

Annual
and Sustainability Report
Crop Year 2023/2024

Jalles



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and Sustainability Report
Crop Year 2023/2024



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Presentation

GRI 2.2 Entities included in the organization's sustainability reporting
GRI 2.3 Reporting period, frequency and contact point
GRI 2.5 External assurance

For the seventh time in a row, we are presenting our sustainability report for the crop year 2023/24 (from April 1, 2023 to March 31, 2024).

Using the revised universal GRI standards, the GRI 13 sector standards (agriculture, aquaculture and fish farming) and the thematic standards, according to our material topic, we share with our stakeholders how we map and manage our positive and negative social and environmental impacts, and our efforts to gradually evolve on this journey, using governance as an essential tool, in order to minimize negative impacts and expand our process of generating value, with ethics and transparency.

The indications for each of the standards can be found throughout the text and consolidated in the Booklet of Indications, attached at the end of the document.

The information comprises the data of the company Jalles Machado S.A., which includes the units Jalles Machado (parent, UJM), Otávio Lage (subsidiary, UOL) and Santa Vitória (USV), acquired in May 2022.

The consolidated data in this report has been assessed by Senior Management and the Board of Directors. Furthermore, to ensure an objective view of the sustainability report and assure stakeholders that the information is accurate and free from bias, it is our policy and practice to subject it to an independent external assurance process, which was carried out by Bureau Veritas Certification (BVC).

The same institution was responsible for assuring our Greenhouse Gas (GHG) Inventory, carried out in accordance with the GHG Protocol, an internationally recognized tool to account for GHG emissions, which follows the same principles as ISO 14064. The financial data was assured by the independent external auditor KPMG.

If you have any comments, doubts or suggestions about this report, please contact us at the email: relatorio.sustentabilidade@jalles.com.

If you prefer, you can browse the content using the interactive menu at the bottom of the pages.



Hello, We are Jalles!

GRI 2.1 Organizational details

Jalles was founded in 1980 by Otávio Lage de Siqueira in Goianésia, Goiás. It has since diversified production and invested in sustainable practices, governance and people.

A national agro-industry with diversified operations in the sugar-energy sector, with more than 40 years of experience, our activities include the industrialization and sale of fuel from renewable sources – hydrous, anhydrous and organic ethanol; conventional, organic and VHP sugar; yeast; electricity generated from sugarcane bagasse and vinasse biogas; hygiene and cleaning products; and a line of own-brand organic food products.

We have three industrial units, two in Goianésia/GO and one in Santa Vitória/MG, which directly employ 7,234 people.

We support numerous social projects, contributing to the development of the communities where we operate. We believe in the transformative power of education. That is why we maintain the Jalles Machado Foundation, which carries out socio-educational projects to train citizens for the future.

We pioneered organic cultivation and production as a strategy to add value and diversify our portfolio. We currently export organic sugar to more than 20 countries and are recognized by more than 30 national and international certifications that attest to the efficiency of our sustainable agricultural practices, the quality and safety of our products and our commitment to social and environmental issues and transparency in our relations.

At the beginning of 2021, we became the only privately-held company in the state of Goiás listed on B3's Novo Mercado segment, with shares traded under the ticker B3: JALL3.

Find out more at
<https://jalles.com/sobre-nos/>



Our structure



3 industrial units

Processing capacity of 9 million tons of sugarcane per crop.



71,825.36 thousand hectares of own sugarcane plantations

Over 30.3% organic cane.



7,234 employees

5.96% more than in the previous crop.



1 biological laboratory



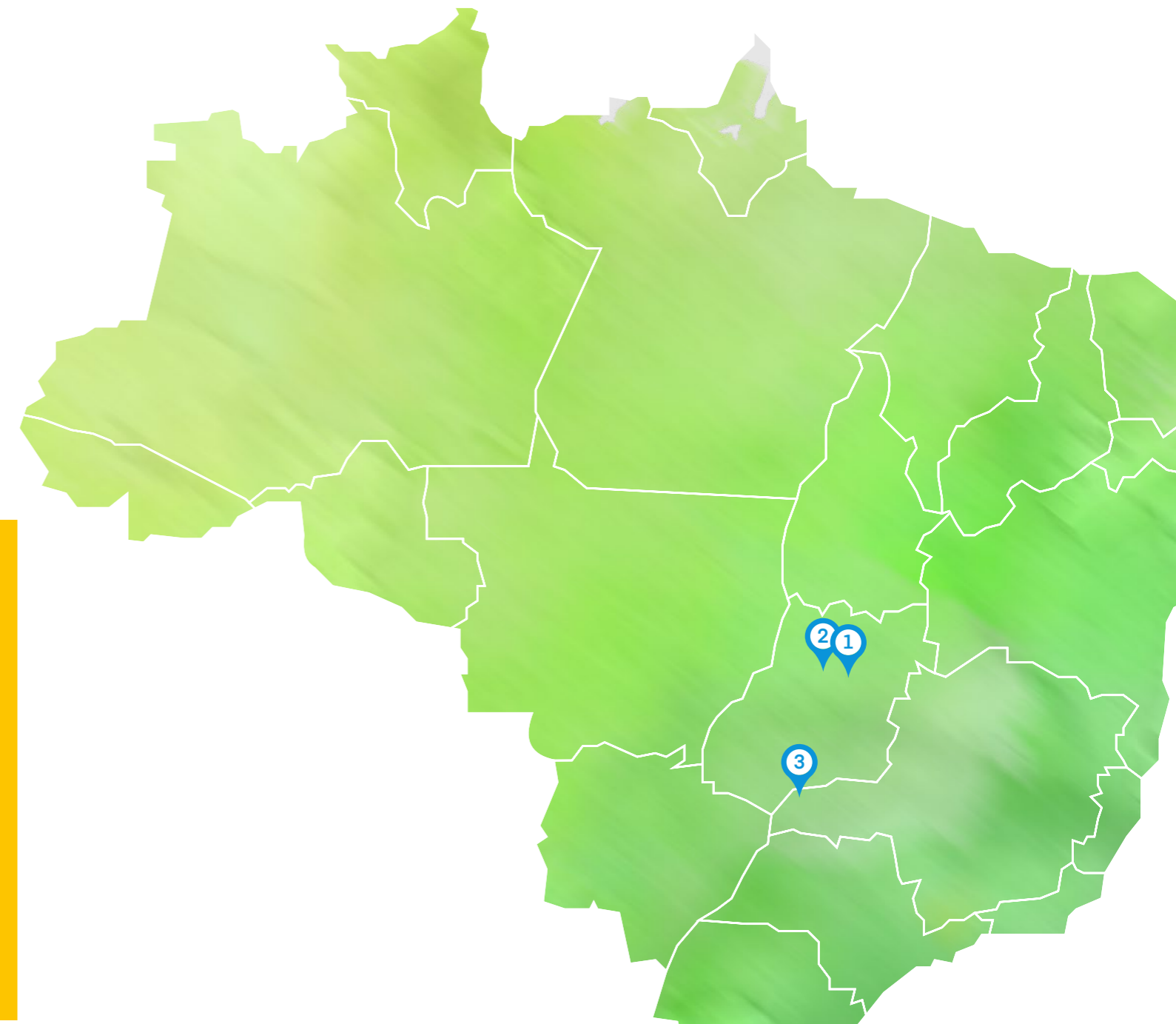
3 own brands

Other assets of which we are shareholders

- Jalles Machado Empreendimentos Imobiliários S.A. (subsidiary).
- Albioma Participações do Brasil Ltda.
- Associação da Indústria de Cogeração de Energia-COGEN.



For more information about Jalles and our timeline, click here!



Mill	1 Jalles Machado	2 Otávio Lage	3 Santa Vitória
Foundation	1980	2011	2015
Capacities			
grinding (mm t)	3.3	3.0	2.7
electricity cogeneration (MW)	65*	68**	41.5
ethanol storage (thousand m ³)	66.5	100	100
sugar storage (thousand bags)	2,200	850	***
Harvest area (thousand ha)	33.7	23.6	29.9
Average radius (km)	20.8	19.4	23.9
Productivity (ton/ha)	90.1	93.3	69.8

Message of CEO

GRI 2-22 Statement on sustainable development strategy

*“For us,
sustainability is a
continuous process
whose main lever is
efficiency.”*



For us, sustainability is a continuous process whose main lever is efficiency. It is therefore the essence of our being and doing. It begins in the fields, where we have an excellent productivity rate above the market average. This crop year, we were able to increase this figure to 90.1 and 93.3 tons of cane crushed per hectare at the Jalles Machado (UJM) and Otávio Lage (UOL) mills, respectively. With our DNA for innovation and expertise in agricultural management, we have already managed to increase productivity at the Santa Vitória Mill, acquired in October 2022, by 15.9%.

This relationship also translates into a process of generating value. Obtaining regenerative agriculture certification further evidences how our agricultural practices go beyond reducing the negative impact on the land, as they contribute to soil regeneration.

Even in the face of such complex challenges as decarbonizing the planet, we still make our contribution. Our products in themselves are already valuable products that contribute directly or indirectly to mitigating cli-

mate change, all of which come from a renewable, low-emission resource, especially biofuel and bioenergy.

The inauguration of the biogas plant in partnership with Albioma – the first plant in the state of Goiás to be set up using vinasse and one of the largest in Brazil – expands our share and is yet another way of extracting value from our industrial waste. As a result, we have a rate of reuse of waste from the production process of practically 100%, in line with the concept of circular economy.

Our Reforestation Program, through which we have planted more than 5 million native trees, is responsible for an estimated carbon stock of more than 6 million tons of CO₂e. Since 2006, our agricultural activities have been responsible for removing more than 3 million tons of CO₂e from the atmosphere. In 2023 alone, 170,263.57 tons of CO₂e were removed, i.e. we removed more than we emitted.

Organic farming further amplifies our positive impacts. Representing more than 30% of our sugarcane plantations,

it allows us to reduce the use of nitrogen fertilizers – responsible for causing GHG emissions. The organic area also requires a lot of manual labor, which reduces the use of diesel-powered equipment.

It is through organic cultivation that we have also been able to allocate more than R\$ 1 million to social projects in favor of the communities where our operations are located, in accordance with fair trade certifications (Fair Trade and Fair For Life). Our employees are essential to this process. Through their volunteer work, they manage this resource, being our ears, eyes and hands with the communities.

Thus, we operate within the logic of generating value elevated to the maximum, as in addition to generating it, we need to share it with all our stakeholders. And that is exactly what we have been doing, year after year, starting with our employees. On the one hand, they are the source of this value generation process, helping us to make our mission and vision a reality. On the other, they are also the purpose of our efforts, beginning with our commitment





to health and safety. This crop year, we completed the process of certifying UJM to ISO 45001, which specifies the requirements for an Occupational Health and Safety Management System (OHSMS), and it is our wish to take the other mills to the same level.

Concomitantly, we continue to invest in the training and qualification of our leaders, as important multipliers, and in the development of our teams, highlighting the importance of diversity and inclusion. The participation of women in our workforce has gradually increased, including in leadership positions. This must be a collective effort by society as a whole, particularly in our sector, which is marked by a majority of men.

That is why we make a point of taking part in initiatives in the sector, such as the event “Encontro Cana Substantivo Feminino”, organized by Cana Online, where I was honored to be granted the title of great promoter of female participation in the sector.

We are also part of the WEPs (Women’s Empowerment Principles), developed by UN Women, which encourages us to carry out various activities to this end, such as the day dedicated to receiving CVs and interviewing women from the communities of Goiás/GO and Santa Vitória/MG and offering free courses in operating agricultural machinery. These are the elements that have led us to become one

of the most diversified sugar-energy industries in the Country.

This crop year, we took advantage of market conditions and started two projects to further increase our flexibility: the new sugar factory at USV and the increase in sugar production capacity at UOL. An investment of R\$ 180 million will increase our global sugar production mix from 37.5% to 55% in the crop year 2024/25.

To meet this growth, we expanded the Sugar Distribution and Storage Center (CDA) at UJM and inaugurated the Marilda Fontoura de Siqueira CDA at UOL, within high standards of technology and sustainability.

In terms of governance, we strive for relationships based on fairness, ethics and transparency, so as to have a professional management team that is focused on results and attentive to risks and opportunities.

Convinced that sustainable and responsible growth is not only possible, but also crucial to Jalles’ long-term success, and we are committed to continuing to improve our Governance, Risk and Compliance (GRC) and ESG practices, seeking new ways to contribute positively to the world.

Currently, we have set up the Supervisory Board, as decided at the Annual General Meeting held on 07/31/2023; we have assessed our GRC and ESG

practices according to the requirements of ISE B3, which guided the important process of defining strategic guidelines; we have integrated the GRC, Environmental Responsibility, Sustainability and Agroindustrial Quality structures; and we have established multi-year ESG and GRC plans.

These are some of the achievements and developments that we are proud to share below, with the final highlight being that we are among the best companies to work for in the GPTW ranking, and this is evidence of this relationship and an incentive for us to move forward in this virtuous cycle.

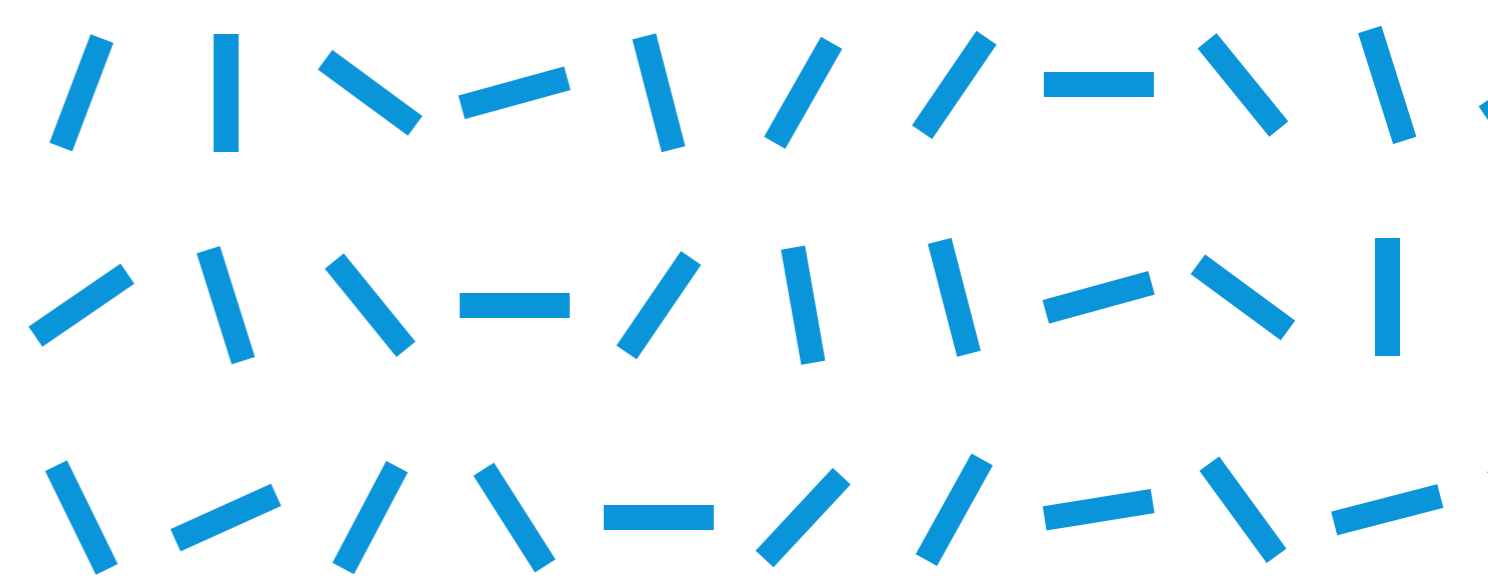
CEO of Jalles,

Otávio Lage de Siqueira Filho



Materiality

GRI 3.1 Process to determine material topics



Our material topics were defined based on the engagement with our main external and internal stakeholders carried out in 2021, according to the process detailed in the last issue of the report.

Mapping of material topics



Prioritization of Stakeholders



Engagement



Further research



Prioritization



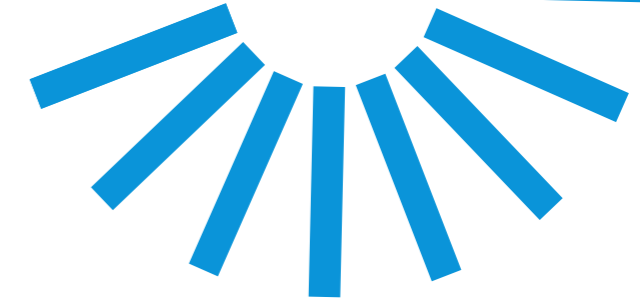
Validation

For the crop year 2024/25, we plan to carry out a new survey of the material topics, based on the concept of double materiality, which aims to assess the impacts of our activities on the environment, planet and society to the same extent that they impact on our business.

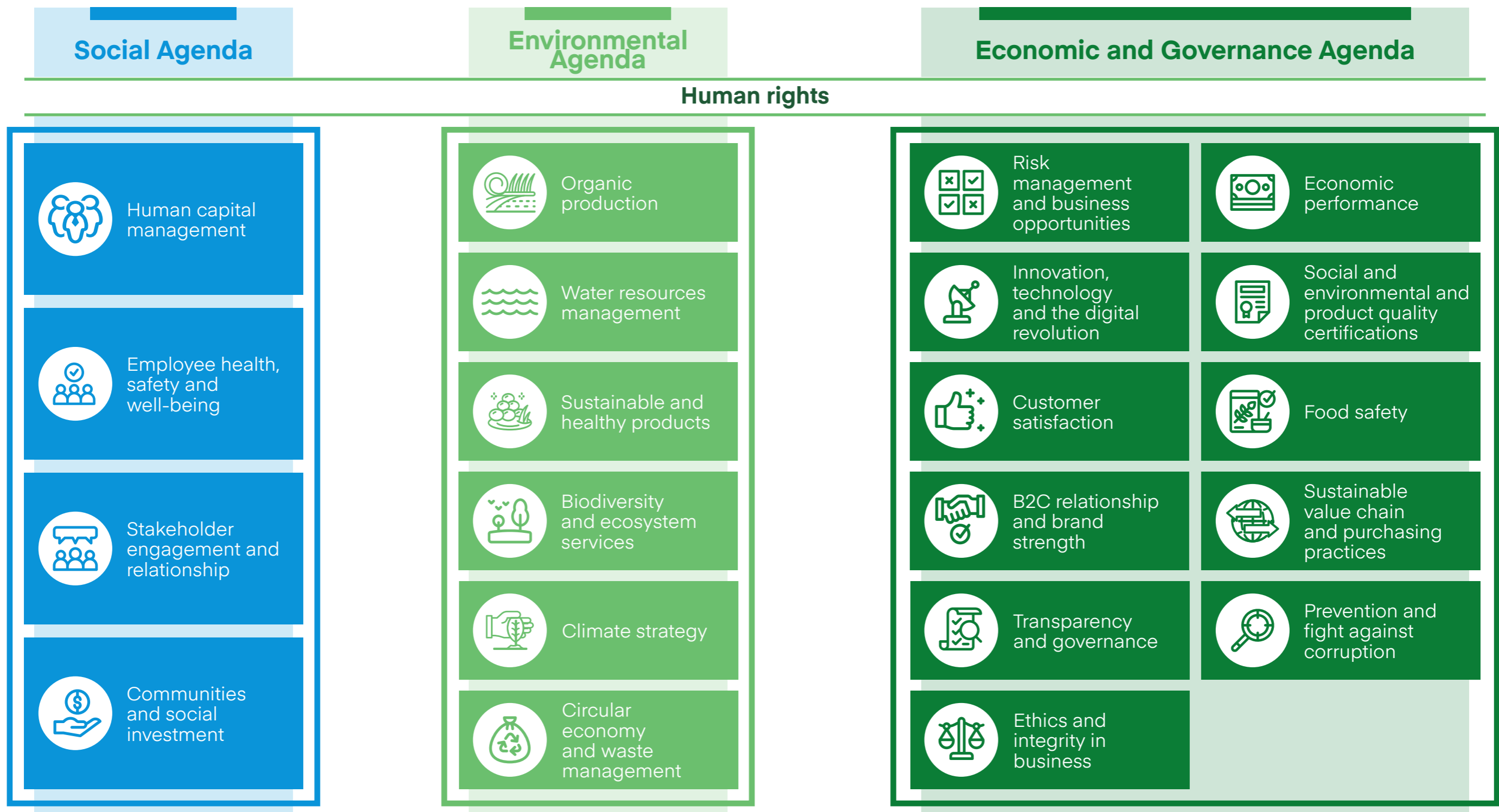


Jalles Materiality Matrix

GRI 3.2 List of material topics



Topics prioritized by Jalles and external stakeholders



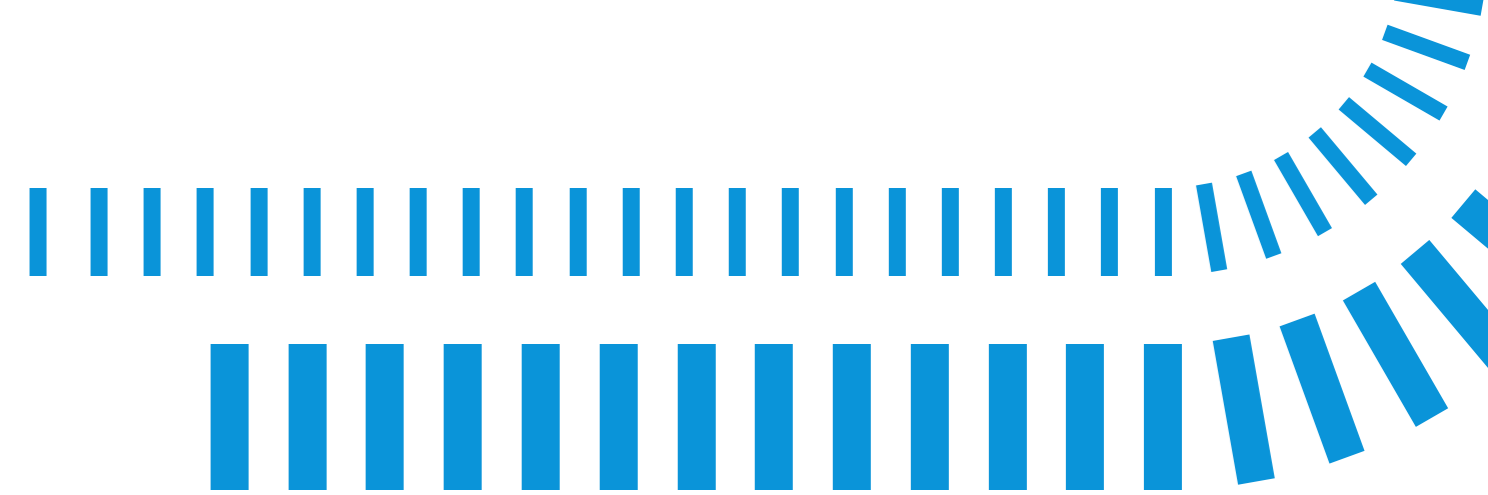
Generation of value for the business and society



Stakeholder prioritization and engagement

GRI 2.29 Approach to stakeholder engagement
GRI 3.3 Management of the material topic "Stakeholder engagement and relationship"

The process included the engagement of different stakeholders identified through the AA 1000 AccountAbility Principles 2018 and AA1000 AccountAbility Stakeholder Engagement Standard 2015 stakeholder mapping methodology:






Agendas / Topics		Jales' Officers	Jales' Employees	Clients	Community	Governments	Investors	Banks	Opinion leaders	Shareholders and members of the Board of Directors	Media	ademia and universities
Human rights							●	●				●
Social Agenda	Human capital management	●	●		●	●						●
	Employee health, safety and well-being	●	●									
	Communities and social investment				●		●	●				●
	Stakeholder engagement and relationship					●						●
Environmental Agenda	Organic production	●								●	●	
	Water resources management	●								●	●	
	Sustainable and healthy products	●	●	●			●	●	●	●		
	Biodiversity and ecosystem services	●				●			●			
	Climate strategy	●		●			●	●	●	●	●	●
	Circular economy & waste management	●		●			●	●	●	●	●	●
Economic and Governance Agenda	Risk management and business opportunities	●	●	●	●	●	●	●	●	●		●
	Innovation, technology and the digital revolution	●	●	●			●	●				●
	Customer satisfaction	●		●						●		
	B2C relationship and brand strength	●		●						●		
	Transparency and governance	●	●	●	●	●	●	●	●	●	●	●
	Ethics and integrity in business	●	●	●	●	●	●	●	●	●	●	●
	Economic performance	●		●			●	●		●		
	Social and environmental and product quality certifications	●		●							●	
	Food safety	●	●	●	●	●	●	●	●	●	●	●
	Sustainable value chain and purchasing practices	●	●	●	●	●	●	●	●	●	●	●
Prevention and fight against corruption	●	●	●	●	●	●	●	●	●	●	●	



After registering and prioritizing the stakeholders, we carried out the engagement process, as shown below. **GRI-2.29**

Material topic 7: Stakeholder engagement and relationship

Group of stakeholders	Means and channels of engagement	Frequency	Main actions in the reporting period	Trends and results of actions
Officers	<ul style="list-style-type: none"> Instagram; Linkedin; e-mail; Institutional relations. 	Permanent	<ul style="list-style-type: none"> President of Jalles named one of the 100 most influential energy personalities of the last 10 years in Brazil by the Full Energy magazine; Participation in the movement Unidos pela Vacina da Covid (united for the COVID vaccine); Meeting with the Minister of Economy Paulo Guedes on tax reform; Meeting with the Minister of Agriculture, Livestock and Supply, Tereza Cristina, on the difficulties and opportunities of exporting organic sugar; President of Jalles named one of the 500 influential people in Latin America, according to the Bloomberg Linea list; President of the Industrial Development Association of the State of Goiás (ADIAL GOIÁS); Director of the Federation of Industries of the State of Goiás (FIEG); Named one of the most influential personalities in the national bioenergy sector by Jornal Cana; Honored by EY in the Entrepreneur of the Year Brazil program; Jalles' participation in the opening of the sugarcane crop year 2022 in Brazil. 	
Employees	<ul style="list-style-type: none"> Health and Safety Dialogues; Food safety dialogue; Internal communication network via TV; Contact Us channel; Motivational, safety and medical campaigns; Periodic meetings; Sustainability Report and GHG Inventory; Website: www.jalles.com; Internal training; Year-end celebrations; Language courses; Social programs; Social committee. 	Permanent	<ul style="list-style-type: none"> Implementation of the Leadership Development Program (PDL); Conducting of salary survey of the market; Celebration of relevant dates, such as Women's Day, Pink October, Blue November and Yellow May; Participation in the GPTW program; Maintenance of the Jalles Machado Foundation, which offers subsidized study to employees' children; Maintenance of a subsidized recreational club for employees and their families, with a soccer and swimming academy, among others. 	
Clients	<ul style="list-style-type: none"> Instagram; Website: www.jalles.com; Intranet; SAC - Customer Service Hotline; Technical advisory. 	Permanent	<ul style="list-style-type: none"> Participation in a sales congress; Supplier qualification; Presentation of new products to the retail market; Conducting of satisfaction surveys with national and international clients. 	





Group of stakeholders	Means and channels of engagement	Frequency	Main actions in the reporting period	Trends and results of actions
Communities	<ul style="list-style-type: none"> Website: www.jalles.com; Folha da Cana Newspaper; Instagram; Contact Us Channel; Integrity Channel. 	Permanent	<ul style="list-style-type: none"> Donations of supplies to combat COVID-19; Donations of breathing apparatus; Donations of large quantities of alcohol 70, both in liquid and gel form. 	▲
Governments	<ul style="list-style-type: none"> Industrial Development Association of the State of Goiás (ADIAL GOIÁS); Federation of Industries of the State of Goiás (FIEG); Sugar and Alcohol Manufacturing Union of the State of Goiás (SIFAEG-Goiás); Local Governments. 	Permanent	<ul style="list-style-type: none"> Meetings with the SIFAEG Committee; Meetings with ADIAL representatives; Meetings with the State Government; Local meetings with Local Governments. 	▲
Investors	<ul style="list-style-type: none"> Investor Relations website: www.ri.jalles.com; Financial reports; Accounting reports. 	Permanent	<ul style="list-style-type: none"> Disclosure of results; Disclosure of the annual (Global) financial assessment report; Disclosure of future investment projections; Disclosure of the integrated report. 	▲
Banks	<ul style="list-style-type: none"> Investor Relations website: www.ri.jalles.com; Financial reports; Accounting reports; Audited financial report. 	Permanent	<ul style="list-style-type: none"> Disclosure of results; Disclosure of the annual (Global) financial assessment report; Disclosure of future investment projections; Disclosure of the integrated report. 	▲
Opinion leaders	<ul style="list-style-type: none"> <i>Internal market commercial area;</i> <i>External market commercial area;</i> <i>Marketing.</i> 	Permanent	<ul style="list-style-type: none"> Contracting of a B2C consulting; Partnerships to launch new products in line with innovative trends in new markets. 	▲
Shareholders and members of the Board of Directors	<ul style="list-style-type: none"> Board meetings; Results meetings. 	Monthly	<ul style="list-style-type: none"> Income statement; Capex validation. 	▲
Media	<ul style="list-style-type: none"> Clipping; Releases; Media Training; Definition of the company's spokespeople. 	Daily / on demand	<ul style="list-style-type: none"> Spontaneous brand insertion in national and regional media. 	▲
Academia and universities	<ul style="list-style-type: none"> Internship programs; Trainee programs; Development projects in various areas. 	Permanent	<ul style="list-style-type: none"> Execution of projects to develop sugar cane varieties; Consulting in process development; Execution of process flow mapping projects; Development of leadership training. 	▲



Assessing our impacts

GRI 2-24 Embedding policy commitments

GRI 2-25 Processes to remediate negative impacts

GRI 2-26 Mechanisms for seeking advice and raising concerns

Based on the concept of dual materiality, from our material topics and stakeholders mapped, we analyze the actual or potential economic, social (including human rights) and environmental impacts of our business on individuals, groups of individuals and/or organizations. We simultaneously assess how these audiences can affect our activities based on their demands and perceptions.

