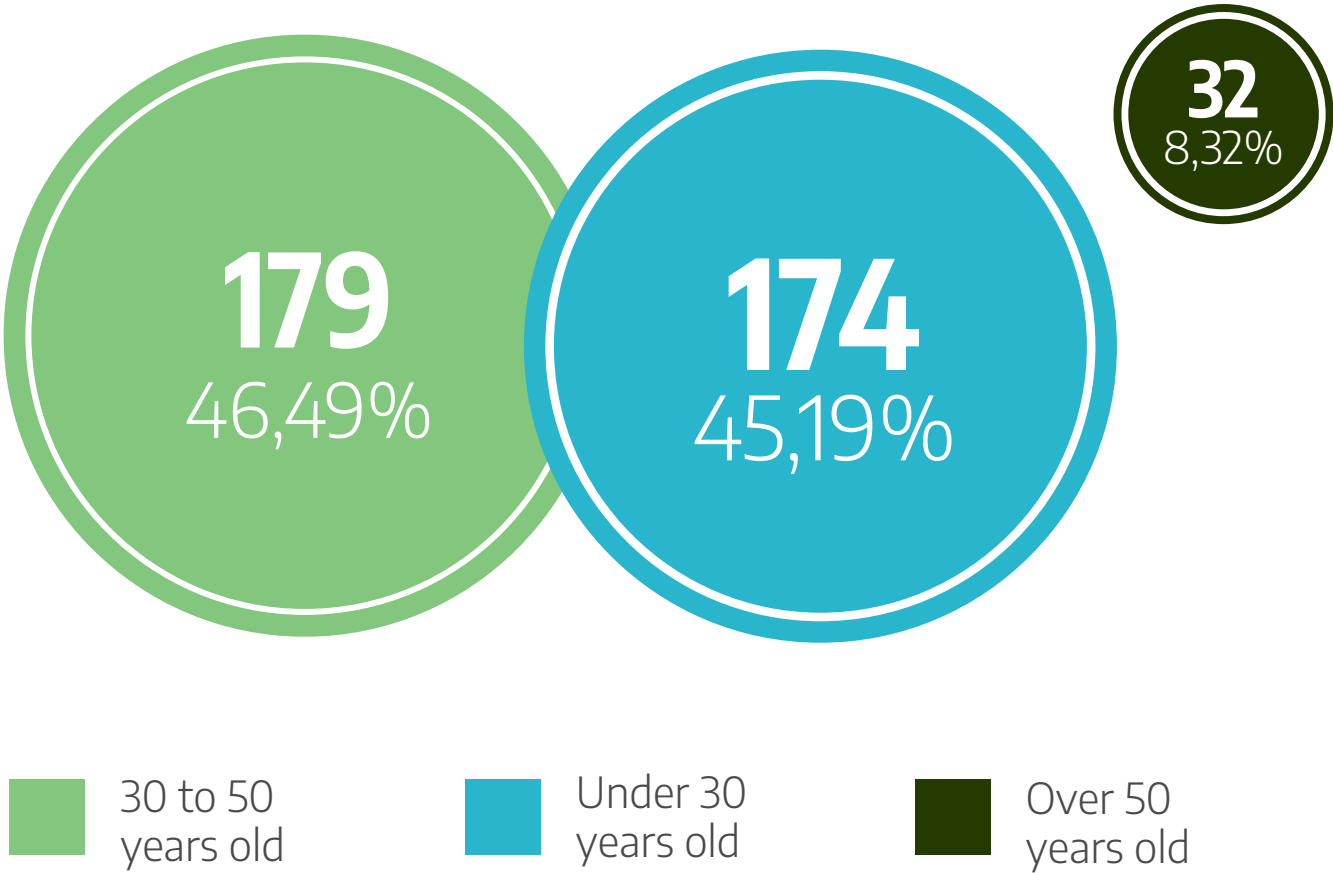
We consider as functional positions: all except governance positions.

In 2021, seven female employees took maternity leave and ten male employees took paternity leave. All returned to work, and only one man left the company shortly afterwards. Thus, the retention rate was 94.11%. It is also worth noting that all our employees are covered by collective bargaining agreements. **(GRI 2-30, 401-3)**

DIVERSITY IN FUNCTIONAL POSITIONS (ETHNIC-RACIAL)



DIVERSITY IN FUNCTIONAL POSITIONS (AGE GROUP)



INTEGRATED SYSTEMS

GRI 3-3

In 2021, we started the implementation of the Success platform, a human resources portal that integrates all of Fiagril’s systems: from recruitment to monitoring goals, from participating in training to defining the PDI.

Throughout the year, we included onboarding and payroll management on the platform, as well as the processes for opening positions, dismissals and wage changes, enabling much more agility in these processes, in addition to more information confidentiality and autonomy.



TRAINING TO GROW

GRI 404-1, 404-2, 404-3

We constantly invest in the development of employees through courses and improvement programs. In 2021, there were more than 21 thousand hours of training (resulting in an average of 47 hours per person).

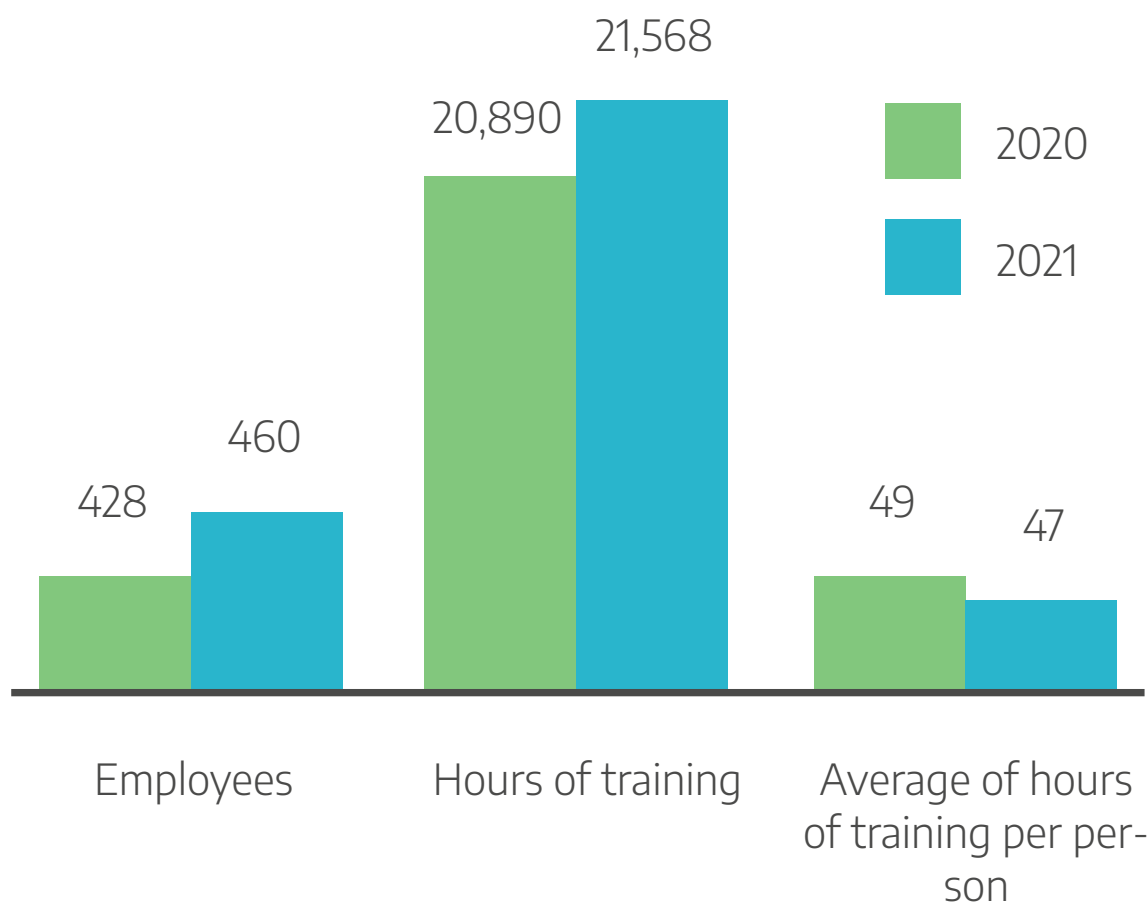
On our online training platform, Integra Mais (Integrate More), we provide more than 100 training courses, which can also be carried out via cell phone and at stations located at the branches.

For sales consultants, in 2021 we carried out the Treinamento Técnico (Technical Training) Fiagril Online, in partnership with Rehagro College. From March to December 2021, our students had video classes, live online classes and assessment activities, totaling 150 hours.

With the Sou Líder (I’m a Leader) competence in mind, we developed Liderança Agro (Agro Leadership), a course to develop leadership skills. There are five modules with exclusive content, designed to support the development of managers from a personal and professional point of view. The first class started in July, with 27 participants.

Cultiva Mais (Cultivate More) connects several people management processes. The work integrates systems with the objective of creating a broad vision of the team, highlighting those that have growth potential. Its focus is to provide tools and instruments for the personal (self-knowledge) and professional (skills) development of employees.

