



raízen

*Redefinindo
o futuro da **energia***



Sustainability-Linked Finance Framework

January, 2021

About Raízen

Raízen is a global reference in bioenergy with an integrated business ecosystem: from the cultivation and processing of sugarcane in our bioenergy parks, to the marketing, logistics, and distribution of fuels, we continually invest in innovation to redefine the future of energy.



Based on an unrepeatable operating model, we maintain the purpose of providing the energy that society needs today and developing new forms of energy for the future, always with a view to a gradual and sustainable energy transition, contributing to a low-carbon economy.

The starting point is our raw material – sugarcane – from which we produce sugar, ethanol, and bioelectricity. We also continually invest in solutions based on renewable sources, such as solar and biomass, and we distribute and market fuels under the Shell brand license, supplying a network of 7.300 service stations, airport bases and B2B customers in Brazil and Argentina. The operations also include Grupo Nós (Joint venture with FEMSA Comércio), we operate in convenience retail and close to Shell Select stores and OXXO markets.

With a team of 40.000 employees, we operate 35 bioenergy parks, with an installed capacity for crushing up to 105 million tons of sugarcane and around 1.3 million hectares of agricultural areas cultivated with state-of-the-art technology with mechanized harvesting. We also have an infrastructure of 69 supply bases at airports, 70 distribution terminals across the country and presence in 11 ports. We are among the largest companies in terms of revenues in Brazil, with R\$ 114.6 billion in the last harvest.



Approach to Sustainability

In 2021, Raízen completed 10 years of existence. A young company, positioned for a new growth and expansion cycle, which since its creation in 2011, through the Joint Venture between Shell and Cosan, has had sustainability at the center of its strategy. As an icon of its responsible birth, on that same year we achieved the first Bonsucro certification in the world for a plant. And, since then, we haven't stopped evolving our sustainable look.

Based on the circularity of processes and products, and the strong relationship with the production chain, Raízen deeply integrates the concept of end-to-end value generation – ranging from sugarcane harvesting to the return of waste to the field, re-nourishing natural ecosystems. Generating products and services that positively impact customers, the society, and other stakeholders is a priority focus for Raízen. We do this through an ESG Agenda focused on corporate materiality, which supports a broad portfolio of leading-edge energy solutions and guides responsible and sustainable processes and operations – internationally recognized and far beyond our company.

Despite being very young, Raízen inherits over a century of learning from our shareholders in corporate governance flows, practices, and structures. The guidance of Raízen's long-term ESG targets and initiatives is the responsibility of the CSR Social Responsibility Committee (advisory body to the company's Board of Directors), which comprises the majority shareholders of Shell's, Cosan's and Raízen's Board of Directors. Supporting this, the 18-member Raízen Sustainability Committee, 4 of which are women, is the core of the strategic management of the Raízen's ESG Agenda, in which the company's ESG metrics and strategies are discussed, in addition to ensuring cross-cutting alignment of the topic between the top management and the operations.

Raízen integrates environmental, social, economic, and governance (ESG) aspects to generate and share value with our stakeholders, as this is what ensures the continuity, competitiveness, and responsibility of our business. As a global energy company, Raízen actively seeks to contribute to the energy transition in a low-carbon economy. Aiming to maximize our positive social and environmental impact, the company has a robust Strategic Sustainability Plan linked to operations and based on material topics for our stakeholders, in line with the UN Sustainable Development Targets (SDGs). The Plan has short and long-term targets and actions, under the direct management of our senior leadership (further information on <https://www.raizen.com.br/en/esg-agenda>).

In this search, we focus on a critical and integrated look at some of the most relevant (material) topics for our operations, which follow the risks and opportunities of our business model, such as the management of Climate Change and Energy Transition, management of our Sustainable Sugarcane, Diversity & Inclusion and Water Management. For these and other material topics, we have made public commitments by 2030:

(i) to reduce the carbon footprint of ethanol and sugar by 10%; (ii) reduce the capture of water from external sources by 10%; (iii) increase the GJ/ha indicator (Gigajoules per hectare) by 15%; (iv) ensure 100% traceability of the volume of crushed cane; (v) ensure internationally recognized sustainability programs for sugarcane sources; (vi) keep all units in operation certified to an internationally recognized standard; (vii) promote human rights advances in our operations and supply chain; and (viii) actively influencing our strategic partners to eliminate the risk of violating the Company's Ethics and Compliance values.

Regarding our climate change strategy, as a large integrated company whose 35 bioenergy parks run 100% on energy from its biomass, Raízen direct GHG emissions are low and our value chain emissions (scope 3) represent the major source, mostly associated with the use of fuels we commercialize on our downstream businesses. Most emissions are associated with our role as fuel distributor (when we purchase and resell both fossil and renewable fuels in our fuel stations).