To this end, we have community service channels, an investor service channel, Customer Service Hotline (SAC), the Social Assistance area and our integrity channel, which is open to all.

To mitigate or eliminate adverse impacts and strengthen positive ones, all our ac-

tivities are carried out in the areas directly and indirectly affected in compliance with regulatory, ethical and transparency principles.

As a way of formalizing and underlining this commitment, in addition to the investments in the communities and the social actions we carry out, we have a Code of Conduct, policies and procedures accessible to all our employees, business partners, third parties, suppliers and clients that reflect our non-negotiable guidelines (more information in the "Ethics and integrity in business" section).

Relationship with the SDGs

GRI 2-17 Collective knowledge of the highest governance body

In this cycle, we also reviewed our impacts from the perspective of the 2030 Sustainable Development Goals (SDGs), published by the United Na-

tions (UN), and listed how we believe we can contribute to each of the global goals mapped out.



2 ZERO HUNGER



Zero hunger and sustainable agriculture

We have agricultural roots that, with our focus on efficiency, place us in a prominent position in terms of sustainable practices, which is reflected in our high productivity rate.

We have adopted the concept of precision agriculture and irrigation 4.0, integrating technology, research, science and practices aimed at mitigating negative impacts and enhancing positive ones; we use 100% mechanized planting and harvesting, biological control, Integrated Pest Management (IPM), No-till Farming System (SPD), crop rotation and varietal management that increase our productivity and minimize impacts on soil, water, the atmosphere and biodiversity.

We have been able to reuse practically 100% of the waste generated from sugarcane processing, with some of it fostering sustainability in the field, such as the use of fertigation and organic fertilization based on the rational use of vinasse and filter cake.

All our practices are certified by the RenovaBio program, Bonsucro, ISO 14001 and Regenerative Agriculture (ROC).

3 GOOD HEALTH AND WELL-BEING



Health and well-being

The Quality of Life Program is our main tool for contributing to the health and well-being of our employees. It includes actions that encourage physical activity, such as bike rides, walks and exercise classes, as well as complementary exams for people identified with health risk factors

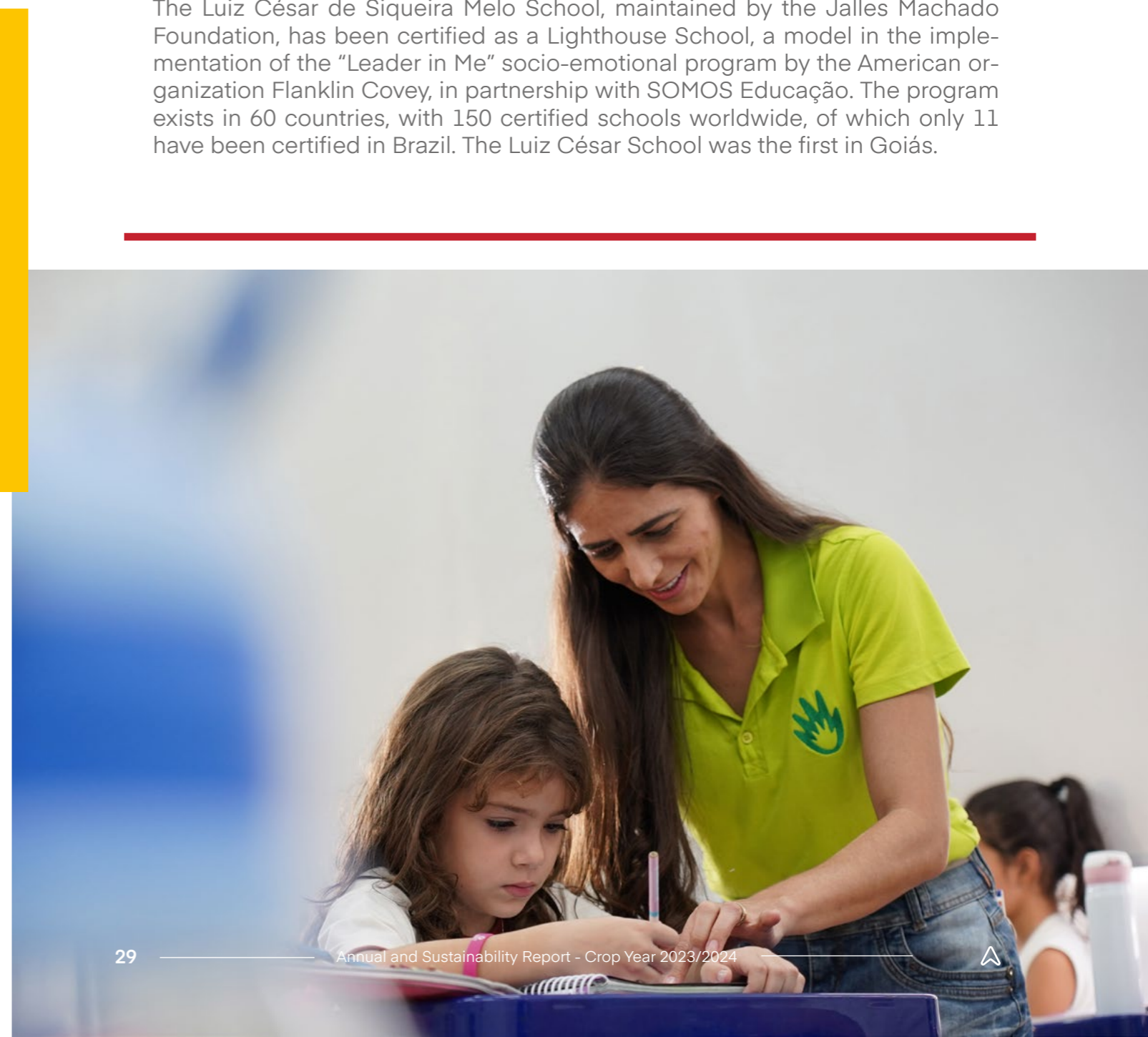
4 QUALITY EDUCATION



Quality education

We believe that education is the basis for developing human capital and the communities where we operate. Through the Jalles Machado Foundation, which runs the Luiz César de Siqueira Melo School and the Itajá FM educational radio station, we promote quality education for children and young people. We are recognized by the Abrinq Foundation as a Child-Friendly Company.

The Luiz César de Siqueira Melo School, maintained by the Jalles Machado Foundation, has been certified as a Lighthouse School, a model in the implementation of the "Leader in Me" socio-emotional program by the American organization Franklin Covey, in partnership with SOMOS Educação. The program exists in 60 countries, with 150 certified schools worldwide, of which only 11 have been certified in Brazil. The Luiz César School was the first in Goiás.





5 GENDER EQUALITY



Gender equality

We believe that gender equality is a prerequisite for a fairer and more balanced society, and thus we have diversity as an instrument for the company's growth, based on a multiplicity of views and a workforce selected according to professional criteria.

In addition to the gradual increase in the participation of women in our workforce, we also have 14% of women in leadership positions.

We are part of the WEPs (Women's Empowerment Principles), developed by UN Women. Through training and actions (see "Human Capital Management" section), we seek to make our employees aware of the importance of women being included in any area they wish to work in. We also influence our leaders through the Líder Inova program, preparing them for fair selection processes and breaking down paradigms on the issue.

In the crop year 2023/24, we carried out specific actions on Women's Day, with a focus on promoting training and generating work and income opportunities for women (see "Human capital management" section).



6 CLEAN WATER AND SANITATION



Clean water and sanitation

We use water resources responsibly through the following initiatives: water quality monitoring; dam construction; irrigation 4.0 project and drip irrigation system; conservationist soil management to avoid silting up and erosion that leads to water sources; modernization of industrial equipment to save water use in the process; and reuse of industrial water.

7 AFFORDABLE AND CLEAN ENERGY



Clean and affordable energy

We produce a clean fuel, ethanol, which avoids up to 90% of greenhouse gas (GHG) emissions when compared to gasoline.

We sell carbon credits through the cogeneration of clean energy using sugarcane bagasse and biogas from vinasse.

In addition to supplying our own needs, we export bioenergy to the grid. Thus, we contribute to Brazil having one of the cleanest electricity matrices in the world. We also contribute to reducing GHG emissions through energy-efficient processes in our agro-industrial operations.





Decent work and economic growth

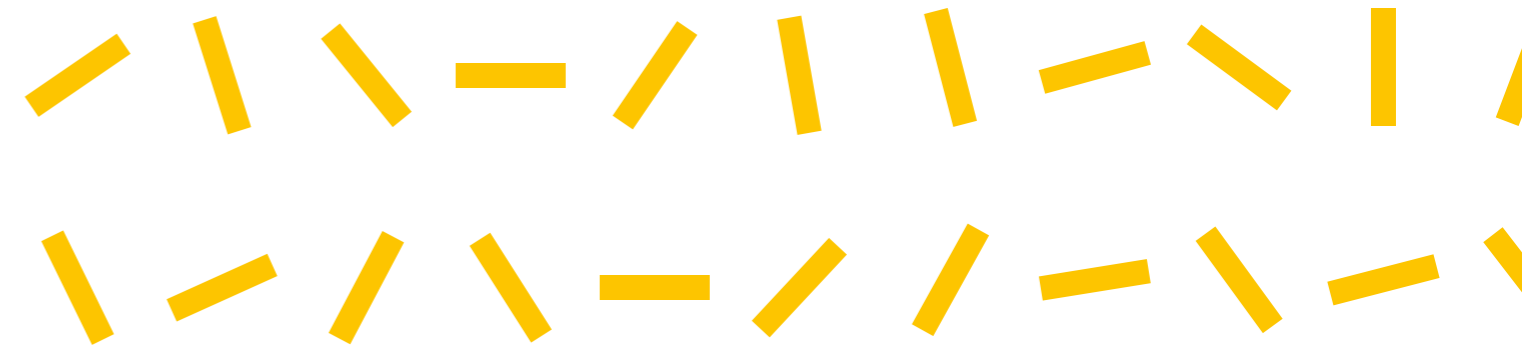
We employ more than 7,000 people, with decent salaries – the lowest wage being above the national minimum – and conditions that value health and safety, in addition to a continuous development program, with equity and respect for diversity.

We contribute to generating income and employability by developing talent and skilled labor through our internship program, the trainee program, scholarships and partnerships with educational institutions to offer courses and training, including specific courses for women and young people. We are also looking for partnerships to attract people with disabilities to our talent pool.

We extend this action to the members of the communities in which we operate, so that they become agents of transformation and prosperity, more aware of their rights, duties and the principles of sustainability.

In partnership with institutions and social projects for education and professional training, we work to expand the reach and impact of our actions with our stakeholders.

As one of the most diversified companies in the sector and a national benchmark in terms of productivity, in addition to adopting technologies and incremental innovations that help improve our efficiency, we also add value to the national economy.



Industry, innovation and infrastructure

By adopting these technologies, we have reduced water consumption, made it possible to produce clean energy from bagasse and biogas, reused practically 100% of industrial waste, such as vinasse, filter cake, boiler ash and yeast cream; and produced a biogenic product (cothesia) which contributes to adopting more sustainable agricultural practices, such as biological pest control.

We also use technology to add automation and intelligence to our equipment in order to increase the efficiency and safety of the agro-industrial processes.

In partnership with renowned institutions, we are researching and developing new sugarcane species that are more responsive to soil and climate conditions.



Reduced inequalities

We support the integration of people with disabilities into the job market through partnerships with the Institutions of the Associações de Pais e Amigos dos Excepcionais (APAE's) of Goianésia and the region, which support us in the process of recruiting these talents.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Responsible consumption and production

We contribute to the circularity of the planet by reusing 99.98% of the waste generated in our industrial process: vinasse, filter cake and boiler ash are used as inputs in our agricultural processes; bioenergy is produced from bagasse and straw; as well as yeast cream – the raw material for producing animal feed. We also make reduced use of chemical inputs due to organic production.

13 CLIMATE ACTION



Climate action

We integrate climate change measures into our strategy and planning by monitoring GHG emissions.

In addition to the direct and indirect contribution through our biofuel and bioenergy, we have significantly reduced the use of synthetic nitrogen fertilizers – a major lever in reducing GHG emissions – through our organic production, which also requires a lot of manual activities, consequently reducing the use of diesel-powered equipment.

Additionally, as a study conducted by Embrapa has shown, sustainable agricultural practices, such as SPD in irrigated areas, are capable of retaining CO₂ in the soil, contributing to the mitigation of the greenhouse effect. From 2006 to 2023, our agricultural activities removed 3,634,104.01 tons of CO₂ from the atmosphere. Our Reforestation Program and protected areas also work in this direction, resulting in a stock of 5,357,007 tons of CO₂.

15 LIFE ON LAND



Life on land

We contribute to the preservation of biodiversity and ecosystem services through the program of constant recovery of degraded areas through reforestation with fruit species and others from our native seedling nursery, which has an annual capacity of 100,000 seedlings, attracting the fauna and enriching the flora; by maintaining environmental reserves; by creating 25 km of ecological corridors; and by adopting biological pest control integrated with precision agriculture, which contributes to preserving insect colonies, among other actions.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Peace, Justice and Strong Institutions

We have a solid corporate governance structure, with extensive documentation, including the Code of Conduct, and control and monitoring mechanisms, including an Integrity Channel, to ensure ethics and transparency in our business and relationships.

We voluntarily adhere to the corporate governance practices recommended by the Brazilian Corporate Governance Code (CBGC). In 2021, by joining B3's Novo Mercado, we reiterated our commitment to the highest standards of governance.

Currently, we have set up the Supervisory Board, as decided at the Annual General Meeting held on 07/31/2023; we have assessed our GRC and ESG practices according to the requirements of ISE B3, which guided the important process of defining strategic guidelines; we have integrated the Governance, Risks and Compliance (GRC), Environmental Management, Sustainability and Agro-industrial Quality structures; and we have established the Multi-Year ESG Plan and Multi-Year GRC Plan.



Highlights of the crop year



Environmental



Obtaining the Regenerative Agriculture Certification (ROC), validating our sustainable agricultural practices.



More than 3 million tons of CO₂e removed from the atmosphere since 2006. In 2023, 170,263.57 tons of CO₂e were removed, i.e. we removed more than we emitted, considering the sum of scopes 1 and 2.



Reduction in water consumption per ton of cane crushed by 12.33% to 1.53m³/tc, considered a benchmark in the sector.



The lowest rate of borer infestation in Brazil, with the application of Cotesia: 0.9%, a practice that increases our value generation by minimizing impacts on soil, water and GHG emissions, in addition to contributing to biodiversity.



Best emission factor in the generation of Decarbonization Credits (CBIOs) under RenovaBio, in the Central-South Sugarcane Ethanol category.



Inauguration of the first vinasse biogas plant in the state of Goiás and one of the largest in Brazil. An investment of R\$ 30 million in partnership with Albioma.



With regard to the energy consumed within the organization, 94.6% comes from renewable sources.



Social



A 13.56% increase in female representation in leadership positions. Overall, they are 22.6% and we are continuing our efforts to increase this rate.



A 14 percentage point increase in purchases from local suppliers, which accounted for 24.69% of total purchases.



UJM's certification to ISO 45001, which specifies the requirements for a Occupational Health and Safety Management System (OHSMS).



Our distributed value added increased by 8.2% compared to the previous crop year, reaching R\$ 2,229,206.



Reduction in the rates of accidents with lost time, from 1.38% to 0.25%, and in notifiable accidents, from 35% to 25%, including accidents with third parties.



More than R\$ 1 million invested in 16 social projects, from the sale of organic sugar using fair trade principles, in accordance with the French Ecocert and American Fair Trade certifications.

Governance



Set-up of the Supervisory Board.



Definition of the ESG strategic drivers and definition of the multi-year ESG plan: Extract-Propel-Deliver.



Consolidation of the CRM, Environmental Management and Agro-industrial Quality structures.



A general review of the Integrity Channel, including a review of the typology of complaints, the creation of dedicated flows, a review of the procedures for receiving, investigating and dealing with the rapporteur and a policy on disciplinary measures.



A new publicity and guidance campaign on the use of the channel was carried out, with the participation of 4,159 employees, officers and the CEO.



Agro-industrial



A 15.9% increase in agricultural productivity at the Santa Vitória Unit in its first year fully operating under our management.



Start-up of UOL's new boiler with a production capacity of 210,000 kg/h of steam, an investment of R\$ 90.5 million.



Above-average agricultural productivity at the Jalles Machado (UJM) and Otávio Lage (UOL) units, at 90.1 and 93.3 tons of cane crushed per hectare, respectively.



Start of the new sugar factory project at USV and increase in the sugar production capacity at UOL. An investment of R\$ 180 million will increase our global sugar production mix from 37.5% to 55% in the crop year 2024/2025 improving our flexibility and minimizing exposure to risks.



Record crushing for the crop year 23/24, reaching 7.4 million tons, +8.4% compared to 22/23.



Expansion of the Sugar Distribution and Storage Center (CDA) at UJM and inauguration of the Marilda Fontoura de Siqueira CDA at UOL, in line with high standards of technology and sustainability.



Jalles, from the land to Earth

The signature “from the land to Earth”, which has become part of our brand, refers to the soil that gives life to sugarcane – the primary source of our business – and reflects how we transform this fruit into products that are beneficial to society and have a reduced impact on the Earth, our planet. After all, we are rooted in the land, where we sow the seeds of sustainable growth to produce energy. A pure, organic and genuine energy that is not only in our products. It is in us, in people, in our vision always ahead. Premises that mark our mission, vision and values ([click here to find out!](#)).

Mission

Offering sustainable solutions and innovative products that promote people’s well-being.



Vision

Being a benchmark in agribusiness, offering food and bioenergy, generating value for society as a whole.



Values



Innovation is at the service of well-being

We are always looking for something new. But for us, this new is only innovative if it serves something greater. We are nonconformists and, from the outset, we have worked hard to promote a balance between business, society and the environment. So we use technology not only to improve the quality of our processes and products, but also the most important of all: life.

People are the center of our decisions

Our business is made up, above all, of people. Whether our employees, clients, partners, suppliers or end consumers – everything we do revolves around them. That is why we value relationships that are ethical, transparent and aimed at the safety of everyone involved. With empathy, we guide fairer business decisions that generate mutual value.

Each one has the power to impact the whole

Every person in here - from the plant to the boardroom - has the ability to positively influence the business. Thus, we encourage autonomy and individual development, while celebrating collaboration and integration between areas, seeking to improve the company’s results and also the personal and professional growth of our employees.

Our legacy propels us into the future

In increasingly fast-paced times, we know that the past is no guarantee of the future. But for over 40 years, we have cultivated values and practices that are inherent to our essence. We understand the importance of always staying ahead of society’s new demands, but without ever forgetting our roots – after all, they form the solid basis for our growth over the coming decades.

Sustainability is the essence of our being and doing

The preservation of the environment has been in Jalles’ DNA from the beginning of its history, and continues to be one of the most essential and active values within the company. We are ecological at heart, and for us sustainability is, more than ever, a priority in everything we do. And we go even further: being sustainable is a constant mindset of our employees and partners, in which we seek to influence everyone who comes into contact with us to be more sustainable in their daily lives.

Our value is revealed through the lens of our clients

To become truly relevant in people’s lives, we must see the world through their eyes. For us, the best opportunities are discovered when we understand the client (and our clients’ client) and focus on their needs and desires. After all, good service also means taking care of what really matters to them.





Sustainable growth

With sustainability as a strategic premise, our legacy continues in a new cycle of growth and consolidation made possible by the IPO on the Stock Exchange in February 2021.

Vertical growth

+ 1 million

tons of milling capacity

300,000 tons at UJM + **700,000** tons at UOL

R\$ 10 million

investment in UOL to increase the global sugar production mix.

Increased efficiency and productivity,

due to practices, processes and technologies

- Industry and agriculture 4.0;
- Implementation of processes;
- Expansion planting;
- Construction of a new high-pressure boiler at UOL;
- Increased storage capacity.

All low-risk initiatives with a high potential return.

Horizontal growth

R\$ 170 million

investment to build a new sugar factory at USV to increase the sugar mix.

Potential to go further

by bringing all our expertise and culture of productivity and efficiency.





Santa Vitória Unit, the Triangle project

The acquisition of the Santa Vitória unit is part of our horizontal growth plan. In an area of 210 hectares, 40,000 hectares of sugarcane fields and a milling capacity of 2.7 million tons of sugarcane, we have increased our installed capacity by more than 30%. In the crop year 2023/24, it already had a record harvest, with 2.031 million tons of sugarcane processed, which represents an increase of 12.8% compared to the crop year 2022/23, and production of 193 million liters of ethanol. We have also managed to increase their productivity by almost 16%.

Its location, in the city of Santa Vitória, in the Pontal do Triângulo Mineiro region in the state of Minas Gerais, has strategic value as it dilutes regional exposure to ethanol price policies, creating geographical diversification.

Additionally, the region has plenty of water available for irrigation (irrigation capacity of 40% of the cultivated area) and land for future expansion in a multimodal environment (with access to waterways, highways and railroads), 840 km from the Port of Santos.

Called the Triangle, the integration project aims to make the most of all the potential of this manufactured capital by adding our expertise and our vision of sustainable development, with the support of a specialized consulting firm.

Genesys Program

Due to their complexity and as it cross-cuts all areas of the company, in December 2023, the technological and systemic integrations that were part of the Triangle project became a parallel program divided into four major stages:

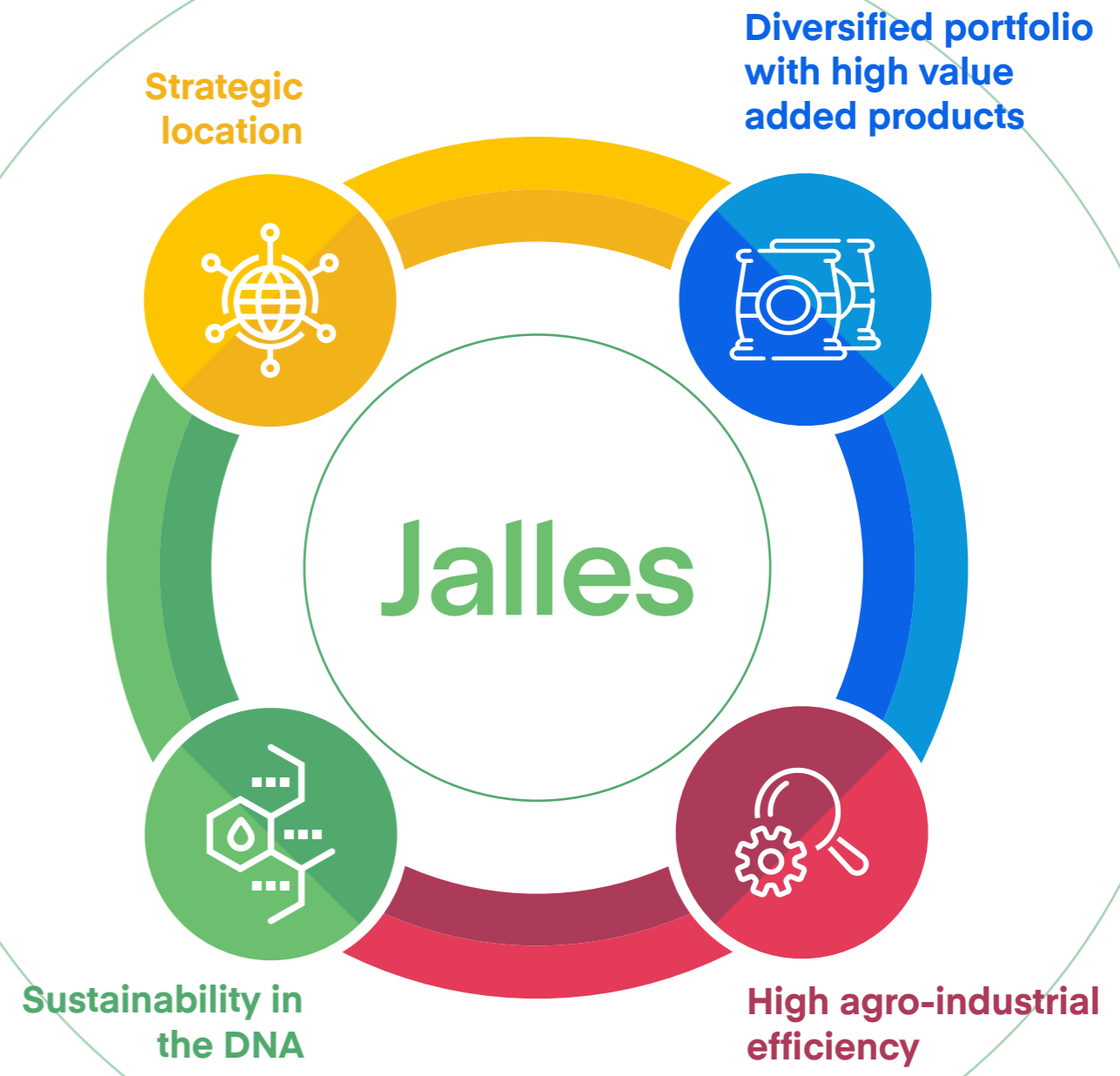
- 1) Analysis and planning of IT infrastructure.
- 2) Updating/migration/integration of SAP systems.
- 3) Updating/migration/integration of specialist systems.
- 4) Unification of IT processes.

The first major project of this program was the implementation of payroll, completed in January 2024.





Our strategy and competitive advantages



Strategic location

The Jalles Machado and Otávio Lage industrial units, in Goianésia/GO, are 40 km apart. This allows us to capture synergies in costs, sales and administrative expenses, in addition to optimizing the cost of agricultural equipment, the use of sugarcane and logistics.

Our Santa Vitória/MG Industrial Park is located in the Pontal do Triângulo Mineiro region, close to railroads, highways and waterways, adding a competitive factor and logistical facilities.

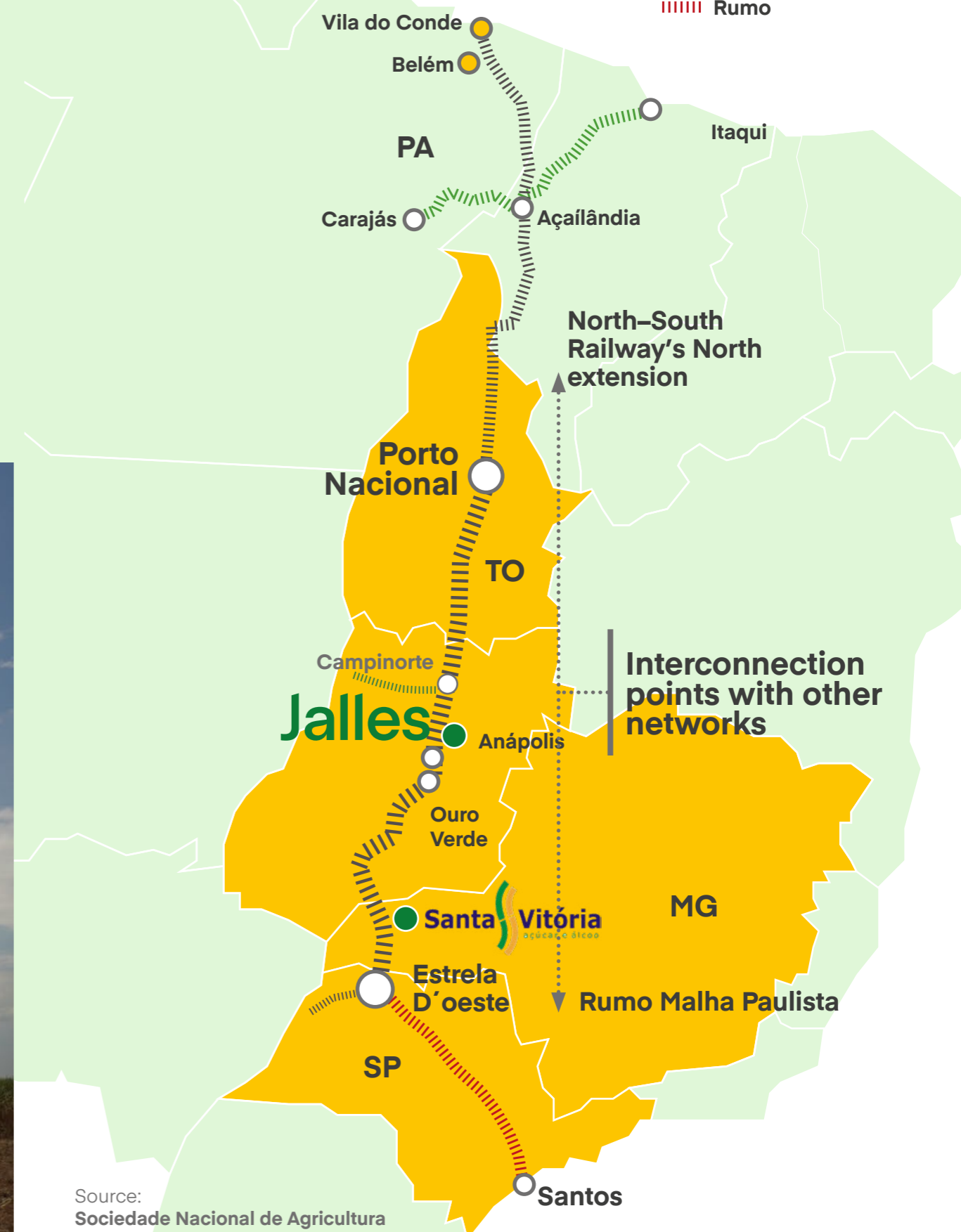
The regions also have wide water availability and arable land, which allows for a high level of mechanization, as well as tax incentives that foster investment in constantly improving productivity.