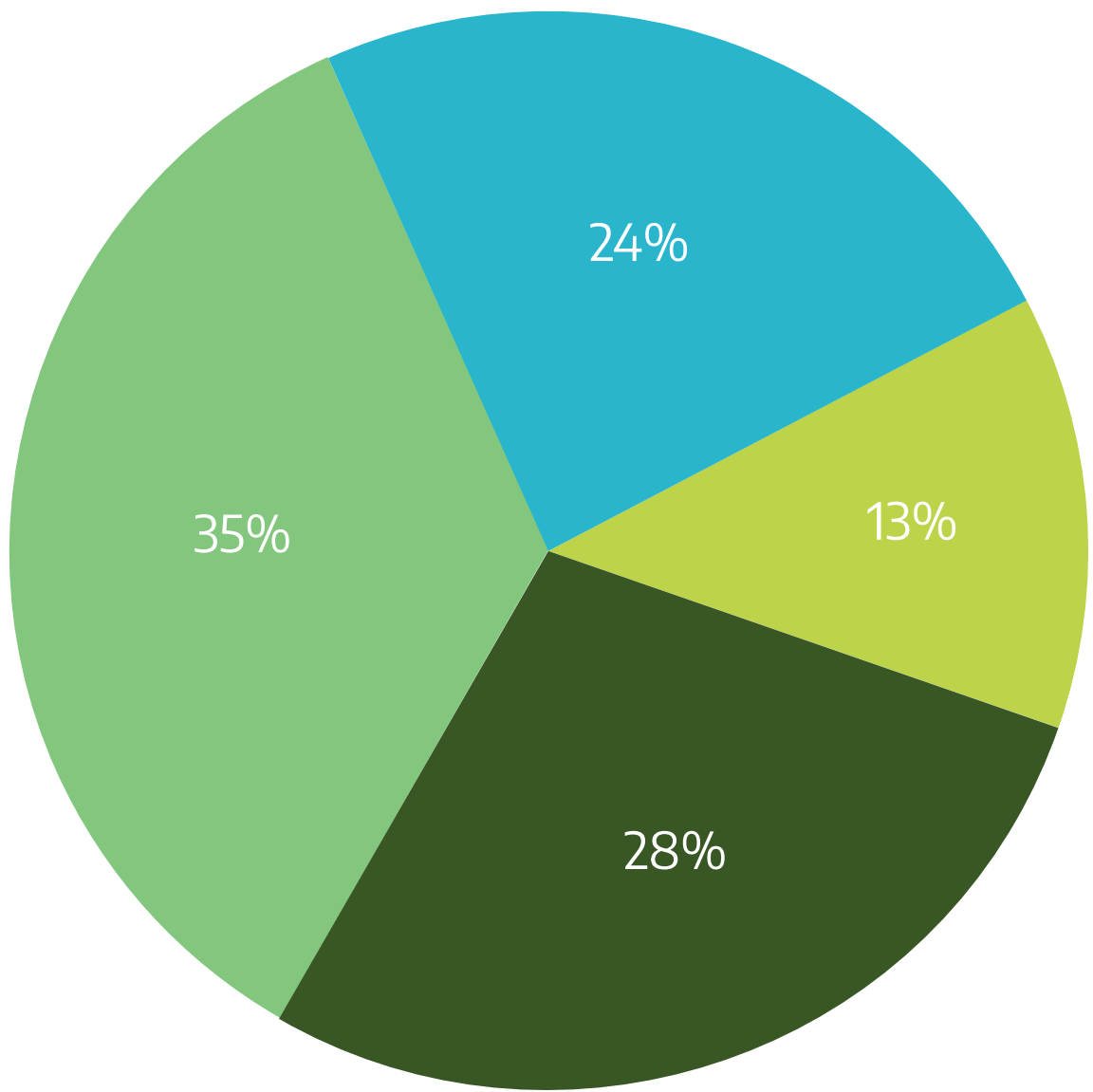
HOURS OF TRAINING



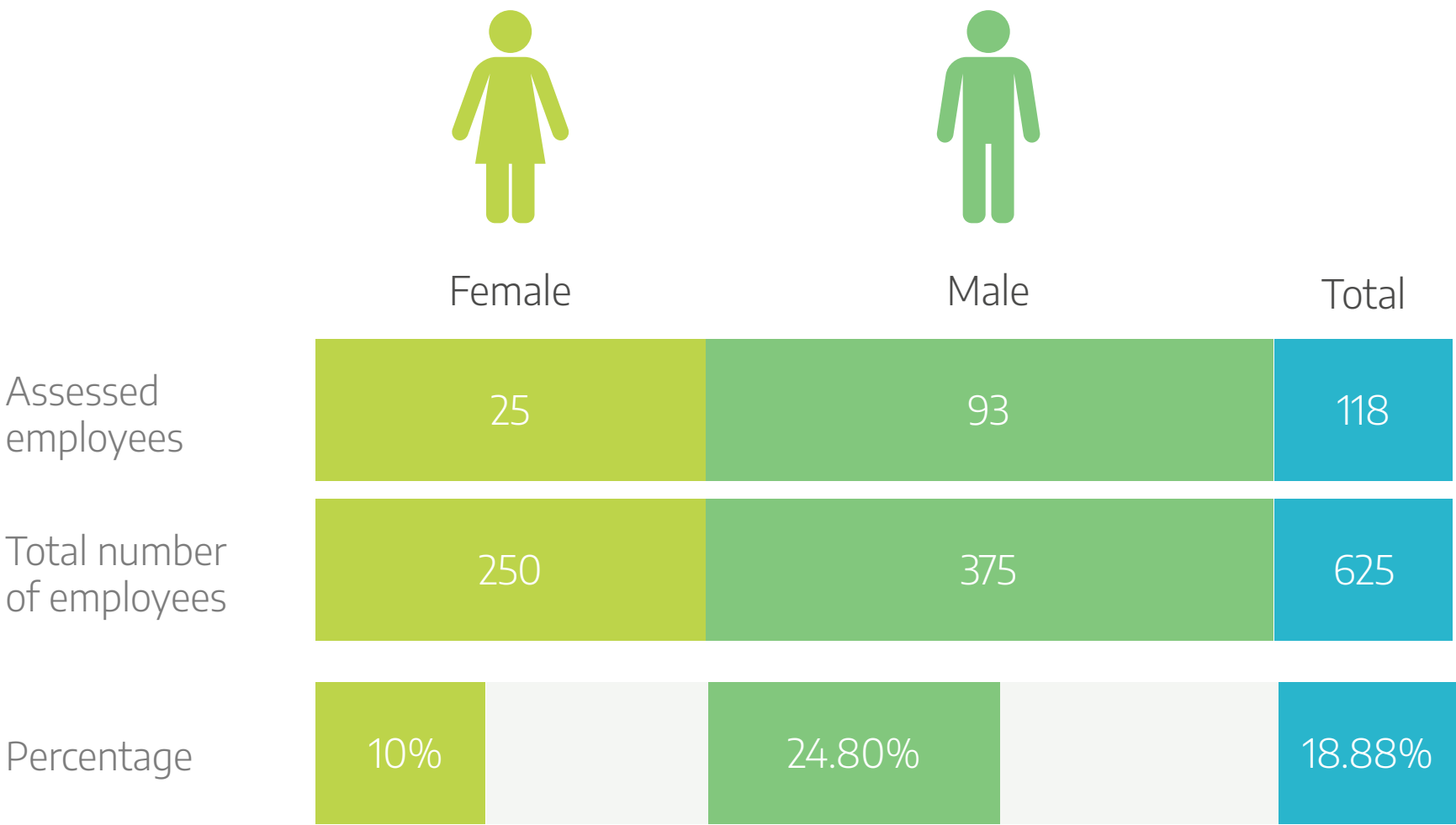
HOURS OF TRAINING PER FUNCTIONAL AREA (ABSOLUTE VALUES)

Functional area	Hours of training
Management	2,791
Administrative	7,603
Commercial	5,225
Operational	5,953
Total	21,571

HOURS OF TRAINING PER FUNCTIONAL AREA (PERCENTAGES)



TOTAL OF ASSESSED EMPLOYEES









Total number of employees = active employees on 12/31/21 + employees dismissed during 2021
Assessed Employees = assessment reports | Cultiva Mais 2021

EVERYONE TAKING CARE OF EVERYONE

GRI 403-1, 403-2, 403-3, 403-9

We regularly monitor all Occupational Health and Safety actions through internal control programs. In the Safety area, the main achievement in 2021 was the creation of the Golden Rules, with the aim of strengthening this culture in the company.

They are the following:

-  **Defensive driving:** to drive vehicles and equipment in compliance with traffic and safety legislations;
-  **Drugs and Alcohol:** to come to work outside the influence of and not carrying illegal drugs or alcoholic beverages;
-  **Accidents and incidents:** to immediately report accidents and/or incidents to the immediate superior;
-  **Health and Safety Policy:** to faithfully comply with our Health and Safety Policy;
-  **Cell phone:** not to type on the cell phone while on the move;
-  **Organization and cleanliness:** to keep workplaces clean and organized, which minimizes the risk of accidents and occupational diseases, improving productivity and quality of life.

Regarding the prevention of accidents at work, on July 27, National Day to Combat Work Accidents, we held the Parada pela Vida (Parade/Stop for Life), an online meeting with the participation of all employees. It was a time to reflect on the importance of reducing accidents in the workplace. Our biggest risk is traffic accidents, since commercial teams are always on the move. And there are also specific risks in the biodiesel plant and in the grain warehouses.

In 2021, we did not have any deaths from work accidents, only two accidents with mandatory reporting (one considered typical, of an employee working for the company, and another classified as commuting, that is, between the company and the employee's home).

Two other relevant indicators of our concern for everyone's safety are the frequency rate and the severity rate. The first represents the number of accidents per one million man-hours worked and stood at 2.33 (compared to 1.23 in 2020). The second indicates the number of days lost per one million man-hours worked and was 56 (compared to 375 in 2020). The theme of our Semana Interna de Prevenção de Acidentes (Internal Accident Prevention Week, SIPAT) was Sustainable Habits. The event brought aspects related to physical and emotional health, food and Sustainability - inside and outside the company.

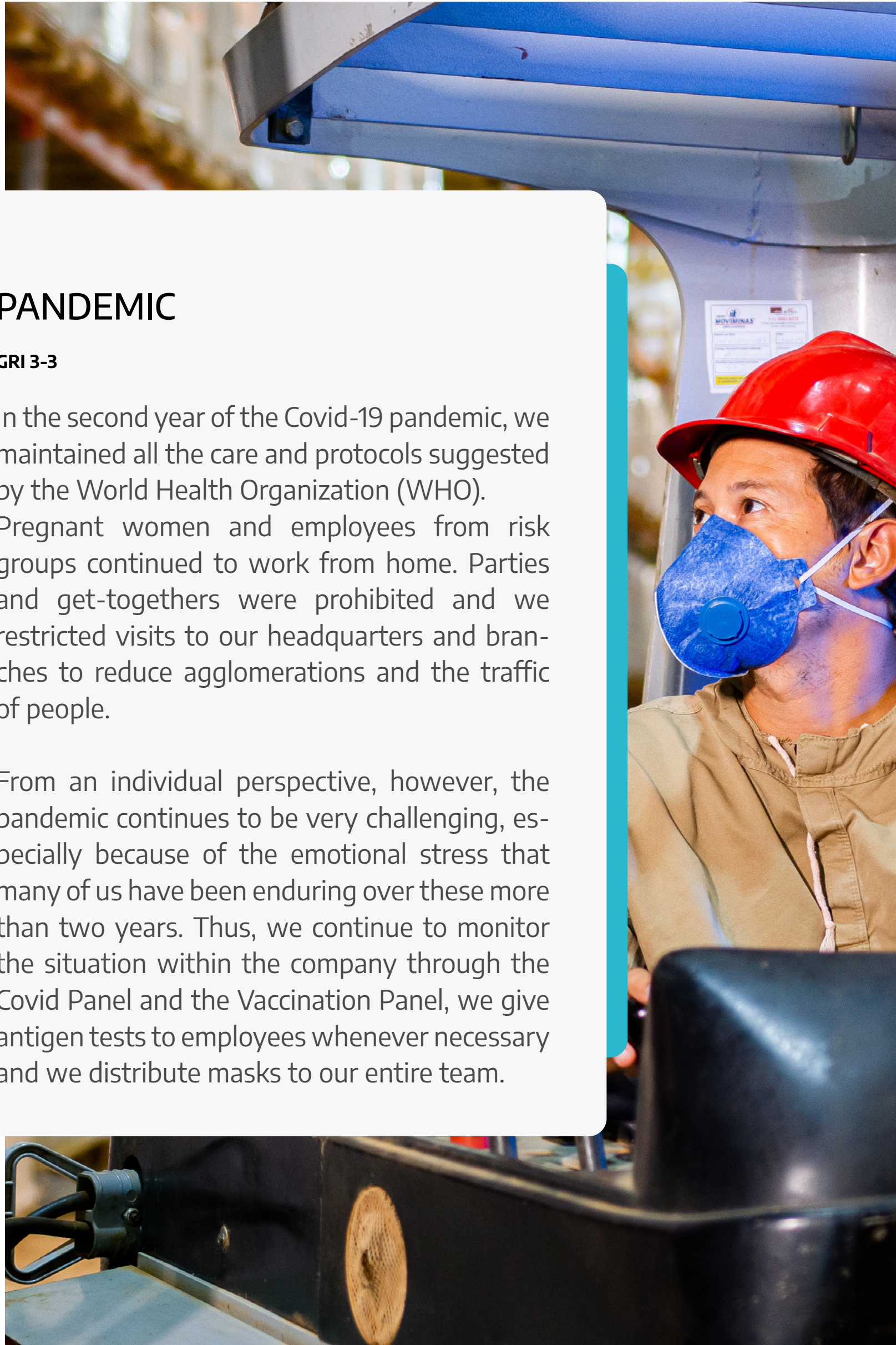


For risk assessment, incident investigation and hazard identification, the Safety area carries out inspections and produces reports, always in accordance with technical criteria. The Health area monitors occupational risks through technical reports prepared annually, which may include training sessions to eliminate these situations.

In 2021, we carried out a health mapping, including issues related to nutrition and blood glucose, among other indicators. This initiative is an offshoot of the Programa de Apoio ao Colaborador (Employee Support Program), which started in 2020. A free telephone service channel operates 24 hours a day, 7 days a week, for employees (and their dependents) interested in any type of advice, whether related to financial, legal and labor matters or for referral to social assistance services.



In 2021, 20 new cases of psychological counseling were opened. If the initial assessment concludes that the continuity of treatment is necessary, the person will be assisted by professionals associated with the company's health plan. Among the most sought after types of support are psychological counseling services and support with legal matters.



PANDEMIC

GRI 3-3

In the second year of the Covid-19 pandemic, we maintained all the care and protocols suggested by the World Health Organization (WHO). Pregnant women and employees from risk groups continued to work from home. Parties and get-togethers were prohibited and we restricted visits to our headquarters and branches to reduce agglomerations and the traffic of people.

From an individual perspective, however, the pandemic continues to be very challenging, especially because of the emotional stress that many of us have been enduring over these more than two years. Thus, we continue to monitor the situation within the company through the Covid Panel and the Vaccination Panel, we give antigen tests to employees whenever necessary and we distribute masks to our entire team.

SOCIO- ENVIRONMENTAL MANAGEMENT



RESPONSIBLE ACTION

GRI 3-3

We understand that Sustainability is a key element for the consolidation of our operations and for maintaining our competitiveness in the market. Thus, we seek to act responsibly, ethically and transparently to contribute to the development of the regions where we are present.

