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ABOUT THIS REPORT

Creating value along the way.

Committed to transparency, we are publishing this Annual Report containing information on our operational, financial, social, and environmental results, investments related to our strategy and vision of the future, and progress in stakeholder relations.

[IGRI 102-52](#)

The content refers to all our operations¹ during the 2017/2018 crop year — from April 1, 2017 to March 31, 2018 — and includes the topics identified during the materiality process carried out in the period, validated by the Executive Board and assured by KPMG Independent Auditors. [IGRI 102-45, 102-46, 102-50, 102-56](#)

The publication adopts the Standards of the Global Reporting Initiative (GRI): Core Option — first cycle of adjustment to the new format, replacing the G4 version. The sections are divided according to the pillars that support our culture. [IGRI 102-54](#)

For more information, write to fale@raizen.com or call 0800 728 1616. Your contact is important to improving our relationship. [IGRI 102-53](#)

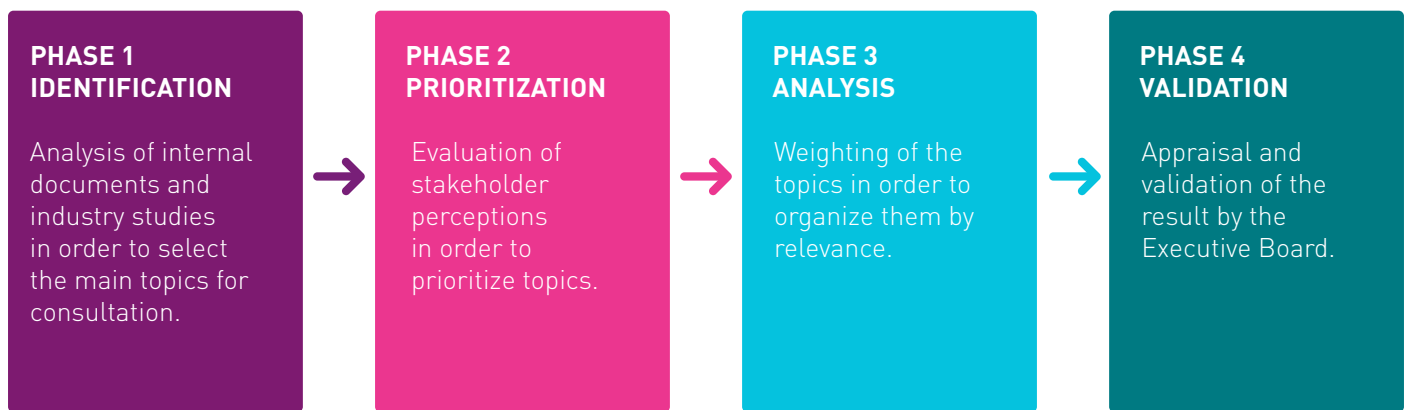
Enjoy your reading!

MATERIALITY PROCESS [GRI 102-43, 102-46]

We listen and share with each other, our clients, and our partners.

Topics relevant to us were identified through a broad research process, conducted with support from external consulting, involving over 300 peo-

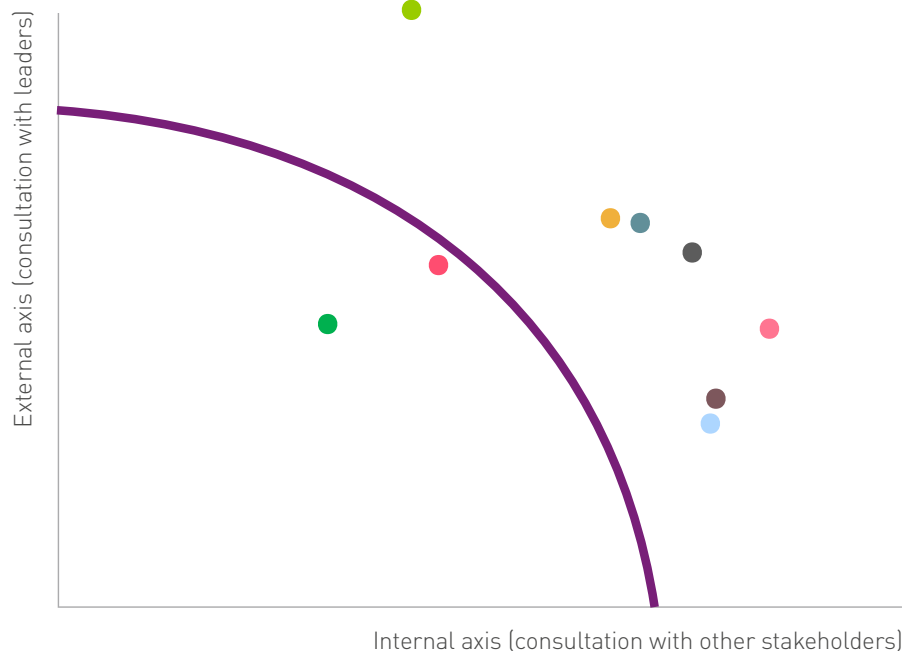
ple — suppliers, clients, specialists, and employees (including our senior management). These are the steps in this process:



Among the topics discussed, seven stood out as more relevant after establishing a cutoff limit. Also, guided by our strategy, we included in this group the topics “People Management” and “Social and Environmental Aspects and Impacts,”¹ in order to maintain our management and transparency regarding these aspects.

As a result, we have built the matrix below, which presents the main topics for our business, which are also the basis of the contents of this report.

RELEVANT TOPICS [GRI 102-44, 102-47, 103-1]



- Relationship with suppliers, business partners, and clients
- Sustainability in the strategy
- Innovation
- Economic performance
- Workplace safety
- People management
- Renewable energy and energy efficiency
- Social and environmental aspects and impacts
- Ethics and integrity

¹ Covers the topics: “Water,” “Biodiversity,” “Local social and economic development,” “Private social investment,” “Climate change,” “Relations with communities neighboring the operations,” and “Waste and effluents.”

Relevant topics [GRI 102-47]	Justification	Associated aspects (GRI)	(GRI) indicators reported	Associated Sustainable Development Goals (SDG)	Impact boundaries [GRI 103-1]
Relationship with suppliers, business partners, and clients	We identified client concerns associated with this topic and recognized our potential to share technology and best practices with business partners.	Procurement practices; Supplier environmental assessment; Supplier social assessment; Freedom of association and collective bargaining; Child labor; and Forced and/or compulsory labor.	GRI 204-1, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2	Gender equality (SDG 5); Decent work and economic growth (SDG 8); Industry, innovation and infrastructure (SDG 9); Responsible consumption and production (SDG 12); Peace, justice and strong institutions (SDG 16).	Planting, growing, and transporting sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).
Innovation	We believe that stimulating innovation is what may differentiate us in the industry, and allow us to discover ways to mitigate risks and boost efficiency.	None.	There are no related GRI indicators.	Zero hunger and sustainable agriculture (SDG 2); Affordable and clean energy (SDG 7); Decent work and economic growth (SDG 8); Industry, innovation and infrastructure (SDG 9).	Planting and growing sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).
Workplace safety	Health and safety impacts on employees and third parties are some of the main criteria observed by clients. Dealers praise our practices. This topic also covers the entire value chain.	Occupational health and safety.	GRI 403-1, 403-2, 403-4	Good health and well-being (SDG 3); Decent work and economic growth (SDG 8).	Planting, growing, and transporting sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).
Renewable energy and energy efficiency	Global demand for renewable energy has increased. This topic was often mentioned by experts, leadership, and employees.	Energy; Emissions.	GRI 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4	Good health and well-being (SDG 3); Affordable and clean energy (SDG 7); Responsible consumption and production (SDG 12); Climate Action (SDG 13).	Industrial processes and fuel distribution.

Relevant topics [GRI 102-47]	Justification	Associated aspects (GRI)	(GRI) indicators reported	Associated Sustainable Development Goals (SDG)	Impact boundaries [GRI 103-1]
Ethics and integrity	A topic often mentioned by leaders, suppliers, and employees.	Anti-corruption; Anti-competitive behavior; Environmental compliance; and Social and economic compliance.	GRI 205-1, 205-2, 205-3, 206-1, 307-1, 419-1	Peace, justice, and strong institutions (SDG 16).	Planting, growing, and transporting sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).
Sustainability in the strategy	Often indicated by leadership.	There are no related GRI aspects.	There are no related GRI indicators.	Responsible consumption and production (SDG 12).	Planting, growing, and transporting sugarcane; industrial processes; distributing and marketing fuels (B2B, Shell Aviation and Stations); consumers.
Economic Performance	Most mentioned by leadership and employees. It covers our competitive advantages and our ability to generate return for shareholders without compromising business continuity.	Economic performance.	GRI 201-1, 201-2	Decent work and economic growth (SDG 8).	Planting and growing sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).
People management	More relevant to employees and among those most mentioned by clients.	Employment; Training and Education; Diversity and equal opportunity; Non-discrimination.	GRI 401-1, 401-3, 404-1, 404-3, 405-1, 406-1	Quality education (SDG 4); Gender equality (SDG 5); Decent work and economic growth (SDG 8); Reduced inequalities (SDG 10).	Planting, growing, and transporting sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).

Relevant topics [GRI 102-47]	Justification	Associated aspects (GRI)	(GRI) indicators reported	Associated Sustainable Development Goals (SDG)	Impact boundaries [GRI 103-1]
Social and environmental aspects	Includes aspects related to the impact of our activities, although not all of them were prioritized by the stakeholders consulted.	Market presence; Indirect economic impacts; Water; Biodiversity; Effluents and waste; Rights of indigenous communities; Local communities.	GRI 202-1, 203-1, 303-1, 304-1, 304-2, 306-3, 411-1, 413-1, 413-2	No poverty (SDG 1); Zero hunger and sustainable agriculture (SDG 2); Good health and well-being (SDG 3); Gender equality (SDG 5); Clean water and sanitation (SDG 6); Decent work and economic growth (SDG 8); Reduced inequalities (SDG 10); Sustainable cities and communities (SDG 11); Responsible consumption and production (SDG 12); Life below water (SDG 14); Life on land (SDG 15); Peace, justice and strong institutions (SDG 16).	Planting, growing, and transporting sugarcane; industrial processes; and distribution and marketing of fuels (B2B, Shell Aviation and Stations).

MESSAGE FROM THE PRESIDENT

[GRI 102-14]

The 2017/2018 crop year was marked by various challenges and, above all, by a team that is constantly pushing itself to new levels, that excels and makes a difference. We achieved record results despite the scenario we faced, with lower sugarcane availability, lower sugar prices and daily adjustments as a result of Petrobras's pricing policy. We broke records in several indicators, making this a historical harvest for Raízen and reflecting the essence of our culture, which integrates people, broadens talents, engages partners and clients, builds the future, and nurtures productive relations with a zero-accident objective.

SAFETY

We spare no effort to mobilize employees and partners on workplace safety, a non-negotiable premise of our management. During the crop year, we reduced the number of accidents with lost time and did not record any fatalities. Our entire team was trained, from field to service stations, and participated in initiatives developed about respect for life.

RESULTS

We ended the crop year with total crushing of 61.2 million tons of sugarcane. After completing the processes of acquiring the Santa Cândida (Bocaina - SP) and Paraíso (Brotas - SP) units, we began operating with total crushing capacity of 73 million tons of sugarcane per crop year.

I highlight the reduction in the cost of our processes, the opportunities in trading and the record production of electric energy, in line with the plan to increase our share in this market. At Raízen Combustíveis (Fuels), we continue to expand our market share, thanks to our integrated pricing, procurement and trading strategy, cou-

pled with our infrastructure, quality of our partners, our brand, excellence of our products and services, more humanized service at our stations and, above all, the ongoing search for having the best team.

To increase our logistics, we continue to invest in new technologies and in optimizing our own and third-party assets; we inaugurated a fuel distribution terminal in Marabá (PA), with capacity to handle up to 500 million liters per year; and we expanded and improved the storage tanks for gasoline, diesel, and ethanol at the Port of Santarém (PA), and other projects that started in the period.

In aggregate, our adjusted EBITDA totaled BRL 7.1076 billion and net profit was BRL 2.311 billion.

OUR ROOTS

We strengthened the elements in our culture that have allowed us to get where we are and with which we will continue to determine our history. We organized our beliefs into four behaviors that drive the narrative of this Annual Report and reflect our ability to predict scenarios, develop people, create business opportunities, and increasingly integrate the stages of our value chain.

SUSTAINABILITY

Nurturing productive relationships and focusing on the long term puts sustainability at the core of our strategy. We are continuously improving a circular business model, with maximum use of our raw material. As an example, I am proud to highlight our advancements in the production of second-generation ethanol (E2G), an operation already integrated to the Costa Pinto plant in Piracicaba (SP). During the crop year, we managed to produce 12 million liters, equivalent

61.2 million

Tons of sugarcane crushed by the end of the harvest

12 million liters

of E2G produced in 2017/2018

Humanology is the concept that drives us, so that consumers can leave our stations and store feeling better than when they arrived

to 211 liters of E2G per ton of sugarcane on a dry basis — the target is 290 liters. We'll get there!

Another important project is producing biogas from industrial waste to generate energy. We advanced in the development of the initiative at the Bonfim unit, in Guariba, Araraquara region (SP). When completed, the plant will have an installed capacity of 21 MW.

INNOVATION

In order to identify new medium- and long-term opportunities for growth, we created Raízen Ventures, an agent that promotes innovation, which will identify ideas that may be transformed into business opportunities.

We also created Pulse, a startup accelerator, to leverage opportunities in our operations in the short term, in partnership with the best resources on the market. We had another edition of the *Inovar* Program, challenging our employees in search of creative solutions to improve processes and create value - 314 ideas were entered and 10 teams were shortlisted, with suggestions already under development.

HUMANOLOGY

Our commitment to everything we do results in excellence of our operations and service and in the quality of the products and services we offer. Constantly improving our portfolio involves consolidating the partnership with our dealers and promoting the best consumer experience. We offer consumers the best technology associated with better human service. The goal is for consumers to leave

our stations and stores feeling better than when they arrived, by turning that short period of time as agreeable as possible - this is our "humanology!"

In 2017/2018, we launched the new generation of Shell V-Power premium gasoline in the more than 6,000 stations of our network throughout Brazil, in conjunction with 26 other countries. It is the best Shell V-Power of all times, since it has the exclusive Shell technology, which improves performance and fuel efficiency of the vehicle.

We also redesigned Shell Select stores to give consumers a simpler, more pleasant and intuitive experience. In addition, the action aims to create value to the business and increase productivity for franchised dealers.

FUTURE

Our results are in line with the signs of gradual recovery of the Brazilian economy, which keeps us optimistic to continue investing. At the beginning of the 2018/2019 harvest, we announced our entry into the energy trading and marketing segment through a joint venture with WX Energy. We also communicated the acquisition of Shell assets in Argentina, which will provide us with an additional sales volume of approximately 6 million liters per year. With steady and determined strides, we will continue to grow and care for those who walk with us. We thank you all for another crop year.

Thank you and enjoy your reading.

Luis Henrique Guimarães
President

6 million liters

Additional annual volume to be marketed in Argentina



INSTITUTIONAL

OUR ROOTS IGRI 102-2, 102-6, 102-7

We are one of the largest private corporate groups in Brazil, and we stand out for our integrated operations throughout the sugarcane chain and fuel trading. What differentiates us is our team with nearly 30,000 employees and 15,000 business partners, always guided by ethics, safety and sustainability.

READ IN THIS SECTION

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WHO WE ARE

We offer different forms of energy to mobilize people and boost business for today and tomorrow.

Energy is the ability to generate action. It is what mobilizes people, boosts business, and transforms the world. More than the focus of our business, energy is the purpose of everything we do. So, we have it in our name: Raíz [root] + energy = Raízen.

IGRI 102-11

We integrate all stages of the production chain: cultivation of raw material, production and sale of sugar and ethanol, cogeneration of electricity, and fuel distribution.

Through the license of the Shell brand, we market fuels at stations, airports, and on the B2B (*business to business*) market. Our operations

also include the convenience stores under the Shell Select brand in our portfolio at the service stations, which offer a differentiated consumer experience.

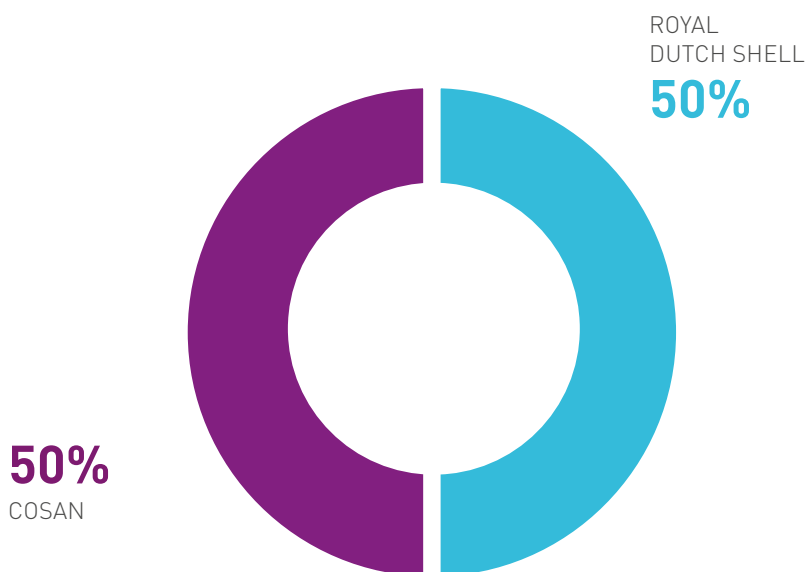
We also invest in technology, research, and development of renewable energy alternatives toward our main goal: to offer, today, the energy of the future.

To achieve all this, we have nearly 30,000 employees and 15,000 business partners (sugarcane producers, suppliers, carriers, and dealers) who work, together with us, to find solutions that create value along the way.

IGRI 102-7, 102-81

30,000
Number of employees,
in addition to 15,000
business partners

SHAREHOLDING STRUCTURE IGRI 102-51



[Click here](#) to watch our institutional video

OPERATIONS | GRI 102-2, 102-6 |

We combine cutting-edge technology with renewable raw materials.

ETHANOL

We invest in ethanol as a cleaner and more sustainable energy alternative. Our product is generated from a renewable source - sugarcane - and used by several industries, including fuels, perfumes, beverages, paints, chemicals, and plastics. [Click here](#) to learn about the types we market.

We are also one of the first in Brazil in commercial-scale production of ethanol using by-products from traditional production — Second-Generation Ethanol (E2G), another solution to meet the growing demand for biofuels in Brazil and worldwide.

DISTRIBUTION AND SALE OF FUELS

We have integrated logistics operations and optimized processes in order to travel, with agility and safety, a wide distribution network of fuels in various modes of transportation, and serve industrial, aviation, and retail clients in all states. .

BIOENERGY

Sugarcane by-products are also raw material for generating bioelectricity, an alternative for the national energy sector. The reuse of biomass (sugarcane bagasse and straw) for this purpose reduces emissions of fossil CO2 in Brazil. It is a cleaner, renewable solution that will help face the challenges of the future in the energy sector, ensuring profitability, predictability, and sustainability.