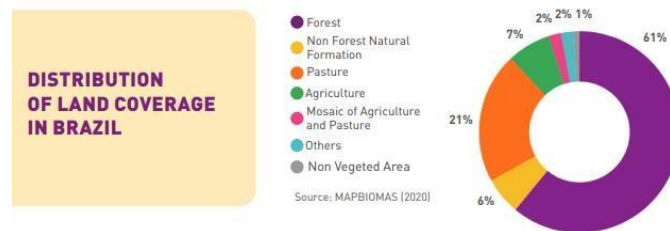
Raízen's business circularity model

According to calculations by the Federation of Agriculture and Livestock of Goiás (Faeg), presented by the Sugarcane Industry Union (Unica), one hectare of sugarcane produces an average of 8.000 liters of ethanol. In comparison with corn, the raw material used in most of global production, the proportion is 3.000 liters per hectare. Another advantage is that the energy balance of sugarcane ethanol is much greater than that of corn ethanol. This is because, since its molecules are smaller, sugarcane enters a fermentation stage in just under 11 hours. In the case of corn, the carbohydrate must be broken-down into sugars before fermentation, implying fermentation times between 40 and 70 hours.

Brazilian sugarcane ethanol has one of the best carbon footprints in the world among current technologies. The carbon footprint of sugarcane ethanol varies between 16 and 24 gCO₂e/MJ, which corresponds to a reduction between 74% and 83% in GHG emissions when compared to gasoline. The carbon footprint of sugarcane ethanol is smaller than that of American corn ethanol (which ranges between 43 to 62 gCO₂e/MJ) and corn ethanol produced in Europe (30 to 68 gCO₂e/MJ), according to different public sources⁽³⁾. **We are a truly unique integrated energy company positioned to thrive in all energy transition scenarios.**

Some of our differentials

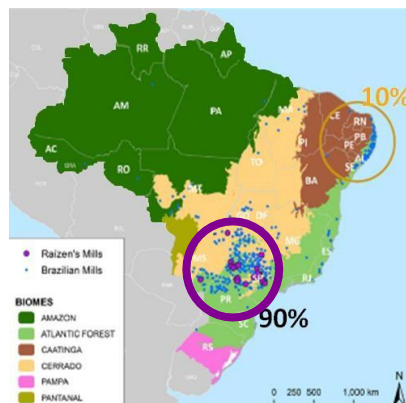
Land Use



Brazil occupies a privileged position in the world in terms of land use due to its large reserve of natural vegetation and the dynamism of the country's agricultural production. According to data from MapBiomias(2020), over 60% of the country is covered by natural vegetation and **only 1% is used for sugarcane.**

Sugarcane does not present a risk of direct or indirect deforestation in Brazil and, helps the recovery of native vegetation. According to FOLLADOR, et al. (2019), 57% of the sugarcane area existing in 2017 was already taken by sugarcane in 2008, and the remaining 43% were expansions of the sugarcane area into other areas, such as degraded pastures and other crops. The expansion occurred mainly over areas of pasture (56%), agriculture and pasture mix (16%) and annual and perennial crops (25%), with only 1% to natural forest areas and the remainder with transition to other areas (non-forest).

Sugarcane is produced mainly in the Center-South and Northeast regions, which are geographically distant from deforestation areas and Raízen, with our production concentrated in the Center-South region, is more than 1.000km far from the Amazon, as shown on the map below:



Source: MAPBIOMAS Coleção 4.1 (2020)

Brazil has one of the most complete frameworks of regulations to protect natural vegetation. Most of the country's natural vegetation is legally protected and cannot be converted to other uses. From an analysis carried out on the MapBiomas platform (2020), we found that **87% of the areas that supply sugarcane to Raízen are located in municipalities where there was an increase in forests between 2008 and 2018.**

This type of analysis is only possible because Raízen's areas are geographically traceable, that is, we know exactly where sugarcane is produced through geographic data, enabling the management of the sustainability attributes of the production chain.

Sustainable Value Chain and Sourcing

We work to continuously improve our production chain and strive to comply with the main international sustainability standards. **We were the first company in the world to be certified to Bonsucro standard**, an international and voluntary award dedicated to increase the sustainability of the sugarcane industry.

Raízen's sugarcane production chain includes our own areas and areas owned by suppliers, in a proportion of approximately 50% for each. To achieve and ensure the sustainability of our entire chain, we adopt two different but complementary strategies: Bonsucro Standard and ELO Program.



**RAÍZEN
SUGARCANE**

*Different and complementary strategies to ensure
sustainability in sugarcane production*



For Raízen's own production through leasing land and planting and cultivating sugarcane, the Bonsucro Standard provides guidance on how to assess the impacts on the environment and the labor conditions, and the efficient means of production. As to the production from sugarcane suppliers which are not controlled by Raízen, the ELO Program promotes compliance to the law, sustainability, and continuous improvement.

ELO is a pioneering program from Raízen that seeks to include sugarcane suppliers with the purpose of ensuring sustainable supply, reducing risks throughout the value chain, and creating shared value. Since the program was inspired by the Bonsucro Standard, most of the criteria required for the certification are part of Raízen's internal program. The program provides that Raízen must work along with producers undertaking a diagnosis in their rural properties, identifying opportunities, providing individual guidance supported by technical follow-up and engaging producers to provide continuous improvement. Two independent NGOs, Solidaridad and Imaflora, manage the program, which ensures better results. Imaflora's annual inspections as an external party ensure the program's reliability.