Our activity is closely linked with climate issues, which are so present in the news and in everyone's concerns. Rural growers depend on suitable conditions for good crop performance. Therefore, the management of natural resources is essential. Before granting financing to rural growers, we carry out socio-environmental analyses of their properties. For the purchase of grains, all

suppliers of the Barter modality have their properties analyzed, while for the other modalities the analysis is performed at the CPF level, but we have plans to expand the detailed analysis to all grain suppliers. **(GRI 308-1, 414-1)**

In addition, we are signatories (since 2012) of the Pacto da Moratória da Soja (Soy Moratorium Pact), which provides (since July 2008) for zero deforestation in the Amazon biome. And we joined the Global Compact, a United Nations initiative for sustainable development. Our objective is to contribute to the preservation of the biomes in which we operate.

In the day-to-day activities, we monitor operating licenses and

control the conditions for our three business lines (inputs, origination and biodiesel). All these documents are stored in a management platform. Our technical sales consultants guide growers on best management practices, providing better soil conservation, resource optimization and pest management. Participation in the Moratória da Soja, with an annual external audit, guarantees the socio-environmental compliance of our soybean acquisition.

In view of the benefits that sustainable practices in agribusiness generate for the entire production chain, we are also associated with reception centers for empty pesticide containers in each municipality where we are present, in order to carry

out reverse logistics and avoid contamination of the soil or springs. There is a strict procedure for purchasing, checking and receiving these goods for inspection regarding damaged packaging, expiration date and batch. Our businesses have a minimal impact on the environment and biodiversity. All are properly licensed and have the necessary mitigation measures in place. **(GRI 304-2)**



KEEPING AN EYE ON GREENHOUSE GASES

GRI 3-3

Many see agribusiness as one of the villains of greenhouse gas (GHG) emissions. However, the use of conservation management techniques, such as the Sistema de Plantio Direto (No-Tillage System, SPD) and crop-livestock integration, have the capacity to reverse this situation and transform the agricultural sector into a sequester of atmospheric carbon dioxide. Soil plays a crucial role in the total carbon balance, since the stock of this gas in the soil is up to three times greater than the stock of all vegetation and twice that of the stock in the atmosphere.

In 2021, we did not carry out a GHG inventory or measured the company's emissions. We know that our partners plant around 650 thousand hectares using SPD, which represents a carbon sequestration (in the soil) of 149,500 tonnes per year in the areas served. In addition, the no-till model prevents erosion and saves between 60% and 70% in fuel consumption, which reduces GHG emissions compared to conventional cultivation.



SUCCESSFUL PARTNERSHIPS

GRI 3-3

The De Olho no Óleo (An Eye on the Oil) project is a partnership signed in 2021 between Fiagril, the municipality of Lucas do Rio Verde (MT) and the local Association of Collectors of Recyclable Materials (Arcolucas) with the aim of recycling used cooking oil from households and reuse it at the company’s biodiesel plant. In addition to becoming a sustainable energy source, capable of replacing fossil fuels, the initiative is a great example of reverse logistics.

The collectors receive up to R\$ 2 per liter collected (it is known that each liter of used oil can pollute up to 20 thousand liters of water, preventing the oxygenation of the water tables).

Instead of being thrown into sinks and drains, with the risk of clogging the pipes, the material is first filtered at the cooperative itself (in equipment donated by Fiagril), before being taken to the plant.

As the project started in the second half of the year, in 2021 there was no volume to start production, however the expectation for 2022 is great.

STRENGTHENING FAMILY FARMING

Our biodiesel plant has the Selo Combustível Social (Social Biofuel Seal), which the federal government grants to companies that promote the productive inclusion of farmers included in the Programa Nacional de Fortalecimento da Agricultura Familiar (National Program for Strengthening Family Agriculture, PRONAF). In addition to buying soybeans, corn and cotton in Mato Grosso, we purchase dried coconuts from the Cooperativa de Agricultores Qualificados de Alagoas (Cooperative of Qualified Farmers of Alagoas, COOPAQ).

In September, three of our employees visited rural Alagoas to meet the families that receive technical assistance from our teams. In a region that thrives on tourism, this initiative is extremely relevant to increase the population’s income and offer better living conditions for all.



WASTE MANAGEMENT

GRI 3-3, 306-3

We carry out waste collection in all our units and give it a responsible destination. There is minimal generation of contaminated waste. For this reason, this specific collection is carried out annually (and bi-annually at the biodiesel plant). The collection, transport and final destination are under the responsibility of an outsourced company, which acts in accordance with current legislation. In 2021, we implemented waste sorting at the headquarters, with bins positioned in strategic locations, and employee awareness actions. The municipality of Cuiabá (MT) carries out the selective collection. The total volume of waste generated is demonstrated in the table. They were sorted in accordance with IBAMA's Nor-

mative Instruction No. 13, of 12/18/2012. They were quantified by units (light bulbs) and by weight.

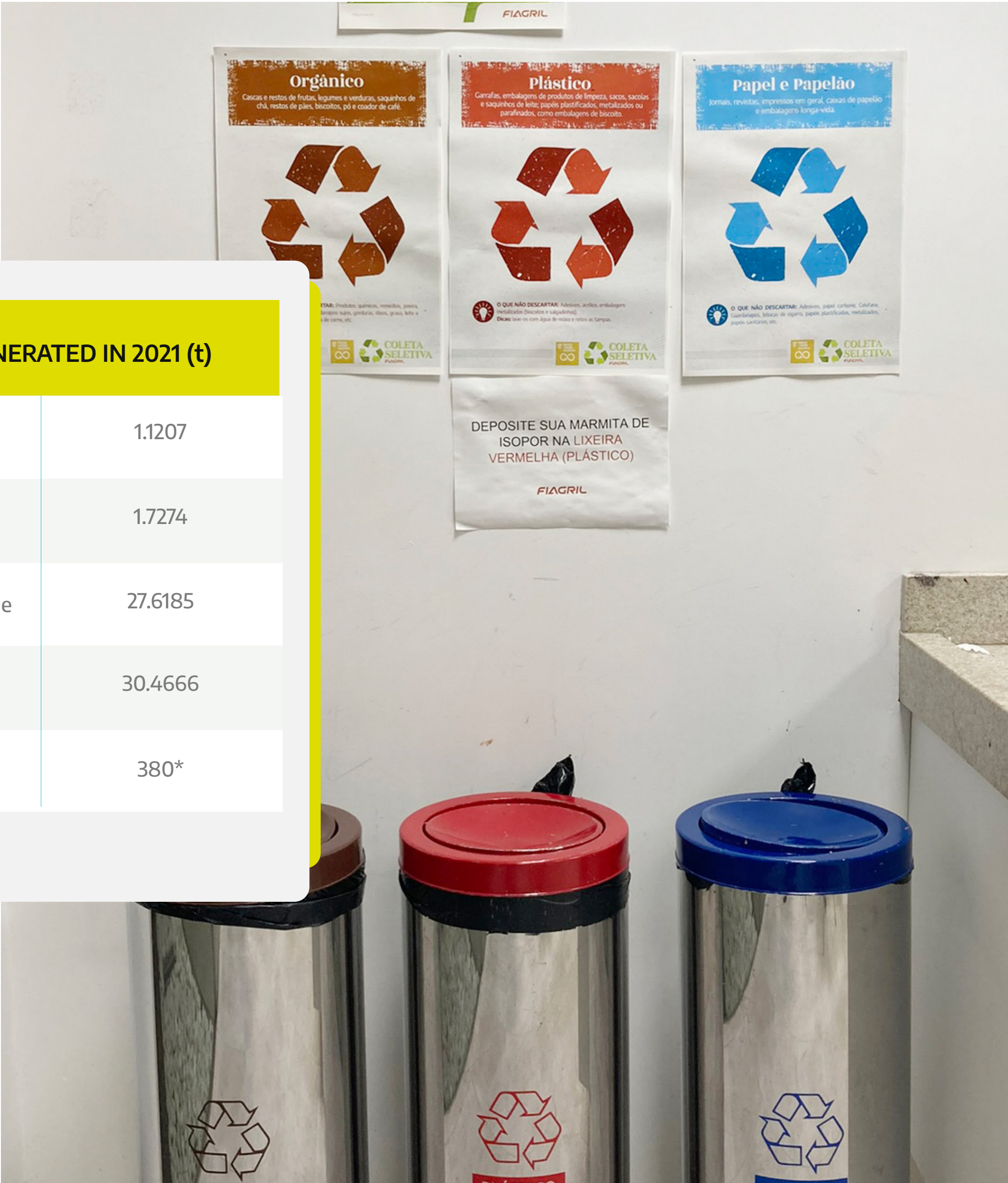
Examples of recyclable waste are paper, cardboard, and plastic. So-called hazardous waste includes light bulbs, contaminated sawdust, personal protective equipment (PPE), cells and batteries, computer scrap, packaging containing (or contaminated by) residues of hazardous substances.

The waste under the responsibility of the municipality is all generated in the office, such as food scraps, toilet paper, bottles, cups, broken glass, paper, plastic, boxes and other packaging.

WASTE GENERATED IN 2021 (t)

Recyclable waste	1.1207
Hazardous waste	1.7274
Waste under the responsibility of the municipality	27.6185
Total waste	30.4666
Light bulbs	380*

