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## **1. Objective**

The Social and Environmental Responsibility Policy in the Supply and Sales Chain establishes the essential guidelines for FS to manage its operations acting in a socially and environmentally responsible manner. It aims to support the company's main purpose, which is to produce the "Energy that powers good", in addition to describing the criteria and applicability for commercial transactions carried out within the scope of the origination of corn and biomass, as well as in the sales of animal nutrition products throughout the national territory.

Thus, the objectives of this Policy are:

- I. Integrate and monitor social and environmental commitments in the daily life of the FS business, in the context of corn and biomass origination, in addition to the commercialization of animal nutrition products;
- II. Demonstrate to investors, shareholders and stakeholders the compliance of the FS business with the global sustainable development agenda;
- III. Develop a more sustainable supply chain, contributing to the conservation, protection and effective restoration of forests in the territories where it operates;
- IV. Structure and apply mechanisms to defend and enhance the image and reputation of the FS, aiming to minimize negative impacts;
- V. Promote respect for Human Rights based on the continuous improvement of socio-environmental performance.

## **2. Scope of Application**

This Policy applies to all FS business units, specifically to the corn and biomass origination business, and to the marketing of animal nutrition products, throughout the national territory.

With regard to the export cases foreseen for animal nutrition products, the analysis of profile and legal compliance by FS Compliance is foreseen, in order to identify the technical feasibility and particularities of each country, essential in the fight against fraud and corruption.

### 3. Definitions

- **Deforestation alert:** are notes of changes in the vegetation cover of a given area, provided by different public sources, such as Mapbiomas, GLAD, SAD, DETER-B and PRODES, identified through satellite images, submitted to the analysis of the sustainability team.
- **APA:** Environmental Protection Area.
- **Restricted Use Areas (AUR) (Guaporé and Araguaia):** are regions in the state of Mato Grosso where the exploitation of natural resources or land use is limited by environmental or regulatory legislation.
- **Embargoed areas:** are areas that have received an administrative sanction and/or precautionary administrative measure that aims to promote the regeneration of the environment and make the recovery of the degraded area viable.
- **Special Areas:** are internationally recognized geographical regions identified as being of great importance for the preservation of biological diversity and play a vital role in global conservation, for knowledge of these regions are considered Key Biodiversity Areas (KBA), AZEs (Areas of Importance for the Conservation of Endangered Species, from the English "Alliance for Zero Extinction") and Ramsar Sites.
- **Protected areas:** are delimited and managed areas that are intended for the preservation of ecosystems or natural regions of a territory, natural elements of singular scientific, cultural, educational, aesthetic, landscape or recreational value, and resources necessary for the physical and cultural reproduction of indigenous peoples and traditional communities. In Brazil, protected areas are considered Conservation Units, Indigenous Lands and Quilombola Territories.
- **Biomass:** material of vegetable origin used as an energy source in the boilers of the FS corn ethanol production plant. The main sources of biomass used by FS are wood from planted forests of exotic species (eucalyptus and bamboo) and industrial and forestry residues.
- **CAR:** Rural Environmental Registry.
- **Client:** any individual or legal entity that purchases animal nutrition products from FS.
- **Corporate Taxpayer Registry (CNPJ):** National Registry of Legal Entities.
- **Compliance:** when the supplier of the raw material (corn and biomass) or customers of the animal nutrition products and their territories (where applicable) are compliant with the guidelines of the Social and Environmental Responsibility Policy with the guidelines of the Social and Environmental Responsibility Policy.