In 2019, the ELO Program was acknowledged during the Bonsucro Week as a transformative and innovative action. That same year, the United Nations Economic Commission for Latin America, and the Caribbean (UNECLAC) elected the program as an example of Big Push towards sustainability in the sugarcane production chain.

The Bonsucro certification for our own production and the ELO Program for our suppliers work in tandem. Here are the details of the main issues assessed by each:



Our commitment to the energy transition has increased day after day. In 2021, we expanded our potential to produce renewables by acquiring the assets from Biosev. This acquisition brought us nine bioenergy parks with an installed capacity for crushing up to 31 million tons of sugarcane. Even with this increase, we are committed to the ESG agenda. We are publicly committed to certify all units under the Bonsucro certification, increasing our levels of social and environmental responsibility.

We are focused on achieving this by creating value and positively impacting all our stakeholders, such as the investors, surrounding communities, suppliers, and employees. Our target is to provide all these groups with an ecosystem of value creation. To achieve this, we must ensure we continue to operate.

Last year 2.2 million people were directly and indirectly benefitted by our initiatives. We amassed R\$ 25 million invested in our social projects in Brazil through promoted projects, Fundação Raízen and other sponsorships and social partnerships.

We have contributed to society by engaging our people in social initiatives, which surpassed 5,000 hours of volunteer work. Our initiatives were acknowledged by the Guia Exame publication, who ranked us one of the Best ESG Companies of 2021; we were also ranked top 3 in the MasterCana Social. We are on the right path to change the future of energy.

Rationale for the Issuance

Renewables and Bonsucro Certification

Even though there had been incentives to modernize our plants over time, there are still some remains of the past with old plants with little modern features. At the same time, sugarcane production has always been seen as labor-intensive despite the changes promoted to labor practices by gradual mechanization. As human rights are an important issue in this industry, we must manage the impact of production.

We face the challenge of producing sustainably while having to take into consideration limited natural resources and the need for economic and social development. As one of the main players in the industry, we must actively contribute with our performance to achieving a more balanced development model. Raízen is committed to global transformation and to the path towards sustainability. We understand certification standards are essential to this agenda, and that is why we chose Bonsucro as our reference.

Raízen was the first plant in the world to obtain this certification and it is the largest player to be globally certified by Bonsucro, producing about 40% of the certified sugarcane in the world.

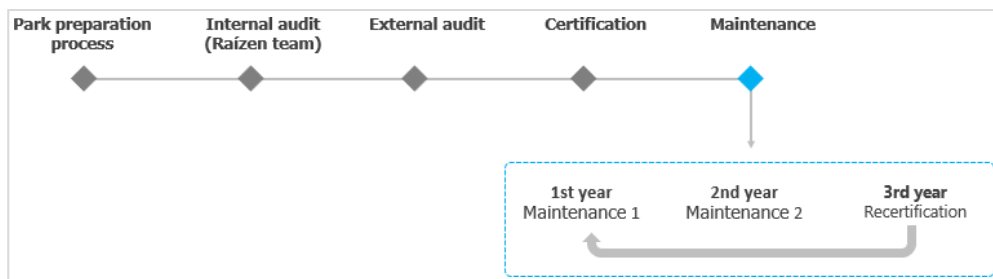
Created in 2005, Bonsucro is a global sustainability platform specific to sugarcane. Its purpose is to collectively accelerate sustainable production and the use of sugarcane by farmers, plants, buyers and endusers.

The objective of Bonsucro is ensuring that production and processing occur in a socially and environmentally responsible way, based on strict international criteria. To be certified, companies must adopt six principles concerning criteria and indicators based on the pillars of sustainability:

1. Obey the law	2. Respect human rights and labour standards	3. Manage efficiency to improve sustainability	4. Manage biodiversity and ecosystem	5. Continuously improve	6. Adhere to EU directives
2 – criterion 4 – indicators	4 – criterion 16 – indicators	2 – criterion 8 – indicators	1 – criterion 6 – indicators	9 – criterion 19 – indicators	2 – criterion 2 – indicators
<ul style="list-style-type: none"> - Comply with national law - Prove right to use water and land 	<ul style="list-style-type: none"> - Respect human rights and labor practices - Provide a safe and healthy work environment - Consistent wages and employment contracts 	<ul style="list-style-type: none"> - Measure production efficiency - Monitor GHG emissions 	<ul style="list-style-type: none"> - Assess the impacts of sugarcane on biodiversity and ecosystem services (rate of fertilizer and agrochemical application per area) 	<ul style="list-style-type: none"> - Train employees - Improve soil and water status - Continuously improve cane quality - Promoting energy efficiency - Reducing emissions and effluents - Promoting specialized research - Promoting economic sustainability 	<ul style="list-style-type: none"> - Monitor GHG emissions - Protect areas with high biodiversity value

To be certified, sugarcane and ethanol mills must demonstrate they comply with at least 80% of the indicators and meet the main criteria. Whenever an operation is certified by Bonsucro, this means that many improvements were made by the respective company in the social and environmental management concerning the restricted use of agrochemicals, protection of biodiversity, responsible water management, the absence of negative impacts on communities living close to sugarcane fields and mills, and the management of GHG emissions. The certification standard also reflects how workers and processes have changed as demands on them increased, which represents a challenge to companies in terms of implementation and maintenance.