SUGAR

We contribute to highlighting the country in the global sugar production by positioning ourselves as the largest individual exporter of the product. We invest in research, technology, and in creating solutions in the segment. Thus, we have achieved a favorable position in developing Very High Polarization (VHP) sugar and in producing organic and liquid sugars. [Click here](#) to learn about the types we market.



B2B (BUSINESS TO BUSINESS)

We serve companies in various segments — cargo and passenger transportation, agriculture, mining, railway, and industrial — and invest in tools and in fleet control in order to ensure intelligent management and integrated solutions for our clients.



AVIATION

We supply the main airlines in the country's airports with the quality and excellence of the internationally recognized Shell brand. For the Executive Aviation audience, we have in place the Shell Aeroclass relationship and loyalty program. .

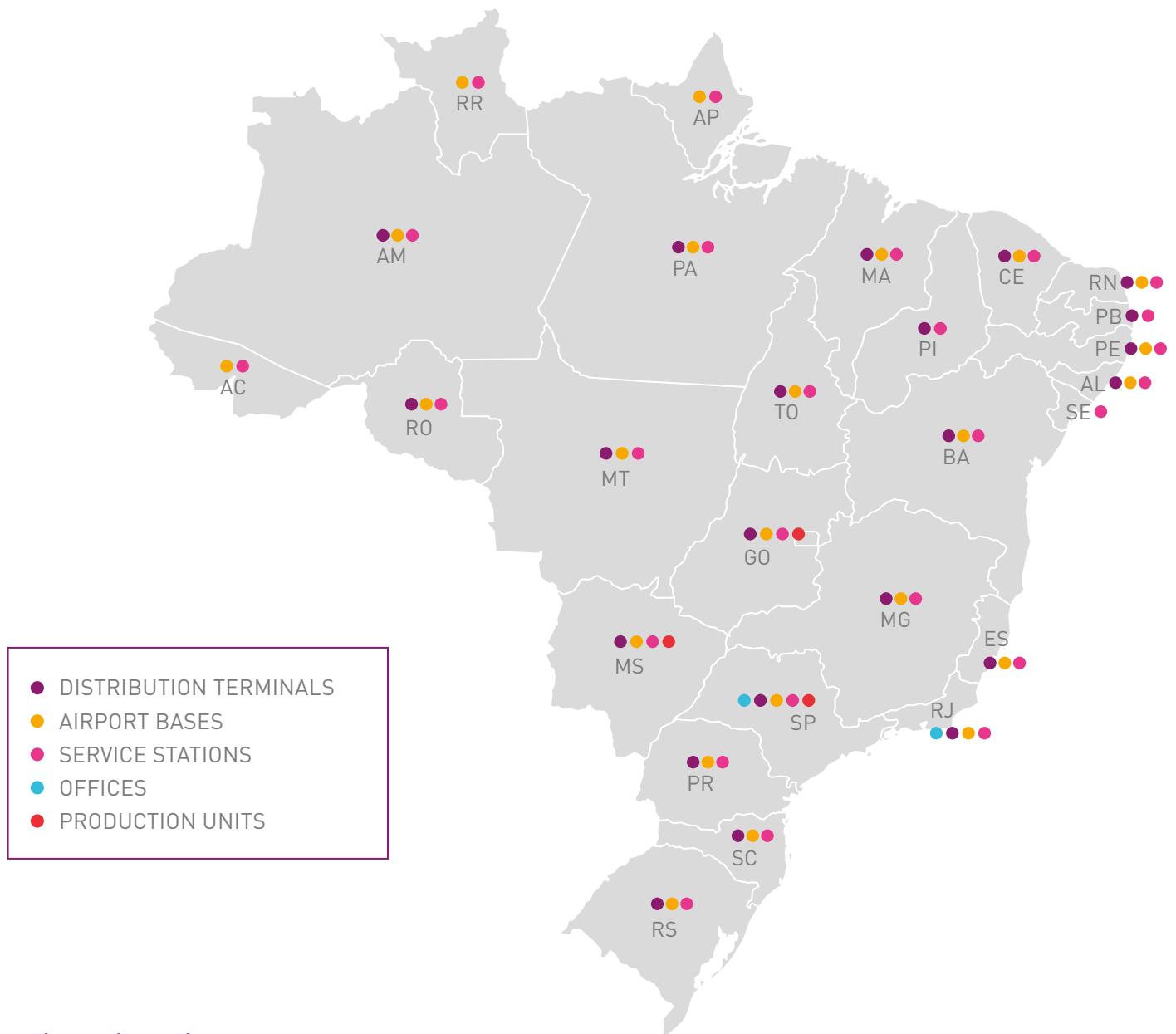


RETAIL

We sell fuels through the Shell brand at stations all over Brazil. With our dealer partners, we offer services that go beyond supply ([click here](#) to learn more). In 2017/2018, we reinforced the strategy of making consumer journey always more pleasant ([read more](#)).

GREAT NUMBERS [GRI 102-4, 102-6, 102-7]

Operations in all Brazilian states.



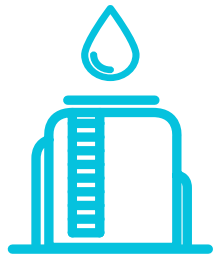

860,000
hectares
of cultivated area.

26 production units,
two of which were recently acquired (Paraíso and Santa Cândida).

Installed capacity to crush
73 million
tons of sugarcane per year.

One

second-generation ethanol plant (E2G) — which we are one of the first companies in the world to produce.



68

fuel distribution terminals.

6,329

service stations under the Shell brand.

20 production units

with Bonsucro — **three** certified in 2017/2018.

Infrastructure to distribute

5 billion

liters of fuel per month.

980

Shell Select convenience stores.



68 fuel bases at airports.

Eight

commercial offices — **four in Brazil and four abroad** (United States, Switzerland, Singapore, and the Philippines).



1,500+ clients

in the B2B segment.

PRODUCTION (2017/2108):

nearly

2.1 billion

liters of ethanol.

12 million

liters of E2G.

4.3 million

tons of sugar.

940 MW

of total installed capacity.

TRADING (2017/2018):



4.3 billion
liters of ethanol.

4.7 million
tons of sugar



3.9 TWh
of electricity



Nearly
15,000
business partners
mobilized on
our team.

13,000
students and 4 million
people served by
the Raízen Foundation
since 2012.

BRL 7.1 billion
of adjusted EBITDA in
2017/2018.



BRL 10.3 billion
in consolidated value
added in the period.

Nearly
30,000
employees distributed
throughout the
country.

ETHICAL CONDUCT IGRI 102-16, 103-2

Doing the right thing and inspiring by example.

We promote ethics in the work environment through our Compliance Program. The initiative is led by representatives of the Internal Audit, Compliance, Legal, Corporate Controls, Communication, Human Resources, Shared Services Center, Sustainability, and Business areas — members of the Raízen Compliance Group — and monitored by the Audit Committee.

Our Code of Conduct is the primary tool for guiding employees and partners on the proper way of being Raízen, which embraces the values of integrity, transparency, and respect for life. The document establishes rules, standards, and behaviors necessary to achieving, together, the business objectives.

We also share the Anti-Corruption Guide, prepared based on our Policy on

Combating Bribery and Corruption, which seeks to ensure transparency in business relationships and with public administration agents. We also contribute to the healthy development of the industry through legal competition — positioning ensured by our Competitive Compliance Policy. In addition, training is provided to clarify the issues covered in institutional initiatives.

Any violation of the Code of Conduct, internal policies, or legislation may be sent to the Ethics Channel, accessed through the toll-free number 0800-772-4936 or by email (canaldeetica@raizen.com). Messages are received by an independent company — in order to protect the confidentiality of the complainant — evaluated by the Internal Audit and sent to our Ethics Committee.

> [Click here](#) to learn more and [here](#) for more information on ethics and integrity in our operations. IGRI 205-1, 205-2, 205-3, 206-1, 307-1, 419-1

GOVERNANCE STRUCTURE IGRI 102-18, 103-2

We have in place a solid corporate governance structure, with practices adopted and improved since our inception.

SHAREHOLDERS

- Royal Dutch Shell and Cosan: approve the business strategy, decide on the allocation of profit and distribution of dividends, elect the members of the Board of Directors, define the remuneration of Board members and Directors, and other responsibilities.

> More information on shareholders, voting rights and convening of meetings are detailed in our [Bylaws](#).

BOARD OF DIRECTORS

- Collegial deliberation body, responsible for setting out general business policies and long-term strategy.

- **Supported by the Finance, Audit, Remuneration and Development, and Corporate Social Responsibility committees**

EXECUTIVE BOARD

- Responsible for directly running the business, including applying policies and guidelines established by the Board of Directors.
- Composed of at least four and at most eight members: a Chief Executive Officer, an Operations Officer, a Chief Financial Officer, a Managing Director, and others without specific titles.
- Executives are appointed by the Board members for three-year

terms — with the exception of the CEO who has a two-year term — re-election is permitted.

> More information about the Board of Directors and the Executive Board is available [here](#) and on the [Reference Form](#).

OUR CULTURE [GRI 102-16, 103-2]

What unites us got even stronger.

We continue to evolve, delivering increasingly better results, creating business opportunities and working in a unique and integrated manner. In 2017/2018, we strengthened our culture with elements that prepare us for the future and translate our way of generating energy in order to mobilize people and boost business.

To this end, we break down our beliefs into four simple behaviors, showing the best we have to offer: our ROOTS (RAÍZ). It is an evolution that reveals our ability to look toward the long term, develop people, identify challenges and opportunities, and create value along the way - among ourselves and with all those who trail our path.

R We perform now, looking to the future

We go beyond short-term goals, **thinking ahead**. Our work is carried out with **excellence, ethics, and safety**, taking care of the business as a whole and the future of society.

A Optimizing the best in each of us

Every point of view counts. By **developing and acknowledging** our people, **we strengthen a diverse, integrated team** that realizes goals and **makes a difference**.

I Observing and questioning, always

We can **see possibilities inside and outside our business** and **turn challenges** into **real opportunities**.

Z We cultivate productive relationships

We listen and **share** among **ourselves, our clients, and partners** to reach the best solutions, **creating value along the way**.



OPERATIONAL STRATEGY AND EXCELLENCE

WE PERFORM NOW,
LOOKING TO THE FUTURE

Everything we do today is connected to our long-term goals. In sectors undergoing major transformations, we are attentive to opportunities and cherish the sustainability of our business. Thus, the result of our strategy is reflected in the performance we achieved in 2017/2018.

READ IN THIS SECTION

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- 22 HIGHLIGHTS OF THE OPERATION

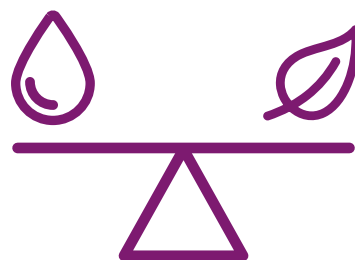
SUSTAINABILITY IN THE STRATEGY IGRI 103-21

Thinking ahead.

The challenges and transformations that move society are, for us, the catalysts of the innovations that we intend to boost in our sector. In this context, sustainability takes center stage in all operations.

Each crop year, we improve a circular business model, with maximum utilization of the raw material per planted hectare. The result is our prominent position in the production of [Second-Generation Ethanol \(E2G\)](#), which is the biofuel made from sugarcane bagasse and straw. E2G can increase ethanol production by up to 50% on the same planted area, which is a milestone in the search for efficient land use. In addition, it favors future generations, since the E2G life-cycle emission is 35% and 93% lower than standard ethanol and gasoline, respectively. We have already reached the mark of producing 211 liters of ethanol with one ton of biomass — last crop year, we produced 12 million liters of E2G.

We invest in other energy fronts, but biofuel is one of the most significant because we believe in its enormous impact on society. The evolution of global energy demand and agricultural practices makes ethanol a product with a space reserved in the future agenda, especially considering the technological advances in the use of this biofuel.



THE GASOLINE-ETHANOL MILEAGE RATIO

Recently, a study called *Análise Estatística de Desempenho e Performance de Combustíveis* (Statistical Analysis of Fuel Performance), developed by the Mauá Institute of Technology, with the support of the Sugarcane Industry Union (UNICA), revealed that the average performance of ethanol compared to gasoline* in vehicles tested, varied, in consumption, from 70.7% to 75.4%. The results show that the economic viability of ethanol may go beyond the more usual 70% ratio found in the Brazilian Vehicle Labeling Program (PBEV), since there are other characteristics of engine performance that should be considered.

* The study compared regular ethanol and gasoline marketed in Brazil, which contains 27% anhydrous ethanol.

50%

Possible increase of E2G in the production of ethanol in the same planted area

26 units

are self-sufficient in consumption of clean electric energy

13 units

Already market our surplus bioelectricity

On another front, the same biomass makes it possible to generate clean electricity — an operation that allows for self-sufficiency at our 26 production units, of which 13 already market the surplus bioelectricity.

With a key role in stimulating our operations in this segment, [biogas](#) assumes another part of the sustainable production chain. The production project for energy generation is under development at the Bonfim unit, in the municipality of Guariba, Araraquara region (SP).

Sugar — another product derived from our raw material, if consumed with balance and moderation, is a source of energy and carbohydrate necessary to the human diet. The World Health Organization (WHO) recommends consumption of up to 5% daily calories from sugar, which is equivalent to 25 grams of a diet of 2,000 kcal/day. The sugarcane industry is very engaged in this whole issue and, through UNICA, we support the campaign called Doce Equilíbrio (Sweet Balance), which, in partnership with health experts, seeks to raise public awareness about the importance of sugar. [Click here](#) to learn more.

We prepared a study on risks and opportunities resulting from climate change, which will guide our long-term planning

Improving the portfolio also involves promoting the best [journey for our consumers](#). In this sense, we invest so that our consumers can feel that they can rely on Shell as a point of support - be it for the excellence and quality of its products and services, or for a more humanized service at all our stations.

With business continuity in mind, we have prepared a study to identify risks and opportunities posed by climate change for our business and facilities, encompassing reputational, operational, regulatory, and market aspects. In the study, we used long-term climate models from the Intergovernmental Panel on Climate Change (IPCC), and we rely on major involvement of the company's strategic leadership.

The results we have obtained reinforce that we are on the right track, and that our business may seize

many opportunities, especially regarding regulatory and market aspects. The study will be used internally in our leadership's long-term strategic planning.

We are attentive in order to keep ahead of market changes and guarantee the best solutions, capable of gaining the loyalty of clients and partners, generating high returns for shareholders, and maintaining, in employees, the pride of belonging to our team. In this sense, we envision for the coming years:

- Search for new markets and geographies.
- Strategic business in our entire portfolio.
- Integrated energy company.
- Approach in products and solutions.
- Strategic partners for B2B clients.
- Consumer experience.

> [Click here](#) for more information IGRI 201-21

BIOFUELS IN THE GLOBAL SCENARIO | GRI 103-2|

A sector undergoing transformation.

In the face of the global scenario following the Paris agreement, several countries are seeking to implement initiatives focused on a low-carbon economy, that is, with lower greenhouse gas emissions (GHG). The use of biofuels on a global scale has been predominant in this context.

In December 2017, the incentive program to national production of biofuels, RenovaBio, received a presidential sanction, from which a six-month deadline was set for defining: decennial and annual decarbonization goals; individual goals for distributors; scores for energy efficiency of the mills; and a study of the new market for decarbonization credits (CBios), to be traded on the stock exchange.

Based on the initiative, an innovative GHG emissions assessment mechanism was introduced in Brazil, with which biofuel producers are encour-

aged to implement practices with lower emissions intensity. With the program, the Federal Government expects to double the supply of ethanol to 50 billion liters, a result from nearly USD 40 billion in private investments, which should benefit 1,600 municipalities and create about 750,000 jobs.

We support RenovaBio and work with producers and distributors to build a robust and perennial program that will result in a more positive balance for the Brazilian low-carbon economy and for combating climate change globally. In addition, the program indicates that Brazil is aligned with the major global economies, such as Japan, the European Union, and the United States, as it recognizes the [benefits of conventional and second-generation biofuels](#).

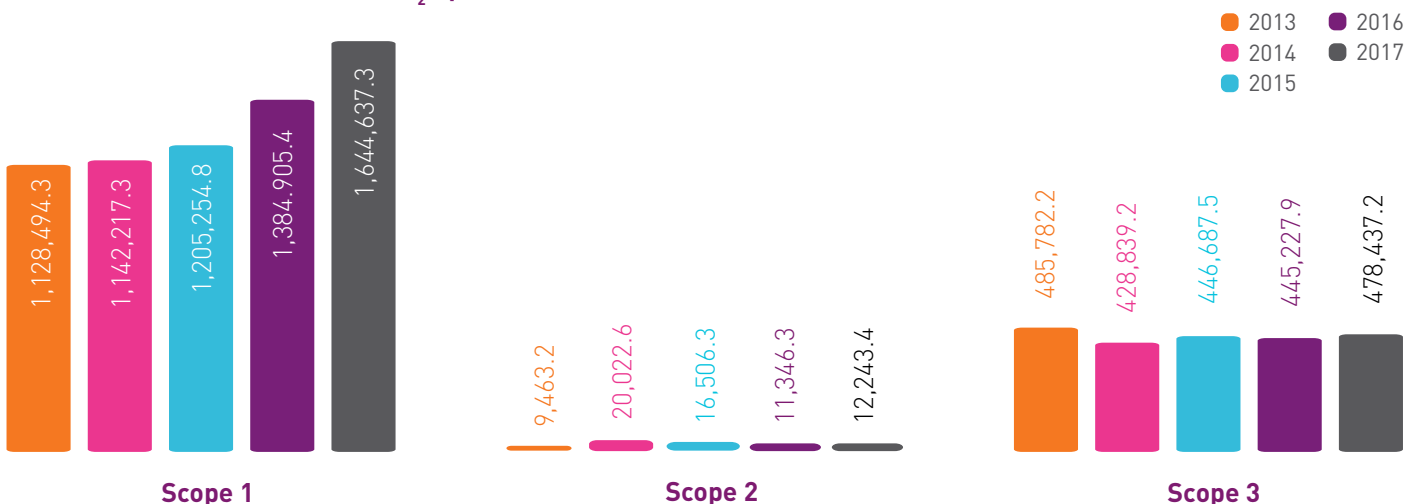
In line with the global relevance of the topic, we have quantified,

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> For more information on renewable energy and energy efficiency, [click here](#). | GRI 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4|

GHG EMISSIONS BY SCOPE IN tCO₂eq | GRI 305-1, 305-2, 305-3|



Direct emissions resulting from activities controlled by the company.

Indirect emissions resulting from electricity acquired from the network.

Other indirect emissions, especially from the supplier chain.

HIGHLIGHTS OF THE OPERATION

Operations aligned with strategy.

NEW OPERATIONS | GRI 102-10, 103-2|

In 2017/2018, we completed the process of acquiring the Santa Cândida and Paraíso production units, located respectively in Bocaina and Brotas, in the State of São Paulo. Thus, we began operating with a total installed crushing capacity of 73 million tons of sugarcane per crop year.

This shows that the crushing capacity did not decrease, even with the temporary hibernations, announced in November, of the units of Tamoio in Araraquara, (SP), and Dois Córregos, in Dois Córregos, (SP).