The greater proximity of the local consumer to the other sugar and ethanol plants in the Center-South also allows us to reduce freight costs, as shown in the map of sales by state.



North-South Railway

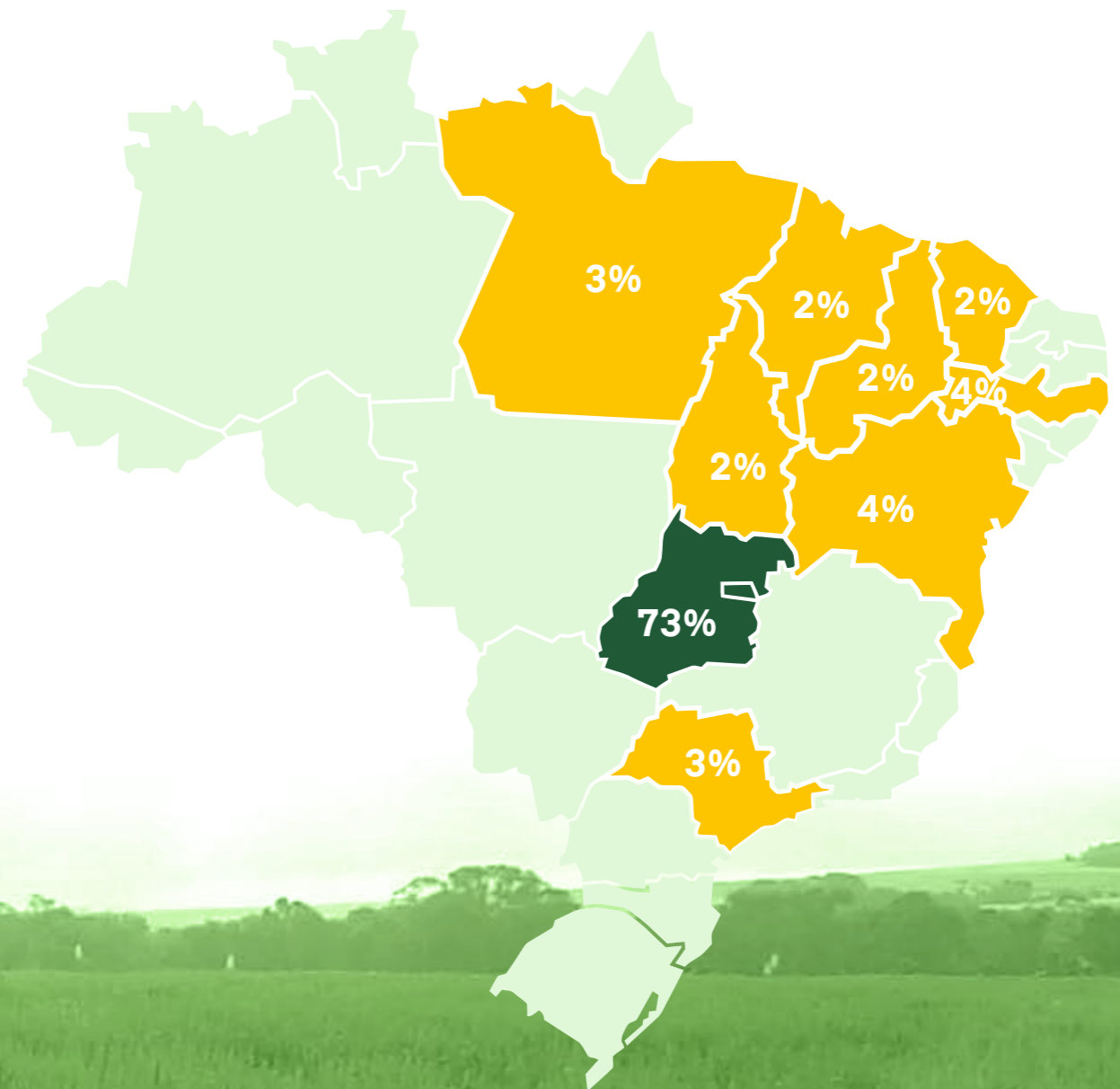
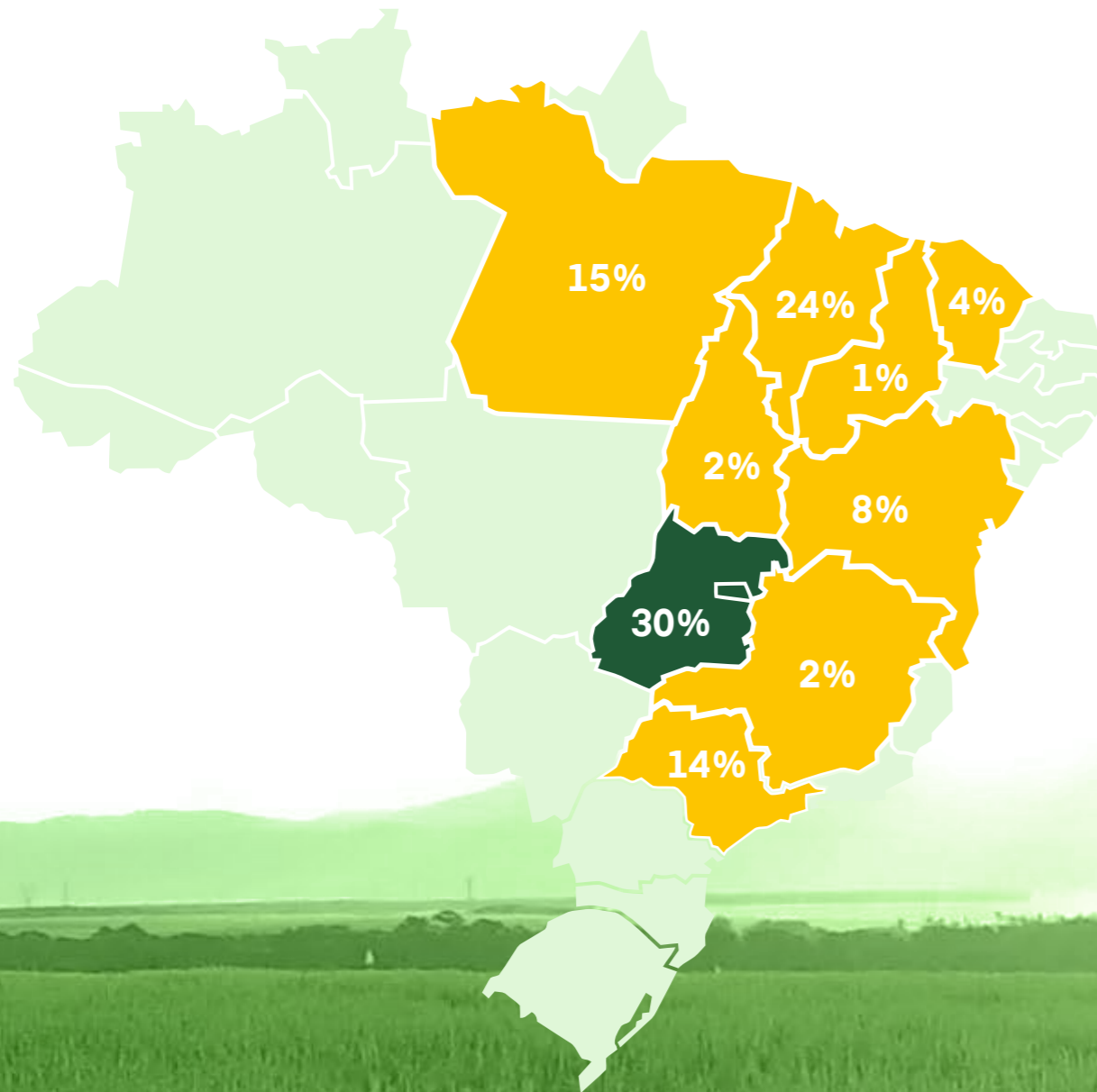
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- ||||| Rumo



Source:
Sociedade Nacional de Agricultura



Sugar and ethanol sales by State





Diversified portfolio with high value added products

GRI 2.6 Activities, value chain and other business relationships

Through our agricultural DNA, the use of technology, science and a highly trained team committed to our values, we extract the maximum value from sugarcane, producing sugar (white, VHP and organic), ethanol (anhydrous, hydrous and organic), bioenergy, sanitizers and yeast (dry, hydrolyzed and autolyzed).

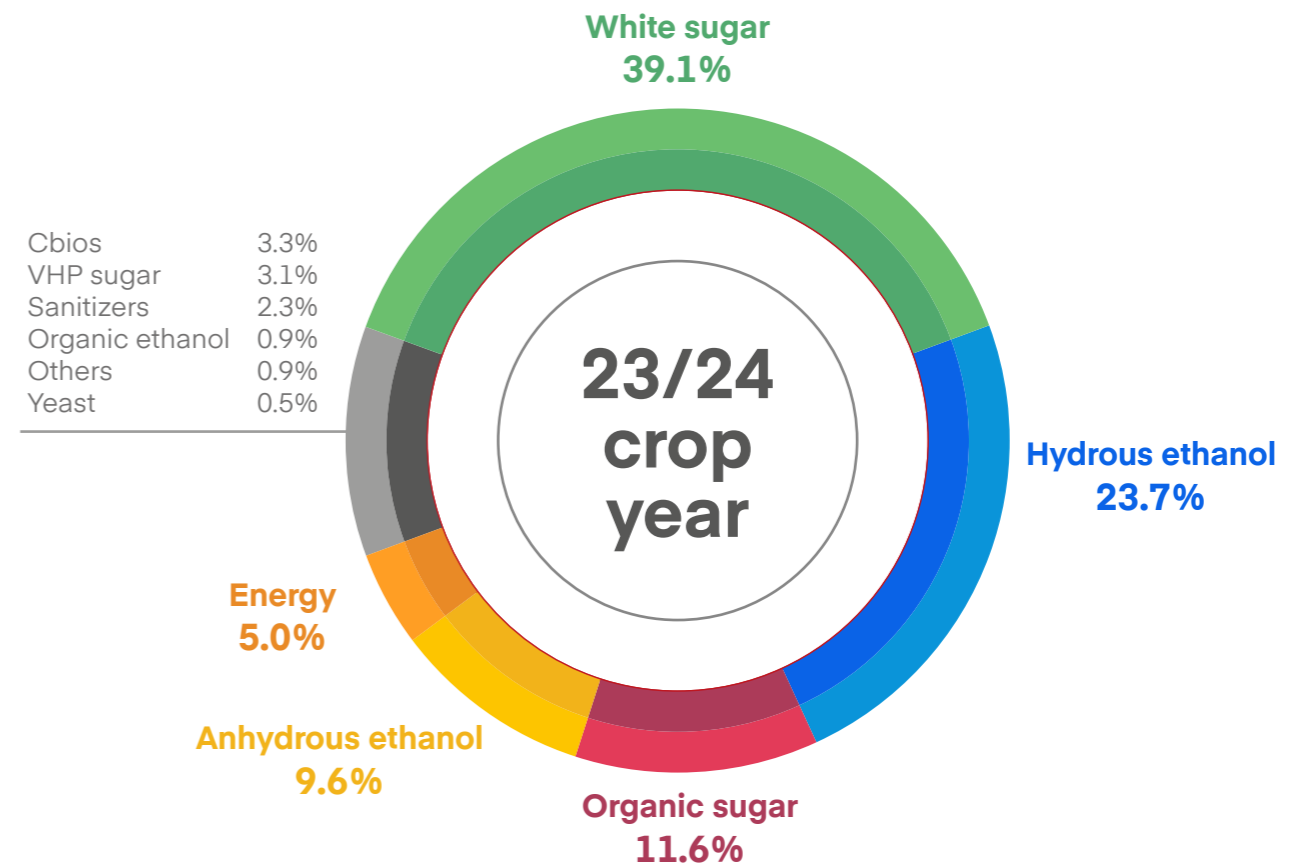
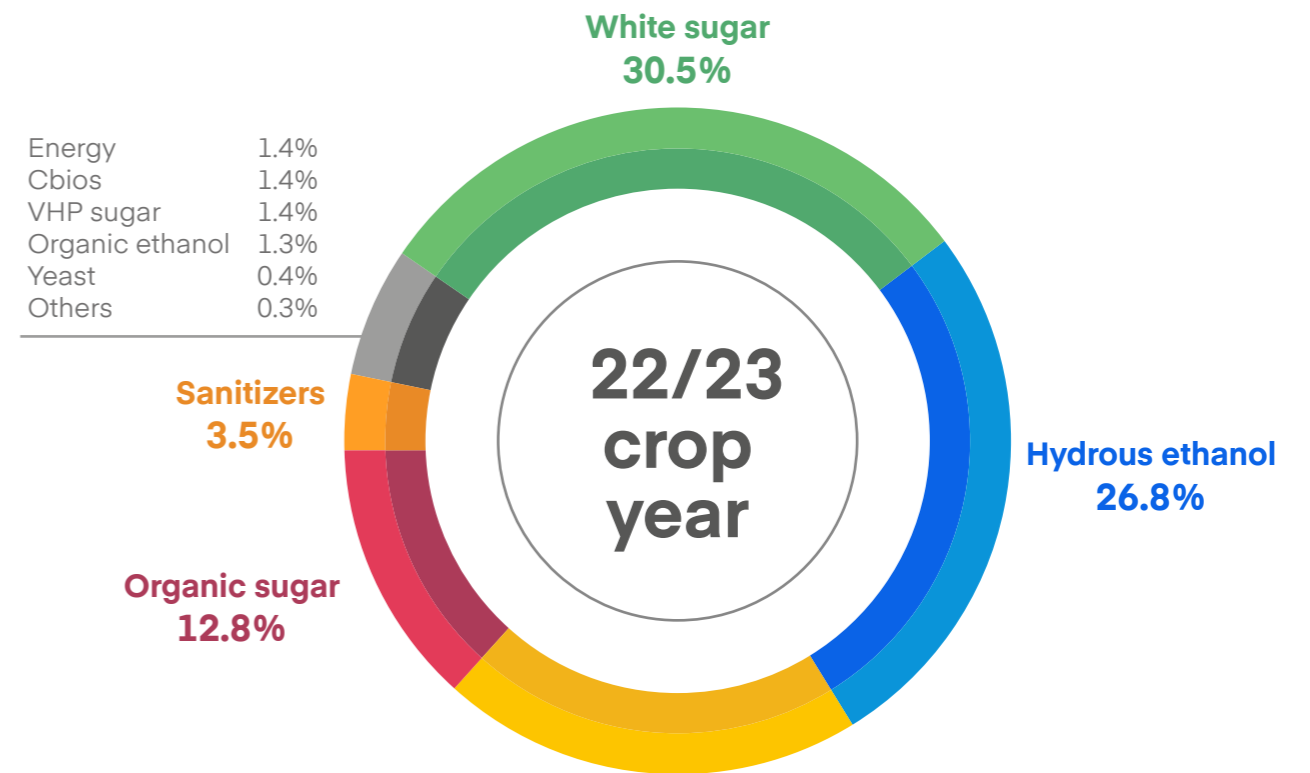
As a result of our pioneering work in the production of organic sugar, we have become one of the largest exporters of organic sugar worldwide and the second largest producer, further expanding our portfolio with the creation of our own line of organic products – La Terre, which also introduced us to the B2C (business to client) market. Thus, we have gained a prominent position as one of the most diversified companies in the Country’s sugar-energy sector.

The presence of high value added products further strengthens this competitive edge, as it mitigates our exposure to the risk of commodity market volatility and makes it possible to spread out our client portfolio.

The comparison shows progress in ethanol production due to USV’s consolidation, which currently produces 100% ethanol. However, the Jalles Machado and Otávio Lage units also saw a 22.5% increase in sugar production. The increase in sugar production is part of the Company’s strategy to capture prices close to their historical peak.

Since 2019, we have gradually increased the share of non-commodity products in our revenue, which excludes white sugar and ethanol. In 2023, non-commodities accounted for 25% of total gross revenue.

Share of products in revenue (%)



White and VHP sugar

We produce white sugar, marketed under our own brand Itajá in the North, Northeast and Central-West regions, in 1kg, 2kg and 5kg packs; and VHP (Very High Polarization) sugar, which is exported to countries such as the United States, Canada, the United Arab Emirates, Nigeria, Indonesia, Bangladesh and India.

The ability to adapt our production at a time when we had prices close to the historical peak of the sugar market, our agility in decision-making and expertise in agro-industrial efficiency, together with favorable weather conditions, resulted in record sugar production in the crop year 2023/24, reaching 374.5 thousand tons, a 22.5% increase compared to the previous crop year. In terms of revenue, R\$ 779.6 million came from sugar, 35.2% more than in the previous crop year.

Organic sugar

Pioneers in the production of organic sugar in Brazil, we are one of the largest exporters and the second largest producer in the world.

Marketed under Itajá's own brand, an average of 85% is destined for the foreign market – around 20 countries: Germany, Saudi Arabia, Australia, Belgium, Canada, China, South Korea, Croatia, Slovenia, Spain, United States, Philippines, France, Holland, Israel, Italy, Norway, New Zealand, French Polynesia and Tunisia. The other 15% is distributed domestically, mainly in large supermarket chains in the cities of São Paulo, Brasília and Rio de Janeiro. We already have a 10% market share in the domestic market.

Adding value to our portfolio and operations, our organic sugar complies with international quality certification standards assessed at every stage of the process, from planting to the final product. Thus, we have the certification of the Biodynamic Institute ("IBD") and several others (see section "Social and environmental certifications"), which strive for safe production combined with environmental preservation and social responsibility.

In the crop year 2023/24, 97,500 tons of organic sugar were produced, compared to 83,500 tons in the previous crop year, an increase of 16.9%. In terms of revenue, it totaled R\$ 268.47 million, 2.0% less than in the previous crop year.

Organic products – La Terre

With the exclusive La Terre brand, we have launched a strategic business model, with a line of organic products produced by specialized third-party companies. The aim is to concentrate our healthier, organic products, which have a different target audience and marketing and sales strategies. Thus, we took advantage of the whole infrastructure and expertise already in place to create a non-commoditized product of high value added, furthering the diversification of our portfolio, without the need to invest in Capex.

There are currently around 8 SKU's (Stock Keep Unity) of products in the line, with plans for further launches. In the crop year 2023/24, this business front had revenues of R\$ 568,900, 72% more than in the previous crop year.



Ethanol

We produce two types of biofuels in the fuel version: anhydrous, also known as absolute ethanol, with a minimum concentration of 99.3°INPM, of a greater value added and which is used in gasoline blends; and hydrous, a hydroalcoholic mixture with an alcohol concentration ranging between 92.5°INPM and 94.6°INPM, used directly in vehicles with flex-fuel or ethanol-only engines.

We also produce organic ethanol, which is used in the pharmaceutical, alcohol, beverage, cosmetics and food industries.

In the crop year 2023/24, 386.9 thousand m³ of ethanol were produced at the three units, compared to 393.1 thousand m³ produced in the previous crop year, a drop of 1.6% due to the increase in the Brazilian harvest, which saw record sugarcane crushing, and lower market parity in relation to gasoline, which made us prioritize sugar production. The difference was mitigated by the consolidation of the Santa Vitória Unit, which until then only produced ethanol.

As a result of the drop in prices and the consequent strategy of selling less to seek better commercial opportunities, revenues from the sale of anhydrous and hydrous ethanol were 1% lower than in the previous crop year, reaching R\$ 908.8 million. It should be noted that the acquisition of USV took place in October 2022, so its turnover was consolidated in the group from that date.

Bioenergy

We are pioneers in the cogeneration of clean, renewable energy in the state of Goiás from sugarcane bagasse.

In the boiler, sugarcane bagasse is burned, producing hot gases that exchange heat with water, transforming it into steam. This steam drives the turbines, generating electricity which is used to supply UOL's entire industrial plant. The surplus, 280 GWh, is sold in the National Interconnected System (SNI). Energy cogeneration is carried out in partnership with Albioma at UJM and UOL.

The start-up of UOL's new boiler, on April 15, 2023, increases the volume of energy produced. With an investment of approximately R\$ 91 million, it has a production capacity of 210,000 kg/h of steam.

With the addition of the Santa Vitória Mill, we now also have the ERB thermoelectric plant, now Jalles Bioenergia, increasing our generation capacity by almost 31.2%.

In the crop year 2023/24, 268GWh of bioenergy was produced, 64% of which was exported to the grid. The volume of energy produced is the same compared to the previous crop year, generating revenues of R\$ 106.7 million.

With the start-up of the biogas production unit using sugarcane vinasse – the first in the state of Goiás and one of the largest in Brazil – we increased our clean energy generation by 5%, enough to supply a city of around 30,000 inhabitants per year (more information in the “Risk and opportunity management” section).

Sanitizers

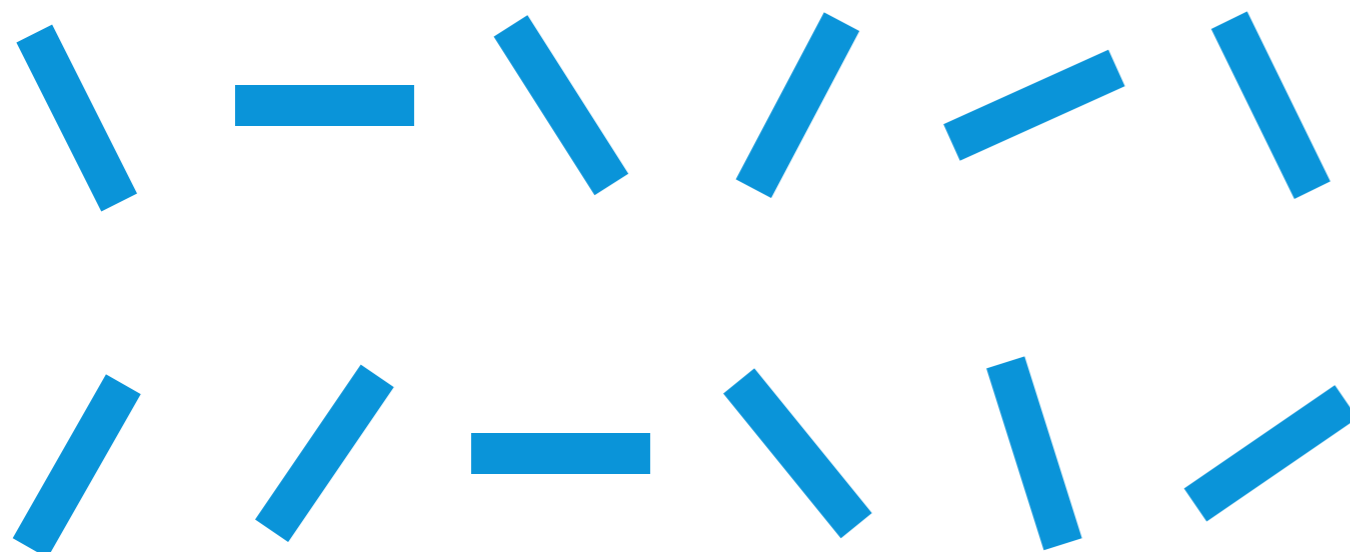
Our range of sanitizers was created to add value to the ethanol produced. It mainly includes cleaning products for domestic and professional use. There are two brands: Allgel, aimed at the cosmetics retail sector; and Itajá, for the sanitizing market.

In the crop year 2023/24, we produced 32.55% less of this category of products compared to the crop year 2022/23, with revenues of R\$ 45.6 million.

Yeast

Yeasts are microorganisms that make alcoholic fermentation. To reuse the surplus raw material from this stage of our industrial process, we thus produce dry yeast. Due to its high protein content, high concentration of B vitamins and balance of amino acids, this product is marketed as a nutritional supplement for animal feed. It is therefore suitable for use in feed for poultry, pigs, cattle, goats, fish, shrimp, horses, dogs, cats and others, with the specific inclusion rate recommended for each case. Dry yeast is sold in Brazil.

In the crop year 2023/24, we had a 7.9% increase in yeast production, reaching 2.8 million tons, generating revenues of R\$ 8.1 million, a 33% increase on the previous crop year.



Allgel



Sustainability, the essence of our being and doing

GRI 2-22 Statement on sustainable development strategy

GRI 2-23 Policy commitments

GRI 2-24 Embedding policy commitments

GRI 2-25 Processes to remediate negative impacts

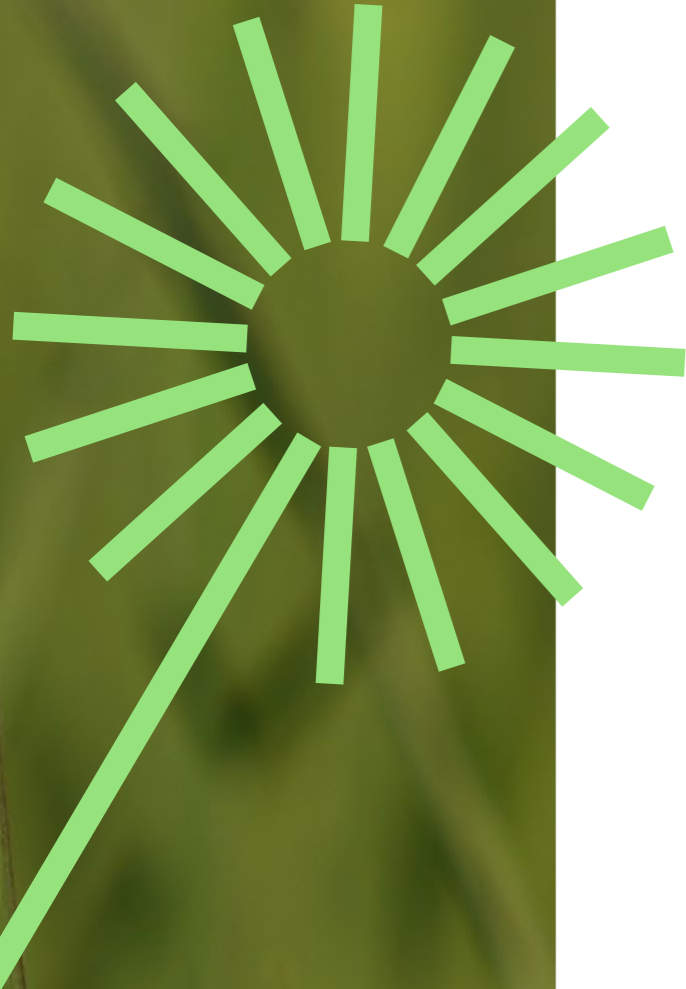
The relationship with sustainability is intrinsic to the very nature of our business. We were born out of the desire to help Brazil overcome the Oil Crisis with an alternative, clean fuel, while expanding our economic vocation and creating a source of jobs for the town, until then restricted to livestock farming, starting a relationship of reciprocity with the community, including in the own way which the business was set up, through a cooperative.

Later, when we decided to implement the mechanization of sugarcane harvesting – crucial to gaining safety, efficiency and reducing the negative impact on the environment – we turned the risk of unemployment into an opportunity by opening up a new economic front – the rubber plantations, which still play a major role in the local economy today. Together with the development of the workforce to absorb the Company's own growth, it was possible to keep the jobs and go even further.

This relationship of extracting maximum value begins already in the field, where we adopt the principles of regenerative culture, meaning producing while restoring the land and preserving the environment. By integrating our expertise, technology and research, including in partnership with institutions that are benchmarks in their fields of study, sustainable agricultural practices (see section "Organic production and regenerative agriculture") further result in a high level of productivity.

Organic production, in which we were pioneers in the state, enhances this process with biological pest control (Cotesias), thus being a low environmental impact production. Even the waste from the reproduction process of Cotesia is put to good use in animal nutrition.





The bagasse generated during industrial production is converted into bio-energy, along with biogas – produced from vinasse, a by-product of ethanol distillation.

In a circular economy model, we have a 77% circularity index, according to the Circularity Gap Report 2023 methodology. The filter cake (solid waste generated in the treatment of the juice) is transformed into a compost used as an organic fertilizer which, in turn, reduces the need to use chemical fertilizers, minimizing negative impacts on the soil, water, air and biodiversity.

Vinasse (residual liquid) is used rationally in fertigation. And from sugarcane bagasse and straw, we generate clean energy. There are factors that contribute to Brazil's prominent position as one of the countries with the cleanest electricity matrix in the world.

The yeast cream, a by-product generated during the fermentation process, goes through a drying process to be marketed for animal feed production.

And even the waste from the reproduction process of the Cotesia is used for animal nutrition, as is the yeast cream used to produce feed.