- **CPF:** Registration of Individuals.
- **Deforestation:** process that begins with intact native forest and ends with the complete conversion of the original forest into other covers, that is, it occurs when there is suppression of native vegetation and the replacement of this vegetation and successor formations by other soil covers.
- **Supplier:** any natural or legal person who trades corn or biomass with FS.
- **Direct supplier:** any natural or legal person that trades corn or biomass with a contract directly signed with FS.
- **Indirect supplier:** any natural or legal person who sells corn or biomass to FS without a contract directly signed with FS.
- **Group:** corresponds to the joint, family or business, subordinate or coordinated action of individuals and/or legal entities, in communion of interests. The configuration of the Group gives rise to joint and several liability between the individuals and/or legal entities that comprise it.
- **Non-compliance:** when the supplier of raw material (corn and biomass) or customer of animal nutrition products, and their territories (when applicable) are in non-compliance with the guidelines of the Social and Environmental Responsibility Policy.
- **Business partner:** are all individuals and/or legal entities that trade corn and biomass with FS or acquire animal nutrition products.
- **Policy of Respect for the Rights of Indigenous Peoples and Traditional Communities:** FS Policy applicable to all operations, including the origination of raw materials from the field such as corn and biomass, and the commercialization of animal nutrition products.
- **Animal Nutrition Products:** Products derived from corn, extracted during the distillation process, intended for the animal production of cattle, pigs, poultry, fish and pets (DDG: Dry Distillers Grain)
- **Socio-environmental responsibility:** is the responsibility that a company or organization has with society and the environment in addition to legal and economic obligations.
- **Stakeholders:** strategic audience. They are all groups of people or organizations that have or may have some type of interest in the actions, activities and/or operations of FS, or that may be impacted by them. They comprise a wide range of subjects, as: employees, shareholders, investors, suppliers, business partners, customers, surrounding communities, third sector organizations, public entities.

- **Territory(s):** are rural exploration areas that are owned and/or possessed by corn or biomass suppliers and animal nutrition customers, represented by the Rural Environmental Registry (CAR).
- **Adjacent Territory:** are rural possessions and/or properties delimited through the Rural Environmental Registry (CAR) which confront other possessions and/or rural properties, that is, which are limited to each other.
- **Indigenous Territory:** is a portion of the national territory, owned by the Union, inhabited by one or more indigenous peoples, used by them for their productive activities, essential to the preservation of the environmental resources necessary for their well-being and necessary for their physical and cultural reproduction, according to their uses, customs and traditions.
- **Quilombola Territory:** are lands occupied by remnants of quilombo communities, used to guarantee their physical, social, economic and cultural reproduction.
- **Slave labor:** when human beings are subjected to forced labor, working hours so intense that they can cause physical harm, degrading conditions, and restriction of movement due to a debt contracted with an employer or agent.
- **Conservation Unit (CU):** CUs are territorial spaces, including their environmental resources, with relevant natural characteristics, which have the function of ensuring the representativeness of significant and ecologically viable samples of the different populations, habitats and ecosystems of the national territory and jurisdictional waters, preserving the existing biological heritage.
- **Full Protection Conservation Units:** The protection of nature is the main objective of these units, so the rules and norms are more restrictive. Within its limits, only the indirect use of natural resources is allowed; that is, one that does not involve its consumption, collection or damage.
- **Sustainable Use Conservation Units:** are areas that aim to reconcile nature conservation with the sustainable use of natural resources. Activities that involve the collection and use of natural resources are allowed, but if they are practiced in a way that the perpetuity of renewable environmental resources and ecological processes is ensured.

#### 4. Responsibilities

- **Sustainability Area (Social and environmental responsibility and Certifications):** Monitoring compliance with the Policy and related procedures. Content development, review and dissemination of this Policy to all areas involved. Orientation and training of employees.
- **Sustainability Supervisor (Social and Environmental Responsibility and Certifications):** Development and review of content and practices, dissemination of this Policy.
- **Sustainability Manager:** Review, approval and dissemination of this Policy.
- **Corn & Biomass Origination & Animal Nutrition Team:** Adherence, dissemination, and ensuring compliance with this Policy.
- **Sustainability Committee:** Monitor compliance with the Policy through indicators presented by sustainability. Deliberate on detection cases that require in-depth analysis, including legal opinion. Approve changes to content and practices.
- **Legal Team:** Issue legal opinions for cases that need to be deepened. Provide support in the analysis and guidance for case deliberation.

#### 5. Guidelines

##### 5.1 Socio-environmental Criteria

FS applies the following socio-environmental criteria to business partners, including their groups, as guidelines for commercial negotiations carried out in the context of corn and biomass origination, as well as in the sales of animal nutrition products in the national territory, and business partners must undertake to:

- Present the Rural Environmental Registry with active status or in the process of regularization according to the criteria of item 5.2;
- Not supplying raw materials (corn and biomass) from territories that have been illegally deforested under any circumstances and legally deforested after 01/01/2022\*;
- No farming, forestry, commercialization or mining activities in areas within the territory that overlap with deforestation embargoes issued by environmental agencies: Brazilian Institute of Environment and Resources Renewable Natural Resources (IBAMA), Chico Mendes Institute for Biodiversity Conservation (ICMBio) and the State Environment Department;

\*Aligned with Federal Law No. 13,576 of December 26, 2017 and Resolution No. 758 of November 23, 2018.