This decision reflects the lower availability of raw materials in these municipalities and aims toward greater logistics and production efficiency. This way, the sugarcane previously sent to the now hibernated units is now sent to the other units.

BIOENERGY | GRI 103-2|

We are one of the largest producers of electricity from biomass, with a capacity to supply a city with a population of up to 10 million.

We continue to invest in expanding our potential. [We are developing our biogas plant in Araraquara \(SP\)](#), and promoting the expansion of cogeneration at the Caarapó unit in Mato Grosso do Sul, which will increase our current installed capacity from 940 MW to 1,000 MW.

Reflecting the importance of the work developed, we were invited to participate in the 2017 edition of Progress Makers, Citibank's worldwide campaign that shows the positive impact of companies on society.

73 million

tons of sugarcane is our installed capacity for crushing with the acquisition of two new production units

1,000 MW

Installed capacity with the expansion of co-generation in the Caarapó unit

Initiative to enhance logistics operations will allow us to improve operational efficiency and reduce costs.

MORE POWER IN THE ENERGY MARKET¹

We announced a joint venture with energy trader WX Energy. The new company is expected to competitively trade in the free market. In this way, we will contribute to the development of a market that already accounts for 28% of the electricity

traded in the country and should double in size in the coming years. In addition, we will be even closer to our customers, since we are going to expand our supply of integrated energy solutions. [Click here](#) to learn more.

¹ Fact subsequent to the period covered by the report.

INVESTMENTS IN TERMINALS

This crop year, we completed and inaugurated a fuel distribution terminal in Marabá (PA), with capacity to handle up to 500 million liters per year.

The operation, supported by the economic development company in Pará (Companhia de Desenvolvimento Econômico - CODEC), offers differentiated products under the Shell brand and ensures infrastructure for regional development. During the installation and operation process, nearly BRL 100 million were invested.

The investment gives us autonomy to supply fuel to Southeastern Pará, which includes important industrial, agricultural, and commercial centers, as well as important highways (Belém-Brasília, Transamazônica, and Marabá-Belém), railroads, and an airport — which already has Raízen operations under the Shell brand for supplying aircraft.

Also in Pará, we will expand the fuel storage structure of the Port of Santarém. In Miritituba, a new fuel terminal is under construction, and will consist of a river terminal for private use. The goal is to capture the region's waterway potential, as well as to monitor the significant increase in demand induced by the growth of grain logistics.

We also began building a fuel distribution base at the Port of Itaquí, in the industrial district of São Luís (MA), whose operation is expected to begin in 2020. Nearly BRL 200 million are being invested in this operation.

PROJECT ONE

We focus on every detail of our logistics operations in order to optimize our own assets (fuel terminals) and our carrier partners (trucks). Extracting the most from the assets means more operational efficiency and lower costs.

In this sense, we developed Project One, through which we look at our road network in detail and help our partners program each operation more accurately. In doing so, we reduced the risk of inefficiency in scaling, from the number of trucks used to the exact loading time. The goal is to have 100% of the fuel fleet covered by the project by the end of the 2018/2019 crop year.

PAIRED ROUTES

An empty truck is an underutilized asset. To avoid this, we take advantage of returning trucks to carry cargo. To this end, we have a tool that identifies the opportunities for this paired logistics, providing savings in freight contracts to the extent that it guarantees more profitability for our partners' assets.

In 2017/2018, the volume transported through this mode was approximately 570,000 m3, up 28% compared with the previous crop year. This represents nearly 140 trucks less on the roads of the country, providing environmental benefits and reducing risks of accidents.

500 million

Annual volume of fuel in liters handled in the new distribution terminal, in Marabá

BRL 200 million

Invested in the construction of the distribution base in São Luís

2.3.7. BEYOND BORDERS¹

At the beginning of the 2018/2019 harvest, we took our first step outside Brazilian territory and announced the acquisition of Shell's assets in Argentina. With this operation, we will assume a network with 645 service stations, a refinery, a lubricants plant, three land terminals, and two fueling stations at airports, as well as Liquefied Petroleum Gas (LPG) assets — which will give us an annual sales volume of approximately 6 million liters.

NEW SHELL V-POWER

In October 2017, we introduced the new generation of premium gasoline, Shell V-Power, on the domestic market — the first global launch of the brand, which reached 26 countries simultaneously. The product is already sold at the over 6,000 Shell stations in Brazil.

Focusing on high performance, the new Shell V-Power is recommended for all types of cars, including models with engines subjected to

Shell V-Power, intended to increase performance and fuel efficiency, is already available in the 6,000+ Shell stations in Brazil

570,000 m³

Volume transported in the crop year through Paired Routes

140 trucks

Unidades que deixaram de Units taken from circulation on roads due to initiative

high loads, such as turbocharged and direct fuel injection engines, and vehicles heavier than conventional cars.

The product has the new Dynaflex technology — exclusive to Shell — which reduces friction between parts such as valves, piston rings, pumps, and fuel injector nozzles, resulting in even more cleaning and protection for the engine.

Over 170 technicians and scientists were involved globally. There were tens of thousands of hours of research and development over more than five years to achieve this level of technological evolution in fuel. Technicians and drivers from the Ferrari

Formula 1 team also collaborated with Shell to develop the product.

The launch demonstrates our alignment with consumer demand, who benefit from a better driving experience and, in the long run, longer engine performance.



PEOPLE MANAGEMENT

OPTIMIZING THE BEST IN EACH OF US

Being who we are — individually and as a team — is what differentiates us in the market and drives our business. We have an engaged team, in constant development and for which we aim to promote a respectful, honest, safe, collaborative, diverse, and innovative work environment.

READ IN THIS SECTION

- 26 RAÍZEN TEAM
- 26 ATTRACTING TALENT
- 27 PROFESSIONAL TRAINING
- 29 WORKPLACE SAFETY

RAÍZEN TEAM

Each point of view counts.

We ended 2017/2018 with a team of nearly 30,000 employees, for whom we seek to ensure a just, safe, collaborative, diverse, and innovative work environment. [IGRI 102-7](#)

We are one of the largest corporate groups in Brazil, with an engaged team in constant development

ATTRACTING TALENT

Come work with us.

We are a young company, with seven years of activity, but we are big: one of the largest corporate groups in Brazil.¹ Our work on different business fronts provides an environment conducive to developing our employees, and allows young talent the opportunity to enter the job market and grow professionally.

We want restless and curious people to become part of our company, who have the energy and desire to learn, and who want to find new opportunities at each challenge.

To this end, last crop year we opened registrations for the Talent Program, which included the first edition of the Trainee Program and the seventh edition of the Internship Program. The first is dedicated to professionals who obtained a degree no longer than three years before. The Internship Program receives registrations from university students studying at least the next to the last year of their graduate courses.

170 jobs were offered (150 for internships and 20 for trainees) in 33 Brazilian cities, in various business areas.

In 2018, we stood out among the most attractive companies in Brazil, according to Universum. Comparing with the previous year, in the perception of students, we advanced in all categories and featured among the Top 10 in the Engineering category.

With inclusion in mind, we have in place initiatives to integrate People with Disabilities (PwD). Throughout the crop year, we sought to form a database of résumés for this audience. All records have been archived so that as jobs become available, those interested may be contacted by the Human Resources department. [IGRI 405-11](#)

1. According to the ranking prepared by the Exame magazine edition "Melhores & Maiores 2017." Ranking takes into account the annual net income.

In 2017/2018:
23,530

enrolled in the Internship Program and

23,976

in the Trainee Program.

> [Click here](#) for more information about our workforce.. [IGRI 102-8, 401-1, 401-3, 404-1, 404-3, 405-1, 406-1](#)

PROFESSIONAL TRAINING

[GRI 103-2, 103-3]

A diverse team in constant development.

We stimulate the search for experiences that transform and develop our team. Between November 6 and 10, for example, we involved our employees — both in-person and online — in a week of self-development.

In addition to addressing current, group, individual, and market issues, we focus on the future. Employees participated in activities that involved “Agile Methods,” “Innovation in Agri-business,” and “Exponential Growth,” and other important topics for our development.

FIRST DEVELOPMENT WEEK



2,869

online and **557** in-person participants



112

hours of development



78

participating locations



60

prizes drawn

Employees also discussed issues regarding clients. To show practical examples and expand our knowledge about the Commercial area, our professionals talked about business and processes to connect and collaborate with all areas of the market.

From field to station, we work toward a purpose that mobilizes the entire team. We believe that any contribution has value, and that together we are better. Therefore, during the week, we sought to increase synergy between the areas in order to facilitate the decision-making process.

The lectures also highlighted the importance of valuing differences and promoted forms of learning, thus

strengthening the culture of a diverse and integrated team.

Another highlight of the event was the Immersive Room, which simulated real everyday situations so everyone could learn about our business in an integrated way. Among other initiatives developed in 2017/2018, the following stand out:

Raízen Generation | Aimed toward developing employees with the potential to become future supervisors and managers. For a year and a half, participants undergo in-person and online training on all areas of the business, which includes leader mentoring and developing projects to be incorporated into our activi-

ties. Approximately 46 professionals completed the program in May 2018 — 30% of whom have already been promoted to a leadership position (by the time this report was published).

Looking toward the future | From October 2016 to December 2017, a total of 20 young people from different areas had the opportunity to reflect on the ongoing changes in our sector and the consequent impacts on our business. There were six training modules, with mentors and internal managers that dealt with topics such as new business models, networking, co-creation, megatrends, tools and methods of deconstructing problems and building solutions, design thinking, and others. The initiative resulted in four projects on topics impacting our business.

Agricultural Culture | The course was taught in partnership with the Federal University of São Carlos (UFSCar), Júlio de Mesquita Filho Paulista State University (UNESP), and the University of São Paulo (USP) and addressed agricultural techniques for executives with the purpose of educating them in order to improve decision-making. About 18 students trained in October 2017.

Industrial Culture | Program started in March 2018 in the same way as the Agricultural Culture program.

Developing Agricultural Business | Geared toward the operational leadership of the Agricultural Business area, training develops the skills necessary for excellence in everyday practices.

The search for transformational experiences is promoted through training and improvement actions

Technical Training for the Agricultural and Industrial Operation | Technical training programs for cutting and loading operations, transport, and industrial maintenance, among other topics dedicated to improving knowledge, during the off-season. The actions had more than 6,700 participants in the crop year.

Agricultural Business Round | Created in 2017/2018 to engage employees in the Agricultural Business area in improving results based on established indicators. At the end of the program, which lasts 12 months, the best participants will win an international trip.

Formula IND | Also created in the crop year, this program parallels Formula Indy with the goal of maximizing the performance of the production units, with monthly awards for those with the best industrial indicators.

Integration cycle for the new units | When the Santa Cândida and Paraíso production units were acquired, training was conducted for the professionals involved in these operations to guide them on internal processes, technologies, and culture. The actions involved 1,598 employees.

Technical training of industrial supervisors | Training on techniques regarding everyday operational processes in order to increase efficiency.

In addition, employees have access to online content for developing technical and behavioral skills.

Team development is monitored by managers with the support of our Raízen People Management System (GPR - Gestão de Pessoas Raízen), which integrates all Human Resources processes.

WORKPLACE SAFETY

IGRI 103-2, 103-3I

Life is what matters.

Continuing our efforts to educate employees and partners about workplace safety, in March 2017 and October 2018, we held two editions of the Safety Day. In the first, we alerted about the risks inherent to each operation, and several units developed specific actions and materials to engage participants. In the second, we reinforced the topic in a more personal way: “My life is what matters” (self-protection), “My colleagues’

lives matter” (intervention), and “My family’s life is what matters” (safety at home).

During the initiative, we promoted a jingles contest, which had over 70 entries from all business lines. The goal was to reinforce the key messages. We also received drawings about workplace safety from the employees’ children, nephews and nieces, which were displayed on the day of the event.

SAFETY DAY HIGHLIGHTS

40,000+
people

impacted (employees, business partners, and students of the Raízen Foundation) at **300+** locations

60+
meetings

by phone and in person

Nearly **50 hours**

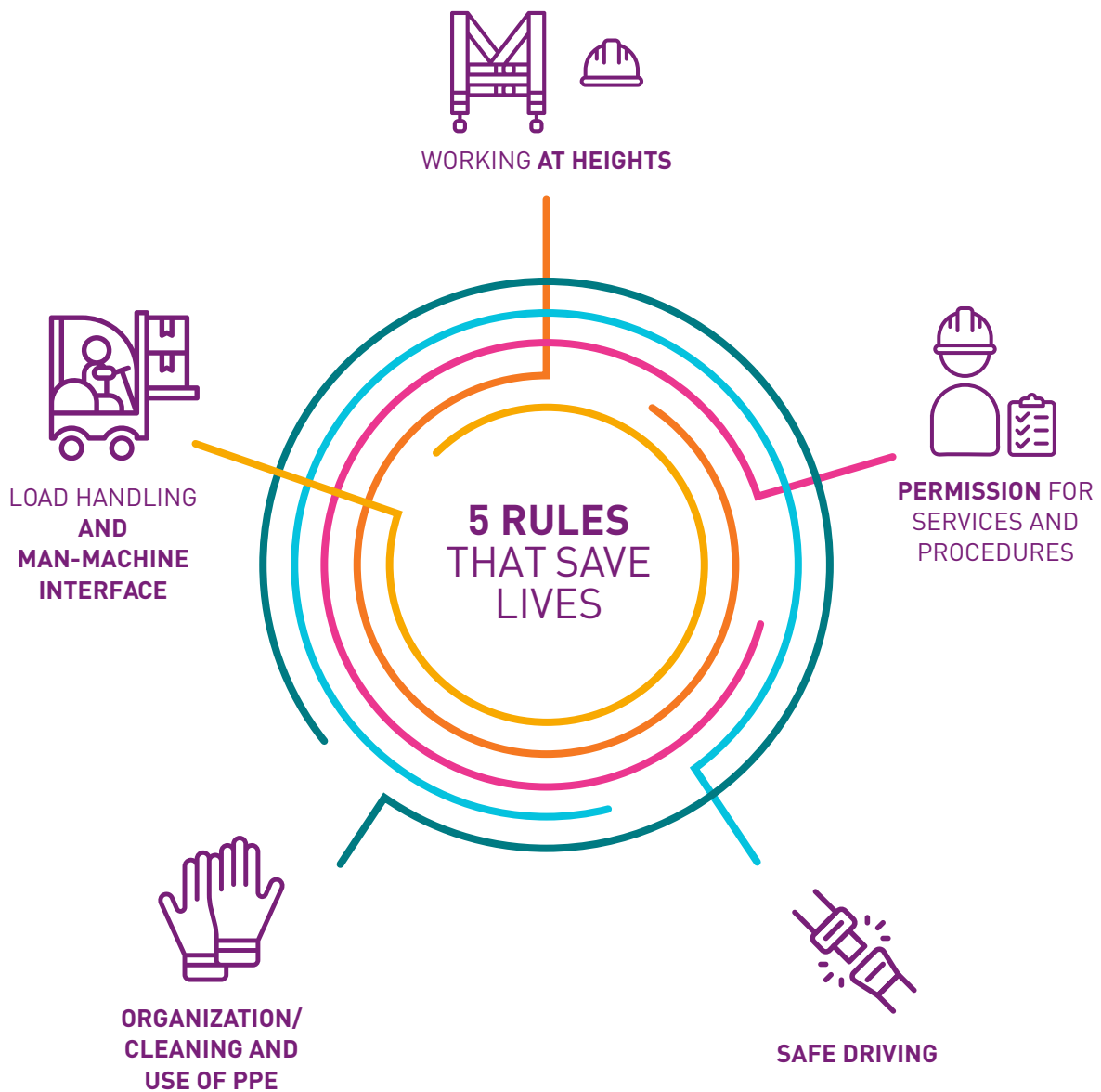
of alignment meetings between all business lines

40+
meetings

with leadership

At the agro-industrial units, we engaged the team in Semana Alerta (Alert Week), whose goal was to increase adherence to our Sistema Alerta! (Alert! System), which seeks to prevent accidents based on behavioral tools. During the crop year, training for system use was provided in a more playful and interactive way.

We also reinforced the dissemination of the “Five Rules That Save Lives.” Developed by a multifunctional team and in conjunction with leadership, they direct efforts toward the five major groups of actions that may eliminate 70% of the most frequent types of accidents.



In the past five years, we have invested over BRL 1 billion in infrastructure improvements and programs related to employee safety.

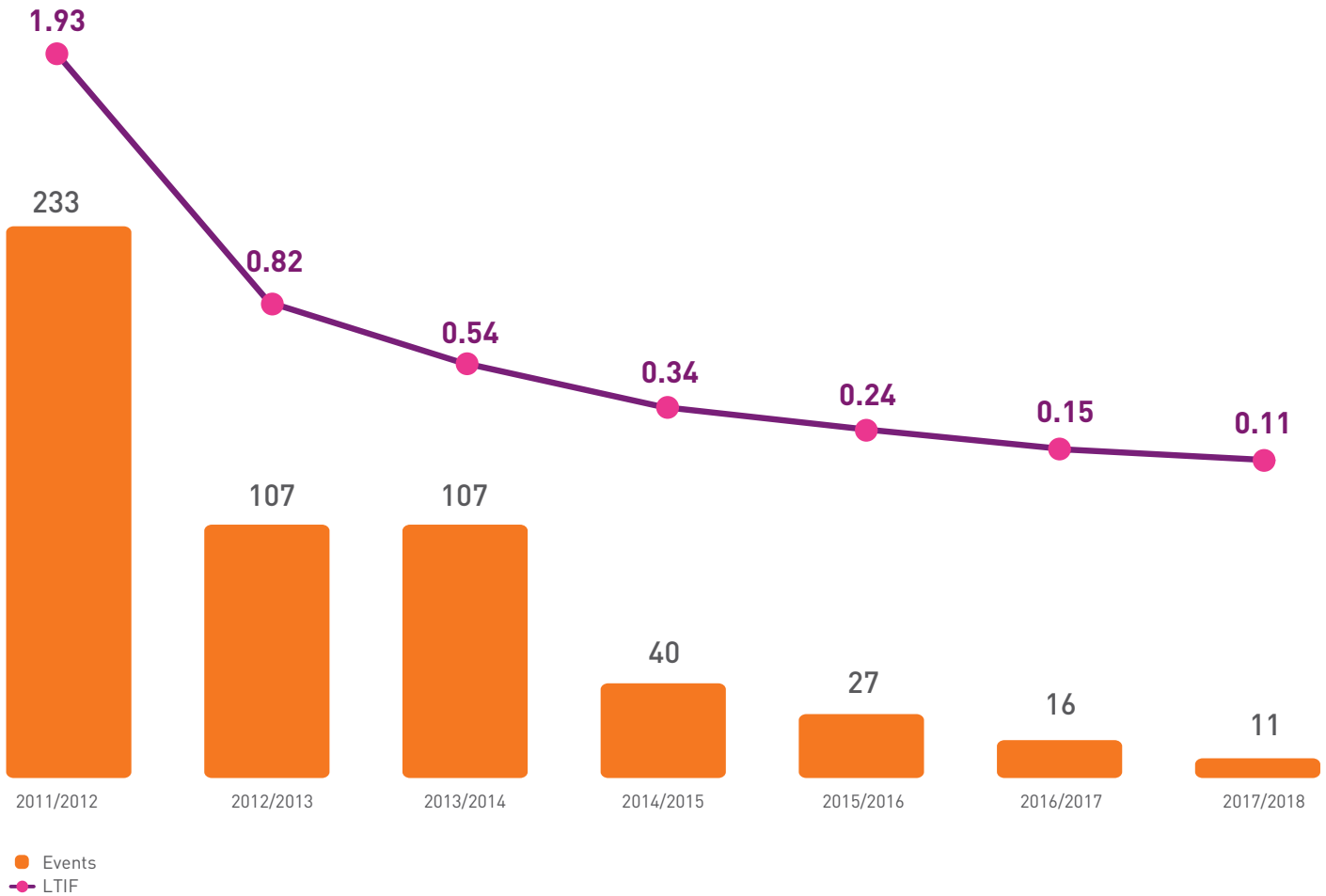
Periodically, we conduct drills with the employees who are part of our fire brigade. The goal is the technical improvement of the team. In 2017/2018, leadership from the production units also became involved in training on fighting fires in flammable products. Participants were taken to a specialized training field in Paulínia

(SP), where they performed theoretical and practical activities related to all necessary procedures for emergency situations. Ninety professionals were trained. The initiative will continue during the next period.