As a way of ensuring the Company's longevity, we seek to sustain ourselves by complying with international rules, standards and guidelines through the following certifications:

ISO 9001



9001:2015

ISO 45001



IBD Vegano



Fair Trade IBD



RenovaBio



Halal



ISO 14001



FSSC 22000



FSSC 22000

USDA Organic



Fair Trade USA



BonSucro



Kosher



High agro-industrial efficiency

Material topic: Innovation, technology and the digital revolution

Planning, efficiency and continuous improvement are the words that guide our agro-industrial operations. Having the agricultural area 90% covered by 4G internet enables the Integrated Intelligence and Control Center which, through the connectivity between systems and devices, allows us to monitor agricultural operations in real time, especially crop management and irrigation, as well as industrial operations. There are around 87,200 hectares of industrial and agricultural areas. To give an idea of its size, this extension is larger than the urban area of Brasília/DF.

Based on the consistent information made available in this visual management format, we accurately classify management areas and monitor various indicators through a Business Intelligence (BI) platform, which allows us to make significant progress in process management since the agricultural planning stage, in which we accurately and thoroughly map planting areas, harvesting and possible deviations, with increasing integration with irrigation, which has been evolving year on year.

We managed to be highly assertive in our planning. In the crop year 2023/24, we reached 99.5% assertiveness in relation to the volume of sugarcane processed, which was 7.350 million tons of sugarcane, 8.4% more than in the crop year 2022/23, including the Santa Vitória Unit, with 6.783 million tons.

Through the agro-industrial control tower, we have established closer contact between the field and the office, which has an impact on quick decision-making; on monitoring the safety of our employees and managing our assets with precision and agility, controlling the logistics and operational cycles to seek to best synchronize activities, aimed at a more efficient use of agricultural equipment, which has an impact on lower diesel consumption per ton of cane crushed.

We continue to make progress in consolidating an agriculture and industry 4.0 model with investment in Internet of Things (IoT) technology, which will enable communication between machines and a significant advance in automation. With this infrastructure, we have adopted a rational approach to the use of resources, in addition to mitigating the risk of fires and increasing the agricultural productivity index (TCH).

At the UJM and UOL mills, our average productivity was 90.1 and 93.3 tons of cane per hectare, respectively, which represents growth of 8.2% and 1.3%. At Santa Vitória, we grew from 60.22 tons of cane per hectare in the previous crop year to 69.8 in the crop year 2023/24. The improvement in the indicator represents the first results of the reformulation of field management with a focus on more efficient use of the soil in terms of preparation and the use of more suitable cane varieties.

Work was also carried out on the nutritional fractioning of the sugarcane field. Considering its area of 29.9 thousand hectares of harvest per crop year, just by gaining productivity we can reach the full production capacity of 2.7 million tons of cane crushed per season, without the need for major investments.

Santa Vitória can still be expanded in area, which guarantees it the potential to be our largest mill.





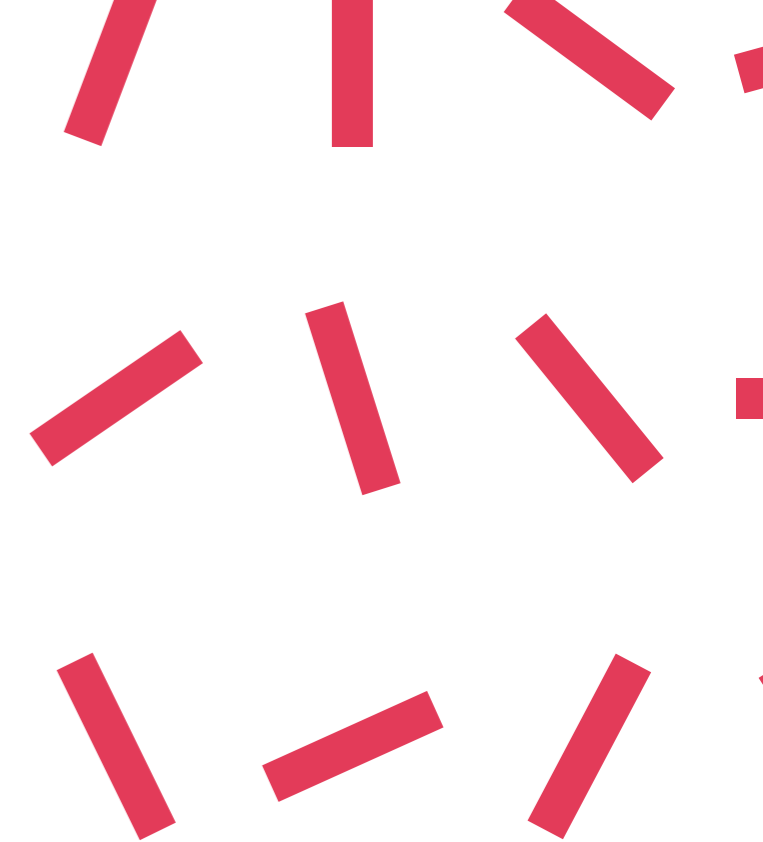
Industry 4.0

Our efforts are aimed at gradually evolving with planning and efficiency, using fewer resources and generating fewer adverse impacts, in a safer way for our employees.

Methodology, process and our vast experience in the sector also add to efficiency. With marginal investments and process adjustments, UJM, for example, saw a near 8.2% improvement in its industrial efficiency indicator compared to the previous crop year.

Another strategic advantage of our operations in the industry is the flexibility of our production, which allows us to vary the production of sugar and ethanol in order to be more in tune with the market prices of these commodities and benefit from the premium paid for each product. This characteristic proved its strategic value, especially in the crop year 2023/24, when the price of sugar reached record levels.

As a way of improving the flexibility of our industrial plants, we invested in the construction of a new sugar factory with the capacity to produce 15 thousand 50kg bags of VHP sugar (equivalent to 750 tons) per day, for a total of 150,000 tons per harvest. With this investment, the Santa Vitória Unit, which currently has 100% of its mix geared towards ethanol production, will be able to have greater flexibility by having up to 45% of its mix destined to VHP sugar for export.



In addition to greater flexibility, which allows us to take advantage of good commodity prices, the change represents a way of mitigating business risks due to greater diversification of the product mix and an increase in the representativeness of revenue in foreign markets.

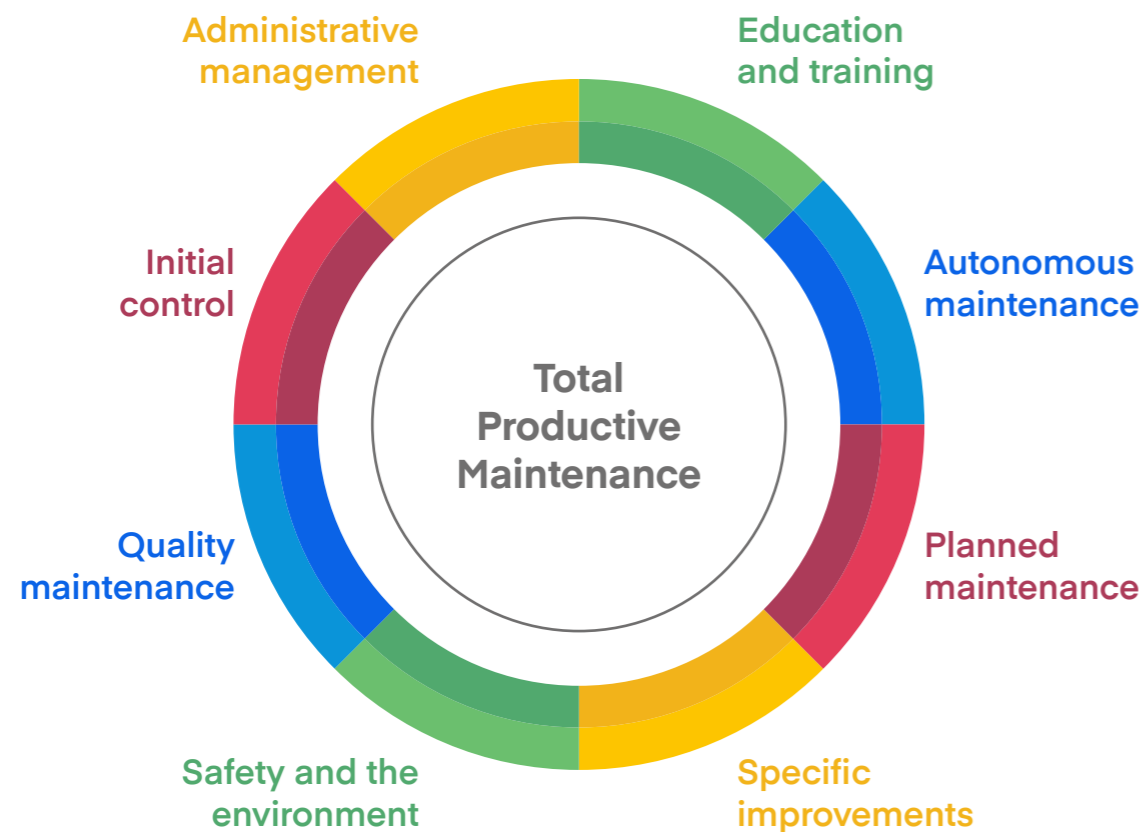
Taking advantage of the best marketing conditions is also possible thanks to our storage capacity, which is gradually being improved. In the crop year 2023/24, we expanded the Sugar Distribution and Storage Center (CDA) at UJM and inaugurated the Marilda Fontoura de Siqueira CDA at UOL (see “Risk and opportunity management” section). With 7,040 m², it has the capacity to store 48,000 tons of sugar and a production line with a capacity of 60 ton/h. It was built according to the highest occupational safety standards, meeting all needs mapped out in our operations and quality and food safety regulations. The total investment was R\$ 50 million.



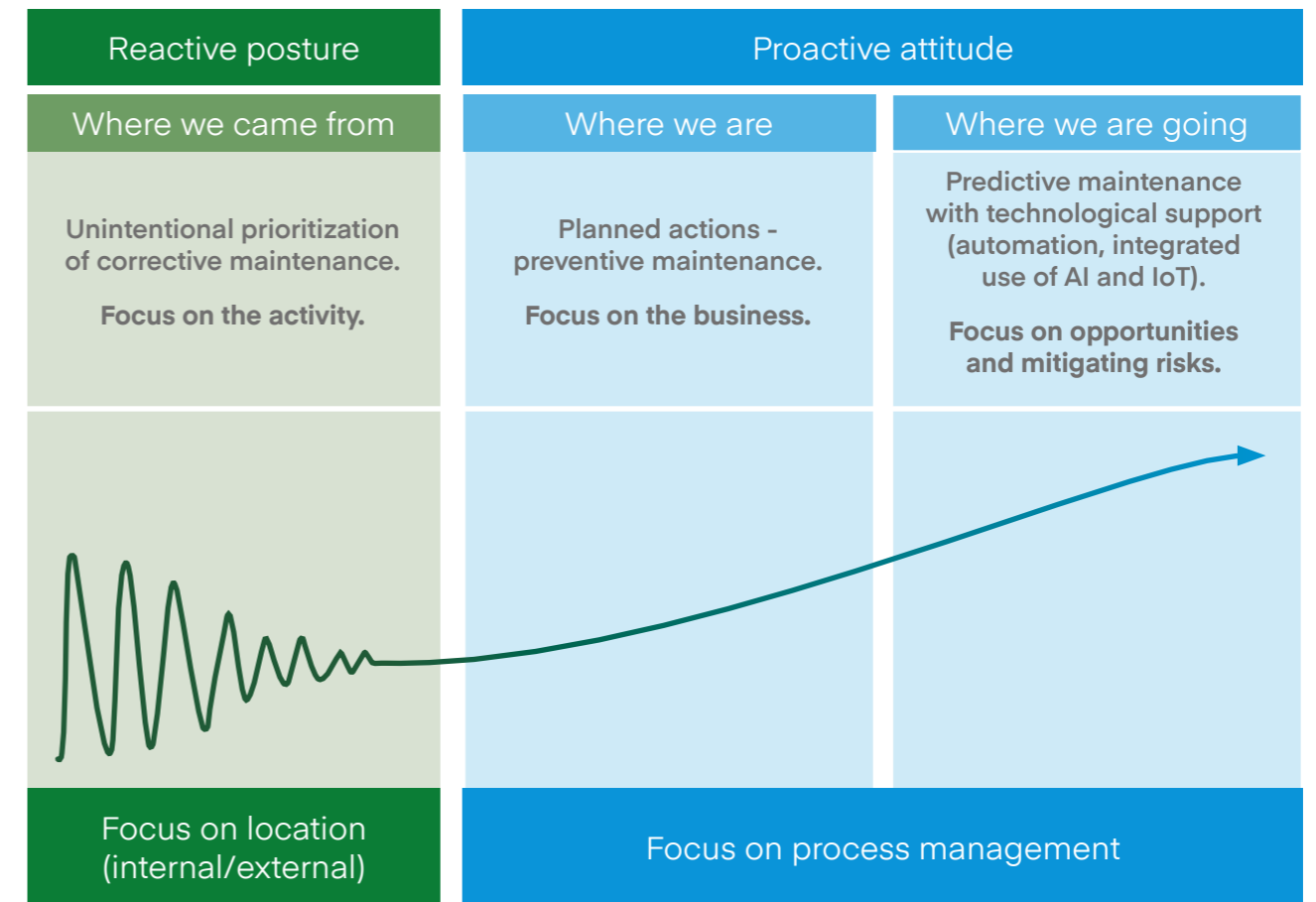
Maintenance and efficiency at the service of business

Our maintenance department is responsible for ensuring the high availability, reliability and efficiency of equipment, with a focus on preventive maintenance. In line with the concepts of sustainability, the aim is to prioritize safety, taking it as a value, meeting legal requirements and current standards and, at the same time, contributing to the Company's growth plan and reducing costs.

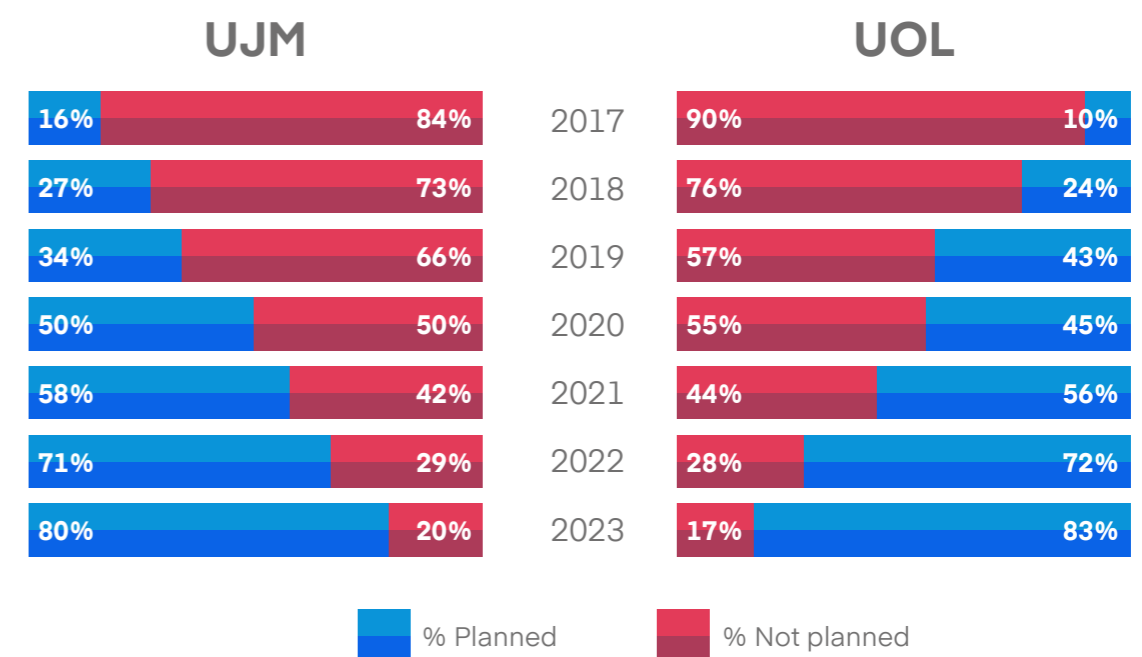
With the support of a specialized consulting firm and based on the Japanese TPM (Total Productive Maintenance) methodology, we set about changing our mindset regarding the role of maintenance itself. Our goal is to move away from a focus on equipment maintenance to a strategic approach: to have an efficient production line, with zero breakdowns, accidents or defects, which results in a quality product, integrating the other sectors of the company. To this end, we work on eight pillars:



Based on a diagnosis, we have drawn up a plan whose first stage was to implement the foundations of this new culture. Then we entered a consolidation stage until we reached the sustainability stage.



Maintenance evolution



Agricultural efficiency

The crop year 2023/24 was marked by favorable weather conditions in the center-south region, which resulted in a record increase in sugarcane production across the Country.

With better-distributed rainfalls, it was also possible to extend the harvest. However, the management practices that have made us a benchmark in productivity have once again made us stand out, mainly due to the start of their implementation at USV, keeping our productivity rate above the national average.

As a result, we had 86.4 thousand hectares of total harvested area, 0.9% down compared to the previous crop year, but with average productivity up 8.2% and 1.3% (UJM and UOL, respectively). Total ATR produced was 1,048.1 thousand tons, compared to 986.2 thousand tons in the crop year

2022/23, while ATR per hectare (TAH) reached 12.1 t /ha, up from 11.3 t /ha in the crop year 2022/23.

With a total area of 86,400 hectares, 100% of our sugarcane plantations are our own, cultivated on land for which we have an agricultural partnership agreement, and we are responsible for preparing the land, planting, cultivating the crops, harvesting, transshipment and transportation to the industrial plants. All planting and harvesting is carried out mechanically using automated planters, reducing costs, environmental impacts and the risk of fires.

We believe that this set of factors results in mitigating supply risk, ensuring above-average productivity and reducing costs for the company as a whole, given that 74% of production costs are related to the agricultural area.

Currently, the volume of sugarcane is sufficient for a 86% use of our capacity, thus optimizing the use of assets. However, to further our expansion plan, we will also need to expand our agricultural area, which is being done with the same principles of sustainability and compliance.

In a field that is practically 100% connected, we have precision agriculture as a strategy. We therefore use a varied rate of agricultural inputs. Irrigation and other types of interventions are only carried out when, where and as much as necessary, based on monitoring and understanding the conditions of each area. This monitoring is carried out in an integrated manner between the field team and the Agro-industrial Control Tower, using technologies such as GPS, drones and satellites.

The information collected is fed into software equipped with AI, which cross-references the data to indicate where the equipment should be remotely activated. In some cases, such as irrigation, there is the possibility of remote control, thanks to equipment with automation.

One of the technologies used to increase agricultural efficiency is high-precision Unmanned Aerial Vehicles (UAVs), which support surveys that make it possible to structure projects from soil preparation to harvesting.

The practice is totally in line with the concept of sustainability, extracting the maximum value from each resource, seeking to boost positive impacts, such as carbon absorption by the sugarcane plantation, and minimizing or mitigating negative ones.

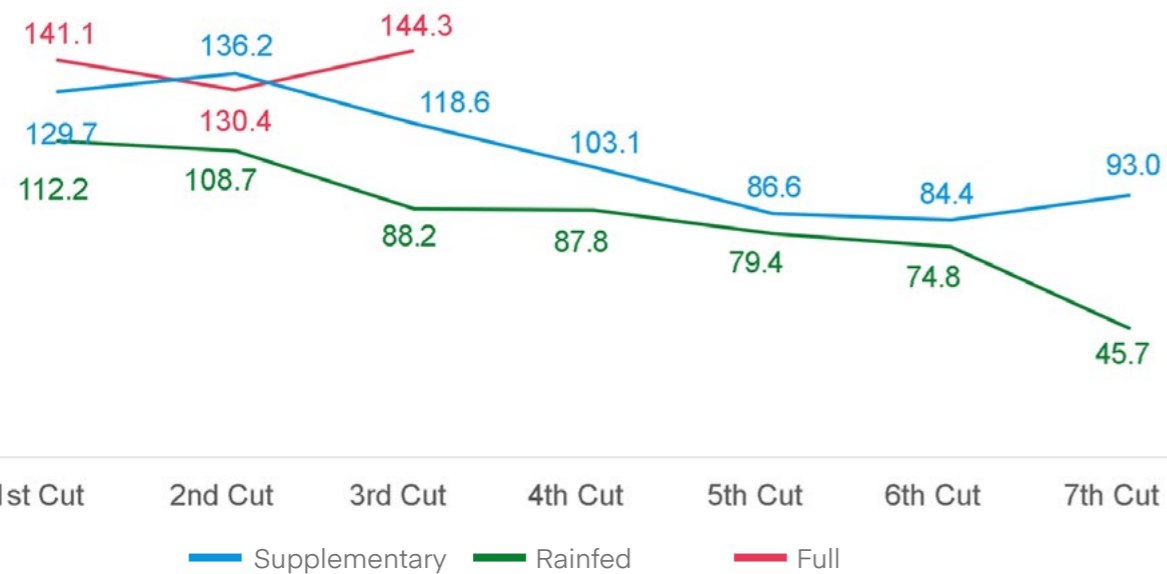


Irrigation

Every year we increase our investments in irrigation equipment/automation and the construction of reservoirs, as one of the ways of mitigating risks, reducing our exposure to weather variations and the risk of water shortages, and increasing our agricultural efficiency and productivity, fostering and supporting our growth.

In addition to conventional practices (irrigation equipment such as reels and pivots) and remote control via a control tower, we have increased our investment in drip irrigation and the automation of tanks and motors.

Comparison of yield per cut (TCH): Irrigation vs. Conventional



The productivity of an irrigated area (pivot or drip irrigation) can exceed, in a single crop year, more than 30 tons of sugarcane per hectare, or 35% of the productivity expected from a rainfed area, where there is no irrigation. In addition to increasing sugarcane productivity, it extends the average life of the plant, diluting the cost of planting over a longer period.

During the dry/critical period, when the cane is harvested in the months when there is not enough rainfall for the ratoon to regrow (from May to September), irrigation is used in management as a way of saving the crop, with reel equipment, and increasing productivity, with pivot and drip irrigation.

Even with the conventional practices that have been improved in recent years, not only with a focus on productivity but also on sustainability, 4 new pivots were implemented in the crop year 2023/24. The strategy is to have a diversity of irrigation equipment techniques/models (reel, pivot and drip), all electronically controlled via a control tower.

Reel irrigation (salvage)

Around 50% of our sugarcane fields are irrigated by reel irrigation, with a uniformity coefficient of 75% to 80%.

Pivot irrigation

We have the largest central pivot irrigation system in Brazil and Latin America, covering an area of 428 hectares. In the crop year 2023/24, around 20% of our sugarcane fields are irrigated via center towable and linear pivot, with a uniformity coefficient of 85% to 90%.

Drip irrigation

Pilot project with an irrigated area of 400ha, closing the crop year 2023/24 with six production cuts, with a uniformity coefficient of 90% to 95%.

Today, irrigation support tools include systems with important algorithms to generate highly assertive management plans customized for each crop stage (Kc), showing the water demand.

This is done by cross-referencing information collected by weather stations, the project's technical data sheet, sensors, planting/harvest dates, soil types and varieties installed, where each crop year we improve satellite monitoring (NDVI images), in addition to using drones for high-quality spot images, monitoring and tracking equipment. As a result, we have increasingly accurate comparative analyses and diagnoses, refining our environmental management system.



Our environmental agenda

Organic production and regenerative agriculture

GRI 3.3 Material topic

The land is vital to our business. We believe that with efficient management, expertise, technology and science, it is possible to take advantage of all its wealth in a balanced way, enhancing the positive effects of this use and minimizing the adverse effects. Thus, producing efficiently while recovering the soil is part of our business, which has enabled us to obtain regenerative agriculture (ROC) certification.

In planning, we have a differentiated approach marked by precision, customization according to each area, species and soil and climate conditions, as well as assertiveness associated with the use of advanced monitoring and control technology via sensors, satellites and drones, combined with AI resources. The algorithm determines the distance between sugarcane rows, the best route for harvesting, alignment for autopilot and appropriate management for soil conservation and preservation, the main practices of which we will present below.

Organic production enhances this relationship, as it allows us to make reduced use of artificial ingredients, manures and fertilizers.

Organic farming

Since 2003, when we pioneered the cultivation of organic sugarcane, we have expanded the area at UJM by 3,500% and, since 2019, the area at UOL by 467%. Currently, the organic area represents 30% of our sugarcane plantations.



Environmental impacts

Fewer nitrogen fertilizers

Fewer GHG emissions, such as carbon dioxide (CO₂), methane (CH₄) and, above all, nitrous oxide (N₂O).

Greater use of the no-till farming system with crop handling

Less need for plowing = less emission of particulate matter (NO_x).

Biological pest control.

Less soil, water and air pollution = preservation of biodiversity.



Social impacts

Healthier and safer product

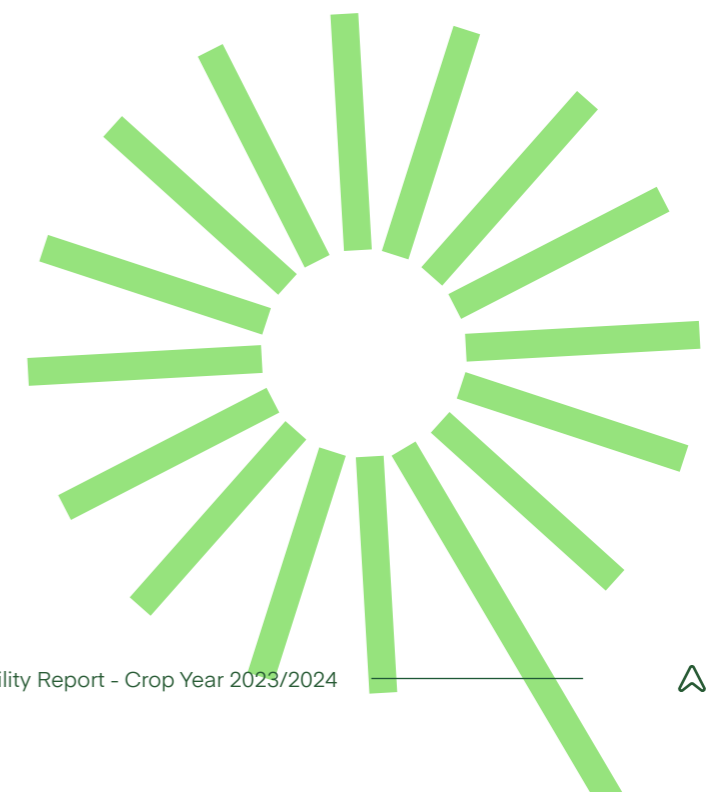
Less use of manure and non-organic fertilizers.

Greater employability

Greater need for human activities.

Greater social impact

Financial resources from fair trade certification invested in social actions and projects for the benefit of communities.



Sustainable agricultural practices



No-till Farming System (DPS)

In the reform area, we have adopted the semi-no-till farming system, with minimal cultivation and localized preparation, only in the cane row.

In addition to improving the quality of the soil, water and air, SPD makes financial gains possible.

Impacts:

- Less infrastructure;
- Fewer GHG emissions due to reduced use of machinery;
- Preservation of the soil's structure;
- Less human labor;
- Less fossil energy consumption;
- Reduced erosion;
- Less need for corrective and fertilizer doses;
- Promotion of integrated pest management;
- Weed control.



Crop rotation

We alternate the planting of sugarcane at the time of renovation with crotalaria (a legume that is incorporated into the soil) or soybeans, to keep the soil covered during the fallow period (interruption of cultivation to rest the land) and the rainy season.

Impacts:

- Contribution to soil aeration;
- Maintenance of the soil's organic matter content;
- Maintenance of the soil's moisture;
- Nematode control;
- Weed control;
- Improved stalk productivity;
- Contribution to a process of natural regeneration of the soil's physical and chemical conditions.