All these criteria are inspected by third-party institutions licensed by Bonsucro that undertake on-location audits that may take several days, with the purpose of ensuring compliance with the requirements of the certification standard. Certified units are visited every year by third-party auditors to verify their continued compliance with the standard to maintain their certification status. A flow showing the stages of the process, which requires the dedication, commitment, and time from Raízen’s specialized teams, is shown below:



Complying with all the certification criteria and annually undertaking the maintenance and recertification processes represent challenges to Raízen as we now have 31 bioenergy parks in operation. For the Brazilian sugar-energy sector, certification is not a common practice yet as it is a complex process. Regardless of this fact, we intend to make sure 100% of our bioenergy parks are certified.

We issued a public commitment to have 100% of our bioenergy parks in operation certified under an internationally acknowledged standard (Bonsucro).

This certification is considered very transformative for the sector and some data disclosed by Bonsucro serve to prove this point:

- After nine years of certification, producers reduce use of nitrogen fertilizers by 28%
- Certified operators reduce their use of water by 50% after six years of certification (from 35.32 m³ of water per ton of cane to 16.81 m³ per ton of cane)
- On average, certified farms reduce CO₂eq emissions by 18% after five years of certification, and 55% after eight years of certification

We are aware that certifying all our bioenergy parks is a tremendous challenge, but we are committed to achieving and promoting sustainability throughout all sectors in which we operate.

Gender Inclusion

Another major challenge in agribusiness is gender inclusion. The scenario is challenging for women, since this is still a predominantly male area - 74.2% of women said they have already suffered prejudice². We established our public commitment because expanding the best in each one, and promoting an environment of respect, is part of our culture. Everyone should be able to develop their maximum potential and thus contribute to Raízen as an innovative company capable of offering the best solutions to our customers. We therefore respect each person in their individuality and commit to do what is required to make the company an inclusive environment where our differences become our strength and competitive advantage.

Raízen developed a salary group rationale, using the GGS-WTW methodology as a reference, and the Raízen's Gender KPI refers to leadership positions.

A Global Grading System (GGS) methodology is a system of assessment or ranking of positions created by Willis Towers Watson (WTW) that allows assigning grades to position of an organization, facilitating administration of wealth, competitiveness, and remuneration. By sizing the business (organizational context) and sizing the organization's position (job specification), bands are defined, and the determination of grades within the bands is done through seven evaluation factors: (i) functional knowledge, (ii) business specialization, (iii) leadership, (iv) problem solving, (v) nature of impact, (vi) area of impact and (vii) interpersonal skills. Therefore, for Raízen, our leadership positions are defined from the first position after "supervision" level, which means our leadership starts at grade 13 at GGS-WTW (equivalent to our grade 42 onwards).

We believe that having more women in leadership positions is the beginning of a change for the company and for the entire agribusiness sector.

Alignment with Sustainability-Linked Principles

This Framework was set according to (i) the Sustainability-Linked Bond Principles for 2020 ("SLBP") published by the International Capital Market Association ("ICMA"), with the purpose of encompassing future issuances in the capital market, and (ii) the Sustainability Linked Loan Principles for 2020 ("SLLP") published by the Loan Markets Association ("LMA"), with the purpose of encompassing bilateral or syndicated loans with financial institutions and/or multilateral agencies¹.

¹ Please, check the SLB Principles at <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-Principles-June-2020-171120.pdf>.

The SLBP and the SLLP — or the Sustainability-Linked Principles (“SLP”) — are guidelines for the volunteer process of enforcing best practices so that the financial instruments make use of the results from prospective ESG and promote the integrity while setting the funding for Sustainability, opening to the possibility of issuing an SLI. Our Sustainability-Linked Finance Framework is aligned with the five main components of the SLBP:

1. Selection of Key Performance Indicators (KPI) and Targets
2. Calibration of Sustainability Performance Targets (SPT)
3. Financial characteristics
4. Reporting
5. Independent verification of the components listed in items 1 to 4 above

It is worth noting that the SLIs can be any kind of document presenting financial and/or structural features that may vary according to compliance (or failure to comply) with the predefined sustainability targets. In this sense, we are clearly committed with the future improvement of sustainability performance targets that are pertinent, critical, and material to our business within a predefined schedule. SLIs are an advanced performance-based instrument. Their results may be used for general purposes, which is why the funds allocated are not decisive for the classification.