- Not being listed (CPF/CNPJ) on the current list of forced and/or compulsory labor as determined by the ME/SIT;
- Not appearing (CPF/CNPJ) on the historical list of forced labor and/or labor analogous to slavery (MTE/SIT) with the last registration within a period of two years;
- Complying with current legislation in cases where the territory overlaps with Conservation Units (UC - MMA) of sustainable use such as Environmental Protection Areas (APAs); e,
- Complying with the deforestation requirements defined in this Policy in cases where the territory overlaps with Special Areas (KBA\_Ramsar\_AZEs);
- Complying with current legislation in cases where the territory overlaps with the Restricted Use Areas (AUR) of the Guaporé and Araguaia rivers in Mato Grosso;
- No farming, forestry, commercialization or exploration activities in territories that overlap with Conservation Units (UC - MMA) of full protection and other categories (except APA), Quilombolas (INCRA) and Indigenous Lands (FUNAI);
- Comply with the FS Policy on Respect for the Rights of Indigenous Peoples and Traditional Communities.
- Submit other documents pertinent to each trading category, as provided for in the specific procedures for each type of business.

## **5.2 Guidelines for the application of socio-environmental criteria**

In the table below, the application of social and environmental criteria is specified according to the category of the business partner:

**Table 1:** Social and environmental criteria applied according to the category of the business partner evaluated.

The Supply Chain and Sales Responsibility Policy covers 100% of our chain.

Criteria evaluated	Category of partners evaluated					
	 Corn producers	 Producers of exotic biomass	 Cooperatives (corn and biomass)	 Trading companies, warehouses and resellers.	 Biomass (forest and industrial waste)	 Animal Nutrition Clients
Current and historical list of slave labor (SIT/ME)	✓	✓	✓	✓	✓	✓
List of areas embargoed for deforestation (IBAMA, SEMA/MT and ICMBio)	✓	✓	✓	✓	✓	✓
List of illegal deforestation – LDI (Applicable for purchases in the state of Pará)					✓	
Legal and Illegal Deforestation – Various public sources (Ex: Alerts PRODES, Mapbiomas and other)	✓	✓	✓			
Polygons of areas embargoed for deforestation (IBAMA, SEMA/MT and ICMBio)	✓	✓	✓			✓
Overlap with Indigenous territories	✓	✓	✓			✓
Overlap quilombola territories	✓	✓	✓			✓
Overlap with full protection conservation units	✓	✓	✓			✓
Overlap with sustainable use conservation units	✓	✓	✓			✓
Overlap with Special Areas (KBA_Ramsar_AZEs)	✓	✓	✓			
Overlap with restricted use areas (AUR) –SEMA/MT (Guaporé and Araguaia)	✓	✓	✓			✓

Source: In-house elaboration.

The evaluation of the socio-environmental criteria according to the type of partner will be as follows:

- **Corn producers:** The socio-environmental criteria are applied to the CPF/CNPJ of the supplier and group, as well as in all territories (CAR) of the municipality subject to negotiation.
- **Producers of exotic biomass:** The socio-environmental criteria are applied to the CPF/CNPJ of the supplier and group, as well as to the specific territory (CAR) object of the negotiation.



- **Cooperatives (corn and biomass):** The socio-environmental criteria are applied to the CNPJ of the cooperative (direct supplier), and to the CPF/CNPJ of the cooperative and group (indirect supplier), as well as in all the territories (CAR) exploited in the municipality subject to negotiation in the case of corn or to the territory (CAR) specific to the negotiation in the case of biomass. It is the responsibility of the cooperatives to provide information on the traceability of corn or biomass.
- **Trading companies, warehouses and resellers:** The socio-environmental criteria are applied to the CNPJ of the Tradings, warehouses or resellers (direct supplier), and to the CPF/CNPJ of the corn supplier and group (indirect supplier), as well as in all territories (CAR) explored in the municipality subject to negotiation. Compete as trading companies, warehouses and resellers to provide information on corn traceability.
- **Biomass (forest and industrial waste):** The social and environmental criteria are applied to the CNPJ of the supplier listed in the negotiation.
- **Animal Nutrition Clients:** The socio-environmental criteria are applied to the client's CNPJ when it comes to projects without a linked territory, such as feed mills, and when it comes to the exploration of rural areas, the socio-environmental criteria will be applied to the client's and the group's CPF/CNPJ, as well as to the specific territory (CAR) object of the negotiation and adjacent territories.