*Measured by units



WATER AND EFFLUENT MANAGEMENT

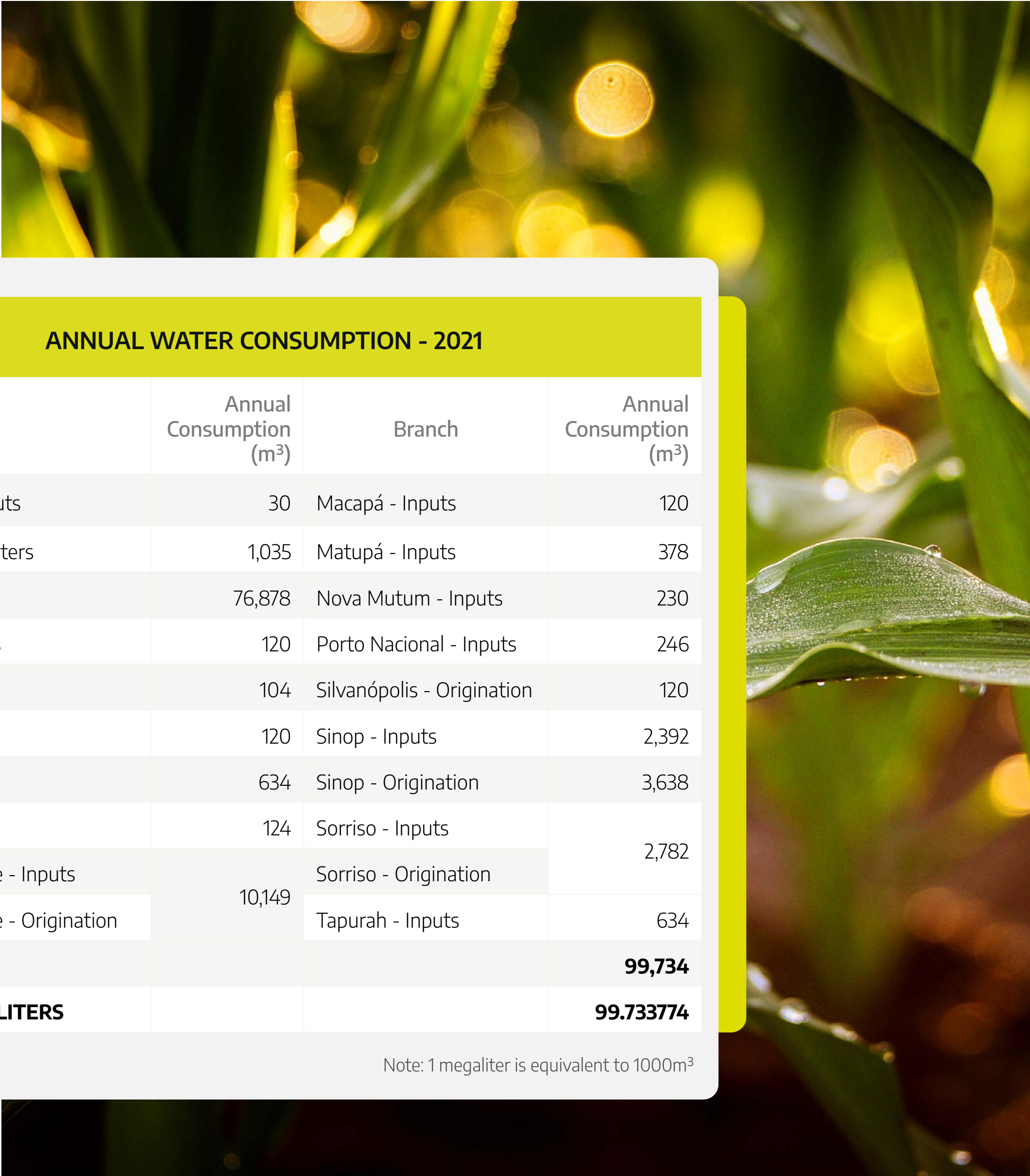
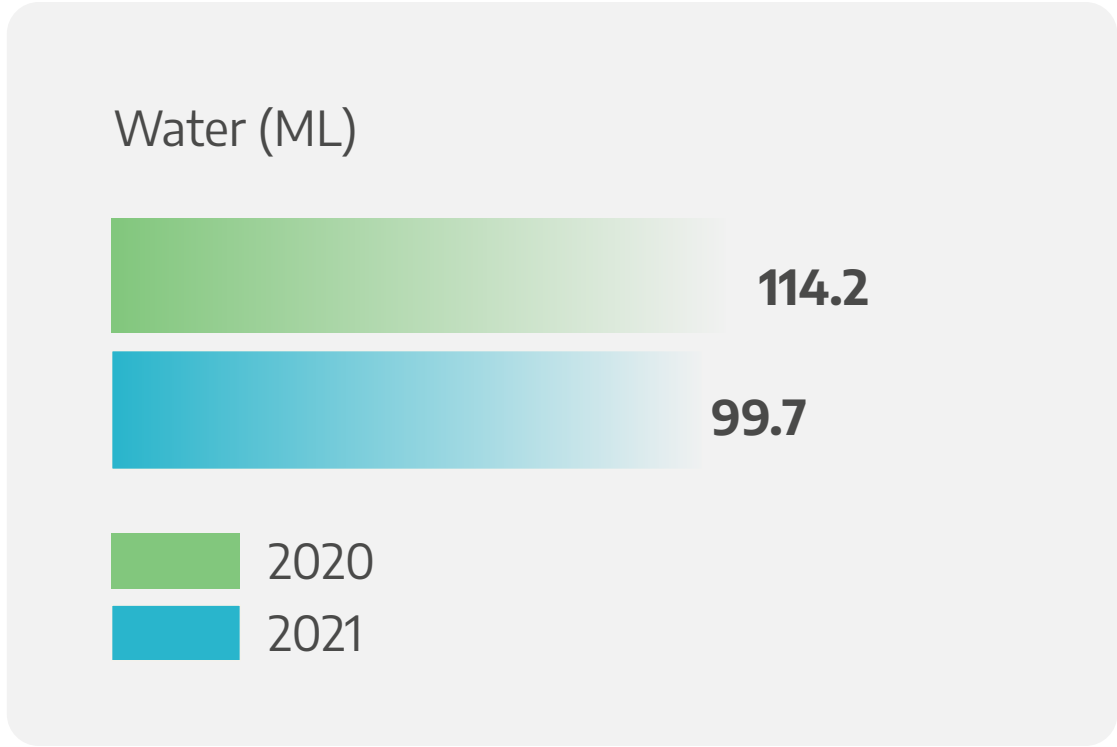
GRI 3-3, 303-5

In 2021, the total consumption of water in all our units reached almost 100 megalitres, as shown in the table. This number was obtained by reading the water meters at the branches where we have wells and by summing the invoices at the addresses where the distribution is carried out by the municipality. None of our facilities are located in regions with water stress. In 2020, consumption had been 114 megalitres and this reduction is due to the drop in biodiesel production.

All wells are duly regulated and authorized by the responsible bodies, either through the grant documentation or through registration, depending on the volume of water to be collected. In addition, we carry out an annual analysis of

the water, thus attesting to its potability. If any parameter is out of the recommended, we take the relevant measures to resolve the problem.

At the biodiesel plant, which uses water in its production process, there is no reuse. The effluents undergo the appropriate treatments and analyses for reuse in fertigation. In our operations, there is no discharge of effluents into water bodies and we did not record, in 2021, any significant leakage.



ANNUAL WATER CONSUMPTION - 2021

Branch	Annual Consumption (m³)	Branch	Annual Consumption (m³)
Alta Floresta - Inputs	30	Macapá - Inputs	120
Cuiabá - Headquarters	1,035	Matupá - Inputs	378
Biodiesel Plant	76,878	Nova Mutum - Inputs	230
Feliz Natal - Inputs	120	Porto Nacional - Inputs	246
Guaraí - Inputs	104	Silvanópolis - Origination	120
Gurupi - Inputs	120	Sinop - Inputs	2,392
Ipiranga - Inputs	634	Sinop - Origination	3,638
Juara - Inputs	124	Sorriso - Inputs	2,782
Lucas do Rio Verde - Inputs	10,149	Sorriso - Origination	
Lucas do Rio Verde - Origination		Tapurah - Inputs	634
TOTAL			99,734
TOTAL IN MEGALITERS			99.733774

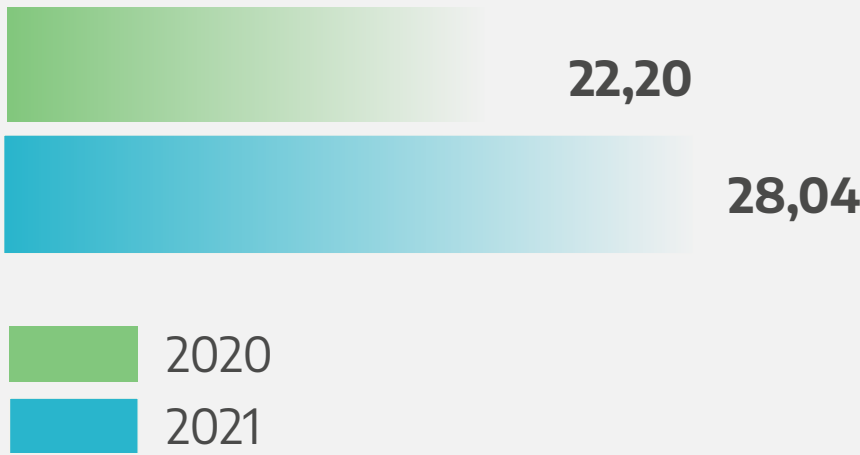
Note: 1 megaliter is equivalent to 1000m³

ENERGY CONSUMPTION

GRI 3-3, 302-1

In 2021, the total consumption of electricity at our units reached just over 28 million MJ (equivalent to 7.8 million kWh), as shown in the table. The electricity comes from the municipal distribution networks and the sum was obtained from monthly consumption bills.

Electricity (MJ)



ANNUAL ELECTRICITY CONSUMPTION - 2021

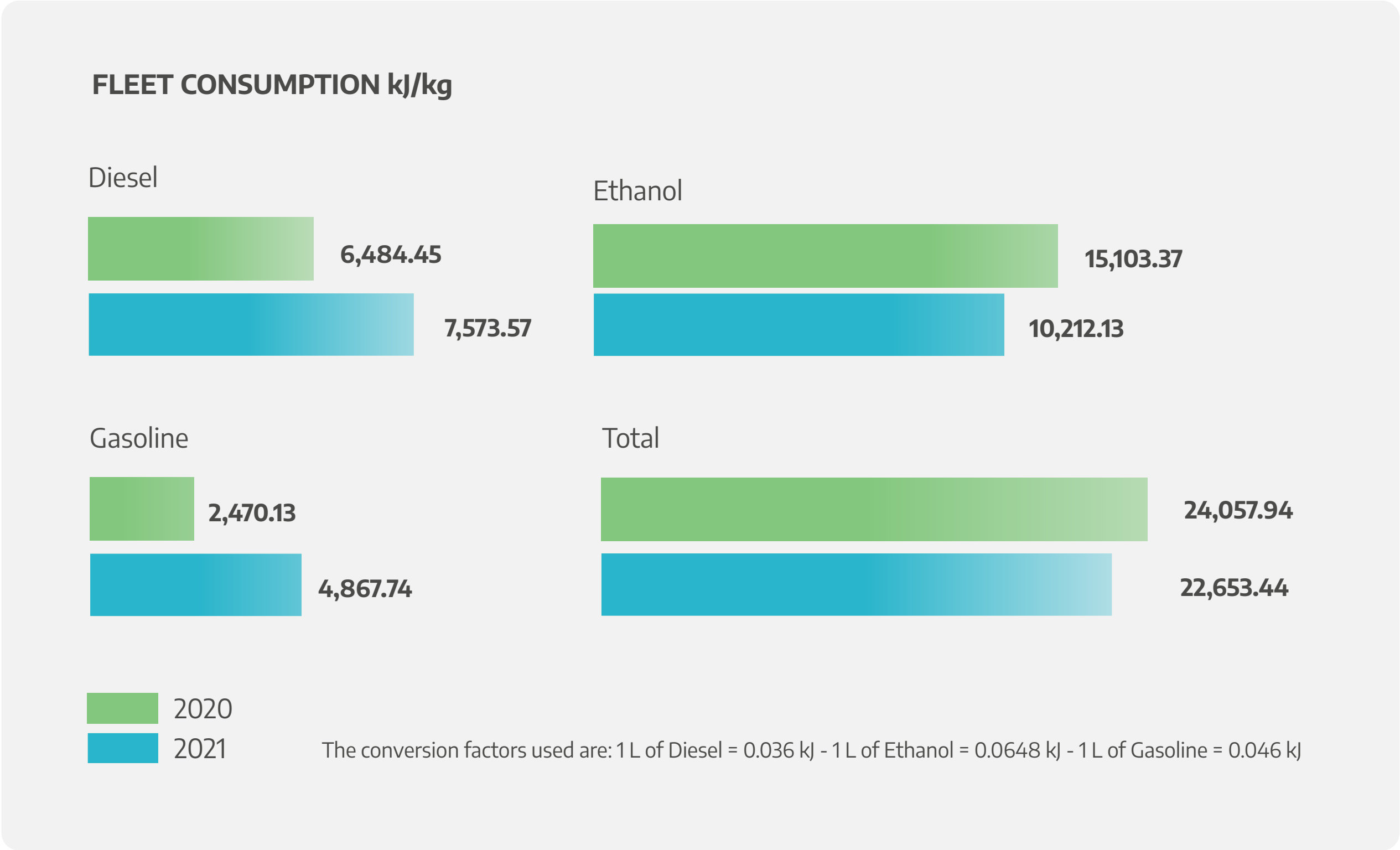
Branch	Annual Consumption (kWh)	Branch	Annual Consumption (kWh)
Alta Floresta - Inputs	6,550	Macapá - Inputs	9,478
Cuiabá - Headquarters	245,139	Matupá - Inputs	36,220
Biodiesel Plant	3,741,342	Nova Mutum - Inputs	50,638
Feliz Natal - Inputs	24,376	Porto Nacional - Inputs	56,711
Guaraí - Inputs	12,478	Silvanópolis - Origination	520,800
Gurupi - Inputs	16,822	Sinop - Inputs	41,514
Ipiranga - Inputs	26,824	Sinop - Origination	462,420
Juara - Inputs	16,987	Sorriso - Inputs	1,111,600
Lucas do Rio Verde - Inputs	26,897	Sorriso - Origination	
Lucas do Rio Verde - Origination and CD	1,356,400	Tapurah - Inputs	26,824
TOTAL			7,790,020
TOTAL IN MJ			28,044,072

Note: 1 kWh is equivalent to 3.6 MJ

ENERGY CONSUMPTION

GRI 3-3, 302-1

In terms of fuel consumption, our fleet of 127 vehicles is mostly made up of flex-fuel models and employees are advised to refuel preferentially with ethanol, a renewable and clean energy source. During 2021, our total consumption reached more than 22 thousand kJ, as shown in the infographic. Compared to 2020, this volume was reduced by almost 10% thanks to the opening of new branches - which lets our consultants travel shorter distances to reach customers.