Raízen S.A. is committed to the Sustainable Development Targets (SDG) as we acknowledge that engaging with the private sector is crucial to achieve the targets of the 2030 Agenda as soon as possible. Raízen’s long-term strategy also includes 10 public commitments assumed pursuant to the UN’s 14 SDGs, each of them related with material topics. Our commitment to the 2030 targets are, as follows:

Material topic	ESG commitments publicly assumed*	Related SDGs
Climate Change and Energy Transition	Reducing the carbon footprint of ethanol and sugar production by 10%	11,12,13
Water management	Reducing the water catchment from external sources by 10%	6,9,12
Land Use	Increasing the GJ/ha indicator by 15%	11,12,15
	Ensuring a robust traceability system for 100% of the volume of crushed cane	11,12,15
Sustainable Sugarcane	Ensuring internationally recognized sustainability programs for sugarcane sources	2,8,12
	Keeping all units in operation certified to an internationally recognized standard	2,8,12
Human Rights	Promoting human rights advances in our operations and supply chain	5,8,16
Ethics and Compliance	Actively influencing our strategic partners to eliminate the risk of violating our ethics and compliance values	5,8,16
Relationship with the Surrounding Communities	100% of the surrounding areas aided by Fundação Raízen	3,4,11
Diversity and Inclusion	Having 30% of women in leadership positions by 2025	4,5,10

Source: Survey conducted by the Associação Brasileira do Agronegócio (Abag) e PwC- more than 300 women were interviewed from November 2015 to April 2016 from all Brazilian regions, especially in the Southeast (74%), the Midwest and the South and L. G. Pereira, O. Cavalett, A. Bonomi, Y. Zhang, E. Warner, and H. L. Chum, “Comparison of biofuel life- cycle GHG emissions assessment tools: The case studies of ethanol produced from sugarcane, corn, and wheat,” *Renew. Sustain. Energy Rev.*, vol. 110, no. October 2017, pp. 1–12, 2019, doi: 10.1016/j.rser.2019.04.043.

Selection of the Key Performance Indicator

Raízen S.A. is committed to selecting relevant, fundamental, and material sustainability objectives for our business. The selected key performance indicator will measure our future sustainability improvements regarding Sustainable Sugarcane Sourcing and Women in Leadership.

Sustainable Sugarcane

Sustainability Performance Target (“SPT”) #1: Our public commitment is to have 100% of our units in operation (bioenergy parks) certified to an internationally recognized standard by 2030. That is entirely voluntary and unique among our competitors.

Medium-target: Reach 94% of Bioenergy Parks (29) certified by Bonsucro by March 31, 2026

Baseline: March 2021, with 74% of Bioenergy Parks (23) certified by Bonsucro, according to the report of the Independent Auditor – KPMG.

Selected KPI: Percentage of Bioenergy Parks in operation certified by Bonsucro. Calculated through the total number of certified Bioenergy Parks over the total number of Bioenergy Parks in operation.

Justification for the KPI Selection: The challenge until 2027 will be to certify the 31 bioenergy parks in operation, considering the recent acquisition of Biosev. And keep the other certifications already acquired. In addition to Bonsucro having high standards (detailed in the section “Rationale for the Issuance”), it also requires an annual maintenance audit on the progress of established action plans, issued by a third party, and recertification takes place every 3 years. Thus, having Bonsucro certification means having the assurance of a sustainable process in which several voluntary improvements in social and environmental management have been implemented and are part of the daily operation.

Raízen Bonsucro certification with Peer comparisons for Sugarcane sector			
Company	Operation Units	Bonsucro’s certified units	Total Percentual
Raízen	31	24	77%
Peer 1	11	1	9%
Peer 2	9	0	0%
Peer 3	7	4	57%
Peer 4	4	1	25%

Source: Raízen and Peer annual reports, and Bonsucro data of December 2021

Raízen Public Commitments	KPI Definition	Actual FYE March 2021	March 2022	March 2023	March 2024	March 2025	March 2026	March 2027	March 2028	March 2029	March 2030
Sustainable Sugar Cane 	KPI #1: Ratio of (a) Number of Bonsucro Certified units in Operation over (b) Number of Operational Units	74%*	77%	77%	81%	87%	94%	100%	100%	100%	100%
		23	24	24	25	27	29	31	31	31	31

Source: Raízen data of December 2021 | *Data including Biosev, the percentage considering only Raízen’s Operation units at 2021 would be 96%.

Justification for Selection of the Baseline: 2021 was selected as the baseline as it was the year of acquisition of Biosev, therefore this will be the first year of integration and consolidation of operating units.

KPI Limit: The KPI includes the operational units active in the base year 2021 (therefore, new units acquired after 2021 will not be considered in this metric). It’s important to clarify that “Operational Units” means the operating bioenergy plants of the Parent and its Subsidiaries; provided that if at anytime any bioenergy plant (i) sold or otherwise disposed by the Parent or its Subsidiaries, or (ii) hibernated (as certified by an Authorized Officer of the Parent), such bioenergy plant shall not be considered an Operational Unit for purposes of the methodology.

SDG Alignment: Through internal review and independent verification the selected target and KPI are aligned with sustainable development targets as defined by the United Nations, please read: SDG 2- Zero Hunger, SDG 8- Decent Work and Economic Growth and SDG 12- Responsible Consumption and Production.