In the crop year, there were eleven accidents with lost time and no fa-

talities, representing another year of record results since the beginning of our activities. We are, however, in our relentless pursuit of our Zero Accident mark. |403-2|

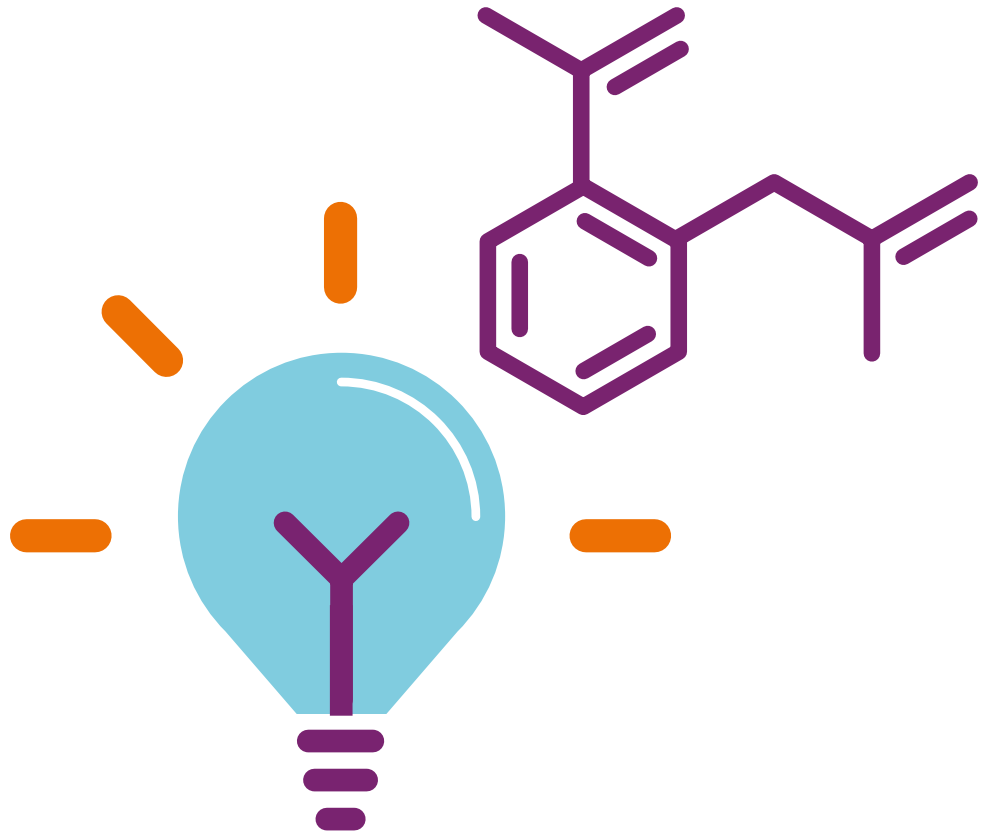
LTIF¹ LOST TIME INJURY FREQUENCY [403-2]



¹ LTIF - Lost Time Injury Frequency Data reported refers to own employees and contractors.

Leadership is informed, within 24 hours, of accidents resulting in lost time, restricted work, and/or medical treatment. All occurrences are investigated, and lessons learned are shared to avoid recurrence. The topic also receives attention from board members, executives, and members of the Social Responsibility and Health, Safety, and Environment Committees.

> [Click here](#) for more information about occupational health and safety. [GRI 403-1, 403-2, 403-4]



INNOVATION

OBSERVING AND
QUESTIONING, ALWAYS

We want to develop creative responses to the challenges of our sectors. We stand out in the production of electricity from biomass and of second-generation ethanol (E2G), among other projects that aim to put us at the forefront.

READ IN THIS SECTION

- 33 RAÍZEN VENTURES
- 35 INOVAR 2.0 PROGRAM

RAÍZEN VENTURES [GRI 103-2]

Since 2011, when we began our activities, we have sought to develop projects with the potential to put us at the forefront.

To strengthen this performance, in 2017/2018 we created Raízen Ventures, focusing on business innovation, based on two pillars: meeting current and future needs, transforming ideas into business models with

agility; and developing and promoting innovation culture among our team.

With Raízen Ventures, we are prepared for the future, since the structure allows us to improve the alignment between our projects and [our strategy](#), as well as to increase the synergy between the other initiatives we develop.



[Click here](#) to watch our video

Focus on innovation aims to internally disseminate the concept and address current and future needs.

400 startups

registered in the Pulse program, interested in expanding or accelerating their operation

70 startups

selected, of which 12 presented projects to the judging panel

PULSE

In August, we inaugurated an innovation hub to host startups aimed toward disruptive solutions that may boost our business. At Pulse, in Piracicaba (SP), we will stimulate the circulation of studies, information, projects, and events, in order to develop ideas.

With the support of SP Ventures and Nxtp.Labs, in addition to other partnerships, we offer opportunities for startups seeking market expansion and/or acceleration. To provide the necessary support for developing these innovations, we are conducting pilot tests in our production units.

The focus of the first cycle is agribusiness, with future expansion to other areas that involve our business. To this end, we selected companies that work in the areas of digital solutions for financial operations, aerial

application of inputs, technology in soil analysis, artificial intelligence, and differentiated solutions for pest control.

Over 400 startups registered, and approximately 70 were selected for a more detailed presentation and, finally, 12 were chosen for Pitch Day, where representatives from each had five minutes to present their proposals and convince the panel of the potential of their projects.

Among the criteria considered to select the companies were entrepreneur ability, project maturity, and potential scalability in the market.

Learn more about the companies selected at www.pulsehub.com.br.

PENTÁGONO

Pentágono (Pentagon) – an initiative developed in 2015 to unify the monitoring of our operations through the Agro-industrial Integration Center (CIA - Central de Integração Agroindustrial) – expanded its scope at the end of 2017/2018, assuming the challenge of working in the areas of maintenance and soil preparation.

In this new phase, CIA maintains the role of supporting operations in standardizing processes, acting in direct communication, uninterrupted (24x7) and in real time with all units.

SECOND-GENERATION ETHANOL (E2G) | GRI 103-2|

We stand out in the production of second-generation ethanol (E2G), a

key technology for the evolution of the energy matrix and for the global low-carbon economy, in line with the goals established at the United Nations Conference on Climate Change in 2015 (COP21).

This is because the operations for E2G production – already integrated into our Costa Pinto unit – result in less emissions compared to traditional processes.

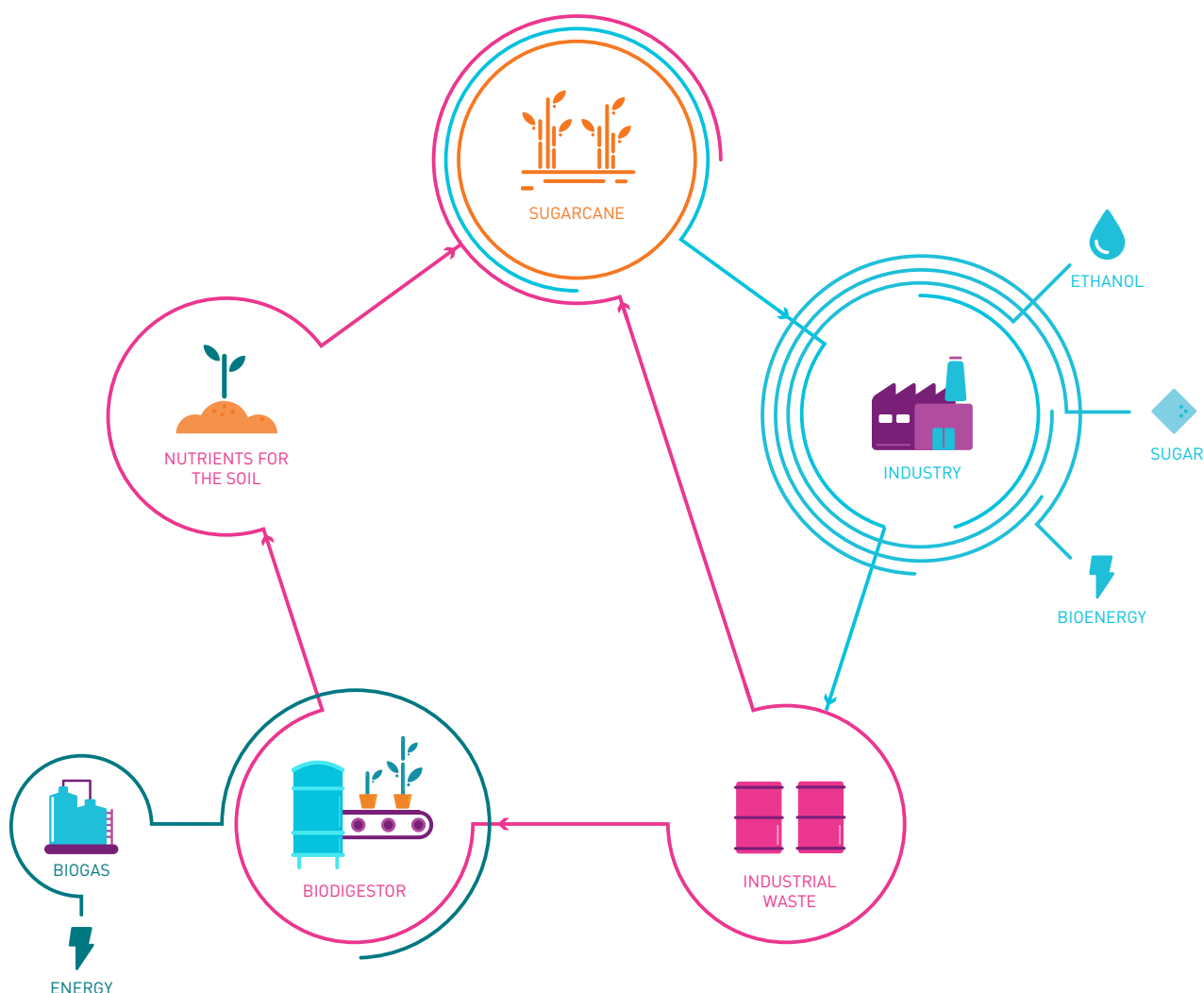
In addition, the new biofuel has the potential to increase our ethanol production capacity by up to 50% with the same planted area. We are currently able to turn a ton of dry biomass into about 211 liters of ethanol, with the goal of achieving productivity of 290 liters.

BIOGAS | GRI 103-2|

Since April 2016, when we won the 23rd New Energy Auction of the National Electricity Agency (ANEEL - Agência Nacional de Energia Elétrica), we developed a project to produce biogas from industrial waste (filter cake and vinasse) to generate energy.

The initiative is under development at the Bonfim unit in Guariba, Araraquara region (SP). When completed, the plant will have 21 MW of installed capacity and the production capacity will be 62 million Nm³.

BIOGAS FROM VINASSE



INOVAR 2.0 PROGRAM

The second edition of the Inovar program challenged employees to seek creative and innovative solutions to improve our processes or create business. Managers of participants were invited to join the teams to improve the projects.

The ideas aimed to increase the efficiency of our processes, improve quality, reduce costs and even develop new business. The edition also promoted diversity in the composition of the teams, which significantly increased the quality of the finalist ideas. Benefits went beyond the activities in our business areas (agricultural, industrial and commercial), including administrative processes.

314 enrollments **10** finalists

Some projects provide qualitative returns, while others may result in gains of up to BRL 70 million over five years.

BELOW, LEARN ABOUT THE AWARD-WINNING INITIATIVES OF THE INOVAR 2.0 PROGRAM:



1ST PLACE
Atena Project

Consumer empowerment in fighting illegal fuel.



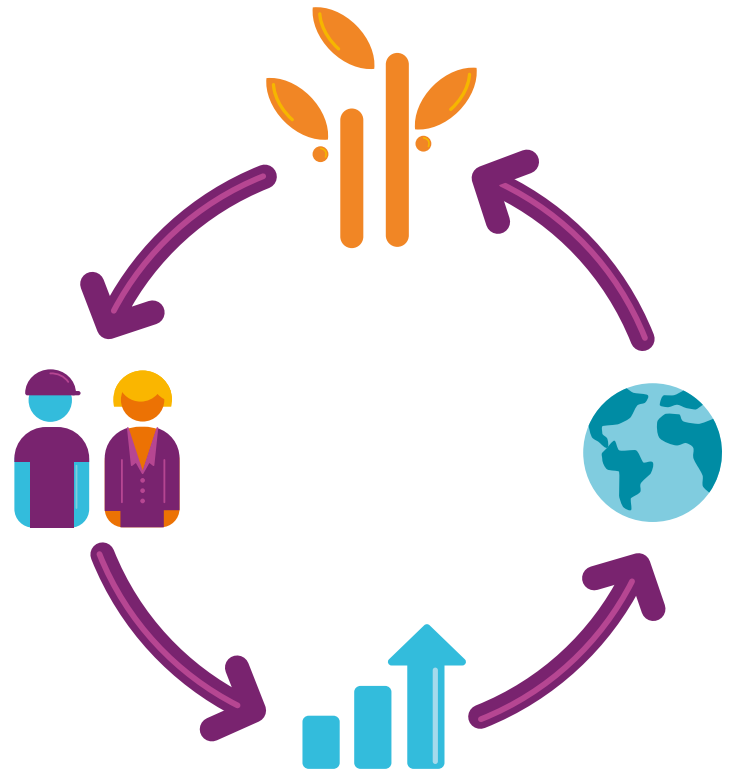
2ND PLACE
Max Power

Use of artificial intelligence with a focus on increasing efficiency in our industrial process, aligned with the Industry 4.0 concepts.



3RD PLACE
Smart Grid

Intelligent, predictive and proactive management of our dealers' stocks.



POSITIVE IMPACT

WE NURTURE PRODUCTIVE RELATIONSHIPS

From field to station, we mobilize sugarcane producers, carriers, dealers, suppliers, and clients. We establish relationships with these stakeholders that aim toward mutual gains, in an integral, sustainable, transparent, and safe manner. Our responsible performance includes dialogue with communities and social and economic development around our operations.

LEIA NESTE CAPÍTULO

- 37 BUSINESS PARTNERS
- 43 CLIENTS
- 47 DEVELOPMENT OF THE SURROUNDING AREAS
- 49 ENVIRONMENTAL PRESERVATION
- 50 FINANCIAL RESULTS

BUSINESS PARTNERS | GRI 102-9, 103-2|

SUGARCANE PRODUCERS

Committed to investing significantly in practices that benefit our sugarcane suppliers and strengthen our relationship with them, since the previous crop year, we have been developing a [new position for Programa Cultivar \(Cultivate Program\)](#).

Unprecedented in the sugar and ethanol industry, the initiative offers innovations that enable better results – in both productivity and profitability – through technologies and tools that are revolutionizing the business of our sugarcane suppliers.

Among the available tools are Academia de Produtividade (Productivity Academy), which promotes the sharing of experiences about agricul-

tural techniques in order to maximize productivity; and Agricultural Support, which allows producers to obtain an agricultural recommendation through the collection and analysis of their soil. This front also provided technology for Integrated Pest Monitoring (MIP - Monitoramento Integrado de Pragas).

The program also provides access to initiatives intended for multiplication of financial benefits, business management, and development of the agro-businessman. In addition to extending the partnership with the Getulio Vargas Foundation (FGV) for the regions of Bauru (SP) and Jataí (GO), the program now includes Fórum de Sucessores (Successors Forum), which mobilizes partner successors in the development and improvement of their skills for the sugarcane business.

The Cultivar Program includes tools capable of enhancing business management and expanding financial benefits

The program has a unique and innovative platform that focuses on developing producers. By offering a portfolio of benefits and services to support agricultural advancement and the business environment, we take an important step towards continuously creating shared value in our chain.

Another program dedicated especially to sugarcane producers is ELO, carried out in partnership with two internationally recognized institutions – Imaflora and Solidaridad – which seeks to involve the public in initiatives related to economic sustainability, environmental responsibility, and respect for human and worker’s rights.