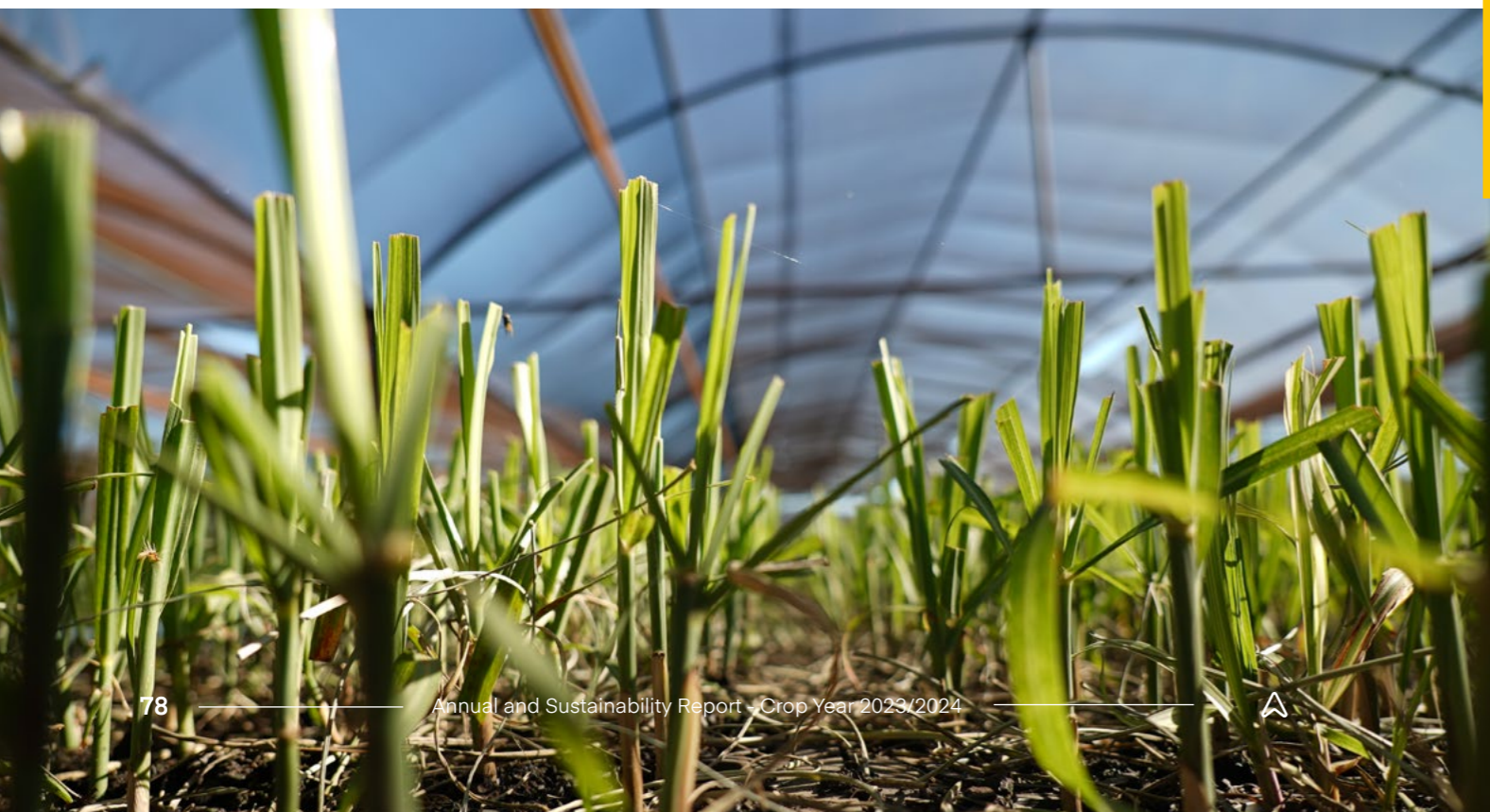


Organic fertilization

We have adopted two types of organic fertilizer. One of them is composting, which turns filter cake (solid waste) and ash from the industrial sugarcane process into organic fertilizer. The other is fertigation, carried out with vinasse – the final liquid waste from alcohol production – which, as it is rich in potassium, is an important factor in improving the chemical, physical and biological characteristics of the soil.

Impacts:

- Productive destination for waste;
- Contribution to our high circularity index;
- Savings on the purchase of chemical fertilizers;
- Increased agricultural productivity;
- Increased longevity of sugarcane plantations;
- Minimized adverse impacts of chemical use on soil, water and air.





Biological pest control

We use nature itself against insects that cause harm to crops. One example is the sugarcane borer, the main pest of sugarcane: the young caterpillar feeds on the leaves and penetrates the softer parts of the stalk, piercing the cane and opening galleries that serve as an entrance for other microorganisms (bacteria, fungi, etc.). To control the borer, the biological agent is a wasp – *Cotesia flavipes* – which attacks it while it is still in the caterpillar stage.

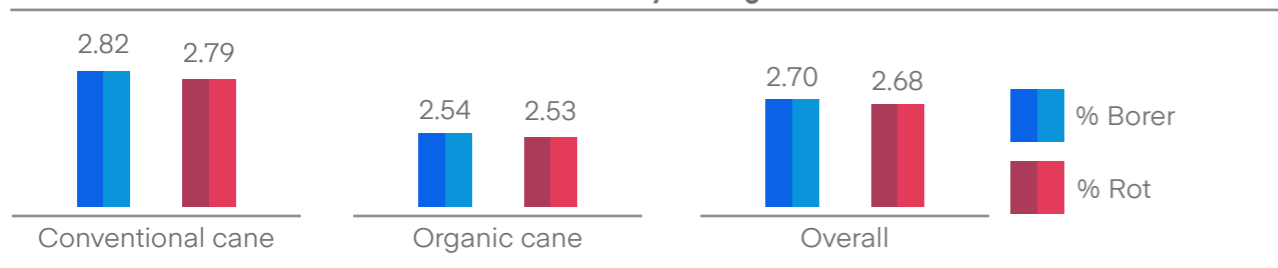
In view of all its advantages, we are gradually expanding biological control. In the crop year 2023/24, it was used on 101.339 ha, of both organic and conventional sugarcane (this figure refers to the use of biological control more than once in the same area), with a significant advance in results due to the use of drones to release the borer more precisely, in places mapped assertively by our monitoring and analysis technology.

Impacts:

- No adverse environmental impact;
- Preservation of the health of rural workers;
- Preservation of the health and food safety of consumers of the sugar produced;
- Preservation of the lives of other species;
- Promotion of biodiversity;
- Savings, as it is cheaper and more efficient.

Low levels of borer infestation, with the application of Cotesia: 0.9% at UJM and 1.7% at UOL, compared to 2.8% and 3%, respectively, in the previous crop year.

% infestation by management



Integrated Pest Management (IPM)

In partnership with the School of Agronomy at the Federal University of Goiás, since 1992, we have adopted IPM, a strategy based on cost-benefit analysis, which takes into account the impact on producers, society and the environment.

The practice consists of studying the population dynamics of insects in sugarcane plantations to find out which of these species can cause damage to the plantation. Based on this monitoring, we rationalize the use of insecticides, applying them only against the insects that actually harm the crops. For example, of the 15 termite species detected in the region, only three can cause damage to sugarcane and soybean crops.

In the crop year 2023/24, we monitored 3,042.33 thousand hectares. Of these, we applied termiticide to only 274.13 ha, meaning that, with management, we were able to avoid applying it to almost 91% of the sugarcane field, i.e. 2,768.20 ha.

With this sustainable practice, we won the Regional Council of Engineering and Agronomy of Goiás (CREA-GO) Environmental Award.

Impacts:

- Reduced use of pesticides;
- Preservation and protection of colonies of benign species, especially pollinating animals such as bees;
- Less negative impact on the health of rural workers;
- Less impact on soil, water and air due to reduced use of agricultural pesticides.





Varietal management

The quality of the cane is also directly related to productivity and sustainability. This is because species that are highly responsive to each soil and climate condition have less need for intervention, meaning less use of resources and adverse impacts. This results in greater economy and ensures the quality of the end product.

Last crop year, in partnership with Embrapa, which is linked to Brazil's Ministry of Agriculture, Livestock and Supply (MAPA), we completed a six-year cycle of studies that enabled us to identify 12 to 14 varieties of cane that respond better to irrigation processes, which has an impact not only on greater productivity, but also on less use of water resources.

Partnership with the most renowned institutions in the segment in the country

- **Sugarcane Plantation Technology Center in Piracicaba/SP**

Considered the largest sugarcane research center in the world.

- **Agronomic Institute of Campinas (IAC)**

Research body of the São Paulo Agency for Agribusiness Technology, of the São Paulo State Department of Agriculture and Supply, located in Campinas/SP.

- **Inter-University Network for the Development of the Sugar-Energy Sector (Ridesa).**

Impacts:

- Less need for irrigation and therefore less use of water;
- Less use of fertilizers and pesticides;
- Higher ATR index;
- Higher productivity (TAH), and consequently reduced use of inputs and natural resources.



Precision agriculture

In line with the rational use of resources, we have adopted precision agriculture, applying soil correctives such as lime, gypsum and phosphate, as well as herbicides at a varied rate, i.e. only when, where and as much is needed.

Impacts:

- Financial savings due to fewer inputs used;
- Fewer GHG emissions;
- Mitigation of soil pollution;
- Mitigation of water pollution;
- Preservation of biodiversity with less use of pesticides.





Biological laboratory

Another example of our pioneering spirit, our biological laboratory was the first in Goiás. Created in 1999 with the aim of developing biological agents to combat pests, it has helped us become a success story.

The process consists of first producing the pest (borer caterpillar) so that, from it, the wasp (Cotesia) can feed and generate new individuals in the sugarcane plantation. The Cotesia is then released into the field manually and also by high-precision drones in a joint effort with a startup.

The Cotesia used to be released in plastic cups, which were collected and sent for recycling, but they are gradually being replaced by a biodegradable option.

In the crop year 2023/24, more than 1 billion insects were reproduced and released precisely over 116,000 hectares (considering the same area more than once) with the support of monitoring technology and Artificial Intelligence: the system indicates the areas of greatest susceptibility, a specialized team carries out an on-site assessment and enters the data into the system so that the information is cross-referenced and areas of application are pinpointed. 7 to 15 days later, a new assessment is carried out, with samples taken for study.



Water resources management

GRI 3.3 Material topic

GRI 303-1 Interactions with water as a shared resource

GRI 303-2 Management of water disposal-related impacts

GRI 303-3 Water withdrawal

GRI 303-4 Water disposal GRI 303-5 Water consumption

GRI 303-5 Water consumption

Due mainly to agricultural practices, we are major consumers of water, but we seek to optimize this relationship through rational use and efficiency, both in terms of reducing consumption and direct withdrawal from the river to the minimum possible, and in terms of preserving its quality. Our responsible water resources management has already been recognized by the National Water Agency's Conservation and Rational Use of Water Award.

In the crop year 2023/24, water consumption per ton of cane crushed stood at 1.53m³/tc, considered a benchmark in the sector. The figure is still lower than last year's 12.33%.



If, on the one hand, the expansion of our sugarcane plantations demands greater use, on the other, the investment in the Irrigation 4.0 project seeks to minimize this impact by integrating different technologies that add efficiency, such as data-driven strategic use, automation and state-of-the-art equipment.

Since 2000, we have consistently invested in building dams to accumulate water, expanding our operations year after year. In the crop year 2023/24, we had a total of 63. Many of these dams were integrated into Jalles' production system as we acquired new production areas, even in leased areas, and were subject to extensions and adjustments as needed to ensure their efficiency and regulatory compliance.

These initiatives play a crucial role in mitigating adverse impacts during periods of minimum flow, when water levels tend to decrease, and also in minimizing the effects of droughts on our production. Additionally, they offer significant benefits during rainy periods by regulating flows and reducing the risk of flooding along watercourses, preventing damage to our operations and the environment.

We are currently moving forward with the licensing process for the construction of 12 new dams, reaffirming our ongoing commitment to the sustainability and efficiency of our operations. In addition to this practice, we also restore the riparian forest on the banks of the dams.

To optimize consumption, we have been investing in industrial plants since 2018. The implementation of the molecular sieve and a cooling and water recirculation tower are examples of this. With the sieve, it is possible to make more use of the steam from the industrial process, which reduces the use of spring water by 200 m³/h. The change is part of a project that has been underway in the industry since the crop year 2020/21.

The production model has efficiency as its differential, since 100% of the water used is reused: wastewater from the cooling, sanitizing and cleaning processes is sent to the Wastewater Treatment System, while domestic effluent is sent to the Sewage Treatment Plant. After treatment, the water is used for fertigation through the Landfarming process.

Fertirrigation and organic fertilization reduce the need for irrigation, resulting in savings of up to 25% of clean water.

Water and effluent quality

Monitoring is carried out using the GAtec - Industrial Process Management (GPI) system, which absorbs the data and calculates the monthly irrigation volume, making it possible to compare the volumes granted and withdrawn with data measured and processed in the Agricultural Control Planning department. The Audit Report, in turn, compiles the information from the analysis and the entire process of use and impact.





Sustainable and healthy products

GRI 3.3 Material topic

The value of our products lies not only in how they positively impact our business, but also in how well they meet society's demands and contribute to our positive impacts on the environment and people.

To ensure this process of generating value, we have a Quality Assurance department dedicated to supervising production right through to the finished product so that everything meets the highest standards demanded by national and international consumers.

To ensure a product that is safe for human consumption, the process is mapped out and monitored through periodic assessments of Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP). In this regard, we also have FSSC22000 certification, specifically for food safety, food defense and food fraud.

Ethanol

Especially compared to gasoline, ethanol is a key element in the energy transition to a low-carbon global economy with less environmental impact, as it emits on average 90% less GHGs than gasoline.

Ethanol blends also help to reduce hydrocarbon emissions, one of the main contributors to ozone layer depletion, according to the US Environmental Protection Agency. As an octane rating booster, it also helps to reduce the carcinogenic emissions of benzene and butane.

In this broad context of renewable energies, even in the face of the possibility of electric cars as an option for decarbonization, ethanol continues to play a prominent role, as issues of cost, autonomy, use of resources for battery production and disposal, as well as infrastructure, are still challenges for electric-powered engines.

Besides having a lower impact on the ozone layer, ethanol has a lower production cost due to its natural origin, which is easy to grow and handle, reflected at the pumps, being up to 30% cheaper and, consequently, more accessible to consumers, although this relationship became less evident in the crop year 2023/24.

Ethanol is therefore a natural, clean, renewable, sustainable and more democratic source of energy than fossil fuels, and which generates more than 1 million jobs.

Organic products

Organic sugar has a reduced environmental impact compared to conventional sugar due to the way it is managed and grown. This characteristic also has its social side, as it results in a final product that is safer to eat.

From a social point of view, its cultivation offers more opportunities for employment and income, as it is more labor-intensive. In our case specifically, our products are fair trade certified, which also ensures financial resources to be invested in the community.

From an economic and financial point of view, although there are challenges in production, such as the cost of intensive labor, access to and/or manufacture of special inputs and competition with products from conventional crops, this is a niche market that has been growing exponentially, due to people's greater interest in the origin of food and the health benefits it can bring. According to the Panorama of Organic Consumption in Brazil 2021, published by Associação de Promoção dos Orgânicos (Organis), the Country recorded a 63% increase in consumption of this type of food compared to 2019, and a 106% increase compared to 2017.

In the organic plantation, we also use biological pest control, which promotes biodiversity, and organic fertilization and fertigation, which promote the circularity of waste from the industrial sugarcane process.



Bionergy

From sugarcane waste we produce clean energy, in a volume that exceeds our needs. Since the start of operations at our biogas factory, we have increased this volume, exporting around 405.56 GWh (considering the three units) to the National Interconnected System.

Thus, in addition to generating revenue, we also contribute to a cleaner electricity matrix: by 2023, 47.4% of the Brazilian energy matrix will be made up of renewable sources, according to the Brazilian Energy Research Company (EPE), while the world average is 15%. The cane's biomass has the largest share, with 15.4%.

Faced with the global debate on the urgency of decarbonization policies and actions, energy from renewable sources is increasingly at the heart of the strategies of governments and companies.

White and VHP sugar

It is an essential product, not only directly for the end consumer, but also for the food industry, since it is present in around 80% of processed foods and in more than 100,000 different products, according to estimates by the Food and Agriculture Organization of the United Nations (FAO). Highly versatile, it is also used in personal hygiene, medicines, pet products, cosmetics, chemical products and industrial colorants.

Although there is an effort to reduce daily sugar consumption per capita due to the search for a more balanced lifestyle, consumption is still growing and is likely to remain so in view of population growth. According to the Household Budget Survey (POF 2017-2018), published by IBGE, 85.4% of the population adds sugar to food and drinks.

In the crop year 2023/24, Brazil once again became the world's largest sugar producer and exporter, as well as the second largest consumer only behind India. The deficit between production and consumption on the global stage, due to the drop in harvests in the world's second and third largest exporters – India and Thailand – as a result of the exceptionally dry weather conditions caused by the El Niño phenomenon, should further increase global demand for the product.

According to estimates by the International Sugar Organization (ISO), consumption in 2023/24 should be 176.9 million tons, compared to production of 174.84 million tons. From a global perspective, based on historical data, the FAO's projection is that world sugar consumption will grow by an average of 1.3% per year between 2009 and 2030, reaching 196 million tons consumed.



Biodiversity and ecosystem services

GRI 3.3 Material topic

GRI 304-1 Operational units owned, leased or managed within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmental protection areas

GRI 304-2-Significant impacts of activities, products and services on biodiversity

GRI 304-3 Protected or restored habitats

304-3 IUCN-Red Listed and national conservation list species with habitats in areas affected by the organization's operations

GRI 13.4 Conversion of natural ecosystems

GRI 13.5 Soil health

GRI 13.6 Use of pesticides

Based on the Environmental Impact Study and Environmental Impact Report (EIA/RIMA), we mapped out the direct and indirect impacts in relation to species affected, extent and duration of impacted areas. Based on this survey, we seek to reverse the adverse impacts common to agriculture through a series of actions focused on preservation, conservation and recovery.

As we are adept at sustainable agricultural practices, the impact of our cultivation on biodiversity is minimized, especially in the cultivation of organic cane, as we present in the "Organic production and regenerative agriculture" section.

Biological pest control has a positive impact, the results of which are reflected in our industrial plants through a borer rate below the

market average. This strategy uses nature itself against the main sugarcane pests, with effective results, promoting the development of benign insects, which contribute to pollination – allied to the preservation of local fauna. For conventional cane cultivation, we use chemical treatment only when, where and as much as needed, applying it at varying rates.

All activities are carefully planned according to the variety of cane and soil and climate conditions, based on monitoring and precise data analysis with the support of Artificial Intelligence, in line with the concept of Agriculture 4.0. This system is also an important ally in fighting and preventing fires, a risk that has already been minimized by the mechanized harvesting that has been adopted in 100% of our sugarcane fields.

Also with the aim of protecting and preserving the soil, at rest times we rotate crops, planting organic soybean or crotalaria. With its vigorous and deep roots, this legume helps to decompress the soil. As a result, it increases water retention capacity and controls the incidence of nematodes. By covering the soil, it also protects it from erosion and further has the ability to absorb nitrogen from the atmosphere.

Every year we also grow in preserved and planted areas. In the crop year 2023/24, we have 41,000 hectares of protected areas and, since the Reforestation Program began in 1986, we have planted more than 5 million trees. In the reported crop year alone, 36,604 native seedlings were planted, 72% more than the amount of seedlings planted in the crop year 2022/23, on 65.14 hectares, which represents an increase of 52.02% in recovered areas compared to the previous crop year. And the recovery of the areas is not limited to planting: for three years we monitor progress.

Considered natural filters, trees also help to restore springs, attract the fauna and enrich the flora. The reforestation program is promoted by our native seedling nursery, which includes 90 species from the Cerrado, including trees that are prohibi-

ted by law in the region, such as ipê, angico, aroeira and pequi, and species on the International Union for Conservation of Nature (IUNC) red list.

Additionally, we have a Nature Reserve of 16,374 hectares of native forest in the Cerrado biome, located in Cavalcante/GO, a municipality that covers around 60% of the area of the Chapada dos Veadeiros National Park. The watercourses in the Reserve are part of the Tocantins River Basin, the same basin that the municipality of Goianésia is part of.

Finally, we have 25 km of ecological corridors, a key strategy for mitigating the impact of human activities on the environment. Created based on studies into the movement of species, their home range (the area required to meet their vital and reproductive needs) and the distribution of their populations, they mitigate the effects of ecosystem fragmentation by promoting links between different areas. Thus, they create a favorable habitat for the movement of animals, the dispersal of seeds and an increase in vegetation cover.

Our Reforestation Program is responsible for a carbon stock estimated at 6,632,980.37 tCO₂.

Climate strategy

GRI 3.3 Material topic

GRI-305-1 Direct (Scope 1) GHG emissions

GRI 305-2 Energy indirect (Scope 2) GHG emissions

GRI 305-3 Other indirect (Scope 3) GHG emissions GRI 305-4 Intensity of GHG emissions

GRI 305-4 GHG emissions intensity

One of today's main global challenges is climate change and its harmful impacts resulting from GHG emissions.

One of the strategies used to curb accelerated global warming is the decarbonization process, which has the energy transition as an important lever. The aim is to migrate from a world energy matrix predominantly based on fossil fuels (non-renewable and more polluting), such as oil and coal, to renewable options, including bioenergy and ethanol, two of our products.

The topic is also intrinsically related to our business due to the direct relationship between agriculture and the weather, as seen by the impact of cli-

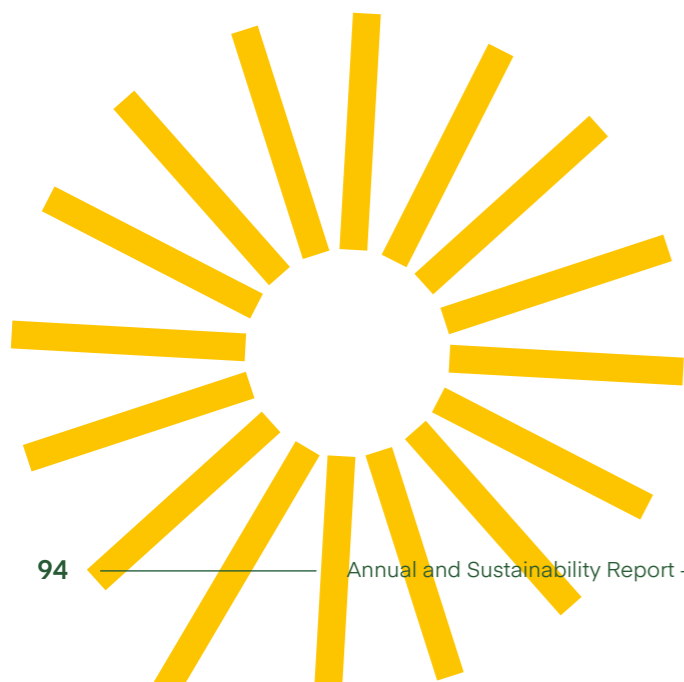
mate change on the international sugar deficit. And that is also why it is one of our material topics.

Due to the positive impact of biofuel, we are certified to Renovabio (National Biofuel Policy, created by Law No. 13,546/2017). This program has established itself as one of the largest in the world, reaching the milestone of 100 million decarbonization credits (CBIOs) issued since January 20, 2020. At the Jalles group, 413,800 credits were issued in the crop year 2023/24, representing an important source of revenue of R\$ 53.2 million in the reported period – 128.6% more than in the previous one.

While many companies are planning to achieve carbon neutrality in 10, 20 or even 30 years, we have a track record of absorbing CO₂, i.e. we remove more CO₂ from the atmosphere than we emit, contributing to meeting Brazil's emission reduction targets set out in the Paris Agreement.

We are the company with the best emission factor in the generation of Decarbonization Credits (CBIOs) under the Renovabio, in the Center-South Sugarcane Ethanol category.

According to data from the National Petroleum Agency (ANP), our scores are above the national average, at 21.52%, 21.79% and 21.25%, respectively, for anhydrous ethanol and hydrous ethanol at UJM and hydrous ethanol at UOL.



UJM – Anhydrous ethanol

Energy and environmental efficiency (gCO₂eq/MJ)

72.62 - 21.52% above the national average per biofuel.

Conversion factor

1.6 CBIOs per liter of anhydrous ethanol = 617 liters of anhydrous ethanol for each CBIO.

UJM – Hydrous ethanol

Energy and environmental efficiency (gCO₂eq/MJ)

72.26 - 21.79% above the national average per biofuel.

Conversion factor

1.5 CBIOs per liter of hydrous ethanol = 649 liters of hydrous ethanol for each CBIO.

UOL – Hydrous ethanol

Energy and environmental efficiency (gCO₂eq/MJ)

70,36 - 21.79% above the national average per biofuel.

Conversion factor

1.5 CBIOs per liter of hydrous ethanol = 666 liters of hydrous ethanol for each CBIO.

Source: *Painel Dinâmico de Certificações de Biocombustíveis RenovaBio* — Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (www.gov.br)

At the same time, we have the positive impact of our agricultural process, since sugarcane cultivation is responsible for removing carbon from the atmosphere, as shown by a study carried out by Agroicone, Unicamp and Embrapa, published in the international scientific journal *Land*. According to the article, “the dynamics of land occupation by the cultivation of sugarcane over the last 20 years in Brazil has been responsible for removing carbon from the atmosphere, advancing only 1.6% on natural vegetation”.

GHG control is reduced by washing boilers and chimneys, reduced use of chemical fertilizers (varied rate application with precision agriculture), the No-till Farming System, the use of biological pest control, constant maintenance of the fleet of diesel-powered equipment and vehicles, such as tractors, trucks and harvesters to prevent the injector pump from running out of tune. This positive impact is enhanced by organic planting, which reduces the use of nitrogen fertilizers.

A study conducted by Embrapa, published in *Revista de Estudos Ambientais*, proved that the use of sustainable agricultural practices, such as SPD, in irrigated areas is capable of increasing soil carbon stock.

The organic area also requires a lot of manual labor, which reduces the use of diesel-powered equipment. These, in turn, have been reduced in the field thanks to their replacement by more modern alternatives powered by bioenergy.

Additionally, as we showed in the “Biodiversity and ecosystem services” section, we work on off-set with the Reforestation Program, since trees act as a natural filter.

From 2006 to 2023, our agricultural activities removed 3,634,104.01 tons of CO₂ from the atmosphere. In 2023 alone, 170,263.57 tons of CO₂e were removed, i.e. we removed more than we emitted, considering the sum of scopes 1 and 2: 154,614.42 tons of CO₂e.

Management of GHG emissions

We carry out an annual carbon inventory, which allows us to monitor the scope 1 category. The document was prepared in accordance with NBR ISO 14064-1 criteria, with the GHG Protocol premises, using Intergovernmental Panel on Climate Change (IPCC) reference methods, in addition to data from specific literature, audited by BVC.

As a result, we know that we have reduced scope 1 emissions by 2.6% and scope 2 emissions by 8.54% compared to the previous crop year. With regard to indirect emissions (scope 3), the total volume emitted was 4.28% lower than in the previous crop year. The challenge for us to reduce these emissions is to understand the impact of logistics on issues related to emissions in our value chain.



Energy efficiency

GRI 302-1 Energy consumption within the organization
GRI 302-2 Energy consumption outside the organization
GRI 302-3 Energy intensity

Although our activities have a considerable energy demand, this is met by our own cogeneration of bioenergy from sugarcane bagasse and biogas.

In addition to supplying our demand, we produce enough to export clean energy. In the crop year 2023/24, including Jalles Bioenergia, we generated 268 Gwh, of which around 64% was exported.

The topic is directly related to the need to decarbonize the planet, since bioenergy is strategic for the energy transition and, for Brazil, an ally in meeting the commitments to redu-

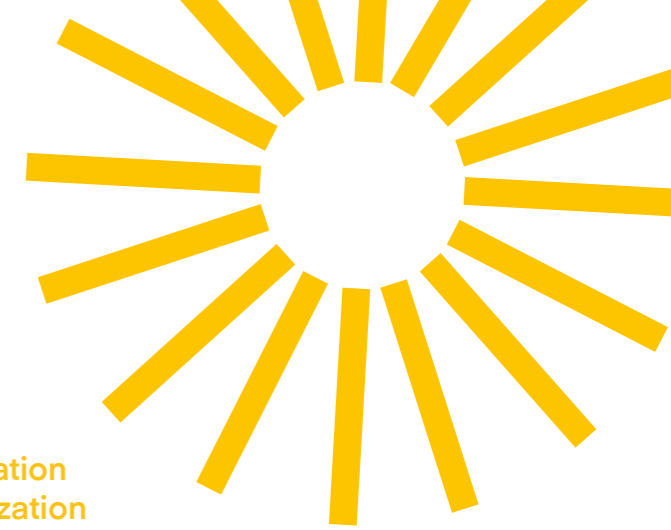
ce CO₂ emissions made in the Paris Agreement. It also stands out for being low-cost, giving waste a useful destination and making a clean contribution to diversifying the energy matrix and its potential risks, such as the energy deficit.

As a way of mitigating the carbon footprint of diesel-powered agricultural equipment, we have gradually replaced our fleet. The Irrigation 4.0 project, for example, provides for the use of electric pivots supplied with energy generated in-house.

94.6% of the energy consumed within the organization is from renewable sources.

The same sustainable principles guide all our actions to rationalize consumption, with preventive maintenance of equipment to keep it in optimum working condition, AI-equipped auto-

mations that modulate operation efficiently, and investment in modern equipment, such as the molecular sieve for dehydrating anhydrous ethanol at UJM.



Circular economy and waste management

GRI 3.3 Material topic

GRI 301-1 Materials used, by weight or volume

GRI 301-2 Raw materials or recycled materials used

GRI 306-1 Waste generation and significant waste-related impacts

GRI 306-2 Management of significant waste-related impacts

GRI 306-3 Waste generated

GRI 306-4 Waste not destined for final disposal

GRI 306-5 Waste destined for final disposal

The circular economy maximizes the efficiency of production chains, contributes to reducing the volume of waste and the social and environmental impacts resulting from it, as well as reducing the need to use new resources. The basis of our production model is fully aligned with this concept, since 99.98% of the waste generated in the sugarcane industrialization process is reused, transformed into economic, natural and social capital. Overall, we have achieved a circularity index of 77%, according to the methodology of the Circularity Gap Report 2023

Generated in the distillation stage for ethanol production, vinasse is one of the main by-products of the sugarcane pro-

cessing. For every 1 liter of ethanol, around 13 liters of vinasse are generated. As it is rich in minerals, organic matter and water, the solution is used to fertigate sugarcane fields. But even so in a rational way, thanks to the use of technology in the field. In addition to nourishing the soil with potassium, calcium, magnesium, phosphorus, nitrogen and sulfur, it further reduces agriculture's carbon footprint by reducing the need for nitrogen fertilizers.

As of this crop year, we have been exploring another potential of industrial waste, turning a risk into an opportunity: the production of biogas from the biodigestion of the organic components of vinasse.