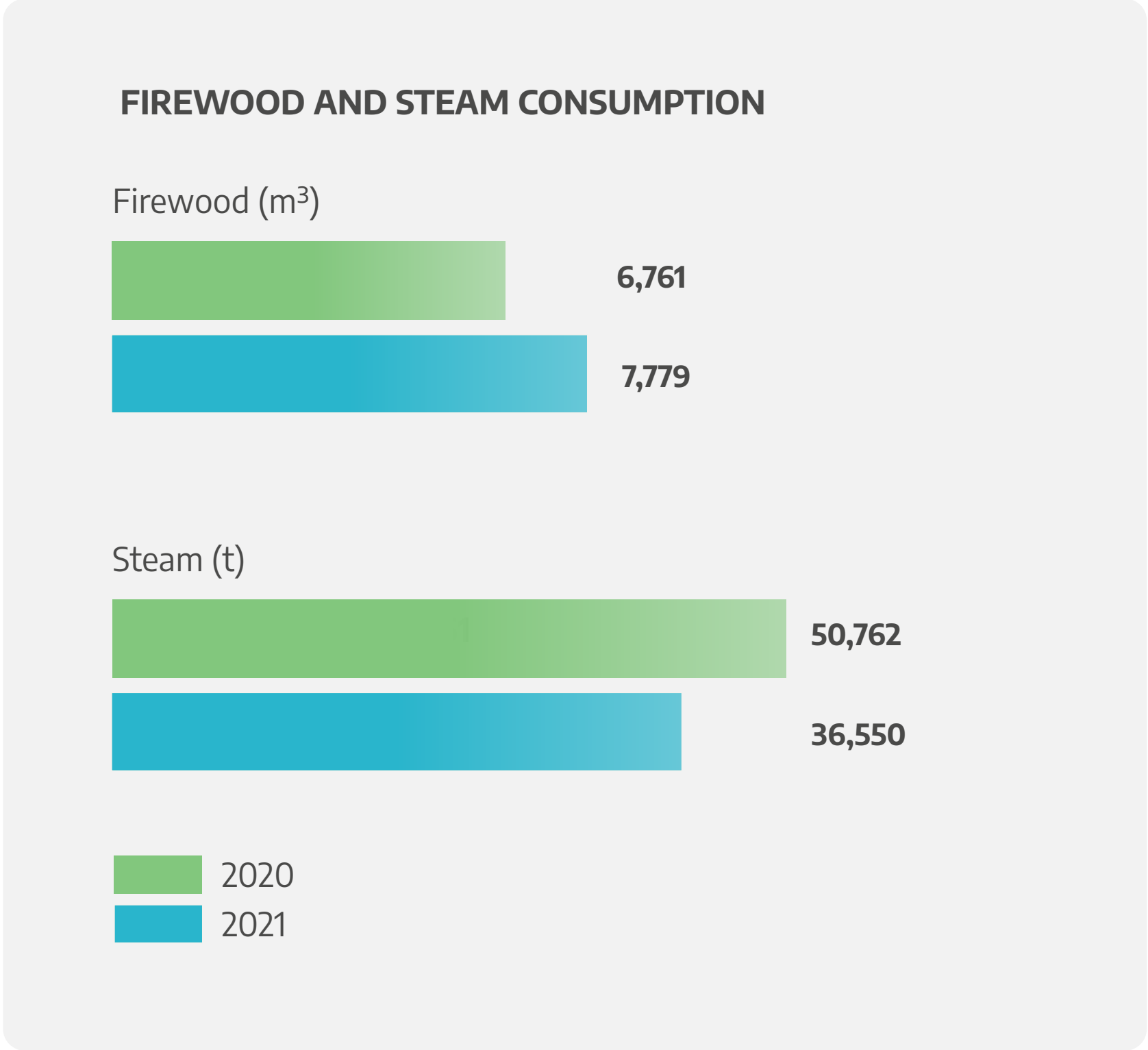


ENERGY CONSUMPTION

GRI 3-3, 302-1

In our Lucas do Rio Verde, Sorriso and Sinop warehouses, in Mato Grosso, we use wood residues as a source of heat for drying grains. These residues are sold through the Sistema de Cadastro de Consumidores de Produtos Florestais (Forest Products Consumer Registration System, CC-SEMA), which regulates and checks the produce traceability, attesting that they do not come from illegal exploitation. At the origination branch in Silvanópolis (TO), we use eucalyptus as an energy source for drying the grains. What directly influences the consumption of firewood in our warehouses is the humidity conditions of the grains we receive. The more humid, the more firewood is needed to dry them and reach the 14% standard. In the 2020/2021 harvest, despite having originated a lower volume than in the previous period, the rain at the time of harvest was less favorable for growers to deliver grains at lower humidity. Therefore, we increased the total amount of firewood used in dryers and warehouses from 6,761 to 7,779 cubic meters.

For the biodiesel plant, we bought steam from a neighboring company, which produces corn ethanol and derivatives. It is piped to our plant. Thus, we reinforce partnerships with the bio-fuels chain, making it even more sustainable. In 2020, the volume purchased reached more than fifty thousand tonnes, a volume that dropped to 36.5 thousand tonnes in 2021 due to the drop in biodiesel production.



CONCERN WITH SOCIAL ISSUES

GRI 3-3

We believe that Private Social Investment plays an important role in favoring and qualifying the company’s approach to the community in which it operates. In 2021, we donated 300 packages of geriatric diapers to the Lar dos Idosos (Elderly Home) of Alta Floresta (MT), a municipality where we opened a branch. We also registered the donation of 14 tonnes of food (the equivalent of 1,000 basic grocery baskets) to social organizations that operate in the cities where we have branches in the states of Mato Grosso, Tocantins and Amapá. In total, seventeen social organizations were awarded in the municipalities of Cuiabá, Sinop, Ipiranga do Norte, Feliz Natal, Nova Mutum, Juara, Sorriso, Tapurah, Lucas do Rio Verde and Matupá (MT), Macapá (AP), Guaraí, Porto Nacional,

Silvanópolis and Gurupi (TO). We still deliver masks to underprivileged children and children of employees. Currently, donations are approved in accordance with our Sponsorship Policy.

We know that a well-articulated social investment strategy can foster a dynamic and innovative environment for the company. For this reason, one of the goals for the coming years is to carry out more in-depth surveys of the impacts of our operations in order to design more structured actions. The objective is to create guidelines to support social actions, elaborate a Private Social Investment Policy, build indicators that prove the effectiveness of these initiatives and define a specific budget for this.

SUPPORT FOR THE CREATION OF A SOCCER SCHOOL

With the objective of contributing to the improvement of the quality of life and the citizenship formation of children and young people, we supported the creation of the Soccer School of Luverdense Esporte Clube (LEC), the main team of Lucas do Rio Verde, the city where Fiagril was born. About three hundred children and adolescents between 7 and 15 years old participate in the project. Through sport practice, it is possible to work on discipline, respect for others and social integration. Luverdense was founded in 2004 and has three state titles in Mato Grosso, in addition to having played in the Série B (Series B, second division) of the Brazilian Championship between 2014 and 2017. Fiagril has been one of the team’s sponsors since that time.



OPPORTUNITIES AND CHALLENGES



In this chapter, we present the actions carried out in 2021 and the main evolution of each of our perspectives for the period from 2021 to 2025, outlined in the seven major themes: Institutional, Commitment to Sustainability, Inputs, Origination, Biodiesel, Technological Innovations and People Management.

INSTITUTIONAL			
2021-2025 PERSPECTIVE	ACTIONS CARRIED OUT 2021	EVOLUTIONS ACHIEVED	SDG
Consolidation of the restructured company's image;	Launch of our purpose and style. Renovation of the headquarters and branch frontages.	Promotion of the sense of belonging and feeling of protagonism in the employees. Promotion of important Fiagril values, such as companionship and modernization, with regard to the external audience.	8
Growth with profitability;	Gross revenue increase, reaching R\$ 3.8 billion.	65% increase compared to 2019 and of 15.1% compared to 2020.	8
Opening of new branches;	Opening of the Alta Floresta (MT) branch.	Operational expansion into one of the most important federative units in terms of national agribusiness.	89
Increase in the number of customers and market share;	Implementation of the segmentation program, prospection of potential customers (including by reestablishing contact with customers who bought in previous seasons), current customer loyalty marketing.	Operational expansion into one of the most important federative units in terms of national agribusiness.	8
Verticalization of biodiesel;	Development of a project aimed at building a new plant dedicated to crushing soybeans and transforming them into bran and oil.	Evolution of the medium and long term strategic plans.	713



COMMITMENT TO SUSTAINABILITY

2021-2025 PERSPECTIVE	ACTIONS CARRIED OUT 2021	EVOLUTIONS ACHIEVED	SDG
Production and distribution of socio-educational booklets for customers and employees;	Inclusion of Fiagril, in August, as a signatory of the UN Global Compact, in order to link the SDGs to our actions (such as the Health, Safety and Environment Dialogue). Implementation of waste sorting at the headquarters. Presentation of the Incluir RH (Include HR) project (to include people with disabilities in the workforce). Promotion of the lecture “Sustainability and the impact generated on business and people’s lives” during Semana Interna de Prevenção de Acidentes do Trabalho (Internal Week for the Prevention of Workplace Accidents, SIPAT).	Dissemination of knowledge and culture related to the SDGs to all employees.	<div>12</div> <div>4</div> <div>8</div>
Holding of events at the branches, highlighting the importance of Sustainability throughout the agribusiness chain;	Promotion of a meeting, in Sorriso (MT), which brought together all branch managers to encourage dialogue and knowledge about socio-environmental restrictions and the ways in which they impact the business.	Dissemination of knowledge about socio-environmental impacts in the value chain.	<div>12</div> <div>17</div>
Updating knowledge on good management practices and sustainable development;	Link to the Plataforma Ação pelo Agro Sustentável (Action for Sustainable Agro Platform), driven by adherence to the Global Compact. Participation in debates, projects and groups, such as Entre Solos (Between Soils) (a bilateral platform for dialogue with civil society on Brazilian agribusiness), Grupo de Trabalho da Soja (Soybean Work Group, GTS) and Comissão de Sustentabilidade da Associação Brasileira das Indústrias de Óleos Vegetais (ABIOVE).	Improvements in terms of engagement and processes related to socio-environmental management and monitoring.	<div>2</div> <div>12</div>
Training projects in the communities where we operate;	Visit to the Cooperativa de Agricultores Qualificados de Alagoas (Cooperative of Qualified Farmers of Alagoas, COOPAQ), a partner in the Selo Combustível Social (Social Biofuel Seal), for the social inclusion of family farmers included in the Programa Nacional de Fortalecimento da Agricultura Familiar (National Program for Strengthening Family Agriculture, PRO-NAF). Establishment of a partnership with the municipality of Lucas do Rio Verde, the local Serviço Autônomo de Água e Esgoto (Water and Sewage Public Utility, SAAE) and Arcolucas for the Projeto De Olho no Óleo (An Eye on the Oil Project), aimed at collecting used cooking oil to be transformed into biodiesel (a sustainable energy source).	Strengthening of the bond with COOPAQ and expansion of knowledge regarding the reality of the cooperative members. Joint promotion of the correct destination of cooking oil, in order to avoid soil and water contamination, also generating income for Arcolucas associates.	<div>4</div> <div>10</div>
Creation of a seal for customers who comply with the premises of Sustainability;	Registration on a geomonitoring platform of the properties of the customers to whom we grant credits, also starting the mapping of potential customers eligible for the seal.	Beginning of the Sustainability area’s participation in the credit approval flow (socio-environmental analysis of properties became a determining factor for the rating, also establishing the basis for the future granting of the seal).	<div>12</div> <div>17</div>

INPUTS

2021-2025 PERSPECTIVE

ACTIONS CARRIED OUT 2021

EVOLUTIONS ACHIEVED

SDG

Commercial expansion to new regions;

Development of a market analysis.

Opening of the Alta Floresta (MT) branch.



Strengthening bilateral trade with China with shipment of grains and receipt of inputs;

An almost 7% increase in pesticide import volume. Soybean exports to China reaching 77,382,520 kg.

Considerable increase in the volume of pesticide imports. China as the leading country in terms of soy exports.



Digital enhancement for customer relationship processes and use of digital platforms, improving the service menu;

Improvement of the Confia Tech (Trust Tech) agronomic management tool. Development of the digitization project, including construction of the grower portal.