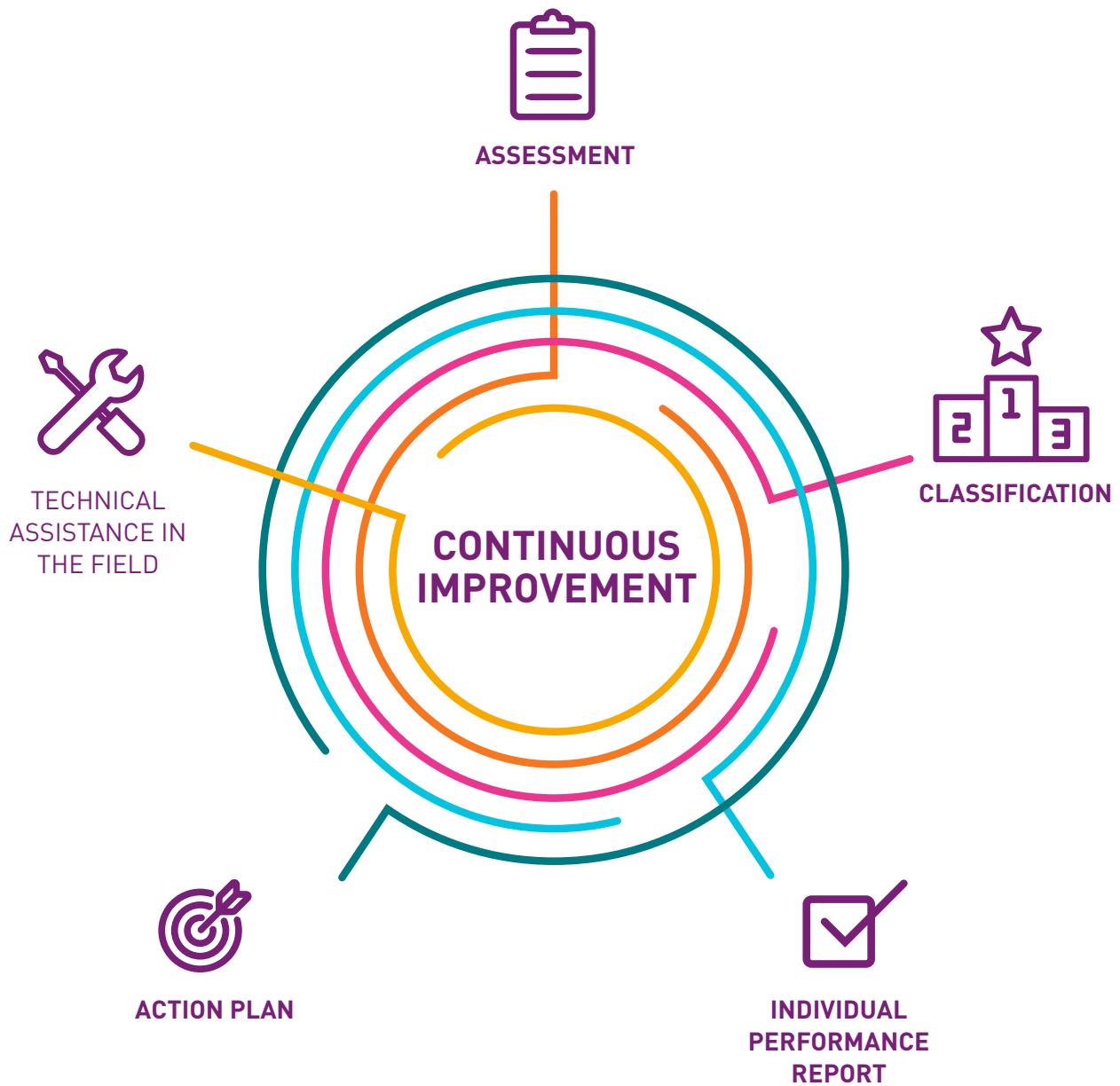
Participants are evaluated and classified according to the level of perfor-

mance in environmental, social, and economic indicators. On the social pillar, topics such as work hours, worker assistance infrastructure, minimum hiring age, safe use of agrochemicals, remuneration conditions, accommodations, and transportation are included. In economic indicators, the right to land use and lease and partnership agreements are analyzed. On the environmental pillar, the efficient use of natural resources is the main issue addressed with suppliers.

Practices such as the use of selective insecticides and the use of biological control, for example, are checked by sustainability managers during visits to the farms. The ELO team also assesses compliance with standards that regulate Permanent Preservation

Areas (PPAs), Legal Reserves, and illegal deforestation.

After classification, each supplier receives an action plan with priorities for improving their performance. Monitoring is carried out periodically by a team dedicated exclusively to the project and, after mapping the demands in the field, they conduct, among other activities, training, technical visits, and business contacts, in partnership with regional associations, whose role is to assist producers in various aspects: technical, legal, management, etc.



Currently, 2,000 producers participate in the ELO Program, which is 89% of the total number of suppliers and 99% of the volume of third-party sugarcane. However, the impacted audience is even greater when considering the regional population that is indirectly benefited, since the production creates job opportunities and is responsible for contributing to the economic and social development of those cities.¹

Since the launch, in 2014/2015, significant results have been identified regarding the use of best practices, such as adequacy of processes regarding the workers, storage and disposal of chemicals and packaging, and the use and handling of agro-chemicals.

1. Data does not include spot sales of sugarcane.

The synergy between the ELO Program and initiatives by associations of sugarcane producers increases engagement and adoption of sustainable practices in the sugar and ethanol chain. In this sense, we can highlight actions promoted with two associations affiliated with the Sugarcane Planters Organization of the Central-Southern Region of Brazil (ORPLANA):

Top Cana Project | In partnership with the Sugarcane Suppliers Asso-

ciation of Guariba (SOCICANA), in the State of São Paulo, visits were made to 120 associated producers, of which nearly 50 also participate in the ELO Program.

Muda Cana Pilot Project | The Sugarcane Suppliers Association of the Western Paulista Region (AF-COP) supports its associates, most of which supply sugarcane to our units. Started in pilot mode in 2017, it has already offered training on Health and Safety and other topics.

The ELO Program drives economic sustainability and social-environmental responsibility

2,000 producers

Participating in the ELO Program, which account for 89% of sugarcane suppliers

250 million

Kilometers traveled annually by the fleet of services providers

CARRIERS

Safe operation

We are one of Brazil's main fuel distributors, a position gained and maintained thanks to the work of committed partners, with whom we establish performance standards and develop initiatives to preserve the safety of the professionals involved in these operations.

About 4,000 drivers from companies that provide service to us drive 3,300 trucks on roads and highways throughout the country. This fleet travels approximately 250 million kilometers a year, equivalent to 500,000 trips from Rio de Janeiro to São Paulo.

Before beginning to provide services, carriers undergo a rigorous approval process. Initially, we show them the Raízen Transport Guide (MTR - Manual de *Transportes Raízen*), which provides rules and guidelines that support our management model. Carriers have time to become famil-

iar with the material and carry out a self-inspection, submitted for our consideration. [IGRI 103-21](#)

Thus, we observe the potential level of service and carry out our own evaluation, where we map gaps and define action plans. Over a predetermined period – on average from 6 months to 1 year – we monitor the evolution of the company, which is hired when the desired level is reached.

Supporting this audience includes remote monitoring of drivers through a telemetry system, which records information such as distances traveled, speed on the road, clutch actuation time, sudden braking or acceleration, vehicle stop time, fuel level, engine temperature and rotations, and others.

Asa of the 2018/2019 crop year, only tanker trucks equipped with cameras and voice alert routing will be allowed to transport fuel. Each vehicle will be equipped with four cameras

in order to ensure compliance with safe driving procedures and clarify cases of theft or accidents.

Voice alert routing consists of a technology that works through GPS and tablets to transmit to drivers alert messages about speed, critical points, roundabouts, schools, etc. In this way, drivers may adjust how they drive and the speed, since the tool accurately indicates the risks on the road.

For the safety of this audience, we conduct annual inspections at the carriers hired focusing on Health, Safety, and Environment (HSE). Only carriers with performance above 85% may operate. As a result of the inspections, action plans are generated, monitored by our team of advisors, and reviewed and managed by the HSE Committee of the Logistics Department.

Among the recognition mechanisms is the Truck Rodeo, an event in which 50 drivers, with the support of their families, show their skills driving a

tanker truck. Drivers must perform a routine of five maneuver precision tests in a maximum time of seven minutes. Participation is associated with fulfillment of the requirements in terms of health and safety throughout the year.

The initiative is part of the “Zero Accident” campaign, focusing on meritocracy. Every quarter, 12 vouchers of BRL 1,000 are drawn only for drivers who recorded zero accidents and zero violations during the period.

We define specific training that drivers of carriers must attend, among which are Defensive Driving, Driver Induction Training (TIM - *Treinamento de Indução de Motoristas*), to train drivers who will operate with hazardous products, and *Descida de Serra* (Downhill), which emphasizes caution when driving a tanker truck under these conditions.

A focus on Health, Safety and Environment (HSE) is a criterion for hiring carriers

85% de performance

Minimum performance rate required from contractors

Mutual benefits

With the objective of promoting savings to our partners, we have developed [Project One](#), an important logistical support tool for partners. In 2017/2018, we also began the program called *Clube de Compras* (Purchasing Club), with strong potential to strengthen our relationship with carriers. The initiative was structured with the goal of improving the truck fleet management of these companies. It consists of a partnership with manufacturers for fleet renewal, collectively, with the guarantee of

better commercial conditions for both vehicle purchasing and support and maintenance.

For us, we guarantee the use of a new, safer, and more efficient fleet. For our partners, we preserve the financial health of their business and assist them in order to provide continuity of a quality operation. We expect that, by the end of the 2018/2019 crop year, at least 15% of the fleet under our service will come from this project.

3,691

Number of dealers in the Integrated Offer Program

81%

of the stations eligible to the program participate in the initiative

We also have in place the program called *Clube Irmão Caminhoneiro Shell*, a pioneering relationship program that provides benefits to those who live their lives on the road and are fundamental to distribution and logistics operations.

NETWORK OF SERVICE STATIONS

For dealers, the main value proposition initiative is the Integrated Offer, through which we offer several benefits and develop a complete marketing plan, with a calendar of promotional actions. With optional adherence, the program already has 3,691 participants - 81% of the stations eligible to the program.

On our [consumer experience front](#), we developed a unique way of doing business. We provide to our dealers a number of training courses and tools in order to train the more than 31,000

attendants at the service stations and convenience stores so that they can offer the best service to consumers of the Shell brand, turning Shell's Humanology concept real at every interaction, in all service stations, every day

Our portfolio includes Shell Select as the brand of our convenience stores, which offers dealers a competitive advantage with strong potential for gaining new customers and winning their loyalty.

In 2017/2018, we introduced a new store format, with the highest technology available in the market. The space has been completely remodeled to make the operation simpler and the consumer experience more intuitive. The goal is to create value to the business and significant savings for the franchisee. The products and

Redesign of stores intended to simplify operation and improve customer experience

promotions are communicated on digital platforms, developed according to the profile of our network and in line with the major dates on our calendar, in order to attract consumers.

The first store implementing the new concept was inaugurated in Jardim Marajoara, in the southern region of the city of São Paulo (SP). To have coffee or schedule a meeting, the space has become a support point for the best customer service, seeking practicality and diversified services.

We also invested in logistics improvements in order to streamline the operation, which is safer, more agile, and at a more competitive cost. With new product options and personalized service, store franchisees have at their disposal the Shell Select

Purchasing Portal, which centralizes orders, deadlines, and prices in one place. In addition, we are implementing a fleet of delivery trucks exclusively for the Shell Select network, with GPS monitoring in real time.

Talking with the Dealer (CCR - *Conversando com o Revendedor*) are meetings held periodically to answer questions, identify demands, and define action plans. In 2017/2018, meetings were held in Rio de Janeiro (RJ), Recife (PE), Belo Horizonte (MG), Fortaleza (CE), Curitiba (PR), and Campinas (SP). Among the main topics addressed were measures that have impacted the dynamics of the resale market, such as the increase in PIS/COFINS for gasoline and diesel, and Petrobras's new pricing policy in refineries, combating fraud, payment methods, convenience

stores, promotional campaigns, and others.

The Humanology concept also guides the relationship with dealers. The best dealers are awarded annually, within the program called *Você Conquistista*, with an unforgettable experience. In 2017/2018, they traveled to Lisbon, Portugal, where the award ceremony was held, hosted by famous television actors. At the time, there were 18 highlights in the categories City Stations, Highway Stations, Convenience Stores, Health, Safety and Environment (HSE), and Aviation.

Sugarcane producers participating in [Programa Cultivar](#) were also awarded. For the next crop year, the destination of the event has already been defined: London, England.

Over 30 dealers have embarked on the Knowledge Journey. They spent four days in Florida visiting stations and companies from different business segments. The group had the opportunity to learn about the best practices of global companies that are capable of generating innovation and new opportunities for their businesses.

SUPPLY CHAIN

We have contracts with over 6,000 suppliers of equipment, materials, and services. The main relationship tool we use with this audience is our [Suppliers Portal](#). Through the channel, those who wish to join our supply team may register, as described step-by-step [here](#). IGRI 103-21

We have in place [guides and policies](#) that summarize the requirements for accident prevention and inadequate working conditions that could cause damage to the environment, our properties, or our employees and third parties. In addition, all suppliers adhere to our Code of Conduct and are committed to our [Term of Clauses and General Conditions](#).

Every month, our procurement team checks documentation of the companies hired and, in the case of irregularities, a block from new contracts is put in place until the issue is resolved. Recidivism can lead to cancellation of existing contracts.

We evaluate the Certificates of Good Standings (CNDs) of suppliers that present high risk to our production process and whether they are included in the list of slave labor, published by the Ministry of Labor and Employment (MTE). Aspects

18 dealers

Highlights of the program

30 dealers

Participated in the Knowledge Journey, in Florida (USA)

Prevention of accidents and damages to the environment or to people are covered in internal policies and handbooks

related to quality and delivery timeliness are also evaluated. For those who do not present good performance, meetings are held to record a formal action plan.

In compliance with our anti-corruption practices, we check the National Registry of Punished Companies (CNEP) and the National Registry of Blacklisted and Suspended Companies (CEIS) on a monthly basis. A supplier included on any of these lists will not be permitted to register. Suppliers with the worst indices are checked, especially in terms of Health, Safety and Environment (HSE) – with whom measures and actions are established to correct and prevent the problems identified.

Teams at the production units and terminals are also trained to report cases of noncompliance, facilitating the development of action plans for both parties.

In order to ensure better governance and minimize risks of disrupted supply, in 2017/2018, we started a process to monitor strategic suppliers based on the continuous analysis of the financial behavior of our suppliers in the market in which they operate.

In addition, a quarterly identification procedure was established for partners who find themselves in judicial reorganization proceedings, as well as companies involved in cases of corruption. The records are forward-

ed for analysis by the responsible business area. In the absence of a structured risk mitigation plan, we continue blocking the supplier from registering.

> For more information on suppliers and business partners, [click here](#). IGRI 204-1, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-21

CLIENTS |GRI 103-2|

HUMANOLOGY

Far beyond the stations.

In 2017/2018, we introduced the new positioning of the Shell brand on broadcast and cable TV throughout the country, and on digital media. The goal was to strengthen the relationship with consumers, going beyond fueling at the station.

Under the concept "Humanology: another Shell technology," we communicate the importance of human relations. At Shell, this means offering the best technology in products and services and providing humanized customer service.

Shell always does its best for consumers to leave its service stations feeling better than when they arrived. After all, the company consistently works to obtain the highest technological advances, first-class service, and quality in fueling, oil change, and convenience products - all this with empathy and consideration to impress consumers. Therefore, humanology means knowing consumers, understanding their needs and delighting in the details.

In addition to reinforcing the strategy of offering experiences that make the consumer journey more enjoyable, the concept guided the various actions we have developed. Shell Open Air is one of them. The event, sponsored by the Shell brand is considered the largest open-air film festival in the world and, in 2017, it was held in June in Rio de Janeiro and in November in São Paulo. In 2018, the event will once again be held in the capital cities of Rio de Janeiro (in May) and São Paulo (in September).

Another initiative was the improvement of the payment feature of Shell Box, which made everything more practical and technological. Now all we have to do is open the app, enter the payment code and authorize the transaction before fueling is complete. Every time they fill their tanks, users are also earning points, which can be redeemed for miles or fuel discounts - every liter of regular gasoline is worth one point and every liter of Shell V-Power is worth twice as much.

In addition to reinforcing the strategy of offering experiences that make the consumer journey more enjoyable, the Humanology guided the various actions we have developed

2,000 stations

adopted the Shell Box App, which allows for payment through just one click

20%

Monthly increase in the number of payments using the app

5,000

Miles awarded in 2017/2018

94.9%

Client satisfaction rate in the Aviation segment according to survey in 2017/2018

Created in October 2016, Shell Box posted a 20% growth a month in the number of payments and an increase in the number of loyalty customers per month. In the 2017/2018 harvest, the app experienced its greatest evolution since its launch. Screens were created to make browsing simpler and more intuitive and highlight other features, such as the payment feature itself and promotions.

Currently, the app can be used in more than 2,000 Shell stations across Brazil and is aligned with the new consumer profile: people connected to the digital world.

For the executive aviation audience, we have in place the Shell AeroClass, a loyalty and relationship program conducted in partnership with Net-points. The initiative rewards aircraft pilots and mechanics who use our products. They accumulate points that may be redeemed for over 30,000 awards. This audience may also use the AeroClass App – available for

iOS and Android smartphones in app stores. With this functionality, you can schedule fillups, know which airports have Shell Aviation fuels, and consult weather information to guide flight planning. Learn more [here](#).

SATISFACTION SURVEY

[GRI 102-44, 103-2, 103-3]

Between November 2017 and January 2018, we conducted surveys to measure ethanol and sugar client satisfaction, establish a history for tracking our evolution, and identify opportunities in those markets.

We adopted the Net Promoter Score (NPS) methodology, which aims to assertively measure consumer satisfaction and loyalty, in addition to enabling benchmarking due to wide use by several corporations.

CONSOLIDATION:

5,500
respondents

78% promoters – are loyal customers, true believers of the brand. They recommend to everyone.

Specifically in the segments of Aviation, Retail, and Business to Business (B2B), every month we gather a group of clients to respond to the Index5 survey, whose results are audited by an independent company.

In 2017/2018, overall satisfaction was 94.9% in Aviation and 94.8% in Retail and B2B.

QUALITY ASSURANCE

Certifications and registrations | GRI

102-12|

We have certifications and registrations that attest to the quality of our products and the excellence of our processes:

- Certified Units
- Crystallized sugar
- Liquid sugars
- With scope only in laboratory.

Units	Certifications											
	BONSUCRO	CARB	EPA	FSSC 22.000	HALAL	ISCC	ISO 9001:2015	ISO 14001	ISO/IEC 17025	KOSHER	OSHAS 18001	SEDEX GLOBAL
São Paulo ¹							●					
Piracicaba ¹				●			●					
Bom Retiro	●		●	●			●					
Costa Pinto	●	●	●		●	●	●			●		●
Rafard		●	●				●	●	●			
Santa Helena	●	●	●				●					
São Francisco	●						●					
Tarumã	●		●	○	●		●			●		●
Maracaí	●		●	○	●		●			●		●
Paraguaçu	●	●	●				●			●		
Ipaussu	●	●	●				●					
Barra		●	●	○	●		●			●		●
Diamante	●		●				●			●		
Dois Córregos	●		●				●			●		
Benálcool	●	●	●				●					
Destivale	●		●				●					
Univalem	●	●	●		●		●					
Gasa	●	●	●				●			●		
Mundial	●		●				●					
Bonfim	●	●	●				●			●		●
Serra	●	●	●				●					
Tamoio							●					
Araraquara	●	●	●		●		●			●		
Junqueira	●	●	●		●		●					
Caarapó			●	●	●		●			●		
Jataí	●		●				●					
Terminais de distribuição								●			●	

BONSUCRO | Certificate for sustainable sugarcane production and all its co-products, considering economic, social and environmental dimensions.

CARB | Plants registered under the California program

EPA | Registration of Ethanol in the American environmental agency

FSSC 22.000 | Food Safety Management System in Compliance with the Global Food Safety Initiative (GFSI)

HALAL | Sugar Certification showing compliance with Islamic food laws

ISCC | Ensures compliance with the European Union's parameters for sustainable production, under the Renewable Fuels Directives (RED) (EU-RL 2009/28/EC)

ISO 9001:2015 | Quality Management System

ISO 14001 | Environmental Management System in distribution terminals

ISO/IEC 17025 | Laboratory Management System

KOSHER | Sugar and Ethanol certification showing compliance with Jewish food laws

OSHAS 18001 | Certifies the Occupational Health and Management System²

SEDEX GLOBAL | Platform that allows storing, sharing, and communicating production and quality information with clients.

1. Offices

2. The terminals in Sinop (MT), Cascavel (PR), Santa Maria (RS), and Miritituba (PA) are scheduled for 2019.

Evolution in Bonsucro certification

Bonsucro is a voluntary international certification dedicated to increasing sustainability in the sugar and ethanol sector through an external audit process in order to comply with the best environmental, social, and economic criteria for cultivating sugarcane and producing its co-products. [IGRI 102-12](#)

We continuously seek to promote these criteria into our operations and across the value chain by engaging our partners in the sustainability journey through the ELO Program, thereby ensuring that all players are aligned with best social and environmental practices.