Examples of projects that will help achieve the SPT: (i) (i) gradual preparation of new units to engage the internal team in the adoption of new management practices, (ii) carry out diagnosis in bioenergy parks and mapping of agricultural areas to list the necessary actions of adjustments, (iii) raise funds to implement the projects and carry out structural adjustments identified in the diagnosis and (iv) implement the systematic inspection of the SIGO (Raízen’s Integrated Operational Management System) to ensure the necessary HSE procedures (v) adopt appropriate management practices in new bioenergy parks. To determine the adaptation, initiatives and management systems needed, Raízen will deeply analyze its bioenergy parks and map relevant agricultural areas. Also important to mention that internal teams will carry out the continuous improvement of practices for the maintenance of parks already Bonsucro-certified (vi) Recently, the Bonsucro standard underwent a profound, careful review and is now even more rigorous, addressing detailed, critical global risks connected to topics such as biodiversity, human rights, water use, among others.

For the maintenance and acquisition of new Bonsucro-certified bioenergy parks, Raízen will consider these new variables and improve its processes to make analysis more robust, complying with the new Bonsucro standard. To this end, Raízen have a dedicated team with direct interfaces and periodic monitoring of the agricultural and industrial operation teams.

Examples of situations that represent a risk for carrying out the SPT: (i) failure to release resources for structural adjustments and necessary projects and (ii) lack of engagement of the teams involved to implement management practices.

Women in Leadership

Sustainability Performance Target (“SPT”) #2: Having 30% of leadership positions held by women by 2026

Target: Reach 30% of women in leadership positions by March 31, 2026

Baseline: March 2021, when the percentage of women in leadership positions at Raízen was 19%, according to a report from the Independent Auditor – KPMG.

KPI: Percentage (%) of leadership positions held by women

KPI Limit: Positions occupied by coordinators, managers, executive managers, directors, and executive directors of Raízen. Considering the relevance of the Raízen Brazil (+Biosev) workforce, reaching approximately 38638⁽¹²⁾ employees compared to the Argentina operation with 1150⁽²⁾ employees, we chose to restrict the KPI considering only the Brazil (+Biosev) operations. Significant sustainability events such as any acquisition, investment or other similar transaction or event (explicitly excluding greenfield investments for organic growth by the Parent) completed by the Parent or its Subsidiaries that are reasonably expected to have an impact on the performance of the metric and such impacts should not be considered in this KPI.

Relevant Methodology: Data managed in real-time, according to the movements (in, outs and internal movements) of Company employees, monthly consolidated. Using the WTW methodology as a reference, Raízen developed a salary group rationale, and this KPI refers to leadership positions (salary group 42 and above) which can be understood as: any position within salary group 42 or higher on Raízen’s Salary Scale, regardless of the actual title of the position, it being understood, for the avoidance of doubt, that (i) this salary group includes the positions of coordinator, manager, director and executive officer and (ii) the minimum position included in salary group 42 is equivalent to “coordinator” regardless of the actual title of the position.

Definition of Women: Regarding this target we considered women from the standpoint of gender identity: the inner and individual experience of gender deeply felt by each person, which may or may not correspond to the sex assigned at birth, including the personal sense of the body (which may involve, if chosen freely, modification of bodily appearance or function by medical, surgical, or other means) and other expressions of gender, including dress, speech and mannerisms. Therefore, we refer to employees who identify themselves as women.

SDG Alignment: Through internal analysis, the target and the selected KPI are aligned with the United Nations Sustainable Development Targets, as follows: (i) SDG 4: Quality Education, (ii) SDG 5: Gender Equality and (iii) SDG 10: Reduced Inequality.

Rationale for the KPI Selection: (i) Empower and foster a positive work environment for women in agribusiness, (that has historically been majority male, and challenging for women). (ii) We believe that we can generate representation and accelerate the achievement of diverse thinking that produces differentiated results and (iii) expanding the best in each one, promoting an environment of respect, where everyone can develop their maximum potential and thus contribute to Raízen as an innovative company capable of offering its customers the best solutions, is part of our culture (iv) considering the total leadership positions (leadership = target salary group 42+) in Raízen, 51% of these positions located far from big cities (mostly operational positions within our bioparks plants sited at countryside, small towns). These towns are known to be culturally more challenging for women to get leading positions. From this 51% of leadership positions, 46% are in the agribusiness sector, which is sexist, culturally occupied by men. This reflects the difficulty of finding women who want to engage and assume leadership positions in these challenging places, and the additional effort to convince them to move to places far away from big cities, culturally more friendly to women workers

Raízen Diversity and Inclusion with Peer Comparisons for the Sugarcane sector		
Company	Target Data	Public Commitment
Raízen	2026	Having 30% of leadership positions held by women by 2026
Peer 1	not described	not described
Peer 2	not described	not described
Peer 3	not described	not described
Peer 4	not described	not described

Source: Raízen and Peer sites and annual reports of 2021

Raízen Public Commitments	KPI Definition	Actual FYE March 2021	March 2022	March 2023	March 2024	March 2025	March 2026
Diversity and Inclusion	KPI #2: Ratio of (a) Number of Leadership Positions Held by Woman over (b) Total Number of Leadership Positions	19%	22%	25%	28%	30%	30%

Source: Raízen december, 2021

² Raízen’s database, November 2021 | (2) Raízen’s Annual Report 2021

Rationale for the Baseline Selection: 2021 was transferred as baseline as it was the year of acquisition of Biosev, so it will be the first year of cargo integration. This, being the most recent year for which the company has the relevant data.