During sugarcane processing, filter cake is also generated, a by-product that is just as rich in nutrients as vinasse. A source of phosphorus, this organic matter from filtering the juice is mixed with ash and applied to the soil as fertilizer.

From sugarcane bagasse, we produce clean energy, which therefore also contributes to reducing our carbon footprint, in addition to being a source of revenue.

Even the waste generated in our laboratory in the process of reproducing Cotesia use the principle of circular economy, destined for use in animal nutrition by regional producers.

Waste management plan

Our Waste Management Program is guided by reference standards, legislation, good practices, the National Solid Waste Policy (PNRS) and our principles.

In the crop year 2023/24, some improvements have been implemented. A request for a new material, for example, is now only fulfilled after checking its availability for disposal and the feasibility of repair and reuse. This is the case with metal sheets and pipes, whose disposal was reduced by 18.5%.



Our social agenda

Human Capital Management

GRI 3.3 Material topic

GRI 2-7 Employees

GRI 2-8 Workers who are not employees

GRI 2-30 Collective bargaining agreements

GRI 401-1 New employee hires and employee turnover

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

GRI 401-3 Parental leave

Our business is run, above all, by people. Guided by ethics and transparency, our relationship with our employees, communities, partners and suppliers is based on a win-win approach, maximizing the power of our value generation.

As one of our values shows, people are at the center of our decisions. Our 7,234 employees are the beginning and end of this value, as they also carry it forward, contributing to the perpetuity of our legacy.

Knowing that 85% of them are proud to say that they work at Jalles, as shown by the climate survey conducted by Great Place to Work (GPTW), this is an important recognition of our efforts to create healthy and prosperous relationships in a safe and productive environment. We believe that this is the result of a series of actions we have taken to value our employees.

Jalles

Talent attraction

Faced with the challenges of finding qualified labor in the market, especially in the regions where our operations are concentrated, our focus is on training professionals. In addition to supplying our demand, the practice contributes to people's professional development and, consequently, to the socio-economic development of the region.

In partnership with Senai, we run courses in agricultural maintenance, industrial maintenance, electrical maintenance, tire repairers and lubricators, in addition to some courses in-house, with 2,103 classes taking place. We also offer training to candidates for certain technical positions that require tests, in order to increase the pass rate through qualification.

At the same time, we re-assessed the way we attract and retain in our Trainee Program and directed the Young Apprentice Program to the industrial area.

As a result, we closed the crop year 2023/24 with 2,142 hires, of which 13 were trainees, 58 interns and 208 apprentices.

Development

As expressed in our values, "every person has the power to impact the whole". The personal and professional growth of our employees is part of this and therefore integrates our actions systematically and continuously.

In the crop year 2023/24, we had an average of 42 hours of training per person, 20% more than in the previous crop year, monitored through the Training Matrix, which indicates the training necessary for the person's development or required to perform their duties. Get to know the main programs:

Jalles Journey +

Development program in the area of agricultural maintenance, carried out in partnership with the Evangelical School of Goianésia (Faculdade Evangélica de Goianésia – Faceg). There are four knowledge trails. In the crop year reported herein, we started the second trail, with a total of 160 participants.

Internship program

In the crop year reported, 116 interns were offered positions.

Young Apprentice Program

In the crop year 2023/24, 423 young people up to the age of 24 took part in the program. The training courses are selected according to the demand in the region, which effectively contributes to local development and makes it easier to hire young people.

Scholarship

Subsidies of 50% to 70% of the cost of technical, higher education and graduate courses.

To disseminate the formalization of the new mission, vision and values, we held the first edition of the annual "Gente da Gente" (People of the People) event. There were 8 meetings entirely dedicated to strengthening our culture.

Development of leadership

We are working to prepare our leaders for the current society's challenges; this is the main focus of our development programs. In the crop year 2023/24, the Líder Inova program was restructured with the aim of making it more objective and strategic. It now consists of eight modules, focusing on strengthening our culture:

1. Self-knowledge;
2. Organizational culture and the role of the leader;
3. The Role of the leader in today's context;
4. Basic leadership topics;
5. Performance management;
6. How to be an inclusive leader, planned delegation;
7. Planning and time management;
8. Taking care of people is the role of the leader.

academy, which every professional who takes on a leadership role will have to go through. New modules are added every year to keep the entire leadership in a constant process of refresh and development. In the crop year 2023/24, 337 leaders and coordinators took part in the program.

Talent retention - assessment, feedback and recognition

In 2023, 73% of employees were assessed technically and behaviorally, of which 1,184, almost 22%, were recognized with promotion and/or merit pay. We also recognize for length of service. There were 366 employees honored.

The assessments serve as the basis for the Individual Development Plan (PDI), which includes suggestions for training and skills development, in which the employees themselves are encouraged to be the protagonist of their career.



Diversity and inclusion

GRI 405-1 Diversity in governance bodies and employees

GRI 405-2 Ratio of basic salary and compensation of women to men

As signatories of the Women's Empowerment Principles, developed by UN Women, our premise is to contribute to gender equality.

With 22% female participation, we are one of the mills in the sug-ar-energy sector with the greatest number of women on staff, in-cluding in leadership positions, where they represent 14%.

Our indicator of female participation in the workforce is growing gradually, which earned our CEO Otávio Lage de Siqueira Filho recognition as a great promoter of female participation in the sector, at the "Cana Substantivo Feminino" meeting, promoted by Cana Online. The event was attended by around 400 women from the national sugar-energy sector and we had our debater on the panel "What bio-energy units are doing to increase the presence of women".

Although diversity is intrinsically linked to socio-cultural issues and therefore requires continuous and integrated work between all social spheres, we try to do our part with actions aimed at leveraging it.

On International Women's Day, we carried out the action "Mais Mulheres, crescendo juntas na Jalles" (More Women, growing together at Jalles), a

day dedicated to receiving CVs and interviewing women from the Goianésia/GO community interested in working at the company. There were 201 interviews.

As part of the celebration of the date, we held a live event for all female employees, with the participation of the executive board. On the occasion, psychologist Laís Maria, specialist in organizational psychology with international training in neurolinguistic programming and behavioral analysis, gave a presentation on Managing Emotions and Productivity.

Every year, we invest in training to empower female employees and women from the community, further encouraging female participation and representation in the company. Examples include the free agricultural machinery operation courses agricultural courses for women, in Goianésia/GO, and the

harvester operator course, in Santa Vitória/MG. Upon completion, graduates are ready for the job market and have the opportunity to take part in our selection processes.

We also have courses developed in-house, such as the automotive electrician course, which took place at the beginning of 2024. And we already have other in-house courses planned for the year. Additionally, we invest in training our employees so that they can grow and take on new roles within the company.

Our work also includes making area managers aware that women can and should be included in any area they wish to work in. This training addresses the importance of supporting these managers in assessing women's ability to perform certain functions without preconceived ideas permeating this assessment, in addition to clarifying the importance of diversity as a whole, including as a strategic tool for the company's competitiveness.

The current challenge lies in wage inequality at all hierarchical levels. In the crop year 2023/24, the ratio between the basic salary and compensation received by women and those received by men was: 0.7238 (operational); 0.7072 (technical-administrative); 0.9251 (other leadership positions); and 0.9350 (management).

Through the "Programa Somos Todos Iguais na Diferença" (We Are All Equal in Our Differences Program), we support the integration of people with disabilities into the job market through

partnerships with the Associações de Pais e Amigos dos Excepcionais (APAEs) in Goianésia and the surrounding region. Other actions that make up our efforts to contribute to inclusion are:

- Agreements with institutions that serve this audience in Goianésia;
- Permanent advertising of vacancies for people with disabilities;
- Offering professional qualification courses for people with disabilities, including a stipend during classes and employment upon completion.

Since 2021 we have had people of other nationalities on our team, which contributes to a company with a richer range of visions and solutions.



"Mulheres que Transformam 2024" (Women Who Change 2024) webseries

Click here and discover the inspiring stories of our female employees.



Our Roots program, pride in all fields

To support Jalles' growth plan, at the end of the crop year 2023/24, the HR area replanned its goals, focusing on strengthening the pride of belonging, already identified as one of our strengths.

In this process, we identified three main pillars that are already part of our essence and will serve to guide the structure of our communication and actions:



Thereafter, we integrate them under a single umbrella, classifying them into four main pillars. Thus, we facilitate the systematization of an endomarketing strategy, with a focus on giving more visibility to the practices and initiatives carried out for our internal audience and, in a second moment, serving as a basis for the creation of new ones.

Planting Strategy

We create a strong and unique culture.

Sowing Development

We help people, our business and society as a whole to grow together.

Cultivating Sustainability

We leave a legacy for the planet.

Harvesting Well-being

We build a place where people are happy, respected and make a difference.





Health, safety and well-being

GRI 403-2 Hazard identification, risk assessment and incident investigation

In July 2023 we completed the ISO 45001:2018 certification process at UJM, which specifies the requirements for an Occupational Safety and Health Management System (OSHMS). The achievement is the result of extensive work, which consisted of mapping out all processes, procedures and tools related to occupational health and safety, including reviewing our forms of recording, controls and analysis. For the next few cycles, we want to take the certification to the other mills.

To ensure full compliance with the requirements of the standard, which seeks to contribute to the prevention of work-related injuries and illnesses and the constant improvement of the management system, we carried out two internal audits before the external certification audit.

The evolution of the management system can be summed up in three main pillars: behavioral change, driven by training; infrastructure improvements; and the implementation of tools.



Behavioral change

Safety is a non-negotiable value and needs to be understood as such by everyone in the company. In the crop year 2023/24, the training sessions, which are a guaranteed part of our annual program, aimed at, on the one hand, raising the awareness of the leadership and, on the other, making the workers responsible and each and every person the protagonists of safety, with prevention as the main issue.

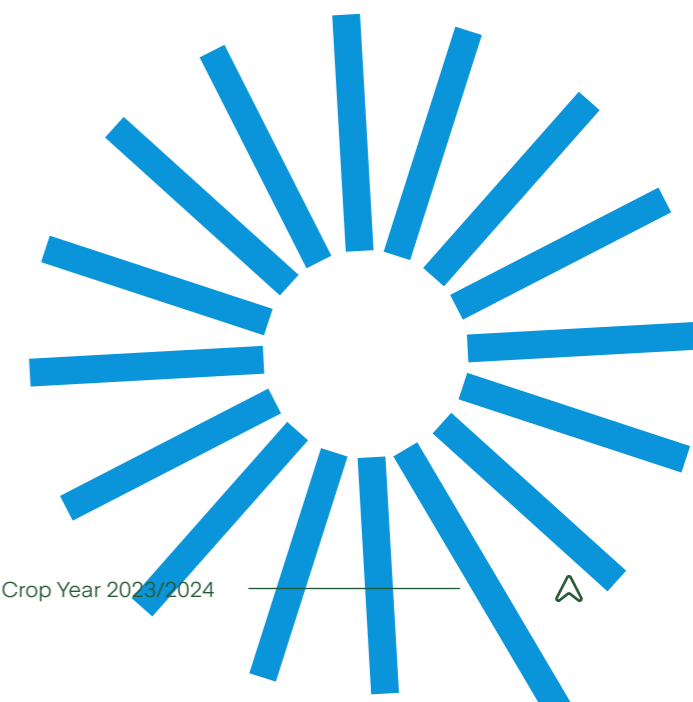
Based on surveying and classifying hazards and risks in a matrix of severity and likelihood, we mapped out the 10 priority risks to be worked on in a dedicated manner by each operation.

More broadly, we had six major mobilizations, totaling 18 hours and around 4,000 people impacted per session, with 100% of the operations teams taking part. Including mandatory training in compliance with the Regulatory Standards, 441,561 hours of training were given in occupational health and safety.

The implementation of the golden rules also made a major contribution in this regard. These are a set of 10 rules based on legislation, good practices and the knowledge acquired by the organization, which aim to guide behavior on a daily basis and in all activities carried out by employees, contractors and other service providers and visitors. In addition to these, we have adopted disciplinary measures and sanctions.

As part of this work to raise awareness of what is non-negotiable, we have the premise "If it's not safe, don't do it", which is directly associated with the right of refusal and risk assessment. Thus, we reinforce safety as a priority by advising everyone to assess the conditions before carrying out any activity and to refuse to carry out any task if safe conditions are not ensured.

Another way of consolidating a culture of safety is to give it visibility and make it part of our daily lives. So nowadays, all meetings start with health and safety. In the crop year reported, the recognition given annually to areas that close the cycle with zero accidents is now awarded at an event, with trophies presented by the officers and the president, symbolizing the importance of the issue for the company.



Structural changes

Over the last 5 years, we have invested in improving the work environment, acquiring machinery, equipment and systems to ensure the safety and quality of life of our employees

Tools

Among the tools we highlight the “*Ver com os pés*” (See with your feet) program. Based on the global benchmark Safety Training Observation Program (Stop), it consists of a visit by the executive board and presidency to the operational areas. Thus, in addition to taking a closer look at safety conditions, we can achieve greater integration of operations and more agility in decision-making regarding safety measures.

Last season we implemented the Adherence Rate. This season, we have turned it into a goal. The safety team of one unit inspects another. Then, the analysis of physical conditions, the training carried out and, in partnership with the outpatient clinic, health issues (whether periodic exams are up to date, for example) are recorded in an app.

In relation to notifiable accidents, we went from 35% in the previous crop year to 25% in the crop year reported. As of this crop year, we have also started to account for accidents involving third parties.

Health promotion and well-being

In addition to working to prevent accidents, we also work to promote health.

The Quality of Life Program is our main tool in this regard. It includes actions that encourage physical activity, such as bike rides, walks and exercise classes, as well as complementary exams for people identified with health risk factors.

For the second year running, we are carrying out the “*Ganha quem Perde*” (Those who Loses Wins) project. The weight loss program, which is voluntary, aims to reduce the obesity rate among people diagnosed with cardiac risk, hypertension and diabetes, offering support from a nutritionist, physical trainer and incentives in a gamified dynamic, with recognition at the end of three months.

Among the benefits, our employees receive a health plan, with social assistance support, psychological support when necessary, and up to 80% discount on medicines.



Communities and social investment

GRI 3.3 Material topic

GRI 2-25 Processes to remediate negative impacts

In the view of our employees, one of our strengths is the role we play in communities through our social work. But we also have a track record of contributing to the socio-economic development of Goianésia/GO by generating quality jobs, professional development and income. That is why we are proud to have 75% of our executive board made up of talents from the local community.

With the aim of making our relationship even more substantial, in the crop year 2023/24, we had a listening process to give us more visibility about the positive and negative impacts, both actual and potential, based on the perception of the community members themselves.



Social committee, our people and the power to impact the whole

The genuine relationship with the community continues to be cultivated through our social committee. Made up of employees from all areas of the company, it is responsible for managing the funds from the sale of organic sugar on the international market as a result of fair trade certification.

The funds are earmarked according to a needs assessment carried out with the community and our employees, and follow the guidelines of the French Ecocert and American Fair Trade certifications. For this process to be conducted transparently and professionally, we provide committee members with training that addresses issues related to all stages, from understanding the needs, to the entry and management of resources, the monitoring of projects and the final stage of accountability.

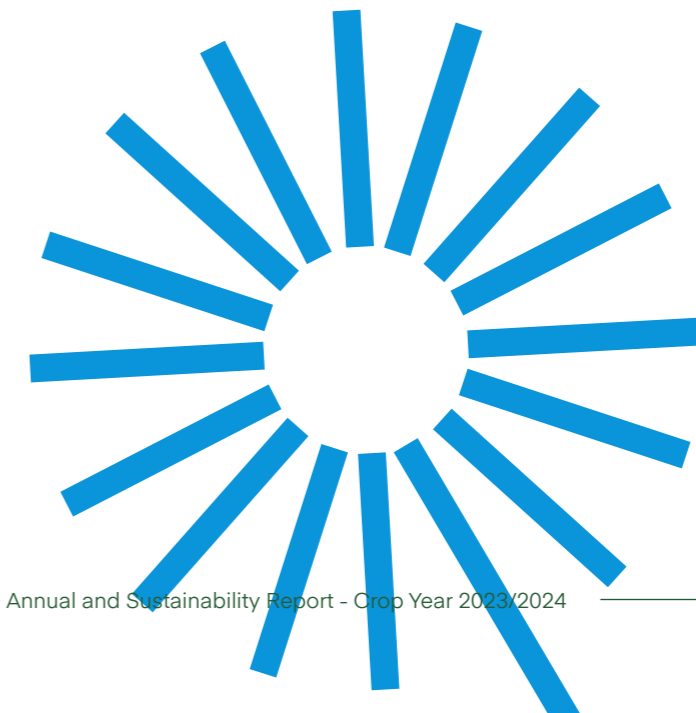
In 2023, the committee closed its accounts with R\$ 710,912.00, in line with the previous year's balance (-0.89%). In the period, the amount of R\$ 1,067,000 was earmarked to 16 projects. The investment is 22% lower than in the previous crop year. The

corresponding amount of R\$ 19,300 was earmarked to the Jalles Machado Foundation.

The latter, in turn, is a public utility organization created by State Law No. 12,883 of June 17, 1996, which we maintain together with Otávio Lage Group. Its aim is to provide a good level of education for employees, their families and other children in the community, as well as to integrate them into society by disseminating knowledge and citizenship through educational and cultural activities.

One of its projects is the Luiz Cesar de Siqueira Melo School, which offers elementary school places to 602 students, with scholarships ranging from 20% to 80% for employees' children, according to a scale based on job titles.

Education, sports and health are the main vectors of our efforts to generate and share value with communities through actions and support for social projects:



Education

Bombeiro Mirim Goianésia: Program of extracurricular activities for 25 children between the ages of 9 and 12 and all infrastructure and materials needed to carry out the activities, including food and uniforms for the children.

APAE - Associação de Pais e Alunos Especiais: Support for the development of students with special needs.

Sports

Comunidade Santa Rita do Novo Destino(RITA): Donation for the construction of a covered court and swimming pool for elderly people in need of rehabilitation and children in vulnerable situations.



Health

SOMAR: Project aimed at improving the quality of life of people with cancer.

Mães do Coração de Goianésia: Receipt and distribution of donations to help meet the needs of the families in need, especially those that include pregnant women.

Canta Coração: Together with the Social Works of Paróquia Sagrado Coração de Jesus, we implemented the project, which aims to develop around 80 young people and 20 elderly people through music. The approach also seeks out the main social demands.

Sociedade São Vicente de Paulo: Support for the refurbishment of one of the accommodation wings for the elderly assisted by Lar do Idoso Francisco Quagliato/Lar Idoso São Vicente de Paulo.

Solidarity garden: Construction of two greenhouses for the solidarity garden, managed by our employees for the benefit of projects run by the Jales Machado Foundation, municipal nurseries and schools, and other institutions that count on our support.

Associação Renal Crônico: The association aims to advocate for the interests and assist around 150 chronic kidney patients and their families.

Catarata Zero III Etapa: Financial support for the project, which carried out 150 cataract surgical procedures on patients who were on the waiting list of the Municipal Regulation System.

Centro de Atividades Equestres de Goianésia (CAEGO): Financial support for the project that offers equine therapy – a therapeutic method that uses the horse as its main element.

Casa da Sopa Fraternal: Non-profit organization that aims to spread educational and cultural activities and the practice of sharing among families through voluntary donation campaigns.

Associação de Proteção aos Animais de Gsla (ASPAGO): Association dedicated to sheltering and taking in abandoned animals.

Comunidade Terapêutica Jesus Misericórdia: Non-profit philanthropic organization whose aim is to take in drug addicts, alcoholics and people who need spiritual accompaniment.

Parabéns Solidário: Collective birthday party for children in vulnerable situations and support for their families.

Our economic and governance agenda

Risk management and business opportunities

GRI 3.3 Material topic

GRI 205-1 Operations assessed for risks related to corruption

For us, risk management is a living process of continuous improvement. Essential and strategic to our structured and sustainable evolution, its purpose is to maintain a solid, profitable, efficient, socially and environmentally responsible company, capable of generating value for our stakeholders.

With a structure integrated into governance and all organization's activities, including decision-making, it is guided by the mapping and monitoring of operational and strategic risks, and all efforts to mitigate them, with the Risk Management Policy as the main formal basis.

Its application is monitored by governance bodies, managers and those directly responsible, following the "Three Lines of Defense" model. In summary:

First line

Managers of the business and support areas, who shall ensure risk management within the scope of their direct organizational responsibilities;

Second line

Areas that provide support to the first line, acting in an advisory capacity to the executive and operational areas;

Third line

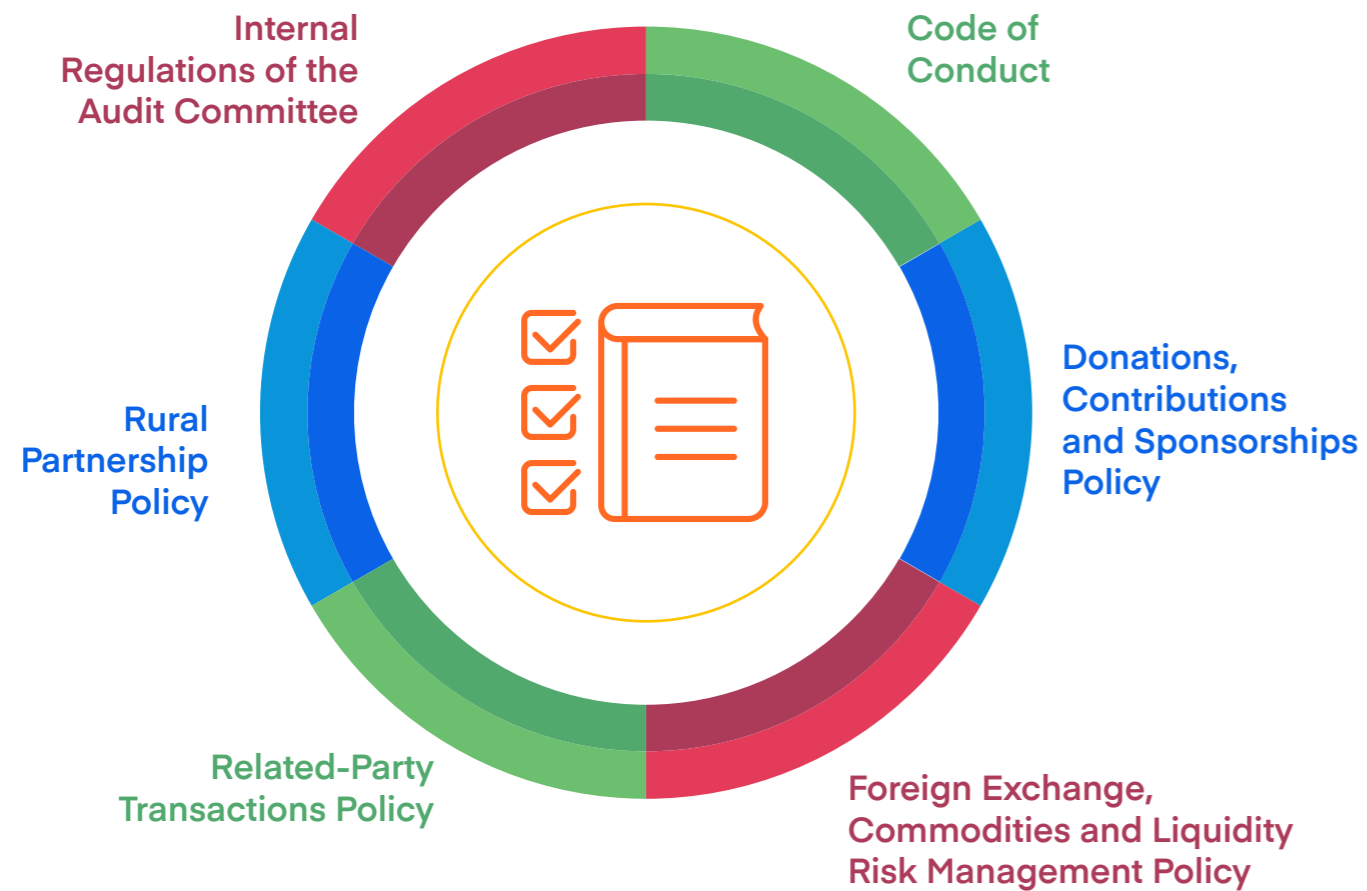
Internal Audit, which, through the Audit Committee, provides the Board of Directors with independent opinions on the processes and effectiveness of internal controls.



The documentary apparatus



We have also adopted complementary formal policies aimed at managing our risks:



Our policies and the internal regulations of our bodies and departments can be found on our **investor relations website**.

To allow for more specific analyses, we segregate risks into strategic and operational, which are assessed based on the Impact and Likelihood Ruler, by which risks are leveled and categorized using seven qualifiers.

1. **Compliance;**
2. **Social and environmental;**
3. **Image and reputation;**
4. **Health and safety;**
5. **Food safety;**
6. **Operation;**
7. **Continuity and longevity.**

The process of continuous analysis and assessment is carried out by Risk Management on a regular basis, based on four stages: Assessment, Treatment, Communication and Monitoring.

To ensure effective risk management, we have a responsible structure that analyzes the risks and their relationship with our activities, in addition to verifying that the internal controls established are working correctly, that the risks identified have been mitigated and that the applicable legislation has been complied with.



Turning risks into opportunities

GRI 3.3 Material topic

Our strategic focus on sustainable growth also permeates risk management in order to find opportunities in them. In the crop year 2023/24, examples include the assertive strategy of prioritizing sugar production due to favorable market dynamics, the decision to build a new sugar factory at USV, the expansion of sugar production capacity and sugar storage at UOL and the production of biogas to supply the boilers.

Achievements like these are also made possible by our culture of pioneering, flexibility and quick decision-making, which brings better results even in the face of adversity.

Improvements, continuity and expansion

To bring more assertiveness, independence and agility to the use of opportunities, we began structuring an area dedicated to Project Management, with the support of the Controller's Office supporting in cross-checking feasibility and impact analyses. To facilitate decision-making by the Board of Directors and Executive Board, projects are assessed in advance based on maturity and feasibility criteria.

In the crop year 2023/24, 133 projects have been approved by the Board of Directors, representing more than R\$ 250 million, classified into three main pillars, all of which have sustainability as an integral and strategic part:

Improvement projects: Aimed at adding process improvements and/or increasing capacity and availability. They represent a reduction in costs, optimization of resources and financial gains.

Continuity projects: Aimed at reducing risk scenarios, whether they threaten expected production, security of supply, the health and safety of people, the environment, compliance or business continuity.

Expansion projects: Aimed at growing the group and therefore directly related to strategic planning.

More sugar, more opportunities, flexibility and fewer risks

With a total investment estimated at R\$ 170 million, approved in June 2023, the new sugar factory, to be implemented at USV, is scheduled to start operating in the crop year 2024/25. Its production capacity is 150,000 tons of VHP sugar per harvest, adding flexibility to the mill, which until then had been exclusively dedicated to ethanol production. Other positive impacts include taking advantage of the good commodity price momentum, mitigating business risks due to greater diversification and increasing the share of revenue in foreign markets.

In October 2023, we also announced the approval of a R\$ 10 million investment to increase UOL's sugar production capacity, which will increase our overall sugar production mix to 55% in the crop year 2024/2025.

This crop year we also expanded the Sugar Distribution and Storage Center at UJM and inaugurated the Marilda Fontoura de Siqueira Sugar Distribution and Storage Center (CDA) at UOL. Covering 7,040 m², with a capacity to store 48,000 tons of sugar and a production line with a capacity of 60 tons/h, it was born in accordance with the highest standards of occupational safety, meeting all needs mapped out in our operations and the quality and food safety standards. The total investment was R\$ 50 million.

Goiás' first Biogas mill

Through a partnership with Albioma, in September 2023, we inaugurated the first vinasse biogas mill in the state of Goiás and one of the largest in Brazil. With investments of R\$ 30 million, it is installed at UOL.

The biogas is produced from vinasse. Before being sent to the field, the vinasse goes through an anaerobic reactor, where it becomes a source of organic matter for microorganisms. This process produces biogas, a compound of methane, carbon dioxide and hydrogen sulphide. The biogas produced is used in the boiler to generate 22 GWh of energy, which is exported to the National Interconnected System.

The initiative increases our energy production capacity and extracts even more value from an industrial waste product.