An increase of almost 500% in the cases of technical monitoring. Greater customer adherence to the tool.



Better structure in financial solutions for clients;

Launch of the Barter Ultra tool, which enables the customer to participate in the soybean appreciation movement in the market (profit entirely destined for the grower).

12 customers signed up to this modality in this first year of Barter Ultra.



ORIGINATION			
2021-2025 PERSPECTIVE	ACTIONS CARRIED OUT 2021	EVOLUTIONS ACHIEVED	SDG
To maintain sales growth with expansion of the barter modality;	Operational executions that positively exploited the proximity of our warehouses to partner growers (greater ease for receiving, shipping and storing grains).	Decrease, in terms of volume, compared to what had been budgeted. Significant increase, however, in return compared to what had been forecast (gross revenue reached R\$ 2 billion).	8
To provide tools that grant the opportunity for greater return with the right investment and minimum price through Barter Ultra;	Launch of the Barter Ultra tool, which enables the customer to participate in the soybean appreciation movement in the market (profit entirely destined for the grower).	12 customers signed up to this modality in this first year of Barter Ultra.	812
To project the expansion of our operations in the agribusiness chain;	Opening of the Alta Floresta (MT) branch and development of an expansion project.	Increase in the number of branches.	8

BIODIESEL

2021-2025 PERSPECTIVE	ACTIONS CARRIED OUT 2021	EVOLUTIONS ACHIEVED	SDG			
To expand the diversification of alternative sources of raw materials to soybean oil;	Investment of R\$ 5.5 million intended to structure the production of biodiesel from corn oil and cottonseed oil.	Basic structuring of the new production line, whose implementation will be completed in early 2022.	2	12		
To continue with the analysis of the construction of a soybean crushing plant, inserting Fiagril in the end-to-end soybean chain;	Perspective under analysis.	Perspective under analysis.	8	9		
Use of barter and pre-financing mechanisms for growers to advance in the commercialization of carbon credits – RenovaBio Program;	Perspective under analysis.	Perspective under analysis.	2	12	13	17

TECHNOLOGICAL INNOVATIONS

2021-2025 PERSPECTIVE	ACTIONS CARRIED OUT 2021	EVOLUTIONS ACHIEVED	SDG
Effective implementation of Agrodocs and DocuSign tools;	Availability of the Docusign platform for all business areas, including training for 72 users to create envelopes and document templates in Docusign, incentives for the use and integration of the platform to the People Management, Commercial Inputs and Credit processes.	Optimization in several processes of different areas of the business. Significant reduction in paper consumption and, consequently, evolution in environmental and financial terms.	9
Full digitization of the process for analysis and granting of credit and guarantees;	Implementation of the process for digitization of Credit and Guarantees Formalization, including registration at the notary, through the platforms Agrometrika (platform for analysis of individuals and legal entities), Jeoguarant (platform for elaboration of guarantees) and Bart Digital (platform for origination of digital assets).	Time optimization and increased efficiency and productivity in the respective processes, confirmed by the current application in 14 branches.	89
Development of new functionalities for the Confia Tech (Trust Tech) platform;	Application maintenance and development of a new functionality related to the availability of the technical form for harvest evaluation.	Mapping of 100% of customer areas.	9

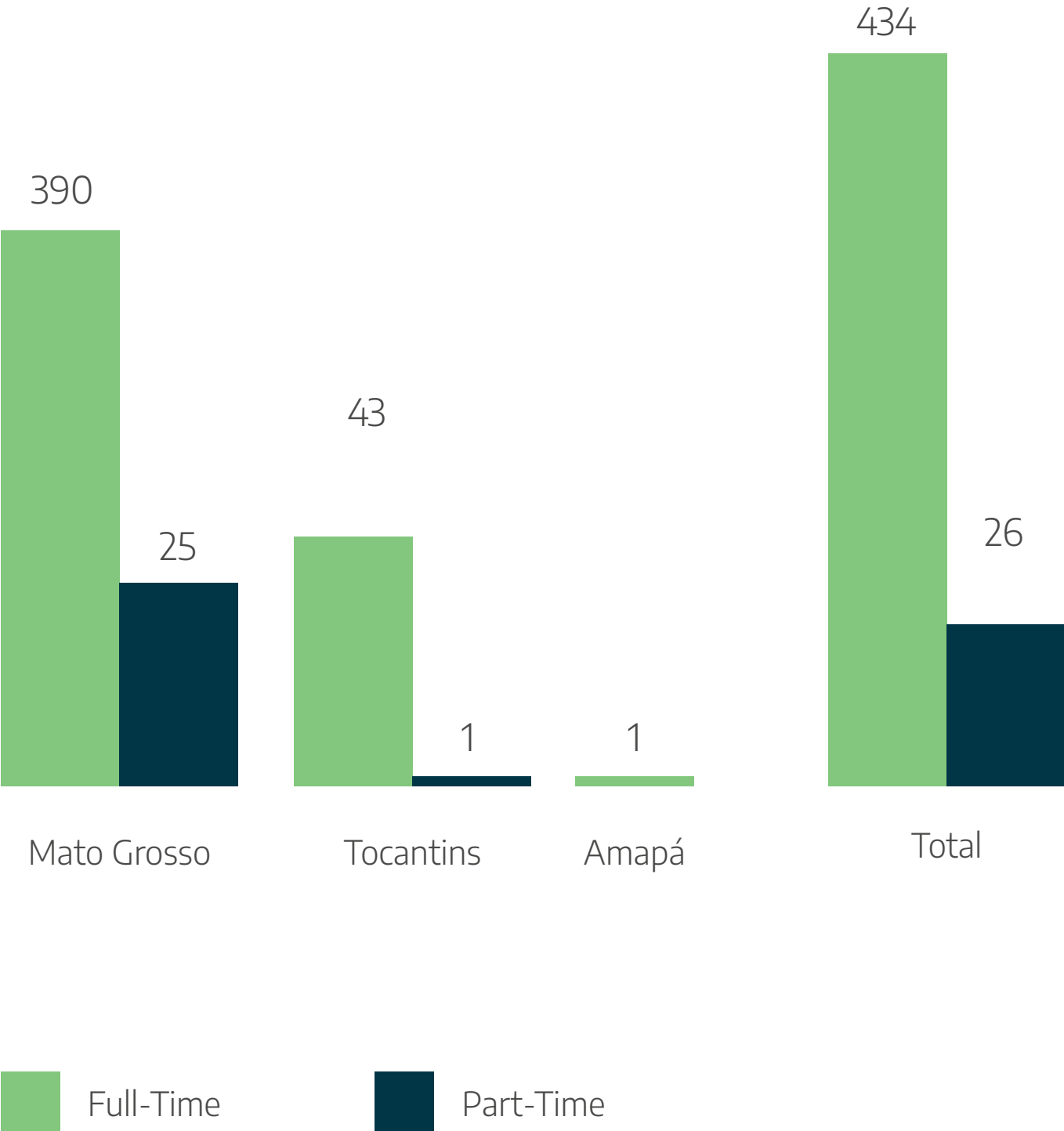
PEOPLE MANAGEMENT				
2021-2025 PERSPECTIVE	ACTIONS CARRIED OUT 2021		EVOLUTIONS ACHIEVED	SDG
To fill competency gaps: build skills needed for company growth;	Dissemination of new competencies. Implementation of Integra Mais (Integrate More) (training platform). Beginning of the technical training course in partnership with Rehagro College (aimed at sales consultants).		Dissemination of competences to all employees, of all levels and positions. Universality of the training platform (Integra Mais). Qualification of the sales team, especially in terms of negotiation skills.	<div>4</div> <div>8</div>
To build and maintain a culture focused on integrating people and driving engagement;	Release of our purpose and style. Review and dissemination of new competencies.		Strengthening of the purpose by stimulating the sense of belonging in the employees. Strengthening the culture and style through the dissemination of skills to all employees, at all levels and positions.	<div>3</div>
To innovate in the employee's experience;	Elaboration of the onboarding and integration processes.		Basic structuring of the onboarding and welcoming processes (aimed at improving the employee's experience from the first day of work), whose developments will continue in 2022.	<div>9</div>
To seek adaptations and implement artificial intelligence in Human Resources processes;	Implementation of new processes via the Success platform. Digitization of different evaluations, such as assessment exams, 90° assessment, 360° assessment and Individual Development Plan (PDI).		Evolution in the efficiency of the respective processes and improvement of the employee experience.	<div>9</div>
To foster a union of interests between the company and its employees;	Implementation of the Time em Campo (Team on the Field) project, a monthly meeting between all employees and the executive board in which conversations are held on topics related to Fiagril's strategy and performance.		Valorization of transparency and aligning expectations, processes and results.	<div>3</div> <div>16</div> <div>17</div>
To emphasize the strengthening of leadership;	Development of leaders (new leaderships) and the Cultiva Mais (Cultivate More) program, and the complete evaluation of all the managers of the company.		Employee training focused on preparing them for new challenges. Analysis and understanding of current managers' profile and performance.	<div>8</div> <div>17</div>
To strengthen the culture of occupational health and safety;	Implementation of the Golden Rules, development of an area classification study (in two of the four warehouses), performance of ergonomic analyses in seven company units (with the adoption of recommendations from the Ministry of Health), adoption of incentives for practices that contribute to the physical and mental well-being through the Mais Saúde (More Health) program.		Evolution of the safety of work environments (including evolution of process safety). Encouraging practices that support the employee's well-being.	<div>3</div>

GRI INDEX

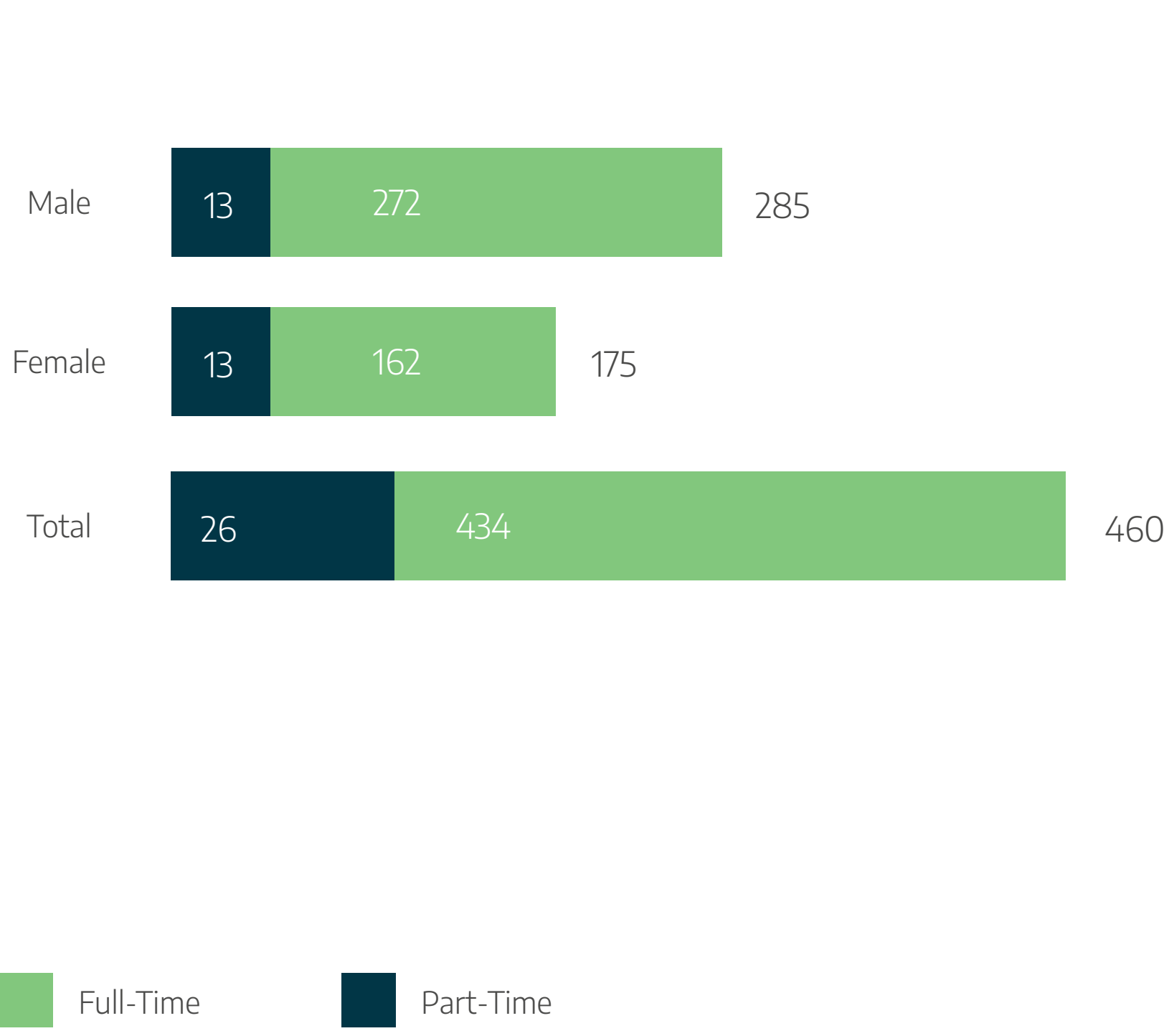


2-7 EMPLOYEES

2-7 NUMBER OF EMPLOYEES BY WORKING TIME AND BY REGION



2-7 NUMBER OF EMPLOYEES BY WORKING TIME AND BY GENDER



2-9 STRUCTURE AND GOVERNANCE

BOARD OF DIRECTORS

Composition

Board of Directors Dakang Fiagril Participações S.A. (term of office started on 06/25/2020): Ye-bin Li, Yizhe Dong, Jaime Alfredo Binsfeld, Marino José Franz, Amy Ha Wai Chan, Robert Neil Resnick, Henrique Alexandre Mazzardo.