Examples of projects to support our targets: (i) the existence of a Diversity and Inclusion Committee, (ii) certain Recruitment and Selection Policies, (iii) the “Respect at the Root of Everything” Campaign, (iv) a Strategic Plan for Diversity and Inclusion, with a 2030 vision, (v) Mapping the organization’s female talents and developing a mentoring program and considering internal mobility opportunities, and (vi) Raízen’s Radar with clear focus on D&I.

Examples of situations that pose a risk to the achievement of the SPT: (i) Time/journey for women in leadership positions development, (ii) indication versus concrete action plan considering the succession plan and (iii) attractiveness and talent retention (turnover of women in leadership).

Calibration of the Sustainability Performance Target (SPT)

Aware of the significance of our commitments and the challenges we face to meet them, we have included the rationale for calibrating our proposed target, as follows:

Description

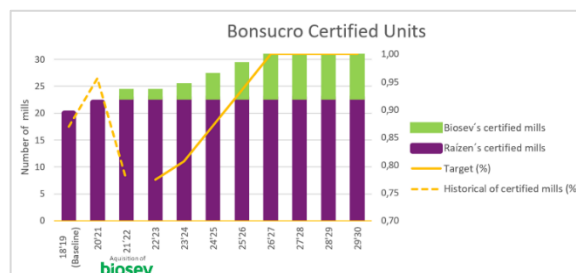
SPT #1 Trigger: Achieve 94% of bioenergy facilities certified by Bonsucro by March 31, 2026 (using the March 2021 Baseline).

SPT Observation Dates: 31st March 2026

SPT calculation methodology: is calculated as follows: number of Operational Units of the Parent and its Subsidiaries that are certified as sustainable sugarcane production by Bonsucro divided by the total number of existing Operational Units of the Parent and its Subsidiaries.

Factors that support target achievement: Among the factors that may facilitate our achievement of the SPT, we highlight our current projects and initiatives related to (i) the gradual preparation of new units to engage the internal team in the adoption of new management practices, (ii) carrying out a diagnosis of the bioenergy parks and mapping of agricultural areas to list the necessary adaptation initiatives; (iii) raise funds to implement the projects and carry out structural adjustments identified in the diagnosis and, (iv) implement the inspection system of the SIGO (Raízen Integrated Operational Management System) to ensure the necessary HSE procedures are implemented.

Factors that pose risks to achieving the target: among the factors that may make the achievement of the SPT more difficult, we highlight the following: (i) failure to release resources for structural adjustments and necessary projects, (ii) lack of engagement of teams involved in implementing management practices and (iv) standard review.



Source: Raízen data of December 2021

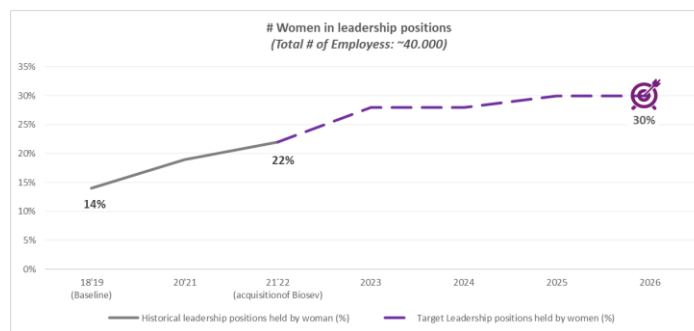
SPT # 2 Trigger: Achieve 30% of women in leadership positions by the end of 2026 (using the 2021 Baseline).

SPT Observation Dates: 31st March, 2026

SPT calculation methodology: is calculated as follows: the number of Leadership Positions held by Women in the Parent and its Subsidiaries in Brazil divided by the total number of existing Leadership Positions in the Parent and its Subsidiaries in Brazil. Using the WTW methodology as a reference, Raízen developed a salary group rationale (detailed in the section “Rationale for the Issuance”), and this KPI refers to leadership positions (salary group 42 and above) which can be understood as: any position within salary group 42 or higher on Raízen’s Salary Scale, regardless of the actual title of the position, it being understood, for the avoidance of doubt, that (i) this salary group includes the positions of coordinator, manager, director and executive officer and (ii) the minimum position included in salary group 42 is equivalent to “coordinator” regardless of the actual title of the position

Factors that support the achievement of the target: Among the factors that may facilitate our achievement of the SPT, we highlight our current projects and initiatives related to (i) the Leadership training cycle in relation to the role of affirmative actions and deconstruction of bias and prejudiced behaviors in the work environment, such as Organic Discussion Groups and Formal Forums, (ii) some Recruitment and Selection Policy, (iii) the “Respect at the Root of Everything” Campaign and (iv) the existence of a Diversity and Inclusion Committee, (v) Mapping the organization’s female talents and developing a mentoring program and considering internal mobility opportunities, and (vi) Awareness and continuing education of all our leadership

Factors that pose risks to the achievement of the target: among the factors that may make the achievement of the SPT more difficult, we highlight: (i) Low proportion of female applicants to leadership positions in the operations and (ii) Turnover of women in leadership.