In 2017/2018, the Santa Helena, Ipaussu and São Francisco units obtained the Bonsucro certification, totaling 20 production units with the seal. [IGRI 102-12](#)

100% quality at the distribution terminals

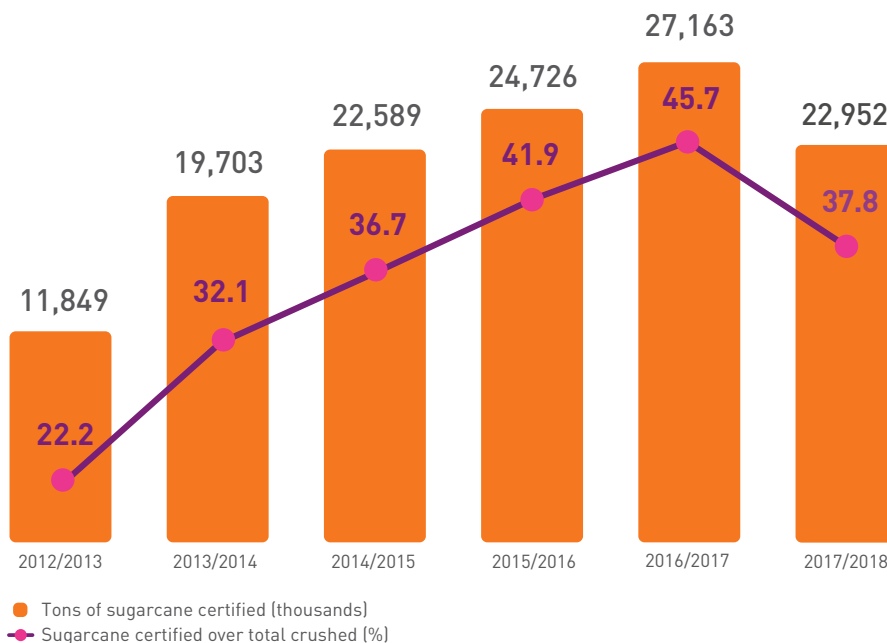
At the end of the first half of 2017, we obtained the best result in quality of the fuel marketed under the Fuel Quality Monitoring Program (PMQC), created in 1998 by the National Agency of Petroleum, Natural Gas, and Biofuels (ANP), to evaluate the product going from pump to engines.

We recorded 98.8% automotive fuel compliance, leading the quality aspect in the distribution industry, and ahead of the main competitors.

The result reflects our team's focus on quality controls and the care we take to ensure that fuels are tested at all phases of the process: receiving, storing, and shipping.

In order to reinforce our commitment to the topic, we held the event called *100% Qualidade* (100% Quality), in

EVOLUTION IN BONSUCRO CERTIFICATION*



**The decrease in the volume of certified sugarcane is due to a strategic decision to transfer part of the volume of Bonsucro certified sugarcane from partners to the ELO program. This movement does not generate impacts on fulfilling social and environmental criteria, since the ELO Program has the same level of requirement and includes an external assurance process.*

which we opened our terminals to clients, partners, and authorities in order to present the Raízen quality management standard, raising awareness of the importance of delivering the best product to our clients.

All guidelines are established by the Logistics, Distribution, and Trading Quality Policy, and the procedures are documented for employees in the Operational Practices Guide (MPO).

Movimento Combustível legal (Legal Fuel Movement) [IGRI 102-12, 103-2, 103-3](#)

In order to involve society, government, judiciary, and legislators in discussions on illegal activities in the fuel sector, we were one of the supporters of the National Association of Fuel, Lubricants, Logistics, and Convenience Distributors (Plural, former SINDICOM) in the Legal Fuel Movement.

The initiative defends actions that combat fraudulent activities, such as tax evasion, tax defaults, and fraud in the fuel chain.

According to a study by the Getulio Vargas Foundation (FGV), the evasion is so great that it causes an annual loss of BRL 4.8 billion in taxes, an amount that could be invested in health, education, safety, and infrastructure.

> [Click here](#) to learn more.

DEVELOPMENT OF THE SURROUNDING AREAS

For a better future.

In addition to creating jobs and driving economies, we seek to promote social transformation in the regions where we operate, expanding opportunities for young adults, adults, and children.

IN 2017/2018:



53,000

benefited from educational projects with resources from incentives



4,000

completed training courses for social inclusion



800,000

involved in social inclusion projects with resources from incentives



201,000

beneficiaries in volunteering actions and internal campaigns (winter clothing, children's day, christmas, among others)

PROJECT CAPITÓLIO

IGRI 102-43, 103-21

In March 2018, our tool for managing relationships with public authorities and industry associations in the regions where our production units are located entered the test phase.

Structured throughout the crop year, within the scope of Project Capitólio, the initiative consists of connecting several management systems, which will allow for an organized, systematic, and strategic view of the operations, their impacts, and their opportunities in relationships with stakeholders, as well as support for decision-making.

The tool will also be fed with information about interactions received on a communication channel with the whole community. Via a toll-free number, **0800 728 1616**, or email **fale@raizen.com**, anyone (person or legal entity) may contact us to ask questions or record complaints, compliments, or suggestions related to operational, environmental, and social issues associated with our operations.

The purpose of Project Capitólio is to support the External Relations area with information for more efficient interaction with the community, the government, and other strategic stakeholders, focusing on harmoniz-

ing operations and the sustainable development of the regions where we operate.

As a result, it is possible to systematize, in all geographies, the practices that should be adopted in relationships with these audiences. The tool will be fully implemented during the 2018/2019 crop year.

All procedures – which are systematized through Project Capitólio – regarding donations, sponsorships, incentivized projects, and other actions toward local engagement with stakeholders follow the guidelines in our Social Performance Policy.

72 spots

for cost-free training courses provided to People with Disabilities (PwD)

1.560 spots

Provided since 2014/2015 in training courses in partnership with SENAI

GOVERNANCE OF INCENTIVIZED FUNDS |GRI 103-2|

Another gain deriving from the Project Capitólio system will be managing our social investment and related activities more intelligently, since, by cross-referencing data, it is possible to evaluate the criticality of each location and identify priority demands that will guide us when establishing goals and objectives for the actions to be taken.

In addition, planning of social initiatives is guided by our Criticality Tool, which analyzes risks and opportunities. To ensure the proper use of resources from incentive laws, our tax team plans the contribution and eval-

uates project eligibility, and projects are later classified with the assistance of software and evaluated by the Marketing, Social Responsibility, and Tax teams, as well as by business representatives.

Other software analyzes the performance of the supported initiatives, computing gains for both our business and other stakeholders.

We believe that individual development comes through opportunities for access to education, culture, and sports. For this reason, we have invested in promoting initiatives that contribute to providing these opportunities.

Culture and education are among the focus of the projects conducted by the Raízen Foundation to strengthen the relationship with communities

RAÍZEN FOUNDATION |GRI 103-2|

The Raízen Foundation is a non-profit Civil Society Organization of Public Interest (OSCIP), managed by our Social Responsibility team. It is an important instrument for managing projects geared toward relationships with local communities, fostering education, professional training, and social inclusion.

In 2017/2018, the entity continued the initiative called *Viver um Conto* (Living a Story), which has been held since 2009 with the purpose of offering culture and education to children attending public schools, disseminating values that contribute to building citizenship skills.

The action was carried out in the cities of Valparaíso (SP), Ipaussu (SP), Santa Cruz do Rio Pardo (SP), Bernardino de Campos (SP), Piracicaba (SP), Charqueada (SP) and Jaú, and mobilized 18,913 young people. The appeal of the edition undertaken during this crop year was respect

for life. The presentations dealt with day-to-day hazardous situations and taught that simple actions are key to avoiding accidents.

The crop year was also highlighted by the 9th edition of *Recycle Fashion* (Recycle Fashion) and the expansion of this initiative to the cities of Ipaussu (SP), Guariba (SP), Barra Bonita (SP), and Valparaíso (SP). The event, aiming to promote the environmental awareness and creativity of children and adolescents, includes a fashion show of secondhand clothing renovated by students from the municipal public school system.

Another action front is training People with Disabilities (PwD), who would like to enter the job market. In Capivari (SP), with the Department of Economic Development and Employment of the municipality, and the Association of Service and Social Assistance of the parish of São Benedito de Capivari (ASAS), 72 spots were opened for three free train-

ing courses: residential electrician, forklift operator, and preparation for the job market. Classes were taught at our Mobile Hub, a traveling trailer truck equipped with the necessary infrastructure to offer professional training to people living close to our areas of activity.

In partnership with the National Service of Industrial Learning (SENAI) of Araraquara (SP), we offer 15 spots for each of the courses: Basic Mechanics for Drivers Transporting Sugarcane and for Production Line Feeder. The goal was to develop technical skills in sugarcane vehicle mechanics and in supplying materials to production lines.

Since we initiated training initiatives in 2014/2015, we have already offered 1,560 spots in several courses. Nearly half of the graduates joined our staff.

> To learn about other projects, visit the [Raízen Foundation website](#)

ENVIRONMENTAL PRESERVATION [GRI 103-2]

Preserving nature is thinking about the future.

In order to demonstrate our commitment to minimizing the environmental impacts resulting from our operations, we continuously work on Environmental Management Plans (EMP), one of the requirements for Bonsucro certification. The document, prepared for each unit holding the seal, consists of pre-defined, measurable goals, objectives, and actions in topics monitored by managers.

The commitment to preserving nature is also extended to other units and reinforced by our adherence to the Agro-Environmental Protocol, which establishes additional responsibilities such as protecting and restoring riparian forests, regularizing the Rural Environmental Registry (CAR), and best practices for the use of agricultural inputs in general.

We carry out studies to record the history of biodiversity in agro-industrial areas and to evaluate the interaction of animals with our activities. We also monitor the Permanent Preservation Areas (PPAs) located in our industrial parks, ensuring the preservation of local wildlife and flora.

At our production units, even considering the capacity to generate energy from biomass, we invest in technology for the best operational efficiency and consequent reduction in consumption.

Concerning water, the points of abstraction are monitored so that consumption does not exceed the pre-established targets. In 2017, we won the 12th edition of the Water Conservation and Reuse award of the Industries Federation of the State of

90%
of the harvest areas are operated using the RTK (GPS system)

All financial indicators advanced in 2017/2018, reflecting the signs of economic recovery of the country

São Paulo (FIESP). The achievement refers to the *ReduSa* (Water Use Reduction) project, implemented during the 2015/2016 crop year.

A pioneer in the sugar and ethanol sector, the purpose of the project is to reduce abstraction and consumption of water from external sources (surface and groundwater) through best practices in water management and water reuse in the production process, including reducing the amount of effluents generated.

Responsible use of the soil is also another of our environmental concerns. Thus, we use only the best preparation and conservation techniques. All planted areas and 90% of harvested areas are operated using the RTK (GPS system), technology that avoids soil compaction. At industrial units, chemicals are stored in suitable locations with containment basins. Employees are trained to conduct inspections and follow all necessary procedures in order to avoid spills.



In order to avoid the risk of spills in logistics operations and service stations, carriers are instructed to deploy their local Health, Safety and Environment (HSE) teams, which work to identify causes and implement preventive measures. At fuel dealers, we conduct surveys to assess the quality of equipment and

operations, instructing these partners on how to adopt appropriate management procedures, when applicable.

> [Click here](#) for more information on social and environmental aspects. |GRI 202-1, 203-1, 303-1, 304-1, 304-2, 306-3, 411-1, 413-1, 413-2|

FINANCIAL RESULTS |GRI 103-2|

The Brazilian economy showed signs of recovery in the first three months of 2018, which positively impacted our business. Adjusted EBITDA for 2017/2018 increased by 6% compared with the previous crop year (BRL 7.108 billion and BRL 6.676 billion, respectively). This growth is mainly due to the higher volume of all products sold, both by Raízen Energia and by Raízen Combustíveis.

Raízen Energia ended the 2017/2018 harvest with total crushing of 61.2 million tons of sugarcane, up 3% over the 2016/2017 volume (59.4 million tons). The productivity index, measured using a combination of TRS (Total Recoverable Sugar - per ton of sugarcane crushed in kilograms) and TSH (Tons of Sugarcane Harvested per hectare), was 9.8 ton of TRS/hectare, a 5% reduction compared with the previous harvest due to lower rainfall concentration in the period. Even so, production of sugar equivalent was 6% higher than the previous one - reflecting our constant analysis of profitability per product.

At Raízen Combustíveis, in the first quarter of 2018, the total volume sold

was 3% higher YoY, which attests to the assertiveness of our expansion strategy and sustainable relationship with the network of stations. Sales of diesel and aviation fuel grew by 6% and 8% respectively, driven by a stronger economy. In turn, the volume of otto cycle (gasoline + ethanol) sold in the first three months of 2018 was in line with the same period of 2017 (-3% in gasoline equivalent), following the market trend showing a slower recovery in this segment.

RAÍZEN ENERGIA

Raízen Energia's adjusted net income reached BRL 15.5 billion, a 20% increase over the previous harvest. Adjusted EBITDA, in the same comparison, increased by 11%, totaling BRL 4.1 billion, reflecting higher sales volumes, especially ethanol and bioenergy.

Total sugar sales grew 4% in 2017/2018 compared with 2016/2017, reaching BRL 6.166 billion. Total ethanol sales increased by 23% in the crop year, which represents BRL 7.444 billion; and energy cogeneration sales, in turn, totaled BRL 952 million in the period, an increase of 84%.



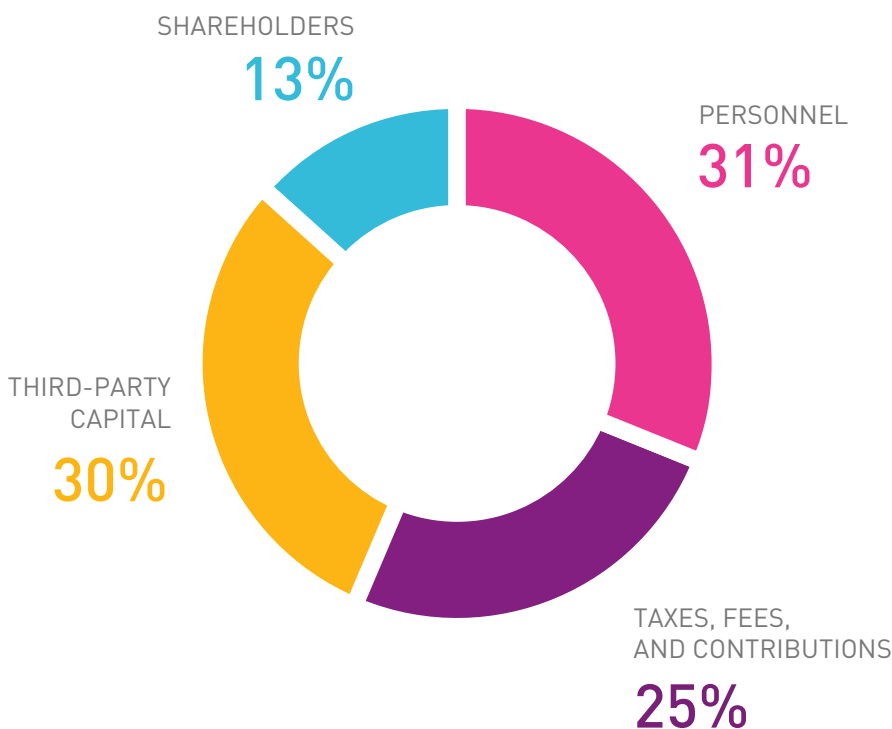
Cost of goods sold grew 33% to BRL 12.5 billion, as a result of the expansion in sales, partially offset by the 4% decrease in the unit cash cost in the period compared with the 2016/2017 harvest, impacted by the lower CONSECANA, an indicator that directly affects the costs of leasing land and sugarcane from suppliers. Disregarding this impact, cash cost would be BRL 697/ton (+5% compared with 2016/17), affected by the profile of the harvest (longer duration in crushing days and greater mix of third-party sugarcane). When normalized by this effect, cash cost of the current harvest would be stable, absorbing the inflation accumulated in the period and reflecting our continuous search for operational efficiency.

General and administrative sales expenses totaled BRL 1.4 billion (+18%), an increase due to the higher volume sold, as well as one-off expenses due to the incorporation of the Santa Cândida and Paraíso mills in September 2017.

Net profit for the year was BRL 643 million and value added was BRL 4.8 billion, broken down as shown in the chart:

> [Click here](#) to access the complete Value Added Statement for Raízen Energia.

RAÍZEN ENERGIA – VALUE ADDED DISTRIBUTION IN THE HARVEST | GRI 201-1



RAÍZEN COMBUSTÍVEIS

The total volume sold in the crop year was 3% higher compared with 2016/2017. Sales of diesel grew 6%, and jet fuel (Jet-A 1) and otto cycle (gasoline + ethanol) increased by 0.4% and 1%, respectively.

Adjusted EBITDA reached BRL 2.989 billion (+3%) in 2017/2018, expansion mainly explained by growth in total sales volume.

The network of Shell stations ended the crop year with 6,329 stations, net increase of 286 stations in the last 12 months (6,043 stations at the end of the previous harvest).

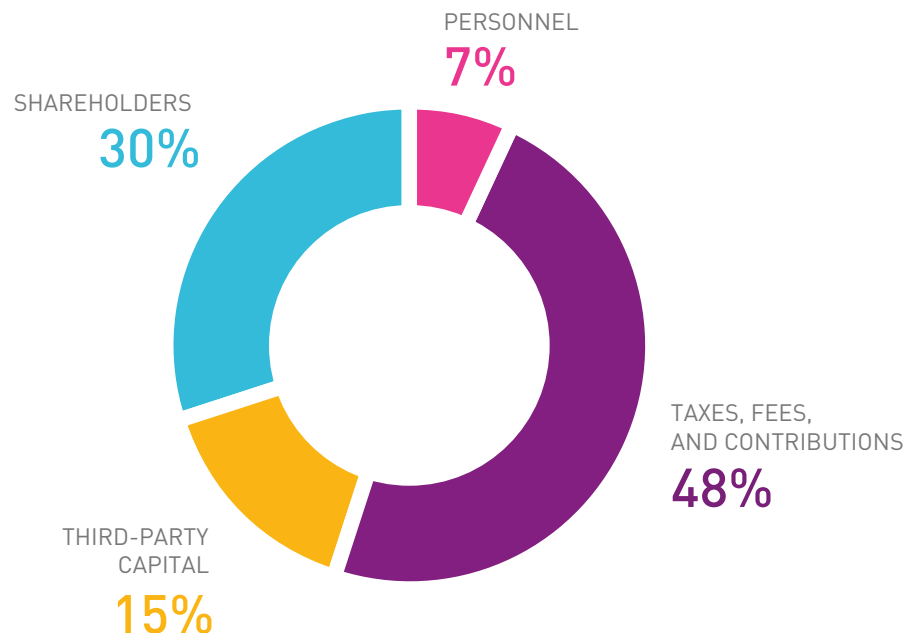
The financial result mainly reflects the improvement in the financial expenses line. The appreciation of the US dollar against the Brazilian Real (from BRL 3.1684/USD to BRL 3.3238/USD) had opposite effects on the exchange rate variation and derivatives lines, with a long position in USD future, not impacting the result.