Executive role

Only board member Henrique Alexandre Maz-zardo holds an executive position at Fiagril Ltda.

Independence

The Board of Directors does not have independent directors hired specifically for this purpose. However, it is made up of shareholders and members appointed by shareholders with employment ties in this or other group companies.

Term of office

The Board of Directors has a 2-year term. The current one will be renewed in July 2022.

2-9 STRUCTURE AND GOVERNANCE

Other roles and appointments

All Board members have other roles, either as a high-ranking officer of the company or as a shareholder with other external business activities.

Gender

The Council is composed of seven members, one woman and six men.

Participation of underrepresented social groups

There is no such specification in the Board of Directors.

Competencies related to economic, environmental and social topics

A member, ex-president, shareholder and founder of the company, a pioneer in the company's operating region that carries part of his DNA: he has participated in important decisions in the municipality and region where Fiagril was created, as one of the creators and enabler of the Fundação de Saúde Hospital São Lucas (St.

Lucas Hospital Health Foundation), Rodovia da Mudança (Highway of Change) (asphalt paving of side roads in partnership with farmers), water protection projects etc. He was a public administrator with relevant social programs in the communities. Currently, another member of the Board of Directors is licensed to hold public office with the same objective: to direct public actions for the social development of the municipality and region.

Stakeholder participation

Stakeholders that can be considered in the current composition are shareholders and employees (CEO).

ETHICS COMMITTEE

Composition

Henrique Alexandre Mazzardo, Dionéia Canci, Guilherme Kummer, Marcos Castro and Wander Meyer.

Executive role

All of them have an executive role at Fiagril Ltda.

Independence

Four members of the Committee achieved promotion in the company due to their technical and behavioral qualifications after several years of work. As they are from different areas and know the company's internal processes, their judgment of the issues presented is qualified and suitable. There is the intention to gradually insert lower-level employees, but without compromising the confidentiality required in various matters deliberated by the Committee.

Term of office

The Ethics Committee has a 2-year term.

Other roles and appointments

Members of the Ethics Committee also perform roles as CEO, Director of HR, Director of Origination, Director of Inputs and CFO.

Gender

The Committee is composed 20% of women and 80% of men.

Participation of underrepresented social groups

There is no such specification.

Competencies related to economic, environmental and social topics

As they are members of the highest level of Fiagril Ltda, due to the nature of the business and of the region where the company operates, the ESG question is treated in a relevant way, guiding the company's purpose. On an individual basis, the Committee members receive internal and external support in their decisions.

Stakeholder participation

All members are full-time employees.

2-9 STRUCTURE AND GOVERNANCE

EXECUTIVE CREDIT COMMITTEE	Other roles and appointments		
Composition Henrique Alexandre Mazzardo, Wander Meyer, Guilherme Kummer, Marcos Castro, Paulo Landin. It is worth mentioning that the Board of Directors participates in the Credit Committee when the customer credit operation exceeds R\$ 21 million or when it involves a shareholder or 1st degree relatives (regardless of credit amount).	Executive Credit Committee members also serve as CEO, CFO, Director of Origination, Director of Inputs and Credit Manager.	Composition Akio Arashiro, Henrique Alexandre Mazzardo, Wander Meyer, Guilherme Kummer, Marcos Castro.	Not specified.
Executive role All members have an executive role, except for the Credit Manager.	Gender The Committee is composed 100% of men.	The Risk Committee deals with economic aspects, exchange rate variations, market, grain volume commitment and the company’s inputs. Some topics with higher value levels are also forwarded to the Board of Directors.	Gender The Committee is composed 100% of men.
Independence Credit approvals are submitted and approved according to the authority policy, always by two approvers. Transactions with related parties are always submitted to the Board of Directors.	Participation of underrepresented social groups There is no such specification.	Executive role With the exception of Akio Arashiro, all the other members have an executive role.	Participation of underrepresented social groups There is no such specification.
Term of office Not specified.	Competencies related to economic, environmental and social topics The Committee is supported by specific feedback from the Sustainability area.	Independence The activities of the Risk Committee are governed by the Risk Policy (currently under review) and the Authority Policy (according to the risk measured).	Competencies related to economic, environmental and social topics All members have technical qualifications and experience in their respective areas.
	Stakeholder participation Employees and shareholders (when submitted to the Board of Directors).	Term of office	Stakeholder participation Collaborators and a member of Dakang Fiagril Participações.
	FIAGRIL RISK COMMITTEE		

301-1 MATERIALS USED, BROKEN DOWN BY WEIGHT OR VOLUME

301-1 Non-renewable materiais used				
	2020		2021	
Description	Quantity	Unit	Quantity	Unit
PTSA*	1.5	t	16	t
Methanol	12945.88	t	8447.54	t
Sodium Methylate	2126.67	t	1197.88	t
Hydrochloric Acid	1377.01	t	815.35	t
Phosphoric Acid	633.87	t	357.49	t
Caustic Soda	1476.22	t	1299.15	t
Fatty Acid	0.15	t	0.35	t
Nitrogen	256765.24	m³	232913.31	m³

*PTSA = p-Toluenesulfonic Acid | All non-renewable materials are sourced from external suppliers. The total quantity used is calculated from direct measurement.

301-1 Renewable materiais used				
	2020		2021	
Description	Quantity	Unit	Quantity	Unit
Soybean Oil	128801.26	t	73231.13	t
Cottonseed Oil	7946.41	t	6735.89	t
Corn Oil	346.58	t	9272.02	t

Caption: All renewable materials are sourced from external suppliers. The total quantity used is calculated from direct measurement.

401-1 NEW EMPLOYEE RECRUITMENT AND TURNOVER

To calculate the rates, the employee statistics used are from 12/31/2021.

401-1 Total number and rate of employees hired in 2021 (by age group)		
	Total number	Rate (%)
Under 30 years old	111	59.68
Between 30 and 50 years old	73	30.80
Over 50 years old	2	5.41
Total	186	40.43

401-1 Total number and rate of employees hired in 2021 (by region)		
States	Total number	Rate (%)
Mato Grosso	174	41.93
Tocantins	12	27.27
Amapá	0	0.00
Total	186	40.43

401-1 Total number and rate of employees dismissed in 2021 (by gender)		
	Total number	Rate (%)
Male	91	24.20
Female	74	29.72
Total	165	26.40

401-1 Total number and rate of employees dismissed in 2021 (by age group)		
	Total number	Rate (%)
Under 30 years old	81	30.34
Between 30 and 50 years old	77	24.52
Over 50 years old	7	15.91
Total	165	26.40

401-1 Total number and rate of employees dismissed in 2021 (by region)		
States	Total number	Rate (%)
Mato Grosso	150	26.55
Tocantins	11	20.00
Amapá	4	80.00
Total	165	26.40

401-2 BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

401-2 Benefits provided	Headquarters and Branches		Biodiesel Plant	
	Full-time	Part-time (or temporary)	Full-time	Part-time (or temporary)
i. Life insurance	YES	YES	YES	YES
ii. Health insurance	YES	NO	YES	NO
iii. Disability and invalidity insurance	NO	NO	NO	NO
iv. Maternity/paternity leave	YES	YES	YES	YES
v. Pension fund/benefit plan	NO	NO	NO	NO
vi. Share acquisition plan	NO	NO	NO	NO
vii. Dental insurance	YES	NO	YES	NO
viii. Food/meal voucher	YES	NO	YES	NO
ix. Pharmacy discount card	YES	NO	YES	NO

Rates calculated based on 1,000,000 hours worked.
Typical accidents are those that occur in the service of the company. Commuting accidents, in turn, are those that occur between the employee's home and the company or between the company and the employee's home.

403-9 WORK ACCIDENTS

403-9 For all employees:	2019	2020	2021
i. Number of deaths resulting from work accidents	0	0	0
i. Rate of deaths resulting from work accidents	0	0	0
ii. Number of work accidents with serious consequences (except deaths)	0	0	0
ii. Rate of work accidents with serious consequences (except deaths)	0	0	0
iii. Number of mandatory reporting work accidents	2	1	2
iii. Rate of mandatory reporting work accidents	2.434785014	1.232730023	2.334324036
iv. Main type of work accidents	Typical and Commuting	Typical	Typical and Commuting
v. Number of hours worked	821427.76	811207.63	856779.08

404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT ASSESSMENTS

		Female	Male
Lawyers/Nurses/Consultants	Total of Employees	10	82
	Total of Assessed Employees	1	50
	Percentage	10%	60.98%
Analysts	Total of Employees	62	34
	Total of Assessed Employees	0	0
	Percentage	0%	0%
Apprentices	Total of Employees	22	8
	Total of Assessed Employees	0	0
	Percentage	0%	0%
Assistants	Total of Employees	123	180
	Total of Assessed Employees	0	0
	Percentage	0%	0%
Coordinators	Total of Employees	6	10
	Total of Assessed Employees	4	5
	Percentage	66.67%	50%
Directors	Total of Employees	1	4
	Total of Assessed Employees	1	4
	Percentage	100%	100%
Interns	Total of Employees	7	7
	Total of Assessed Employees	0	0
	Percentage	0%	0%
Managers	Total of Employees	3	34
	Total of Assessed Employees	3	22
	Percentage	100%	64.71%
Supervisors	Total of Employees	16	16
	Total of Assessed Employees	16	12
	Percentage	100%	75%

Total Number of Employees = active employees on 12/31/21 + employees dismissed during 2021
Assessed Employees = assessment reports | Cultiva Mais 2021.

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
THE ORGANIZATION AND ITS REPORTING PRACTICES		
2-1	Organizational details	pp. 02, 07, 08
2-2	Entities included in the organization’s Sustainability Reporting	p. 02 The Sustainability Report refers to Fiagril Ltda. (single entity)
2-3	Reporting period, frequency and contact point	p. 02 Report publication date: 06/28/2022
2-4	Restatements of information	Locations in which the organization operates – the report has been reformulated to cover only the active CNPJs of Fiagril LTDA. Previously, the warehouses belonging to the company were also included, which are not part of the operation, being currently leased. The change was carried out in order to structure the report in a more assertive way. Electricity consumption – the report for the year 2020 was reformulated in order to fully account for consumption by branches. Steam consumption – the report for the year 2020 was reformulated with regard to the unit of measurement (more appropriate conversion for steam consumption).
2-5	External assurance	p. 02
ACTIVITIES AND WORKERS		
2-6	Activities, value chain and other business relationships	pp. 07, 16, 18, 19, 20, 21, 23, 24, 25, 27, 28, 30 There have been no significant changes in topics covered compared to the previous report.
2-7	Employees	pp. 44, 70 There are no employees in the condition “employees without guaranteed hours” at Fiagril. The existence of fixed-term contracts is related to the increase in demands related to soybean and corn receipts in 2021. No variation in the employee numbers was considered significant.
2-8	Workers who are not employees	p. 44 Throughout 2021, 233 outsourced employees provided services at Fiagril premises and 13 interns participated in the Programa VOE (FLY Program). The most significant variations in outsourced labor take place during the soybean and corn harvest period, with the increase in demand for manual labor in the grain and input business units.
GOVERNANCE		
2-9	Governance structure and composition	pp. 70, 71, 72
2-10	Nomination and selection of the highest governance body	The appointment of the Board of Directors is a prerogative of the shareholders, who adopt their own criteria in order to meet the company’s purpose. The appointments of the committees, in turn, are governed by the definitions established in the internal policy documents. As weighted criteria for the appointment of the Board of Directors, we can mention credibility with shareholders, technical qualification and alignment with the company’s purpose. There are no established criteria for diversity.