## **6. Procedure Description**

The specific procedures that instruct the socio-environmental analysis are described and published in FS's internal document management system (Docnix), entitled the Socio-Environmental Assessment Procedure – corn origination (POP-SUS-0003), the Socio-Environmental Assessment Procedure – biomass origination (POP-SUS-0004) and the Socio-Environmental Assessment Procedure – sale of animal nutrition (POP-SUS-0006), as well as the Decision Tree Flows developed specifically for each business area.

### **6.1. Implementation and Transparency**

In order to ensure adherence to this Policy, the performance of all suppliers of corn and biomass, as well as customers in the animal nutrition sector, will be assessed. Additionally, FS will strive to enhance engagement with the public and stakeholders by maintaining a high level of transparency.

This will be achieved by disclosing qualitative and quantitative indicators in the Annual Sustainability Report (ASR), which will showcase the company's social, environmental, operational, and financial accomplishments.

Considering the progress in the consolidation and application of socio-environmental criteria, FS has prepared, in partnership with Imaflora, the Audit Protocol for Verification of the Application of this Policy (AN-SUS-0001) which aims to provide guidelines and train independent auditing organizations to verify the compliance of its application. The decision to implement an independent audit protocol reflects FS's commitment to excellence and social and environmental responsibility in all its operations.

All relevant information pertaining to FS can be accessed on the company's official [website](#).

## **6.2. Cases of Non-Compliance with the Policy**

FS's Policy is designed to encourage suppliers and customers to address environmental liabilities and take appropriate corrective measures. Cases of non-conformities that require an action plan will be evaluated and deliberated, if necessary, individually by the Sustainability Committee.

## **6.3. New Products, Suppliers and Transactions**

To ensure compliance with relevant legal and underwriting obligations, all provisions and guidelines outlined in this Policy will be applied to all new business partners of FS. Innovative products and transactions will be assessed on a case-by-case basis in accordance with the guidelines established by this Policy.

## **6.4. Sealing**

The formulation of contracts or procedures that deviate from the guidelines stipulated in this Policy is strictly prohibited.

## **6.5. Investigation and Sanctions**

Any reported incidents indicating potential breaches of this Policy will be promptly and thoroughly investigated in collaboration with the Internal Audit, Compliance, and Legal departments. Upon completion of the investigation, if any misconduct is found to have violated the provisions of this Policy, swift and decisive corrective measures will be taken, taking into consideration the circumstances, severity, and relevant legal requirements. Any employee, third

party, or partner found to have violated any aspect of this Policy will be subject to disciplinary sanctions outlined in the company's code of conduct, ethics, and integrity policies, as well as contractual clauses.

## **7. Final Provisions**

Demands that may not be considered in this Policy may be formally forwarded to the sustainability area, and after evaluation it may enter the next review, which must occur at least annually.

## **8. Records and Attachments**

AN-SUS-0001-AUDIT PROTOCOL FOR VERIFICATION OF THE APPLICATION OF THE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY IN THE SUPPLY CHAIN AND SALES

## **9. Reference Documents**

POP-SUS-0003-SOCIAL AND ENVIRONMENTAL ASSESSMENT PROCEDURE - CORN ORIGINATION

POP-SUS-0004-SOCIAL AND ENVIRONMENTAL ASSESSMENTS PROCEDURE - BIOMASS ORIGINATION

POP-SUS-0006-SOCIAL AND ENVIRONMENTAL ASSESSMENT PROCEDURE - SALE OF ANIMAL NUTRITION

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## 10. Revision History

Date and Time	Accountable	V.	Comment
23/11/2020 00:00:00	Rubiane Maria Jacobowsky	1	Issue.
21/03/2023 11:16:22	Marina Zilio Urbanski Mocheuti	2	---
19/11/2024 14:54:05	Caroline Zanotto	3	Item 3 - insertions of definitions; Item 5.1 - Insertions of KBA and AUR criteria, as well as adjustment in the writing of the criteria already existing; Adjustment in the description of item 6; and citation of the audit protocol in item 6.1
05/06/2025	Caroline Zanotto	4	Adjustment to the wording of the deforestation criterion, replacing 'and/or' with 'and'.