Net profit was BRL 1.669 billion, up from BRL 1.658 billion reported in 2016/2017.

Value added of Raízen Combustíveis totaled BRL 5.5 billion, broken down as shown in the chart.

> [Click here](#) to access the complete Value Added Statement for Raízen Combustíveis.

VALUE ADDED DISTRIBUTION IN THE HARVEST | GRI 201-1|



COMBINED AND CONSOLIDATED

In aggregate and consolidated, our EBITDA totaled BRL 6.320 billion, a reduction of 6% in relation to the previous harvest. Adjusted EBITDA increased by 6% to BRL 7.108 billion in the same period.

Net profit was BRL 2.311 billion, 25% below that reported in 2016/2017 (BRL 3.062 billion).

BRL 7.1076 billion

adjusted EBITDA totaled in the crop year



GRI CONTENT

WE REPORT THE INDICATORS IN
ORDER TO ALLOW FOR COMPARABILITY

Our commitment to transparency
can be seen in the communication of
the topics indicated as priority by our
stakeholders

CONTENT - OVERALL STANDARDS (GRI 102)

INFORMATION ON EMPLOYEES AND OTHER WORKERS (GRI 102-8)

At the end of 2017/2018, our team totaled 29,514 employees, 86% men and 14% women, the majority (93%) concentrated in the Southeast.

In 2017/2018, the highest turnover rates were recorded in April 2017 and January 2018, with a high number of

hires; and March 2018, with a high number of terminations - which is due to the beginning and end of the harvest, respectively. In December 2017, there was a large number of terminations due to the hibernations of the units of Tamoio, in Araraquara (SP), and Dois Córregos, in Dois Córregos (SP). May 2017 was the month with the largest number of employees (active and on leave)

TOTAL NUMBER OF EMPLOYEES BY GENDER¹

	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest ²	2017/2018 Harvest ³
Men	33,377	29,847	25,547	25,349
Women	5,195	4,540	4,010	4,165
Total	38,572	34,387	29,557	29,514

1. Does not include interns or contractors; includes active employees and employees on leave

2. As of 2016/2017, we started to consider the total number of employees in the month of March each year, since it is the final month of the harvest period. In previous periods, employees were accounted for at the height of the harvest; there was a change in the calculation of this indicator and, therefore, a variation in values.

3. Includes young apprentices.

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT AND EMPLOYMENT CONTRACT

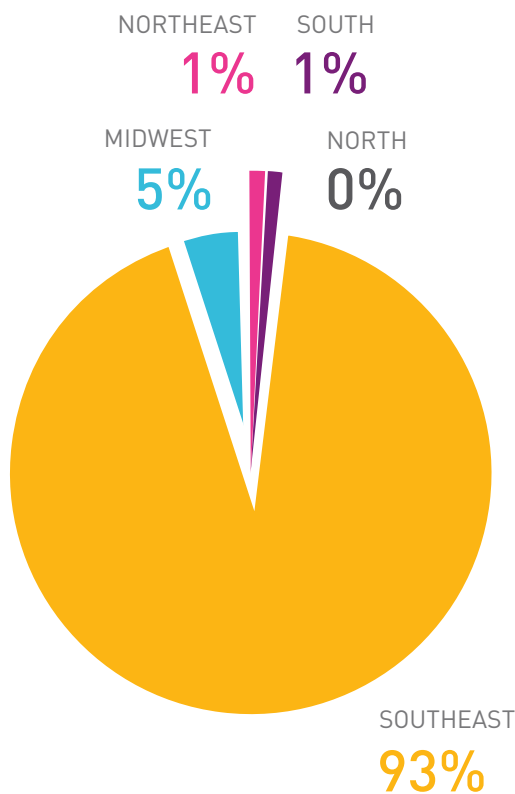
Type of employment / employment contract	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest		
	Full-time ¹	Part time	Full-time ¹	Part time	Full-time ¹	Part time	Full-time ¹	Part time	Total
Men - open-ended contract	31,013	32	26,367	34	23,684	31	24,321	31	24,352
Women - open-ended contract	4,854	15	4,131	18	3,927	20	4,059	29	4,088
Men - fixed-term contract	2,332	0	3,446	0	1,832	0	894	103	997
Women - fixed-term contract	326	0	391	0	63	0	57	20	77

1. Full time considers over 150 work hours/month.

TOTAL NUMBER OF EMPLOYEES BY GENDER AND REGION

	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest		
	Men	Women	Men	Women	Men	Women	Men	Women	Total
South	248	25	216	20	225	22	227	25	252
Southeast	31,110	4,930	28,009	4,296	23,761	3,781	23,534	3,932	27,466
Midwest	1,743	219	1,318	197	1,233	178	1,249	175	1,424
Northeast	187	16	202	19	204	18	209	23	232
North	89	5	102	8	124	11	130	10	140

PERCENTAGE OF EMPLOYEES BY REGION



SUPPLY CHAIN | GRI 102-9|

Sugarcane producers

Our Agricultural Business team is responsible for contracts with suppliers of sugarcane, and the Sustainable Development team is responsible for managing initiatives such as the ELO Program. In 2017/2018, a total of BRL 3,550,000 was invested in the relationship with this audience.

Carriers

In the harvest, expenses for fuel and sugar carriers totaled approximately BRL 1.35 billion. Spending on suppliers results from negotiations that establish a fixed amount, to be paid for the availability of each truck, and a variable amount, depending on the mileage traveled at our service. Carriers - responsible for pickup, transfer, and delivery of the products - are located in all regions in Brazil, with the highest concentration in the Southeastern and Southern regions.

Supply chain

Information provided [here](#)

CONTENT - SPECIFIC STANDARDS

Economic dimension (GRI 200)

Direct economic value generated and distributed |GRI 201-1|

Raízen Energia

Raízen Energia – value added statement (BRL thousands)	2015/2016	2016/2017	2017/2018
Revenues			
Gross sales of products and services	12,557,268	12,900,645	15,844,028
Returns of sales, discounts and abatements	(10,198)	(11,257)	(31,266)
Reversal (constitution) of provisions for doubtful debts	(5,025)	(1,811)	(182)
Other operating revenue (expenses)	49,885	25,989	114,241
Revenues - Total	12.591.930	12.913.566	15.926.821
Inputs acquired from third parties			
Cost of goods sold and services provided	(5,981,389)	(6,124,579)	(8,521,465)
Materials, energy, third-party services, and other	(769,049)	(809,235)	(973,690)
Changes in the fair value of biological assets	637,937	304,621	(367,432)
Changes in the fair value of sugarcane harvested (Agricultural Product)	0	0	0
Constitution of provision for inventory obsolescence	(377)	(72,383)	54,277
Constitution (reversal) of estimated losses on investments, fixed and intangible assets, net	0	(156,200)	14,263
Inputs acquired from third parties - Total	(6,112,878)	(6,857,776)	(9,794,047)
Gross value added	6,479,052	6,055,790	6,132,774
Depreciation and amortization	(1,876,896)	(1,818,791)	(2,136,639)
Net value added produced	4,602,156	4,236,999	3,996,135
Value added received in transfers			
Results of equity accounting	(73,260)	(69,635)	(21,423)
Financial income	664,798	665,347	646,169
Exchange rate variation	195,862	2,706	29,585
Gains in operations with derivatives	668,922	736,068	148,816
Value added received in transfers - Total	1,456,322	1,334,486	803,147
Value added for distribution	6,058,478	5,571,485	4,799,282

Raízen Energia – value added distribution (BRL thousands)	2015/2016	2016/2017	2017/2018
People			
Direct remuneration	1,273,054	1,234,931	1,102,838
Benefits	236,691	276,800	288,020
FGTS (Workers' Severance indemnity Fund)	117,679	117,464	118,351
Value added distribution Personnel - Total	1,627,424	1,629,195	1,509,209
Taxes, fees and contributions			
Federal	374,844	576,159	773,247
Deferred federal taxes	387,202	121,858	(109,607)
State	460,644	463,286	551,613
Municipal	2,572	8,158	7,928
Taxes, fees and contributions - Total	1,225,262	1,169,461	1,223,181
Remuneration of third-party capital			
Financial expenses	969,697	868,270	875,762
Net exchange rate variation	637,387	70,870	52,721
Losses in operations with financial instruments	91,562	0	59,228
Leases	321,502	429,110	436,387
Remuneration of third-party capital - Total	2,020,148	1,368,250	1,424,098
Remuneration of own capital			
Dividends and interest on capital	9,865	211,636	0
Retained earnings	1,175,779	1,193,031	642,807
Share of non-controlling shareholders in retained earnings	0	(88)	(13)
Remuneration of own capital - Total	1,185,644	1,404,579	642,794
Value added distributed	6,058,478	5,571,485	4,799,282

Raízen Combustíveis

Raízen Combustíveis – value added statement (BRL thousands)¹

Revenues	
Sales of goods and services	76,907,237
Gross revenue	77,739,353
Returns	(439,725)
Other deductions	(392,391)
Other operating revenue	219,864
Revenue associated with the construction of own assets	0
PDD - Reversal / (constitution)	(26,426)
Revenues	77,100,675
Inputs acquired from third parties	
Cost of goods sold	(70,543,533)
Materials, energy, third-party services, and other	(1,112,048)
Loss / recovery of assets	0
Other	16,827
Inputs acquired from third parties	(71,638,754)
Gross value added	5,461,921
Depreciation, amortization, and depletion	(603,853)
Depreciation and amortization	(206,898)
Amortization of exclusive supply rights	(396,955)
Net value added produced by the entity	4,858,068
Value received in transfer	687,942
Financial income	139,098
Fair value of financial instruments	40,026
Active exchange rate variation	98,999
Gain on derivatives	253,554
Equity accounting income	0
Other values received in transfer	156,265
Total value added for distribution	5,546,010

1. Since there was a change in the way the information was reported in the 2017/2018 harvest, we did not include data referring to previous harvests. To consult these data, visit: <https://www.raizen.com.br/relatorioanual/pt/indicadores-da-gri.html>

Raízen Combustíveis – value added distribution (BRL thousands)	2015/2016	2016/2017	2017/2018
People			
Direct remuneration	272,222	272,357	301,200
Benefits	47,822	56,143	58,889
FGTS (Workers' Severance indemnity Fund)	15,518	15,973	16,808
Value added distribution Personnel - Total	335,562	344,473	376,897
Taxes, fees and contributions			
Federal	550,350	723,661	1,138,670
State	1,390,859	1,342,207	1,504,122
Municipal	10,346	12,886	11,651
Other taxes and fees	0	9,215	2,508
Taxes, fees and contributions - Total	1,951,555	2,087,969	2,656,951
Remuneration of third-party capital			
Financial expenses	120,047	180,277	222,014
Passive exchange rate variation	404,416	45,351	400,811
Losses in operations with financial instruments	564,227	1,022,426	171,263
Leases	55,063	54,260	49,854
Change in the fair value of financial instruments - Expenses	0	90,150	0
Remuneration of third-party capital - Total	1,143,753	1,392,464	843,942
Remuneration of own capital			
Dividends and interest on capital	953,164	1,431,000	1,453,986
Retained earnings	62,812	167,815	153,099
Share of non-controlling shareholders in retained earnings	184,500	59,758	61,135
Remuneration of own capital - Total	1,200,476	1,658,573	1,668,220
Value added distributed	4,631,346	5,483,479	5,546,010

Financial implications and other risks and opportunities due to climate change | GRI 201-2|

In 2017/2018, we completed a study that mapped the main risks and opportunities arising from climate change in each business and in the long-term (up to 2040). The results were added to our risk management process and to strategic planning.

Regarding the risks, we recorded

those referring to changes in water dynamics (increase of drought periods and consequent competition for a scarcer resource) and the higher incidence of extreme weather events. On the other hand, in the field of opportunities, there is space for differentiated public policies and lines of credit - with increasing incentives for production and marketing of low-carbon energy solutions such as biofu-

els and electricity from alternative sources, products that are part of our portfolio. In addition, sugarcane is a crop that potentially benefits from the increase in average temperatures.

The risks and opportunities mapped out are of either a physical, regulatory, reputational or market nature. The impacts associated with these risks would mainly result in reduced productivity or damage to our physical structures, while the opportunities would result in greater market share, easier access to low-cost credit and larger areas for sugarcane cultivation.

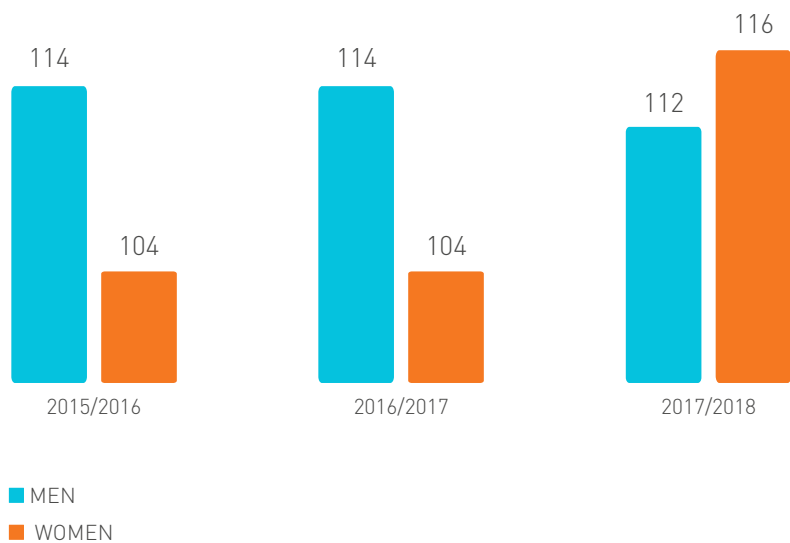
The potential financial implications were not quantified on a consolidated basis, but they would certainly be substantial. We do not monitor expenditures to manage such risks and opportunities, even though we understand that they occur constantly whenever we invest in the efficient use of agro-industrial resources as we reduce our carbon intensity.

Ratios of standard entry level wage by gender compared to local minimum wage | GRI 202-1

Our Salary Management Policy aims to maintain attractive salary ranges compared with other companies in the market. The goal is to ensure that even the lowest salary paid is equal to or higher than the floor of the Union category. In 2017/2018, the lowest salary paid to men was 112% and to women it was 116% of the Brazilian minimum wage, which ended 2017 at BRL 937.00. Thus, the lowest wage paid was 1.12 times higher than the national minimum wage. Regarding the minimum wage in São Paulo¹, the lowest amount paid to men and women was equivalent to 101% of the floor established for the State.

1. This excludes the Jataí unit in Goiás.

RATIOS OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE (%)



We do not monitor remuneration of contractors; however, we prioritize partnerships with reputable companies.

Infrastructure investments and services supported |GRI 203-1|

In 2017/2018, more than BRL 11 million was invested in various social projects.

Number of people benefiting from Raízen's social projects ¹	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Educational projects	337,000	225,000	53,000
Social inclusion projects	615,000	274,000	800,000
Raízen Foundation projects	333,000	309,000	193,000
Training and professional inclusion	21,000	5,000	4,000
Volunteerism and internal campaigns	171,000	196,000	201,000

1. Social projects with incentives from FUMCAD, PRONON, and IMF.

Raízen's social investments, in BRL thousands	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Incentivized projects ¹	7,584	7,003	6,157
Raízen Foundation ²	4,848	5,098	5,604
Total	16,830	14,093	11,761

1. We considered the number of direct and indirect beneficiaries; the number of indirect beneficiaries was estimated.

2. Operation under the following pillars: professionalizing, social-educational, and education and citizenship projects in the community (at no cost).

Impacts on surrounding areas were not evaluated.

Proportion of spending on local suppliers |GRI 204-1|

In 2017/2018, approximately BRL 3.56 billion was spent on suppliers, of which 15% refers to contracts with local suppliers.

Percentage of spending on local suppliers, by regional complex (%)	2015/2016 ¹	2016/2017 ¹	2017/2018
Araçatuba Complex	22.9	21.0	19.9
Araraquara Complex	9.9	8.2	9.0
Assis Complex	6.9	7.5	5.8
Caarapó Complex	2.9	4.5	4.8
Jataí Complex	6.9	9.3	11.9
Jaú Complex	7.1	7.5	6.3
Piracicaba Complex	12.0	9.1	10.8

1. Indices refer to SAP ECC (mills). As of 2017/2018, all purchases by the Procurement area are considered.

Considering purchases with suppliers registered in the same State where each mill is located, we have the following result:

Percentage of Procurement spend on local suppliers, by State (in %) ¹	2016/2017	2017/2018 ¹
Amazônia (AM)	-	20.9
Ceará (CE)	35.9	14.0
Espírito Santo (ES)	48.4	22.6
Goiás (GO)	22.1	20.3
Minas Gerais (MG)	26.5	23.8
Paraná (PR)	62.8	41.7
Paraíba (PB)	20.5	15.2
Rio de Janeiro (RJ)	26.8	14.2
Rio Grande do Sul (RS)	34.2	26.2
São Paulo (SP)	90.7	87.3
Grand total	78.4	75.6

1. All other States account for less than 20% of purchases. Totals for AM in 2016/2017 are unavailable because, in the previous harvest, the State was included in the "other States" category.

Operations assessed for risks related to corruption | GRI 205-1

In 2017/2018, we submitted 100% of our operations to risk assessments related to corruption. The risks refer to negotiation with counterparts under administrative or judicial investigation, in Brazil or abroad; trade negotiations with PEPs (Politically Exposed People); exposure of employees who interact with public agencies and autonomous public agencies, and quasi-public companies. More information regarding this topic can be found [here](#).

Communication and training about anti-corruption policies and procedures | GRI 205-2

In 2017/2018, all members of Senior Management were informed about anti-corruption policies and received training on the subject. Communications addressed to business partners and employees or training provided

to employees on the subject were not considered.

Training is provided whenever an employee joins our team and is refreshed every two years, except for employees with exposure to risks, who have a different frequency - possibly annual - and may require training from the Compliance area at any time about general topics or specific subjects.

Confirmed incidents of corruption and actions taken | GRI 205-3

In 2017/2018, our Ethics Channel recorded 35 reports associated with fraud, bribery, embezzlement/theft and antitrust - in 24 operations (15% of the total), of which eleven were confirmed (five cases of fraud, five of embezzlement, and one of bribery). As a consequence, nine cases resulted in termination of employees

and one case resulted in termination of the agreement with a business partner.

Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | GRI 206-1

There were no cases of unfair competition in the reporting period. To prevent occurrences, we offer antitrust online and classroom training, which will be relaunched in 2018/2019.

ENVIRONMENTAL DIMENSION (GRI 300)

Energy consumption within the organization | GRI 302-1

In 2017, our energy consumption was greater than 168 million GJ and 8,392,352.58 GJ were sold through government or spot market auctions.