Source: Raízen data of December 2021

Financial Characteristics

The proceeds of our SLIs will be used for general corporate purposes but may also be allocated for specific purposes, as it will be described in the appropriate SLI documentation. Additionally, the interest on the SLIs, in the form of coupon step-ups and/or step-downs, will be linked to reaching SPTs in relation to key performance indicators as described above which are core, relevant and material to Raízen’s business, as follows:

- The KPI does not reach the SPT on the target observation date;
- The verification of the SPTs is not provided and made public by the time of the Notification date, as defined in the financial instrument’s documentation; and/or
- Raízen fails to provide reasonable notice as of the Notification date related to reaching the SPTs, as defined in the financial instrument’s documentation.

The step-up and/or step-down adjustment, as applicable, will be specified in the relevant documentation of the specific transaction. Our calculation of the relevant KPI or SPT, may exclude the effects of certain material changes in laws or regulations applicable or relating to our production activities, in each case to be set forth, if applicable, in further detail in the terms and conditions of each our Sustainability-Linked Instruments.

Reporting

On an annual basis, and whenever relevant for assessing the trigger of the SPT performance leading to a potential coupon adjustment, Raízen will report and keep readily available via its corporate sustainability report or similar report on its website, the following information required to calculate or observe the performance of the selected KPIs in relation to Sustainability Performance Targets: (i) up-to-date information on the performance of the selected KPIs, including the baseline used where relevant; (ii) verification assurance report relative to the SPT outlining the performance against the SPT, the related impact, timing of such impact, and impact on the instrument's characteristics (if any); and (iii) any relevant information enabling investors to monitor the progress of the SPT.

Information may also include, when feasible and possible: (a) qualitative or quantitative explanations on the contribution of the main factors to the evolution of the performance/KPI, on an annual basis; (b) illustration of the positive sustainability impacts of the performance improvement; and/or (c) any re-assessments of the KPI and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope.

Raízen may also opt to disclose additional information in relation to the use of proceeds (like allocation and eligibility criteria), although this will not be mandatory for the SLI purpose.

Verification

Annually, and whenever relevant for assessing the SPT performance leading to a potential coupon adjustment, Raízen will seek independent and external verification of our performance against the SPT for the corresponding KPI by a qualified external reviewer with relevant expertise. The performance verification against the SPT will be made publicly available on our website.

Raízen will also obtain and make publicly available a Second Party Opinion (SPO) and/or other external review from consultants with recognized ESG expertise to provide an opinion on the sustainability benefit of this Framework as well as the alignment to the SLPs. The SPO will also be available on our investor relations website, as well as the SPO provider's website.

Review

Raízen will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to the best practices in the market. Raízen will also review this Framework in the event of material changes in the methodology, KPIs and/or the SPT's calibration. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of a qualified provider of second party opinion.

Any future updated version of this Framework that may exist will either keep or improve the current level of transparency and reporting disclosures, including the corresponding review by an external verifier. The updated Framework, if any, will be published on Raízen's website and will replace this Framework.

Disclaimer

This Sustainability-Linked Finance Framework (the “Framework”) does not constitute a recommendation regarding any securities of Raízen or any of its affiliates. This Framework is not, does not contain and may not be deemed to constitute an offer to sell or a solicitation of any offer to buy any securities issued by Raízen or any of its affiliates. Neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about and observe any applicable restrictions on distribution. Any bonds or other debt securities that may be issued by Raízen or its affiliates from time to time, including any Sustainability-Linked Securities, shall be offered by means of a separate prospectus or offering document in accordance with all applicable laws, any decision to purchase any such securities should be made solely on the basis of the information contained in any such prospectus or offering document provided in connection with the offering of such securities, and not on the basis of this Framework.

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. None of Raízen or any of our affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current Raízen policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights, or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by the Raízen and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Raízen as to the fairness, accuracy, reasonableness, or completeness of such information. This Framework may contain statements about future events and expectations that are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target” and “will” or similar statements or variations of such terms and other similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. No representation is made as to the suitability of any Sustainability-Linked securities to fulfil environmental and sustainability criteria required by prospective investors.

This Framework does not create any legally enforceable obligations against Raízen; any such legally enforceable obligations relating to any Sustainability-Linked Securities are limited to those expressly set forth in the legal documentation governing each such series of Sustainability-Linked Securities. Therefore, unless expressly set forth in such legal documentation, Raízen’s failure to adhere or comply with any of the terms of this Framework, including, without limitation, failure to achieve any sustainability targets or goals set forth herein, will not constitute an event of default or breach of contractual obligations under the terms and conditions of any such Sustainability-Linked Securities’. Factors that may affect Raízen’s ability to achieve any sustainability goals or targets set forth herein include (but are not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, and other challenges.