Innovation, technology and the digital revolution

GRI 3.3 Material topic

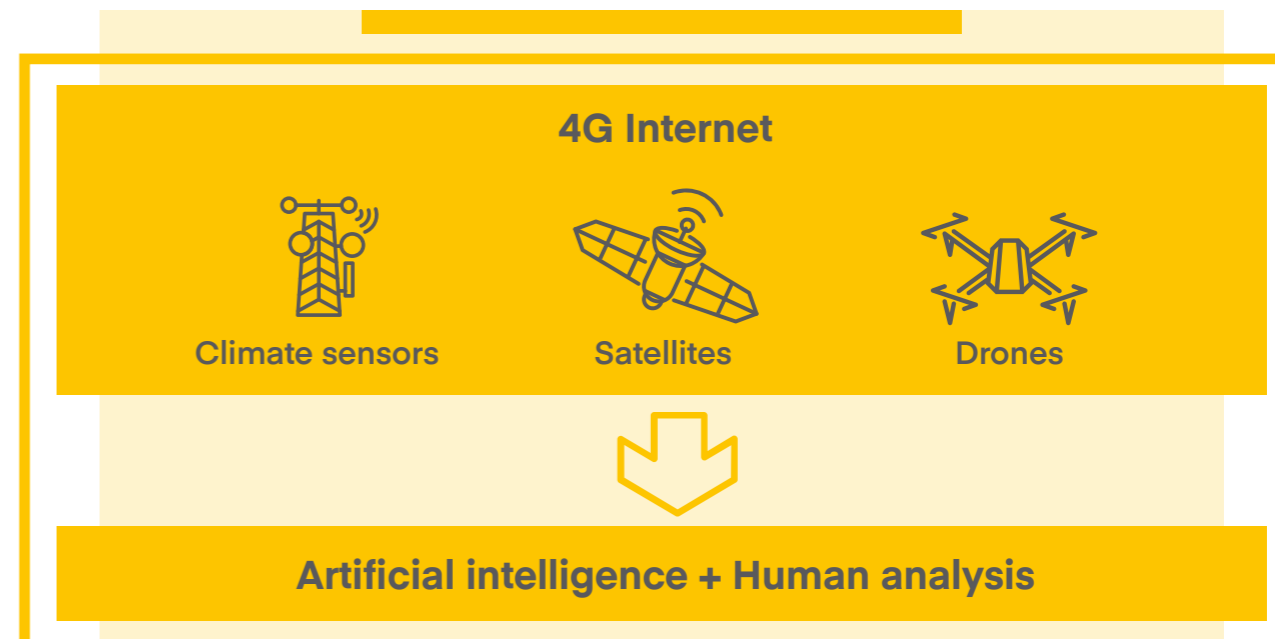
Our process of continuous improvement with a focus on productivity and efficiency has incremental innovation as a great ally. And with it, technology and all the transformation it makes possible.

Since 2020 we have been in a process of transformation. Today, all areas of the company have the ease of digital processes, which enables secure access to all technological resources used by the company and allows for internal and external audits of profiles and access to ensure the traceability of information and governance. The solution resulted in increased visibility, efficiency and agility, representing a significant gain in maturity in our digital transformation journey.

Due to a field with high 4G internet connectivity, we can integrate the end-to-end processes in our business, from field to logistics, through to industry, in the Integrated Intelligence and Control Center. Thus, the area is monitored by climate sensors, satellite images and drones. With the help of trained Artificial Intelligence algorithms, this data is processed to support the entire agricultural planning and irrigation plan.

By mapping the area, the relief and the location of the ratoons, it is possible to determine the distance between the sugarcane rows, the best route for harvesting, the alignment for the autopilot and the appropriate management for soil conservation and preservation.

Simultaneously, always on the lookout for opportunities, we study radical innovation initiatives, which are only communicated to the market when they are already in development.



Agriculture

- Agricultural planning with a high assertiveness rate;
- Planialtimetric mapping and definition of the plan;
- Soil preparation: Variable rate input application and conservation management;
- Harvest monitored in real time;
- Cultivation: Constant monitoring of organic fertilization, application of vinasse and biological pest control;
- Planting: Automated planters with flow control, use of drones for measuring with the use of georeferenced orthomosaics, monitoring of the failure rate;
- Harvesting: Autopilot, active management of equipment allocation in the field, real-time monitoring of process activities in the operation.

Industry

- AI management system, contributing to the efficient control of all industrial processes;
- Dashboard of performance and safety indicators for visual management.
- Transition from simple instrumentation to the Internet of Things (IoT).

Logistics

- Integrated intelligent logistics with direct communication with the Control Center.

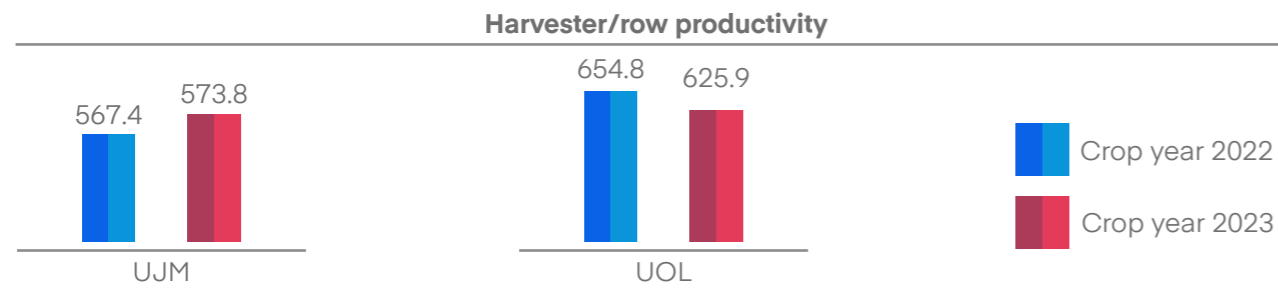
Maintenance

- Monitoring of the real conditions of use and life of the equipment; reduction in the time it takes to attend to interventions, reducing downtime;
- Data that fosters planning, with a focus on the reliability of O&M (Operation & Maintenance) processes.



Results of using technology

- Increased harvester productivity:



- Reduced costs with CCT;
- Reduced costs with cultural treatment;
- Preservation of water reservoirs, even during periods of drought;
- Mitigation of climate risks;
- Rational use of fertilizers;
- Reduced use of diesel oil as fuel and, consequently, reduced CO2 emissions.
- Reduced number of equipment in operation, which means lower costs and less environmental impact
- More efficiency, reliability and safety in industry.
- More safety for employees.
- Improved fire prevention.
- More predictability.

In addition to having a positive impact on one of the competitive differentials – high agro-industrial efficiency – incremental improvement further contributes to corporate governance and mitigating business risks, which also have a positive impact on commercial performance and socio-environmental aspects.

Alliance Project

Scheduled for completion in the crop year 2024/25, the Alliance project brings significant progress in the storage, distribution and shipping tripod, with the implementation of automation and RFID technology. This will allow us to manage data online, both in terms of productivity and quality indicators, more quickly and reliably, eliminating paperwork.



Customer satisfaction

GRI 3.3 Material topic

One of our premises is 'value is revealed through the lens of our clients'. With this in mind, we conduct comprehensive satisfaction surveys, both within the domestic and export markets.

Our recent results revealed a positive perception of 89% among national clients and 88% internationally. However, we have noticed that participation in research is still modest, which has led us to start a process of reformulation. We are committed to refining the customer experience, identifying key interaction points and implementing research based on recognized methodologies. These metrics, together with complaints data, performance indicators and return rates, will contribute to a satisfaction rate made up of multiple factors.

Customer Service remains our main point of contact, equipped with a system for capturing and analyzing clients' feedback. This system allows us to monitor the quality of our products and the effectiveness of the service we provide. With this information, we can refine our strategies, improve processes and make informed decisions that not only add value, but also guarantee enriching experiences for our clients, partners and the general audience.



B2C relationship and brand strength

GRI 3.3 Material topic

Our initiative to increase retail participation (BiTwoCi Project) stands out as an essential strategic pillar for the diversification of our operations. It plays a role in reducing our dependence on the volatility of the commodities market, while allowing us to explore a new market segment.

This project has been a catalyst for significant transformations in all spheres of the company, marking the beginning of a new cultural era. We faced the challenges inherent in introducing a new brand to the competitive retail sector, but despite this, we recorded year-on-year growth in terms of product variety, sales volume and revenue. In 2023, we expanded our La Terre product line to 15 items, in addition to enriching our Itajá and AllGell brands with 18 and 7 products, respectively.

The strength of the brand

As an umbrella for the product brands, we have the strength of our institutional brand, which could be seen during the USV onboarding process in a survey of the unit's employees, showing their willingness to become part of the Jalles team. In the crop year 2023/24, we are continuing this work of engagement and repositioning by transi-

This resulted in an 85% increase in volume growth. In terms of revenue, 71% compared to the previous year for La Terre products.

Within Itajá's portfolio, our organic sugar has gained prominence, conquering new markets in the southeastern and southern regions of Brazil, due to partnerships with large retail chains. Even in areas where competition is fierce, we have managed to establish a presence with strategic clients who have been essential to our growth.

Our commercial strategy has been carefully adjusted based on a detailed analysis of the market and its opportunities. The state of São Paulo, for example, which accounts for more than 70% of the organic and healthy products market in Brazil, now represents 80% of our revenue, with an increase of 65% in 2023 compared to the previous year.

tioning the entire visual communication of the units.

As part of this process of disseminating our culture, with all that the brand stands for as a highlight, we have structured the Roots Program (Human Capital Management section). After all, a strong brand begins internally.



"We are planting a new Jalles today, to reap a more positive and prosperous future, but one that also carries the values that have brought us this far. A sustainable Jalles, connected to the land and to the people, which moves and carries it forward. And it is this energy, which moves us within, that will make us stand out in Brazil and in the world."

Otávio Lage de Siqueira Filho, CEO



Transparency and governance

GRI 2.9 Governance structure and its composition

Content 2-13 Delegation of responsibility for the management of impacts 26

Governance at Jalles is based on fairness, ethics and transparency, with professional management that aims for results, keeping a watchful eye on risks and opportunities. Aware that sustainable and responsible growth is not only feasible, but also essential for the company's lasting success, we reaffirm our commitment to the continuous improvement of GRC and ESG practices, exploring new ways to positively impact the world.

In this context, we reviewed our GRC and ESG practices in the light of the B3 ISE criteria, which guided the definition of our strategic drivers; we unified the Governance, Risks and Compliance (GRC), Environmental Responsibility, Sustainability and Agro-industrial Quality structures; and we also formulated the Multi-Year ESG and GRC Plans.



Bringing out

the best in us, boosting results, removing distractions and barriers, to strengthen the culture of corporate responsibility.



Boosting

our actions and solutions to strengthen our commitment to sustainable practices throughout the value chain.



Putting into practice

our sustainable practices and responsible attitudes that strengthen our legacy for future generations.

Governance structure

GRI 2-10- Appointment and selection to the highest governance body

GRI 2-11 Chairman of the highest governance body

GRI 2-12 Role of the highest governance body in overseeing the management of impacts

GRI 2-14 Role of the highest governance body in the sustainability reporting

GRI 2-15 Conflicts of interest

GRI 2-18 Assessment of the performance of the highest governance body

GRI 2-19 Compensation policies

GRI 2-20 Process to determine compensation

GRI 2-21 Process to determine compensation

GRI 405-1 Diversity in governance bodies and employees

Our corporate governance structure is based on a set of rules, procedures and mechanisms that are implemented to ensure efficiency and transparency in the way we operate in the market.

As established in the Articles of Incorporation, the corporate governance structure of our organization includes a Board of Directors, Executive Board and the set-up of a Supervisory Board, if decided at a General Meeting

or at the request of shareholders representing the percentage required by law or CVM regulations. The Company currently has set up a Supervisory Board, as decided at the Annual General Meeting held on 07/31/2023. The Company also has the following advisory committees:

- Finance Committee;
- Integrity Committee;
- Internal Audit Committee.

Extensive documentary support approved by the Board

- Code of Conduct;
- Risk Management Policy;
- Information Disclosure and Securities Trading Policy;
- Appointment of Directors Policy;
- Related-Party Transactions and Conflicts of Interest Management Policy;
- Appointment of Directors Policy;
- Directors' Compensation Policy;
- Internal Regulations of the Board of Directors and;
- Internal Regulations of the Statutory Audit Committee.



Board of Directors

Representing our highest level of governance, the Board of Directors is made up of four shareholders, two external and independent members with a renowned reputation in the market, one of whom shall be a woman, and one external member, who is also the chairman, as recommended by best practices and the CVM.

Its members are elected in accordance with the Appointment of Directors Policy. As a general guideline, the appointment process should aim to diversify the professionals' knowledge, experience, behavior, cultural aspects, age group and gender, taking into account the availability of time to carry out their duties. The members appointed shall therefore meet the following criteria, in addition to the legal and regulatory requirements and those expressed in the Articles of Incorporation:

- Alignment with and commitment to the principles, values and culture of the Company and its Code of Business Conduct;
- Unblemished reputation;
- No conflict of interest with the Company (unless waived by the general meeting);

- Academic background compatible with the duties of the members of the Board of Directors, as described in the Articles of Incorporation and Internal Regulations of the Board of Directors;
- Professional experience in a variety of subjects.

Appointments shall also be of a size that allows for the creation of committees, the effective discussion of ideas and the making of technical, impartial and well-founded decisions. The Articles of Incorporation provide for a minimum of five and a maximum of nine permanent members, elected and dismissed by the general shareholders' meeting, for a single two-year term of office, each year considered as the period between two Annual General Meetings, re-election allowed. Among the members of the Board of Directors, at least two or 20% of them, whichever is greater, shall be independent members, as defined in the Novo Mercado Regulations.

A collegiate decision-making body, its duties are to approve policies, guidelines, risk matrix, as well as set exposure limits and impacts as presented by the Executive Board and recommended by the Statutory Audit Committee, in addition to supervising the

management of the officers. In short, it is responsible for leading, controlling and overseeing business and performance, as well as approving all policies, defining long-term strategies and guidelines for economic, social and environmental aspects.

The Board of Directors therefore has the following powers set out in our Articles of Incorporation, without prejudice to the others assigned to it by law:

- Setting the general direction of the company's business;
- Determining the creation and extinction of advisory committees, formed by members of the Board of Directors, defining their respective composition and specific attributions;
- Setting up committees or working groups with defined objectives to improve the performance of the duties carried out by the Board of Directors.

The body is also responsible for managing conflicts of interest, including aspects related to their prevention and mitigation; assessing the compensation and appointment of directors; expressing an opinion on the Management report, the accounts of the Executive Board and the financial statements, and resolving on their submission to the General Meeting.

To assess the contribution of the Board as a body, of the board members individually and of the Executive Board, the Board is assessed annually as a collegiate body by the members themselves, using a self-assessment form made available by the Chairman of the Board. The latter, in turn, consolidates the assessments and presents the consolidated result to the collegiate body in question, along with a suggested action plan for possible improvements.

This process, which also applies to the committees, was structured by the Board of Directors itself, its committees and the Executive Board with a view to continuous improvement and renewal seeking to achieve the established objectives and influence more efficient and effective future results for the business.

The CEO, on the other hand, shall be assessed annually in a formal process conducted by the Board of Directors, based on verification of the achievement of the financial and non-financial performance targets set by the Board of Directors for the company.

The proposal for the re-election of directors should take into account the results of this process, as well as the conclusions regarding the adequacy or need for adjustments in their composition.

Executive Board

Responsible for drawing up plans, projects and operational and financial performance, in addition to carrying out the strategies defined by the Board of Directors. Without prejudice to its legal and statutory duties and other practices provided for in the Code, the executive board shall:

- Carry out the risk management policy and, whenever necessary, propose to the board any need to revise this policy as a result of changes in the risks to which the company is exposed;
- Implement and maintain effective mechanisms, processes and programs for monitoring and disclosing financial and operational performance and the impacts of the company's activities on society and the environment.

It currently consists of four members who are compensated in accordance with our strategic objectives, with a focus on sustainability and long-term value generation.

Compensation

We have a Directors' Compensation Policy – an important instrument available online on our website and physically at our head office, which serves as a tool to ensure that directors' compensation is an effective tool for attracting, motivating and retaining the best professionals in the market, in line with our strategic objectives and with a focus on its sustainability and long-term value generation.

The incentive structure of Officers, whether statutory or non-statutory, shall be aligned with the risk limits defined by the Board of Directors, and it is forbidden for the same person to control the decision-making process and its respective supervision. In other words, no one shall decide on one's own compensation. However, expenses incurred by members of the Board of Directors and Committees for travel, accommodation, meals and/or other expenses related to attendance at specific meetings and which help to support the Company's practices may be reimbursed, upon receipt of proof.

Thus, the compensation of the Executive Board is approved by the Board of Directors through a formal and transparent procedure seeking that the compensation of officers:

- Values meritocracy, recognizing the effort and distinctive skills of the people who generate results for the Company, without, however, hindering internal balance and a sense of teamwork;
- Offers compensation standards that are compatible with the responsibilities of each position, so as to recognize different levels of ability to generate impacts on the company's results;
- Takes into account the costs and risks involved; and
- Is linked to results, with medium and long-term goals clearly and objectively related to the generation of long-term economic value.

The compensation of the members of the Board of Directors is set in accordance with our Compensation Policy, which is guided, among other factors, by salary surveys of companies in our segment of activity and/or of a similar size. It consists of fixed monthly compensation, received as a pro-labore. The aim is to compensate our directors, recognizing their responsibilities and the time they devote to their duties, as well as their competence and professional reputation.

Both compensations (of the Board of Directors and the Executive Board) are reassessed annually by the Board of Directors in view of market practices and individual performance, which, in accordance with its duties, submits the proposal for the overall amount to the Company's General Shareholders' Meeting.

Members of the Board of Directors and the Board of Directors' Committees will not be entitled to variable compensation.

In the crop year reported, there were no directors eligible for compensation in the event of removal from office or retirement. However, the company maintains a Directors & Officers (D&O) insurance policy covering the members of the Board of Directors and any statutory committees. The policy has an unlimited supplementary term for policyholders who voluntarily opt out during the term.

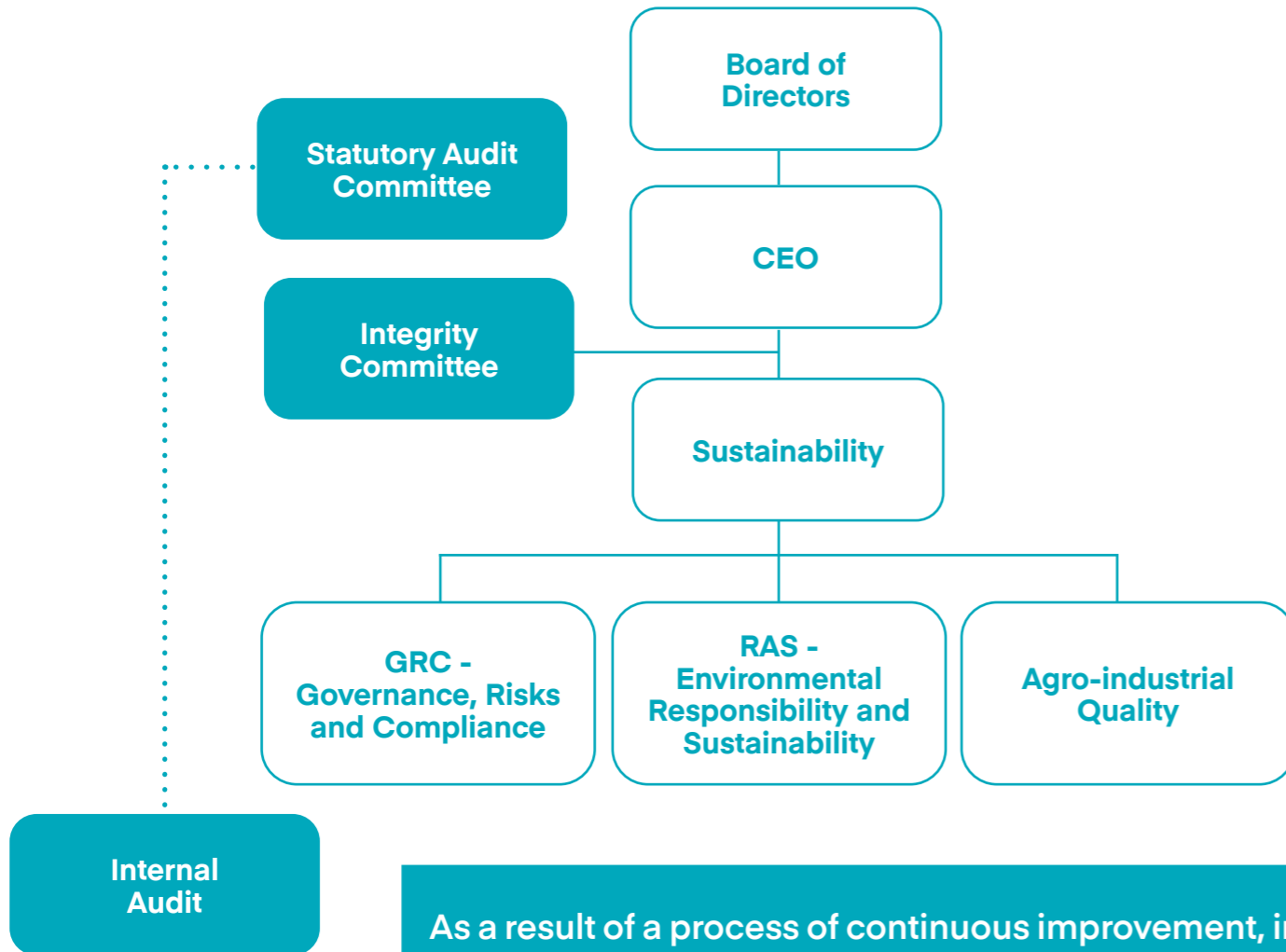


Get to know the members of the Board of Directors and the Executive Board on **our Investor Relations website.**

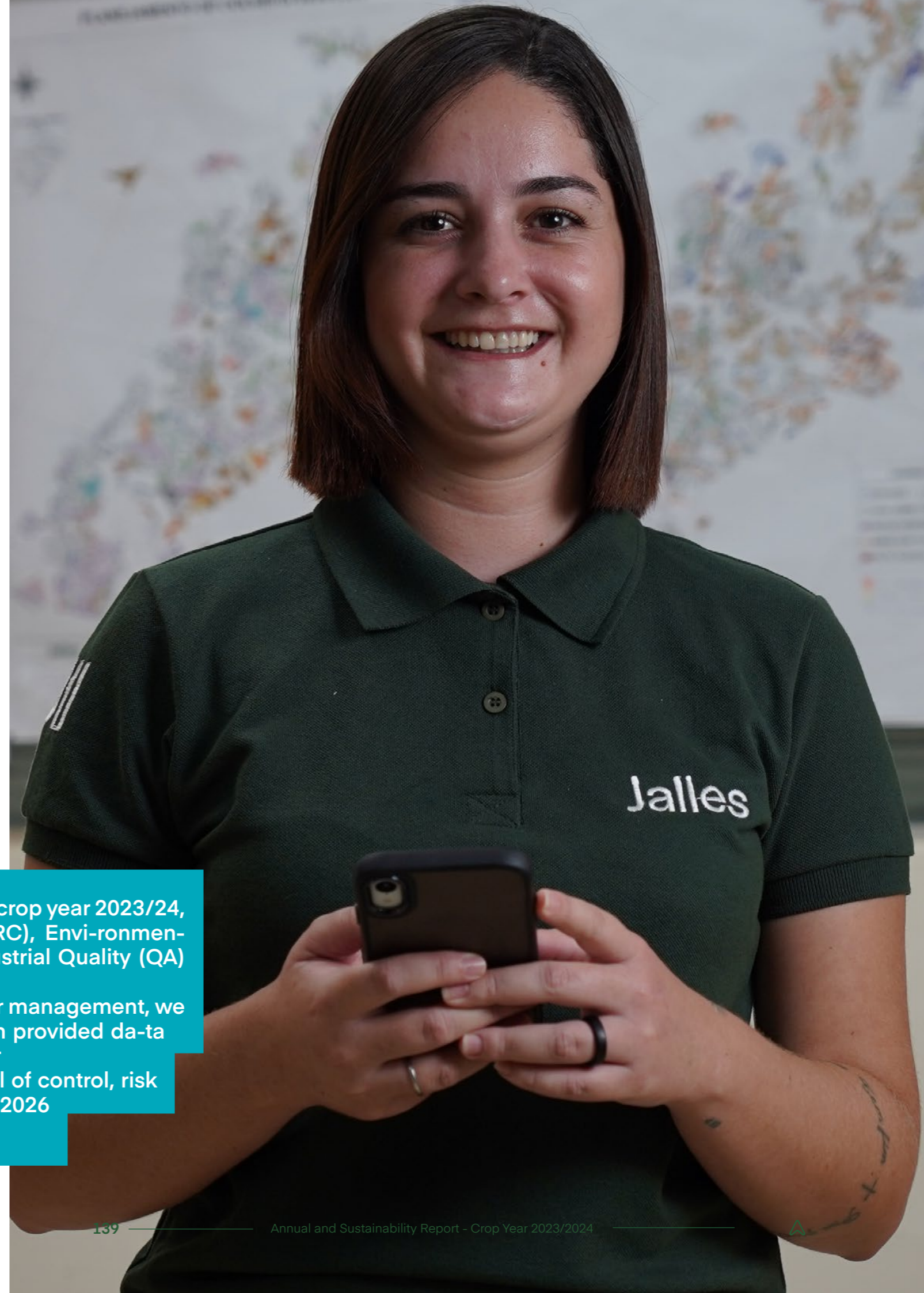


Supervisory Board

We have set up an Supervisory Board, as decided at the Annual General Meeting held on 07/31/2023, made up of a chairman, vice-chairman, a permanent member and three alternate members, all of whom are independent and have diverse profiles and experience.



As a result of a process of continuous improvement, in the crop year 2023/24, we unified the Governance, Risks and Compliance (GRC), Environmental Responsibility and Sustainability (RAS) and Agro-industrial Quality (QA) structures into a new area called "Sustainability". Based on this new structure, with direct reporting to senior management, we carried out a diagnosis of ESG and GRC practices, which provided data and strategic guidelines for the construction of multi-year GRC and ESG plans for the evolution of the maturity level of control, risk and compliance practices and tools for the 2024-2025-2026 cycle, in accordance with ISE B3 criteria.



Ethics and integrity in business

GRI 2-24 Embedding policy commitments, GRI 2-16, GRI 2-26

Compliance program

In the crop year 2023/24, we took a significant step towards consolidating our Integrity Program: the full revision of the Integrity Channel management process. The main change was structural. Now, instead of being the responsibility of the Integrity Committee, made up of company employees, the reports and complaints received are managed by a specialized independent company. This change not only gives more independence, mitigating the risk of conflicts of interest, but also brings more agility, precision and assertiveness to the process.

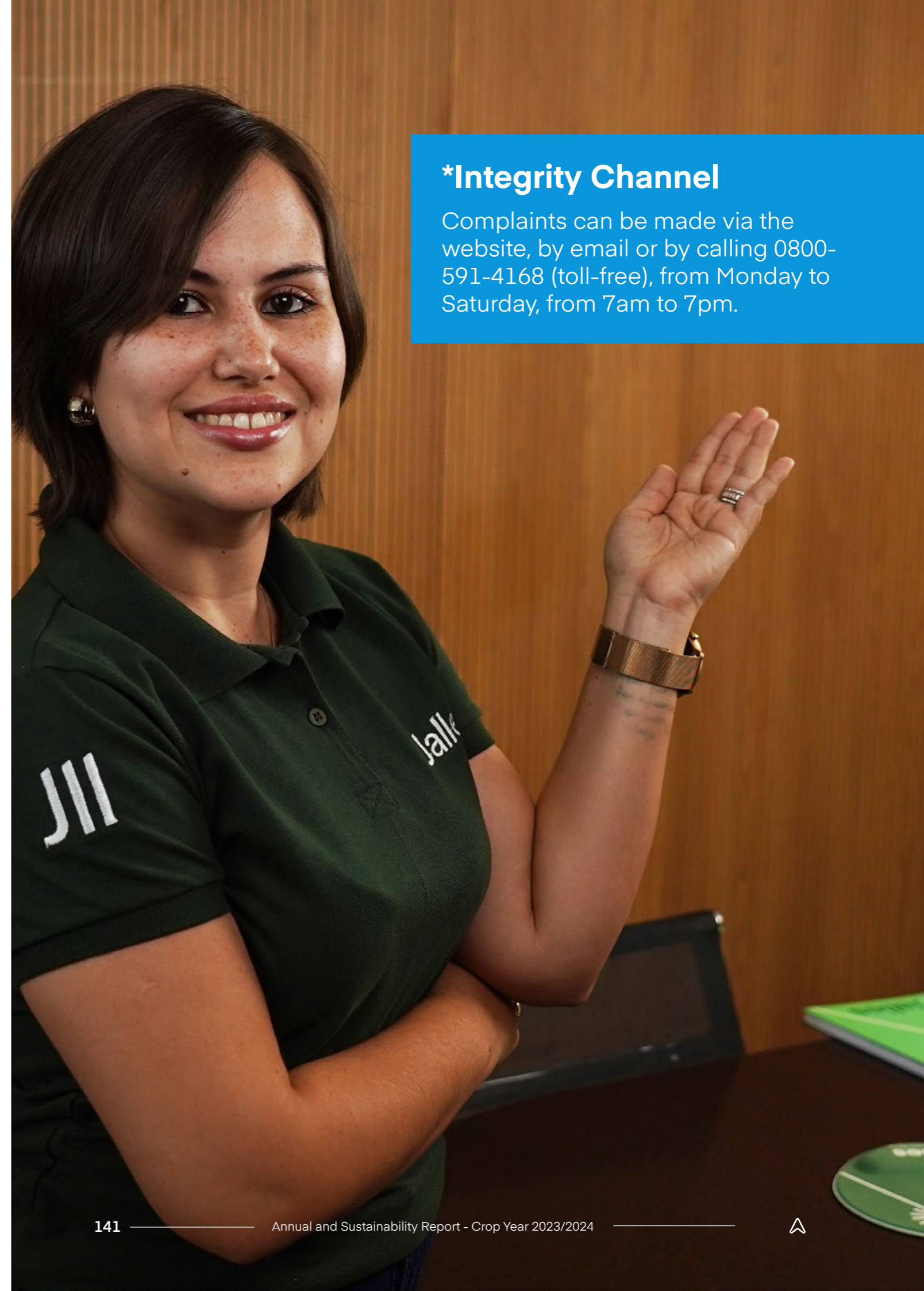
It is worth noting that our main device to detect irregularities – the Integrity Channel – continues to be external and independent, managed by a specialized company. Conduct that violates the Code of Conduct, other policies or current legislation can be reported through this channel, ensuring that the whistleblower is heard confidentially and that their anonymity is preserved.