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
GOVERNANCE		
2-11	Chair of the highest governance body	p. 35
2-12	Role of the highest governance body in overseeing the management of impacts	<p>On a monthly schedule, the Board of Directors oversees the status of the company’s various fronts. In case of unplanned material situations, a specific report is forwarded to the Board in a timely manner in order to enable immediate deliberation to take place (depending on the relevance in question).</p> <p>With regard more specifically to the supervision of processes, once the need for adjustments has been identified, clarifications and corrections are requested (often supported by recommendations from audits). During 2021, the Compliance area presented the Board with opportunities to improve the availability of work description and instructions, opportunities that would assist in risk management and operational efficiency. Immediately, internal and external audits and training were established.</p>
2-13	Delegation of responsibility for managing impacts	<p>Environmental impact management is delegated to the Sustainability area, under the supervision of the Credit Manager. Economic impact management is delegated to the Financial Manager and the Risk Coordinator. Social impact management, in turn, is delegated to the Human Resources and Marketing sectors.</p> <p>Environmental impacts are monitored and reported in monthly meetings with the CEO and CFO, and, if necessary, also presented to the Board of Directors. The economic impacts are reported daily to the CEO and CFO by the Risk area and the Financial area (information also sent to members of the Board of Directors). Social impacts, in turn, are mapped by the Human Resources area and reported monthly.</p>
2-14	Role of the highest governance body in sustainability reporting	In general, in the reporting process, employees and directors of the areas related to the topics addressed are involved. The Board formally expresses itself only when there is a need for adjustments or material facts.
2-15	Conflicts of interest	p. 37 Identified conflicts of interest are forwarded to the Compliance area to be regulated in internal policies and procedures.
2-16	Communication of critical concerns	p. 38
2-17	Collective knowledge of the highest governance body	The Compliance area promoted knowledge related to Brazilian biomes and their legal reserve areas, stimulating the debate on the need for monitoring and analysis by the Sustainability area to ensure environmental compliance in all operations.
2-18	Evaluation of the performance of the highest governance body	Reason for omission: confidential information.
2-19	Remuneration policies	The Remuneration Policy is applicable to all levels of the company. We follow market practices and observe trends in order to ensure competitive remuneration. In addition to wage remuneration, we have the Programa de Participação nos Resultados (Results Sharing Program, PPR), in which all employees collectively contribute to achieving goals, and can be evaluated according to their individual contributions.
2-20	Process to determine remuneration	p. 43 The determination process is based on the Remuneration Policy and on the structured plan for positions and wages, updated with the support of specialized consultants (external, independent of the company), whose focus is the function performed, not the occupant. The process is also overseen by the Remuneration Committee and the Board of Directors.
2-21	Annual total compensation ratio	Reason for omission: confidential information.

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
STRATEGY, POLICIES AND PRACTICES		
2-22	Statement on sustainable development strategy	p. 04
2-23	Policy commitments	pp. 34, 37, 38 With the exception of the Authority Policy (approved by the Board of Directors), all others were approved by the area director and the CEO. The approval and review dates (performed every 2 years) are in the company’s regulatory document management system, which is available to all employees.
2-24	Embedding policy commitments	p. 37 Once approved, the policies are published in the company for compliance by all employees and shareholders, and the Compliance area is responsible for ensuring full compliance with the established standards. The responsibilities for implementation are initially of the areas, for example: the Credit Collection and Sustainability department oversees the guidelines of guarantees and environmental regularity in the concession of credit to rural growers; the Human Resources department oversees employee benefits including health care, training, development and assessments. Managers report monthly to directors and these to the Board of Directors. The Internal Audit and Compliance area also issues verification reports for the Board whenever necessary.
2-25	Processes to remediate negative impacts	p. 38
2-26	Mechanisms for seeking advice and raising concerns	p. 38
2-16	Communication of critical concerns	p. 38
2-27	Compliance with laws and regulations	p. 37 In 2021, there was a case of fine in the labor sphere for the insufficient quota for PWD employees (whose value corresponds to R\$ 14,000.00). The company paid it in a timely manner and took steps to comply with the standard. An inclusion campaign was created to identify/locate potential employees. In the periods prior to 2021, there were no cases of fines related to environmental, social or labor non-compliance.
2-28	Membership associations	pp. 14, 15, 16
STAKEHOLDER ENGAGEMENT		
2-29	Approach to stakeholder engagement	p. 11
2-30	Collective bargaining agreements	p. 46
TÓPICOS MATERIAIS		
3-1	Process to determine material topics	p. 12 More information on materiality can be found in the 2020 Annual Sustainability Report.
3-2	List of material topics	p. 12
3-3	Management of material topics	Governance, Ethics and Compliance (pp. 34-35), Economic Development and Disclosure with Capital Markets (pp. 30-32), Customer Relationship and Satisfaction (pp. 22, 23, 25), Human Capital Management (pp. 40, 47), Sustainable Agribusiness Practices (pp. 19, 20, 52), Risk Management (pp. 34, 37, 38), Supply Chain Management (p. 21), Eco-Efficient Management (pp. 54-59), Relationship with Local Communities (p. 60), Climate Risk Management (pp. 52-53).

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
MARKET PRESENCE		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	We do not practice the minimum wage as the lowest salary in the company, as we adopt the minimum wage negotiated in a collective bargaining agreement (without distinction by gender). The lowest wage paid is 14% above the current minimum wage. Information on outsourced workers, in this sense, is not available.
202-2	Proportion of senior management hired from the local community	p. 36 As members of the board hired from the local community, we consider the positions of President and Directors hired in the city of Lucas do Rio Verde (MT), the municipality in which Fiagril was founded 34 years ago. It is interesting to note that the members of the board have between 9 and 19 years of experience with the company.
PROCUREMENT PRACTICES		
204-1	Proportion of spending on local suppliers	pp. 19, 20 With regard to our Origination front, 92% of suppliers are located in the state of Mato Grosso and 8% in the state of Tocantins (data referring to the 2020/2021 soybean and 2021 corn harvests).
ANTI-CORRUPTION		
205-1	Operations assessed for risks related to corruption	p. 37 Significant risks related to corruption are identified in processes such as: various input/material purchases, grain purchases, input sales, grain sales, provision of storage services. Fiagril constantly assesses the potential of each risk, adopting mitigating measures such as the implementation of policies, procedures and, eventually, applying penalties as appropriate.
205-2	Communication and training about anti-corruption policies and procedures	p. 37 All members of the governance body were informed about anti-corruption policies and procedures, and one member received training related to the topic. With regard to employees, 100% were informed about anti-corruption policies and procedures, and all of them also received training on the topic. Commercial partners, in turn, are communicated on the topic at the time of contracting, and it is also formalized in service provision, grain purchase and input sales contracts.
205-3	Confirmed incidents of corruption and actions taken	p. 37 In 2021, there was a case where the business partner contract was terminated/not renewed due to corruption-related violations. Fiagril does not present any legal proceedings related to corruption.

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
MATERIALS		
301-1	Materials used by weight or volume	pp. 27, 73
ENERGY		
302-1	Energy consumption within the organization	pp. 57, 58, 59 Items such as electricity sold, heating sold, cooling sold and steam sold do not apply to Fiagril.
WATER AND EFFLUENTS		
303-5	Water consumption	pp. 07, 16, 18, 19, 20, 21, 23, 24, 25, 27, 28, 30 There have been no significant changes in topics covered compared to the previous report.
ANTI-CORRUPTION		
205-1	Operations assessed for risks related to corruption	p. 56 Water storage has not been identified as having a significant impact in the regions where we operate.
BIODIVERSITY		
304-2	Significant impacts of activities, products and services on biodiversity	p. 52 Survey of affected species and affected areas does not apply to Fiagril.
EFFLUENTS AND WASTE		
306-1	Water discharge by quality and destination	Among the inputs, activities and outputs that cause/could cause impacts related to waste, we mapped: entry of packaging of hazardous products, activities related to the office (cells, batteries, lamps, oil), activities related to the grain origination front (spillage of contaminated waste, such as contaminated sawdust; excess particulate grain waste). The impacts are generated by the organization’s activities, and Fiagril carries out all the procedures to minimize them. Waste is disposed of in two ways: municipal selective collection and outsourcing through qualified and specialized companies. They are made according to Ibama regulations and according to Sistema Nacional de Informações sobre a Gestão dos Resíduos Sólidos (National Information System on Solid Waste Management, SINIR). SINIR is one of the main management instruments of the Política Nacional de Resíduos Sólidos (National Solid Waste Policy, PNRS), which became effective on January 1, 2021. On the platform, all waste producers/keepers/recipients are registered so that monitoring, inspection and management of waste is possible at the national level. The information there declared is subject to audits and sanctions. Through the platform, we transparently inform the company’s waste management in order to comply with our goal of being more sustainable every day.
306-3	Significant spills	p. 55
SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	New suppliers that were screened using environmental criteria	pp. 19, 20, 52
308-2	Negative environmental impacts in the supply chain and actions taken	pp. 19, 20 The number and percentage of suppliers identified as causing actual and potential negative environmental impacts, with which improvements were agreed upon or with which the organization terminated business relationships, were omitted due to unavailability of information.

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
EMPLOYMENT		
401-1	New employee hires and employee turnover	pp. 44, 73
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 74
401-3	Parental leave	p. 46 All employees (175 female and 285 male) are covered by the right to maternity/paternity leave.
MANAGEMENT RELATIONS		
402-1	Minimum notice periods regarding operational changes	There is no minimum notice period set (the notice period varies depending on the situation and the audience that will be covered by the change).
OCCUPATIONAL HEALTH AND SAFETY		
403-1	Occupational health and safety management system	pp. 49, 50 The controls implemented by Fiagril, which meet regulatory standards (NRs), cover all operational units and all employees.
403-2	Hazard identification, risk assessment, and incident investigation	pp. 49, 50 All documents prepared follow technical criteria (based on current health and safety guidelines and standards). Risk surveys and assessments are carried out by technical teams with training recognized by official education bodies in the country. Reports by employees are made verbally to the manager or to the OSH area, which must assess the situation and take appropriate measures. All workers are oriented and have the right not to carry out activities that pose an imminent risk to their health and safety (NR-01).
403-3	Occupational health services	pp. 49, 50
403-9	Work-related injuries	pp. 49, 50, 74 Data related to non-employed workers were omitted due to unavailability of information.
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	p. 47 The average number of hours of training by gender was omitted due to unavailability of data: the information base used for the calculation does not categorize the gender of the trained employee. This information, however, will be available in the next reporting exercise as the LMS system, implemented during 2021, categorizes this and other information related to training.
404-2	Programs for upgrading employee skills and transition assistance programs	pp. 42, 47 Fiagril does not have programs focused on career transition and/or retirement.
404-3	Percentage of employees receiving regular performance and career development reviews	pp. 42, 47, 75

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UNIVERSAL STANDARDS		REFERENCE / RESPONSE
GENERAL CONTENTS		
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	p. 44
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	p. 45
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no cases of violation of the right to freedom of association and collective bargaining in operations and/or suppliers.
CHILD LABOR		
408-1	Operations and suppliers at significant risk for incidents of child labor	p. 20
FORCED OR COMPULSORY LABOR		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 20
SUPPLIER SOCIAL ASSESSMENT		
414-1	New suppliers that were screened using social criteria	pp. 19, 20, 52
414-2	Negative social impacts in the supply chain and actions taken	pp. 19, 20
PUBLIC POLICY		
415-1	Political contributions	Fiagril makes no political contributions.
CUSTOMER HEALTH AND SAFETY		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 37
MARKETING AND LABELING		
417-3	Incidents of non-compliance concerning marketing communications	p. 37
CUSTOMER PRIVACY		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 22

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