This work also resulted in a review of the type of complaints, the creation of dedicated flows, a review of the procedures for receiving, investigating and dealing with the complainant, a policy on disciplinary measures and a new campaign to publicize and provide guidance on the use of the channel, carried out during the Internal Week for the Prevention of Accidents at Work (SIPAT) at the three operational units, with the participation of 4,159 employees. The event was attended by the CEO and other officers, reinforcing our commitment to a tool for identifying situations that are not in line with our values and code of ethics and conduct.

The Code of Conduct, in turn, covers issues such as corruption, discrimination, the environment, human rights, harassment, ESG and relationships with clients and suppliers, and applies to all employees, regardless of their position, as well as third-party representatives.

*Integrity Channel

Complaints can be made via the website, by email or by calling 0800-591-4168 (toll-free), from Monday to Saturday, from 7am to 7pm.



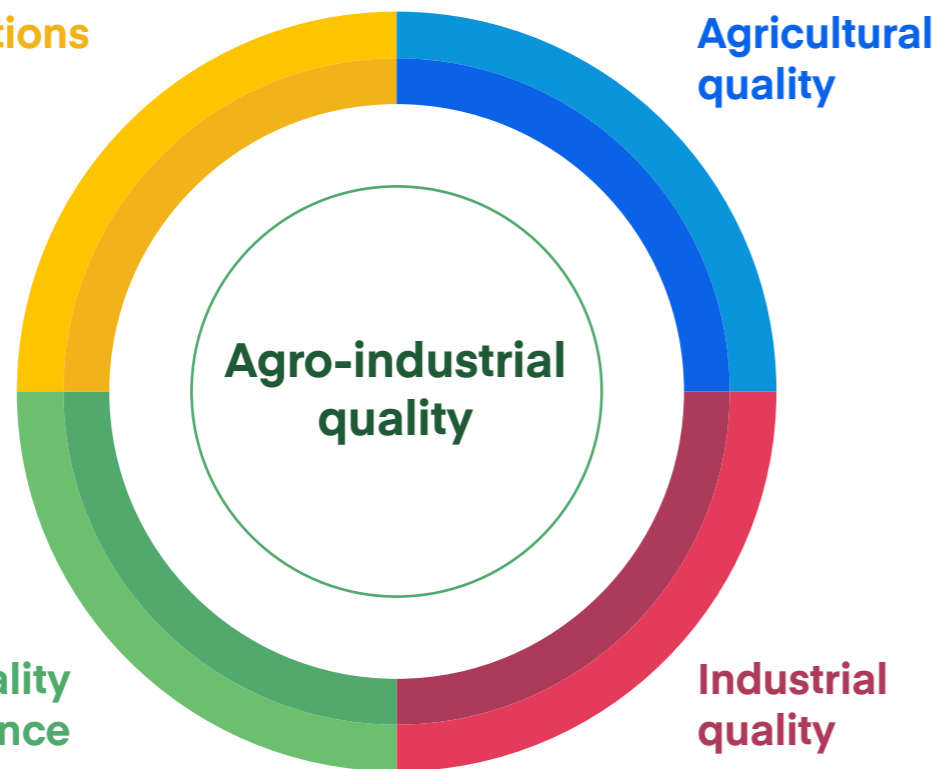
Quality

One of the main demonstrations of our respect for our clients is our dedication to the products and services we offer. As stated in our mission: "offering energy, food and hygiene solutions to promote people's well-being". To this end, we have a Quality department dedicated to measuring the conformity of processes, from preparing the soil to shipping the finished products, so that they meet the highest standards demanded by national and international consumers.

Always focused on improving and complying with our processes, we restructured the Quality organizational chart, unifying the different topics into a single structure, now called Agro-industrial Quality.

This area reports to the Sustainability area as one of the pillars for the Company's continuity, along with RAS (Environmental Responsibility and Sustainability) and GRC.

Certifications



Food safety

To ensure a product that is safe for human consumption, the process is mapped out and monitored through periodic assessments of Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Points (HACCP).

In this regard, we also have the FSSC22000 certification (Food Safe-

ty System Certification). Recognized by the Global Food Safety Initiative (GFSI), it uses the ISO 22000 and ISO-TS 22002-1 standards (technical specifications for prerequisite programs). It also fully meets other standards, such as ISO 9001:2015 and ISO 14001:2015.

Certifications

As a result of our trajectory focused on efficiency and quality, committed to ESG criteria, we have received important recognitions that ensure the continuity of the Company, seeking our sustainability by complying with international rules, standards and guidelines through the following certifications:

- NBR ISO 9001:2015 - Quality Management System;
- NBR ISO 14001:2015 - Environmental Management System;
- NBR ISO 45001:2018 - Occupational Safety and Health Management System;
- FSSC 22000 - Food Safety Management System;
- Organic Production System;
- Principles of Fair Trade;
- Bonsucro;
- Renovabio;
- Production systems for specific markets (Halal, Kosher).

Check out all our certifications by [clicking here](#)





Sustainable value chain and purchasing practices

GRI 2.6 Activities, value chain and other business relationships

GRI 204-1 Proportion of expenses with local suppliers

GRI 408-1 Operations and suppliers at significant risk for incidents of child labor

GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

GRI 308-1 New suppliers selected on the basis of environmental criteria

The relationship with our value chain is based on our principles and values, and formalized in our Purchasing and Supplier Relationship Policy. The document guides the selection, approval, qualification, monitoring, assessment and reassessment processes.

At the end of the crop year 2023/24, suppliers are assessed from simple service providers to the supply of packaging, agricultural and industrial machinery and parts. This assessment is carried out through an approval process, the criteria for which vary according to the classification of each one in terms of its level of criticality.

The principle that governs our value chain for it to be sustainable is that suppliers, partners and contractors have the same values as ours when it comes to the relationship with employees. Therefore, we do not tolerate slave labor, child labor, human trafficking or any abusive and exploitative practice. Failure to respect these values is an impediment to maintaining relationships with the company.

Just as we respect free association and recognize trade unions as our employees' legal representatives, we advise our suppliers and service providers to also respect the right of all their employees to organize themselves through associations or trade unions, in accordance with the laws in force where they operate, and to maintain constant dialogue with such organizations. Likewise, we consider aspects of compliance, ethics and transparency, with our Code of Conduct as an essential instrument.

Rather than demanding attitudes compatible with our own, we work to influence and develop them, nurturing a win-win relationship. Evidence of this relationship is our rate of purchases from local suppliers, of 24.69%, more than 14 percentage points higher than the volume transacted in the previous crop year.



Economic and financial performance

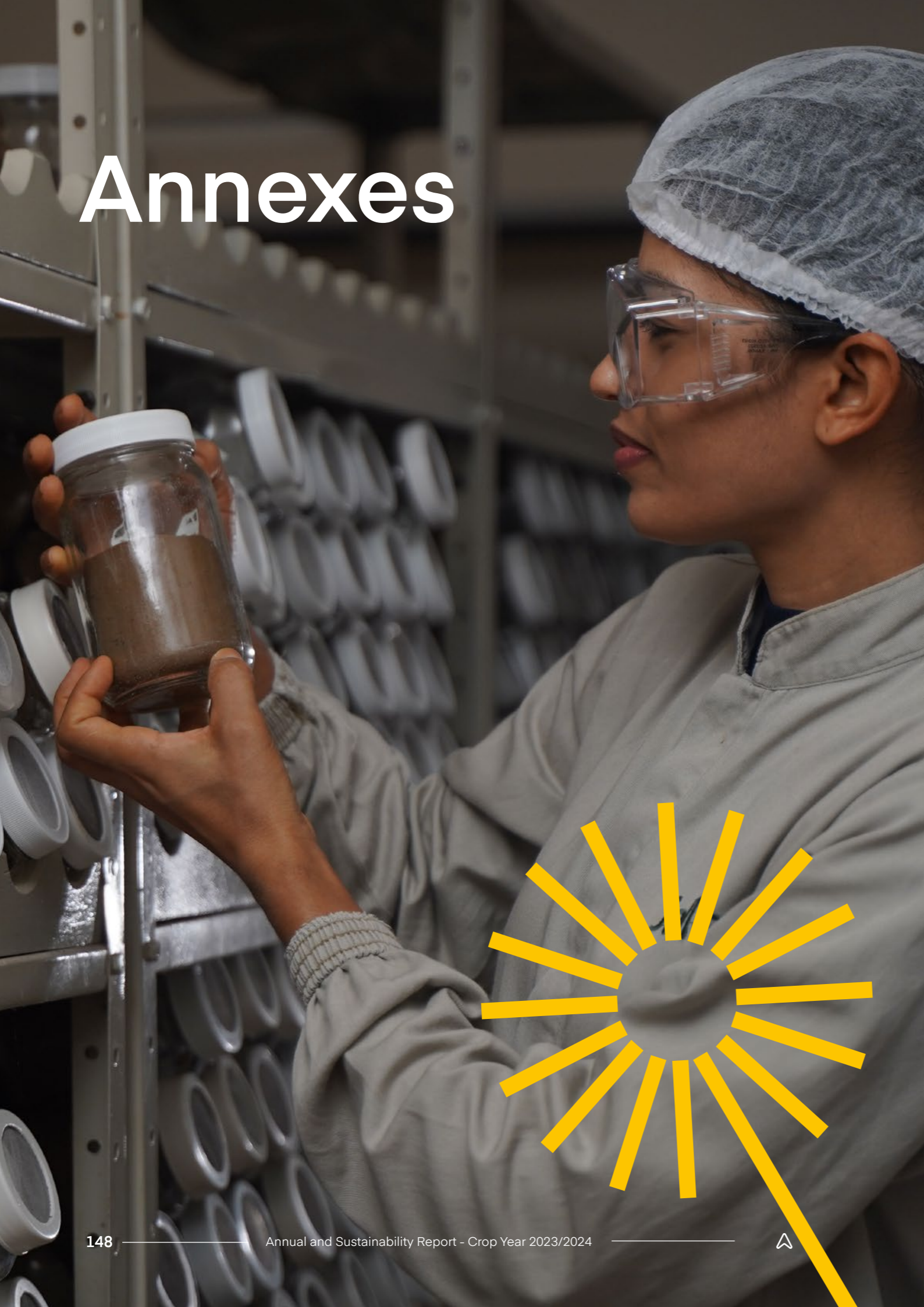
GRI 201-1

We increased our distributed value added by 8.2% compared to the previous crop year, reaching R\$ 2,229,206 at the end of 2023, distributed among employees (as salaries, benefits and FGTS), government bodies (as taxes and fees), third parties (as dividends and interest), the community (as social actions and incentivized projects) and shareholders (as dividends and profits retained in the Group).

For more information, see the **financial statements** and **earnings releases** available on the website.



Annexes



Assurance letter

GRI-2.5



INDEPENDENT ASSURANCE CLAIM

INTRODUCTION

BUREAU VERITAS CERTIFICATION BRASIL (BUREAU VERITAS) was contracted by Jalles Machado S.A., to conduct an independent assurance of the Sustainability Report for the year 2023/2024 (hereinafter referred to as the Report).

The information published in the report is the sole responsibility of the management of Jalles Machado S.A. Our responsibility is defined according to the scope below.

SCOPE OF WORK

The scope of this verification covered the Standards and Principles¹ of the Global Reporting Initiative for Sustainability Reports and refers to the rendering of accounts for the period from April, 1st, 2023 to March 31st, 2024.

This Declaration is ensured based on the BUREAU VERITAS protocols for evaluating the veracity of the content and its alignment with the aspects of the GRI "Sustainability Reporting Standards" (Universal Standards 1, 2 and 3 - updated version 2021) and also with the "Topic Standards" (GRI 200, GRI 300 and GRI 400 - updated version 2021), in accordance with the material themes identified by Jalles Machado S.A., through the process described in the Methodology Item.

Jalles Machado S.A. prepared its Sustainability Report "in compliance" with the GRI Standards (2021), satisfying the criteria established by the GRI.

For the scope of the Sustainability Accounting Standards Board (SASB), 18 indicators were verified for the sector.

The preparation, presentation and content of the Report are the sole responsibility of Jalles Machado's S.A. management. BUREAU VERITAS is responsible for providing an independent opinion to Stakeholders in accordance with the scope of work defined in this Statement. Therefore, BUREAU VERITAS was not part of the preparation of any material included in the aforementioned Report.

METODOLOGY

The assurance included the following activities:

- Interviews with those responsible for the material topics and content of the Report;
- Remote verification of corporate and operational processes including GRI and SASB material indicators, in addition to information sample basis;
- Analysis of documentary evidence provided by Jalles Machado S.A. for the period covered by the Report (2023/2024), as described in Item Scope;
- Assessment of the systems used to compile data included in the Report;

1. Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability.



BUREAU VERITAS CERTIFICATION

Page 1 of 3





- Analysis of engagement activities with stakeholders developed by Jalles Machado S.A.;
- Evaluation of the system used to determine the material aspects included in the Report, considering the context of sustainability and scope of the published information.

The verification level adopted was Limited, in accordance with the requirements of the ISAE 3000² Standard, incorporated into Bureau Veritas' internal verification protocols.

CLAIM OF INDEPENDENCE AND IMPARTIALITY

BUREAU VERITAS CERTIFICATION is an independent professional services company specializing in Quality, Health, Safety, Social and Environmental management with over 185 years of experience in independent evaluation services.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees maintain the highest standards in their day-to-day activities. We are particularly attentive to prevention with regard to conflict of interest.

The verification team does not have any other link with Jalles Machado S.A., other than the independent verification of the Sustainability Report. We understand that there is no conflict between other services performed by Bureau Veritas and this verification is performed by our team.

The team that conducted this verification for Jalles Machado S.A. has extensive knowledge in verifying information and systems involving environmental, social, health, safety and ethical issues, which combined with experience in these areas, allows us a clear understanding of the presentation and verification of good corporate responsibility practices.

LIMITATIONS AND EXCLUSIONS

Any evaluation of information related to:

- Activities outside the reported period;
- Position claims (expressions of opinion, belief, objectives or future intentions) by Jalles Machado S.A.;
- Accuracy of economic and financial data contained in this Report, extracted from financial statements, verified by independent auditors;
- Greenhouse Gas (GHG) emissions inventory, including energy data;
- Data and information from affiliated companies or outsourced employees, over which there is no operational control by Jalles Machado S.A.;
- Other sites of the group outside the evaluated scope: Jalles Machado Matriz, Otávio Lages and Santa Vitória;

The following limitations have been applied to this check:

² International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information.



- The principles of Accuracy and Reliability of data were verified on a sample basis, exclusively in the light of the information and data related to the material topics presented in the Report;
- The economic information presented in the Report was specifically verified against the GRI Balance and Completeness principles.

OPINION ON THE REPORT AND THE ASSURANCE PROCESS

As a result of the verification process, nothing has come to our attention that would indicate that:

- The information provided in the Report is not balanced, consistent and reliable;
- Jalles Machado S.A. has not established appropriate systems for collecting, compiling and analysing quantitative and qualitative data used in the Report;
- Inform the database used for each indicator (one or more sites or full scope of the three sites);
- The Report does not adhere to the Principles for defining content and quality of the GRI Standard for sustainability reports and does not meet the Essential option criteria.

CONCLUSION

Based on the sample basis of what was verified and the documentation presented by Jalles Machado S.A., regarding the content of the Sustainability Report for the base period from April, 1st, 2023 to March 31st, 2024, nothing has come to our attention that leads us to believe that the information contained in the Sustainability Report was not prepared in accordance with GRI and SASB Standards guidelines as defined in this Assurance Statement.

CONTACT: <https://certification.bureauveritas.com.br/fale-conosco/>

São Paulo, 17 de junho de 2024.

Camila Chabar

Camila Pavão Chabar
Gerente Executiva de Sustentabilidade
Bureau Veritas Certification – Brasil

Gustavo Henrique S. Araujo

Gustavo Henrique S. Araujo
Auditor Assurance Sustainability
Reports (ASR)
Bureau Veritas Certification – Brasil

Luiz Carlos da Silva Lima

Luiz Carlos da Silva Lima
Auditor-líder Assurance Sustainability
Reports (ASR)
Bureau Veritas Certification – Brasil

Marcia Konishi

Marcia Konishi
Auditor-líder Assurance Sustainability
Reports (ASR)
Bureau Veritas Certification – Brasil



GRI indicator booklet

Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
GRI2 GENERAL DISCLOSURES 2021	2.1. Organizational Details	page 6				
	2.2. Entities included in the organization's sustainability reporting	page 4				
	2.3. Reporting period, frequency and contact point	page 4				
	2.4. Restatements of information	After publication there was no need to make any reformulations.				
	2.5. External assurance	page 4				
	2.6. Activities, value chain and other business relationships	pages 54, 55 and 145				
	2.7. Employees	pages 102 to 113				
	2.8. Workers who are not employees	pages 102 to 113				
	2.9. Governance structure and composition	page 132				
	2.10. Selection and appointment to the highest governance body	pages 133 to 141				
	2.11. Chair of the highest governance body	pages 133 to 141				
	2.12. Role of the highest governance body in defining the purpose, values and strategy	pages 133 to 141				
	2.13. Delegation of responsibility for managing impacts	pages 133 to 141				
	2.14. Role of the highest governance body in sustainability reporting	pages 133 to 141				
	2.15. Conflicts of Interest	pages 133 to 141				
	2.16. Communication of critical concerns	page 140				
	2.17. Collective knowledge of the highest governance body	pages 26 to 35				
	2.18. Assessment of the performance of the highest governance body	pages 133 to 139				
	2.19. Compensation policies	pages 133 to 139				
	2.20. Process to determine compensation	pages 133 to 139				
	2.21. Annual total compensation ratio	pages 133 to 139				
	2.22. Statement on sustainable development strategy	pages 10 to 15				
	2.23. Commitments and Policies	pages 63 to 65				



Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
	2.24. Embedding Policy and Commitments	page 140				
	2.25. Remediation of Negative Impacts	pages 26 to 35				
	2.26. Mechanisms for seeking advice and raising concerns	pages 26 to 35 and page 140				
	2.27. Compliance with laws and regulations	Indicator Booklet				
	2.28. Membership associations	Indicator Booklet				
	2.29. Stakeholder engagement approach	pages 20 to 25				
	2.30. Collective bargaining agreements	Indicator Booklet				
MATERIAL TOPICS						
GRI3 MATERIAL TOPICS 2021	3-1- Process to determine material topics	pages 16 to 25				
	3-2- List of material topics	Pages 18 and 19.				
MATERIAL TOPIC 1: HUMAN CAPITAL MANAGEMENT						
	3-3- Management of material topics	pages 102 to 113				13.15.1, 13.16.1, 13.17.1, 13.18.1, 13.20.1, 13.21.1 13.20.1
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	pages 102 to 113, Indicator Booklet				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pages 102 to 113, Indicator Booklet				
	401-3 Parental leave	pages 102 to 113, Indicator Booklet				
GRI 404: Training and Education 2016	404-1 Average hours of training per year, per employee	Indicator Booklet				
	404-2 Programs for upgrading employee skills and transition assistance programs	Indicator Booklet				
	404-3 Percentage of employees receiving regular performance and career development reviews	Indicator Booklet				
GRI 405 Diversity and equal opportunities 2016	405-1 Diversity in governance bodies and employees	pages 106 and 107, pages 133 to 138 and Indicator Booklet				13.15.2
	405-2 Ratio of basic salary and compensation of women to men	pages 106 and 107, pages 133 to 138 and Indicator Booklet				13.15.3



Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
MATERIAL TOPIC 2: ORGANIC PRODUCTION						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	pages 76 to 84				
MATERIAL TOPIC 3: WATER RESOURCES MANAGEMENT						
GRI 303 Water 2018	3-3- Management of material topics	pages 85 to 87				13.7.1
	GRI 303-1 Interactions with water as a shared resource	pages 85 to 87				13.7.2
	GRI 303-2 Management of water discharge-related impacts	pages 85 to 87				13.7.3
	GRI 303-3 Water withdrawal	pages 85 to 87 and Indicator Booklet				13.7.4
	GRI 303-4 Water discharge	pages 85 to 87 and Indicator Booklet	GRI 303-4 Water discharge	Not applicable	There is no water disposal at Jalles Machado. All wastewater and vinasse is used in fertigation.	13.7.5
	GRI 303-5 Water consumption	pages 85 to 87 and Indicator Booklet	GRI 303-5 Water consumption	Not applicable	There is no disposal. Consumption = withdrawal	13.7.6
MATERIAL TOPIC 4: RISK MANAGEMENT AND BUSINESS OPPORTUNITIES						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	pages 118 to 123				
MATERIAL TOPIC 5: INNOVATION, TECHNOLOGY AND THE DIGITAL REVOLUTION						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	pages 124 to 126				



Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
MATERIAL TOPIC 6: EMPLOYEE HEALTH, SAFETY AND WELL-BEING						
GRI 403 Occupational Health and Safety 2018	3-3- Management of material topics	pages 110 to 112				13.19.1
	GRI 403-1 Occupational health and safety management system	Indicator Booklet				13.19.2
	GRI 403-2 Hazard identification, risk assessment and incident investigation	pages 110 to 112 and Indicator Booklet				13.19.3
	GRI 403-3 Occupational health services	Indicator Booklet				13.19.4
	GRI 403-4 Worker participation, consultation and communication on occupational health and safety	Indicator Booklet				13.19.5
	GRI 403-5 Worker training on occupational health and safety	Indicator Booklet				13.19.6
	GRI 403-6 Promotion of worker health	Indicator Booklet				13.19.7
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Indicator Booklet				13.19.8
	GRI 403-8 Workers covered by an occupational health and safety management system	Indicator Booklet				13.19.9
	GRI 403-9 Work-related injuries	Indicator Booklet				13.19.10
GRI 403-10 Work-related ill health	Indicator Booklet				13.19.11	
MATERIAL TOPIC 7: STAKEHOLDER ENGAGEMENT AND RELATIONSHIP						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	pages 20 to 25				
MATERIAL TOPIC 8: COMMUNITIES AND SOCIAL INVESTMENT						
GRI 413 - Local Communities 2016	3-3- Management of material topics	pages 114 to 117				13.12.1, 13.22.1
	GRI 413-1 Operations with local community engagement, impact assessments and development programs	Indicator Booklet				13.12.2
	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	Indicator Booklet				13.12.3
GRI 203 Indirect Economic Impact	GRI 203-1 Investments in infrastructure and supported services	Indicator Booklet				13.22.3
MATERIAL TOPIC 9: SUSTAINABLE AND HEALTHY PRODUCTS						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	pages 88 to 91				



Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
MATERIAL TOPIC 10: BIODIVERSITY AND ECOSYSTEM SERVICES						
GRI 304: Biodiversity 2016	3-3- Management of material topics	pages 92 and 93				13.3.1
	GRI-304-1 Operational units owned, leased or managed within or adjacent to environmental protection areas and areas of high biodiversity value located outside environmental protection areas	pages 92 and 93				13.3.2
	GRI-304-2-Significant impacts of activities, products and services on biodiversity	pages 92 and 93 and Indicator Booklet				13.3.3
	GRI 304-3 Protected or restored habitats	pages 92 and 93				13.3.4
	GRI 304-4 IUCN-Red Listed and national conservation list species with habitats in areas affected by the organization's operations	pages 92 and 93				13.3.5
GRI 13.4- Conversion of Natural Ecosystems - GRI 13 2022		Indicator Booklet				13.4.1, 13.4.2, 13.4.3, 13.4.4 E
GRI 13.5- Soil Health - GRI 13 2022		Indicator Booklet				13.4.5
GRI 13.6- Use of pesticides - GRI 13 2022		Indicator Booklet				13.5.1
						13.6.1, 13.6.2
MATERIAL TOPIC 11: CLIMATE STRATEGY						
GRI 301: Materials 2016	3-3- Management of material topics	pages 94 to 99				13.1.1, 13.2.1
	GRI 301-1 Materials used, by weight or volume	pages 94 to 99 and Indicator Booklet				
GRI 302: Energy 2016	GRI 302-1 Energy consumption within the organization	pages 94 to 99 and Indicator Booklet				
	GRI 302-2 Energy consumption outside the organization	pages 94 to 99 and Indicator Booklet				
	GRI 302-3 Energy intensity	pages 94 to 99 and Indicator Booklet				
GRI 305: Emissions 2016	GRI-305-1 Direct (Scope 1) GHG emissions	pages 94 to 99 and Indicator Booklet				13.1.2
	GRI 305-2 Energy indirect (Scope 2) GHG emissions	pages 94 to 99 and Indicator Booklet				13.1.3
	GRI 305-3 Other indirect (Scope 3) GHG emissions	pages 94 to 99 and Indicator Booklet				13.1.4
	GRI 305-4 Intensity of GHG emissions	pages 94 to 99 and Indicator Booklet				13.1.5
GRI 201: Economic Performance 2016	GRI 201-2 Financial Implications and other risks and opportunities arising from climate changes	Indicator Booklet				13.2.2



Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
MATERIAL TOPIC 12: CIRCULAR ECONOMY AND WASTE MANAGEMENT						
GRI 306- Waste 2020	3-3- Management of material topics	pages 100 to 101				13.8.1
	GRI 306-1 Waste generation and significant waste-related impacts	pages 100 to 101				13.8.2
	GRI 306-2 Management of significant waste-related impacts	pages 100 to 101				13.8.3
	GRI 306-3 Waste generated	pages 100 to 101 and Indicator Booklet				13.8.4
	GRI 306-4 Waste diverted from disposal	pages 100 to 101 and Indicator Booklet				13.8.5
	GRI 306-5 Waste directed to disposal	pages 100 to 101 and Indicator Booklet				13.8.6
MATERIAL TOPIC 13: CUSTOMER SATISFACTION						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	page 128				
MATERIAL TOPIC 14: B2C RELATIONSHIPS AND BRAND STRENGTH						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	page 130				
MATERIAL TOPIC 15: TRANSPARENCY AND GOVERNANCE						
	3-3- Management of material topics GRI 2.9 to GRI 2.21	pages 132 to 139 and Indicator Booklet				
MATERIAL TOPIC 16: ETHICS AND INTEGRITY IN BUSINESS						
GRI 206 Anti-competitive Behavior 2016	3-3- Management of material topics	page 140				13.25.1
	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	page 140 and Indicator Booklet				13.25.2
MATERIAL TOPIC 17: ECONOMIC PERFORMANCE						
GRI 201 Economic Performance 2016	3-3- Management of material topics	page 146				13.22.1
	GRI 201-1 Direct economic value generated and distributed					13.22.2
MATERIAL TOPIC 18: SOCIO-ENVIRONMENTAL AND PRODUCT QUALITY CERTIFICATIONS						
	3-3- Management of material topics There are no related GRI indicators and no related industry indicators	pages 63 to 65				
MATERIAL TOPIC 19: FOOD SAFETY						
GRI 13.10- Food Safety	3-3- Management of material topics	pages 63 to 65				13.10.1
						13.10.4



Gri Standard / Other source	Content	Location	Omission Requirement	Reason	Explanation	Industry benchmark No.
MATERIAL TOPIC 20: SUSTAINABLE VALUE CHAIN AND PURCHASING PRACTICES						
	3-3- Management of material topics	page 145				13.23.1
GRI 204: Procurement Practices 2016	GRI 204-1 Proportion of spending on local suppliers	Indicator Booklet				
GRI 308: 2016 Supplier Environmental Assessment	GRI 308-1 New suppliers selected on the basis of environmental criteria	page 145 and Indicator Booklet				
GRI 13.23 Supply chain traceability -GRI 13 2022		page 145 and Indicator Booklet				13.23.2, 13.23.3, 13.23.4
GRI 408: Child Labor 2016	GRI 408-1	Indicator Booklet				13.17.1 and 13.17.2
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Indicator Booklet				13.16.1 and 13.16.2
MATERIAL TOPIC 21: PREVENTION AND FIGHT AGAINST CORRUPTION						
	3-3- Management of material topics	pages 118 to 123				13.26.1
GRI 205 2016 Anti-corruption	GRI 205-1 Operations assessed for risks related to corruption	pages 118 to 123 and Indicator Booklet				13.26.2
	GRI 205-2 Communication and training about anti-corruption policies and procedures	Indicator Booklet				13.26.3
	GRI 205-3 Confirmed incidents of corruption and actions taken	Indicator Booklet				13.26.4
Topics in the applicable GRI Industry Standards determined to be non-material						
Topic	Explanation					
13.9 Food Security	Sugarcane production occupies small amounts of land when compared to other commodities and does not materially interfere with food security. Furthermore, Brazil is not one of the critical countries in terms of food security.					
13.11 Animal health and welfare	Not applicable to Jalles' business. Jalles' sugar-energy business does not work with animal production.					
13.13 Land and resource rights	Jalles' operations are not in areas where issues of violation of rights under the use of land and resources are material					
13.14 Rights of indigenous peoples	Jalles' operations are not close to indigenous areas					
13.24 Public Policies	Jalles does not make political contributions					

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All GRI indicators and the GHG inventory were collected using the Combustech ESG Indicator Management System.

We would like to thank the corporate, agricultural and industrial areas of Jalles for their support and dedication in producing this report.



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