Total energy consumption by type of fuel, in GJ ¹	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Sugarcane bagasse	144,211,506.60	144,833,877.38	163,835,647.00	164,382,412.58
Hydrous ethanol	151,540.72	139,286.22	139,279.21	146,560.21
Anhydrous ethanol	-	-	217.02	220.47
Biodiesel	-	-	247,206.31	274,314.97
Total energy consumption - renewable sources	144,363,047.32	144,973,163.60	164,222,349.54	164,803,508.23
Diesel	3,427,117.04	3,186,108.33	3,536,226.24	3,456,991.37
Gasoline C	2,271.15	2,062.30	863.89	859.47
LPG	123,942.26	158,770.71	6,453,510.99	17,066.33
Heavy fuel oil	19,763.81	16,326.96	14,967.35	15,046.28
Total energy consumption by type of fuel, in GJ	3,573,094.26	3,363,268.30	10,005,568.47	3,489,963.46
Electricity purchased from utility companies	531,965.60	477,676.80	499,945.00	517,312.55
Total energy consumption	148,468,107.18	148,814,108.70	174,727,863.01	168,810,784.25

1. Conversion factors available in the National Energy Balance were used for calculation. The information is collected for calculating emissions using the methodology of the GHG Protocol and has been taken from the Report on Greenhouse Gas Emissions (GHG).

Energy consumption outside the organization |GRI 302-2|

We map the energy consumed in transportation of our products. In 2017, contracted carriers consumed 6,589,225.19 GJ¹ in fuels.

1. The conversion factor available in the National Energy Balance was used for the calculation. The information is collected for calculating emissions using the methodology of the GHG Protocol and has been taken from the Report on Greenhouse Gas Emissions (GHG).

Energy intensity |GRI 302-3|

In the 2017/2018 harvest, our energy intensity was 2.92 GJ consumed from scope 1 sources, per ton of sugarcane crushed; and 0.01 GJ from scope 2 sources, per ton of sugarcane

crushed. The energy used to calculate the indicator included the energy consumed within the organization and the energy sold (from the burning of sugarcane bagasse).

Water withdrawal by source |GRI 303-1|

In 2017/2018, we withdrew 58,023,538 m³ of surface waters and groundwater to be used in industrial and irrigation processes, among other uses. This is our most significant consumption. Thus, other activities were not considered in the calculation of this indicator. Data for the new units (Paraíso and Santa Cândida) will only be included as of the next report.

Total volume of water withdrawn, in m3

Type of use	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Industrial Use (harvest) ¹	55,950,114	47,729,478	48,750,108
Industrial Use (off-season) ²	-	-	1,220,527
Use in Irrigation	6,519,367	5,530,768	5,199,711
Other uses ²	13,271,159	2,954,984	2,853,191
TOTAL	75,740,640	56,215,230	58,023,538
Surface waters	63,445,313	39,077,636	53,255,049
Groundwater	12,295,327	17,137,593	4,768,489

1. Total withdrawn from April 1 to December 31, 2017.
 2. Total withdrawn from January 1 to March 31, 2018.

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas |GRI 304-1|

We operate industrial units and sugarcane cultivated areas leased from third parties in the States of São Paulo, Mato Grosso do Sul, Goiás and Paraná, totaling more than 800,000 hectares. One of the ways to ensure preservation of biodiversity is through the Bonsucro certification, which reached 20 units at the end of the 2017/2018 harvest. This is because, among the criteria used for certification, is that there cannot be sugarcane cultivation in protected areas or in areas of high conservation value. Although biodiversity is one of the topics addressed in Bonsucro's Environmental Management Plan for certified units, we do not have a methodology to estimate the value of biodiversity for the locations where we operate.

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

The flow of trucks around production units and emissions of pollutants due to industrial activities can interfere with the dynamics of the region's wildlife, which we understand as the greatest potential impact of our activities on biodiversity. In addition, the use of substances to

control pests and insects can have adverse impacts if not well managed. Therefore, we use biological pest control and optimize the application of fertilizers and pesticides. The potential impacts of this category would be related to the practices of intentional pre-harvest burning (slash and burn) of sugarcane fields. Considering that this practice is 100% extinct in our operations - in line with the commitment we voluntarily assumed in the Agro-Environmental Protocol - it is our understanding that the impacts on biodiversity have been significantly reduced. Other relevant potential impacts associated with agricultural practices and that should be fought are loss of riparian vegetation, curbed by mapping the existing preservation areas on properties we manage, and the road kill mortality rate of animals, which is mitigated through training initiatives for employees and appropriate signage. We do not monitor other impacts such as changes in ecological process and conversion of habitats. Also, regarding the impacts identified, we do not monitor the extension of impacted areas or duration and reversibility of impacts.

Direct (Scope 1) GHG emissions² |GRI 305-1|

Indirect Greenhouse Gas (GHG) emissions from the purchase of

energy (Scope 2) |GRI 305-2|

2. The main sources of emissions in this scope are agricultural activities (use of field machinery, agricultural and industrial inputs) and biomass boilers that generate energy by burning sugarcane bagasse for the production of sugar and ethanol. Emissions from consumption of biomass are segmented between biogenic and non-biogenic. Biogenic emissions are considered neutral and accounted for separately, given the CO2 absorbed from the atmosphere in the photosynthesis process.

Other indirect (Scope 3) GHG emissions¹ | GRI 305-31

Information provided [here](#). We include, in our inventory of emissions, 100% of the operations over which we have control or influence, even when control is shared.

Gases considered in the calculation were: CO₂, Methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃) and the families of hydrofluorocarbon (HFC) and perfluorocarbons (PFC) gases. Emissions from SF₆, NF₃ and PFC gases are not applicable to our activities. In the case of indirect emissions from the purchase of energy, however, emissions consider only CO₂, as per calculation conducted and made available by the Ministry of Science, Technology, Innovation and Communications (MCTIC).

This report also includes the operations of the two production units acquired in 2017: Santa Cândida and Paraíso – although they were not under our operation for the entire reporting period. Therefore, these emissions were estimated based on an extrapolation of data from nearby units. In addition, for the first time, we estimated the emissions of N₂O referring to the incorporation of nitrogen from straw into the soil after sugarcane harvest. For these two reasons, the numbers referring to 2017 present a significant increase in relation to historical emissions.

We consider 2013 as the base year, since it better represents the scope of our activities. In that year, we incorporated into our inventory the emissions from vinasse and filter cake, which accounted for 14% and 18%, respectively, of total emissions from fertilizers.

Calculation refers to the 2017 calendar year and was performed according to the specifications of the Brazilian GHG Protocol Program - developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) -, managed in Brazil by the Center for Sustainability Studies (GVces) of the Business Administration School of the Getulio Vargas Foundation (FGV-Eaes); and standards NBR ABNT ISO 14.064-1 – guidance to

quantify and report emissions and removal of greenhouse gases. Where applicable, the methodology also followed the determinations for calculations set out in the 2006 IPCC Guidelines for National GHG Inventories of the United Nations and in the Reference report of the Second National Inventory. The main sources of the emission factors used were:

- PCC, 2006;
- Ministry of Science, Technology, Innovation and Communications (MCTIC);
- 2017 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting;
- Greenhouse gas emissions in production and use of ethanol from sugarcane in Brazil;
- Calculation tool of the GHG Protocol Agriculture Guidance;
- Third Inventory of Brazilian Anthropogenic Emissions of Greenhouse Gases: Reference Reports of Nitrous Oxide Emissions from Agricultural Soils;
- Internal studies.

The global warming potential rates adopted as reference used the PAGs presented by the IPCC Fourth Assessment Report: Climate Change – Errata (2007) for a time span of 100 years.

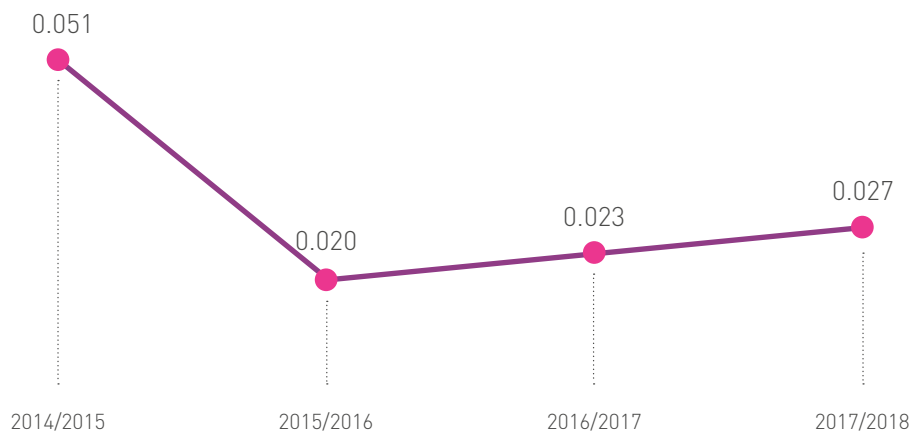
1. Agricultural emissions and emissions from mobile sources, i.e. air travel, biomass burning in rural areas and third party vehicles were considered.

INTENSITY OF GREENHOUSE GAS (GHG) EMISSIONS | GRI 305-4 |

In 2017, the overall intensity rate of our GHG emissions was 0.0273 tCO₂eq and was determined from the summation of scope 1 and 2 emissions, divided by the total sugarcane crushed. The GHGs

included in the emission calculations are those controlled by the Kyoto Protocol: CO₂, CH₄, N₂O, SF₆, NF₃ and the families of HFC and PFC gases. Emissions from NF₃, SF₆ and PFCs are not applicable to our activities.

INTENSITY OF GREENHOUSE GASES (GHG), INTCO₂EQ PERT OF SUCARCANE CRUSHED



Significant spills | GRI 306-3 |

We recorded four controllable spills, of which: two in an uncontained area, with a spill of 9,316 liters of ethanol; and two in contained area, with 534 liters of diesel and 19,000 liters of kerosene - recovered. There were no significant spills for the purpose of our financial statements.

We monitor all spills, in both contained and uncontained areas, regardless of whether or not they are significant. All events are recorded, their causes are investigated and actions are planned to mitigate impacts and prevent recurrences.

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | GRI 307-1 |

Em In 2017/2018, we received five non-monetary sanctions - most of them related to contaminated areas, industrial effluents and fire-related incidents in sugarcane fields - that are being addressed at administrative and/or judicial levels. No significant environmental fines were recorded².

1. Greater than BRL 1 million.
2. Valor superior a R\$ 500 mil.

Percentage of new suppliers that were screened using environmental criteria and [GRI 308-1] New suppliers that were screened using social criteria [GRI 414-1]

- **Sugarcane producers**
The process to hire sugarcane suppliers is associated with the signing of a term of general clauses and conditions considered essential for conducting business ethically and responsibly. The sustainable practices of sugarcane suppliers are also analyzed as part of the ELO Program.
- **Carriers**
100%
- **Supply chain**
100%

Negative environmental impacts in the supply chain and actions taken [GRI 308-2] Negative social impacts in the supply chain and actions taken [GRI 414-2]

- **Sugarcane producers**
None.
- **Carriers**
In 2017/2018, a carrier presented TRC/TRCF (reportable accident), two of which resulted in spills in uncontained areas and three were involved in accidents of controllable potential. Thus, six suppliers caused impacts, equivalent to 15% of the total number of suppliers in the area. In the same period, an operational agreement was terminated due to a performance level below required and potential for generating impacts. In addition, this supplier did not conform to the recommendations identified in inspections.
- **Supply chain**
We consider negative social and environmental impacts: having contracts with companies that employ people under slave or compulsory labor or that do not collect taxes of their employees in a timely

fashion; negotiating with suppliers involved in acts of corruption, suppliers that are not in good standings regarding taxes and that do not comply with the contractual conditions for term and quality.

In the harvest, 1,038 suppliers were assessed and registered, and additional 632 were retrained. In addition, 232 strategic suppliers participated in the performance monitoring (Supplier Training Index - IQF), of which 11 suppliers were blocked because they did not meet our minimum requirements for term and quality, and 91, with poor performance, participated in meetings to define action plans, and 21 of them showed improvements in the evaluation.

Twenty suppliers were blocked, since they were blacklisted for Slave Labor, 81 for involvement in the Lava Jato operation, and 384 because they were in the National Registry for disreputable and corrupt companies.

SOCIAL DIMENSION (GRI 400)

New employee hires and employee turnover¹ [GRI 401-1]

TOTAL NUMBER OF EMPLOYEES HIRED, BY GENDER

Gender	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Male	8,340	3,548	10,370	4,399	2,506	824	5,364	3,259
Female	1,222	704	1,188	627	106	65	856	750

1. The average number of active employees is calculated based on the number of active employees in the month, less the employees hired in that month. The numbers do not include interns, but include young apprentices. In the 2016/2017 harvest, another calculation was used, which considered young apprentices and, thus, the numbers are comparable.

TOTAL NUMBER OF EMPLOYEES HIRED, BY AGE GROUP

Age group	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Under 20	1,195	550	916	363	129	35	500	376
Between 21 and 30	3,905	1,861	4,287	1,928	861	290	2,322	1,581
Between 31 and 40	2,648	1,167	3,656	1,604	916	326	2,086	1,335
Between 41 and 50	1,330	522	1,981	848	536	182	1,015	552
Between 51 and 60	467	150	712	282	169	56	290	159
Over 60	17	2	6	1	1	0	7	6

TOTAL NUMBER OF EMPLOYEES HIRED, BY REGION

Region	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
South	38	38	36	36	3	3	36	36
Southeast	8,885	3,679	11,015	4,483	2,511	788	5,760	3,549
Midwest	565	461	454	454	91	91	378	378
Northeast	42	42	25	25	2	2	27	27
North	32	32	28	28	5	5	19	19

RATE OF EMPLOYEES HIRED BY GENDER

Gender	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Male	0.31	0.14	0.42	0.20	0.11	0.04	0.23	0.15
Female	0.30	0.19	0.33	0.19	0.03	0.02	0.24	0.22

Rate of new hires (for the 2017/2018 harvest) = number of new hires/average number of active employees in the crop year

RATE OF EMPLOYEES HIRED, BY AGE GROUP

Age group	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Under 20	1.15	0.77	1.19	0.68	0.30	0.10	1.28	1.22
Between 21 and 30	0.41	0.23	0.51	0.27	0.11	0.04	0.33	0.24
Between 31 and 40	0.28	0.13	0.41	0.20	0.10	0.04	0.22	0.15
Between 41 and 50	0.19	0.08	0.32	0.15	0.09	0.03	0.17	0.10
Between 51 and 60	0.12	0.04	0.21	0.09	0.05	0.02	0.09	0.05
Over 60	0.03	0.00	0.01	0.00	0.00	0.00	0.01	0.01

RATE OF EMPLOYEES HIRED, BY REGION

Region	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
South	0.15	0.15	0.15	0.15	0.01	0.01	0.14	0.14
Southeast	0.31	0.14	0.42	0.19	0.10	0.03	0.23	0.15
Midwest	0.32	0.29	0.33	0.35	0.07	0.07	0.28	0.28
Northeast	0.21	0.21	0.11	0.11	0.01	0.01	0.12	0.12
North	0.33	0.33	0.25	0.25	0.04	0.04	0.14	0.14

TOTAL NUMBER OF EMPLOYEES HIRED WHO LEFT THE COMPANY, BY GENDER

Gender	2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Men	5	3	1,709	606
Women	0	0	150	103

**TOTAL NUMBER OF EMPLOYEES HIRED WHO LEFT THE COMPANY,
BY AGE GROUP**

Age group	2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Under 20	0	0	116	54
Between 21 and 30	4	3	631	220
Between 31 and 40	0	0	643	267
Between 41 and 50	1	0	342	122
Between 51 and 60	0	0	125	45
Over 60	0	0	2	1

**TOTAL NUMBER OF EMPLOYEES HIRED WHO LEFT THE COMPANY,
BY REGION**

Region	2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
South	0	0	4	4
Southeast	5	3	1,773	623
Midwest	0	0	80	80
Northeast	0	0	1	1
North	0	0	1	1

TOTAL NUMBER OF EMPLOYEES TERMINATED, BY GENDER

Gender	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Male	12,754	8,017	10,053	6,142	289	287	7,174	4,559
Female	2,090	1,498	1,360	1,057	50	50	882	802

TOTAL NUMBER OF EMPLOYEES TERMINATED, BY AGE GROUP

Age group	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Under 20	920	407	521	226	3	3	271	156
Between 21 and 30	5,296	3,163	3,691	2,138	124	124	2413	1512
Between 31 and 40	4,397	2,931	3,361	2,049	102	102	2675	1753
Between 41 and 50	2,598	1,758	2,256	1,505	44	44	1658	1105
Between 51 and 60	1,365	1,006	1,273	976	51	51	866	665
Over 60	268	250	311	305	15	15	173	170

TOTAL NUMBER OF EMPLOYEES TERMINATED, BY REGION

Region	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
South	97	97	35	35	3	3	35	35
Southeast	13,755	8,657	10,703	6,580	296	296	7,597	4,902
Midwest	948	717	635	544	33	33	389	389
Northeast	23	23	21	21	1	1	23	23
North	21	21	19	19	6	6	12	12

TURNOVER RATE, BY GENDER

Gender	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Male	0.39	0.24	0.42	0.24	0.06	0.03	0.27	0.18
Female	0.40	0.29	0.35	0.25	0.02	0.02	0.25	0.22

Turnover = (number of hires + number of terminations)/2/average number of active employees in the crop year.

TURNOVER RATE, BY AGE GROUP

Age group	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
Under 20	1.02	0.67	0.94	0.55	0.15	0.06	0.99	0.86
Between 21 and 30	0.49	0.30	0.48	0.28	0.06	0.03	0.33	0.24
Between 31 and 40	0.37	0.23	0.39	0.23	0.06	0.03	0.26	0.18
Between 41 and 50	0.29	0.18	0.35	0.21	0.05	0.02	0.22	0.15
Between 51 and 60	0.24	0.16	0.29	0.19	0.03	0.02	0.18	0.13
Over 60	0.23	0.21	0.32	0.31	0.02	0.02	0.18	0.18

TURNOVER RATE, BY REGION

Region	2014/2015 Harvest		2015/2016 Harvest		2016/2017 Harvest		2017/2018 Harvest	
	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers	Including harvest workers	Not including harvest workers
South	0.27	0.27	0.15	0.15	0.01	0.01	0.14	0.14
Southeast	0.39	0.24	0.41	0.24	0.06	0.02	0.27	0.18
Midwest	0.42	0.37	0.40	0.38	0.05	0.05	0.29	0.29
Northeast	0.16	0.16	0.11	0.11	0.02	0.05	0.11	0.11
North	0.27	0.27	0.21	0.21	0.02	0.02	0.11	0.11

For more information, refer to disclosure in indicator GRI 102-8.

Return to work and retention rates after parental leave [GRI 401-3]

In 2017/2018, a total of 1,000 employees took maternity/paternity leave, as shown in the table below:

Use of maternity/paternity leave and rate of return ¹	2017/2018 Harvest	
	Men	Women
Employees entitled to take the leave	782	218
Employees who took the leave	782	218
Returned to work at the end of the leave	781	162
Returned to work and remained employed after 12 months	538	115
Rate of return to work	87.2%	80.7%
Retention rate of employees who took leave	78.3%	65.0%

1. Since it is not possible to determine the number of employees who were entitled to take paternity leave in the period, considering that it is not possible to quantify the total number of male employees who actually had children in the period, the indicator considers the total number of employees who requested the benefit in the period covered by the report.

Workers representation in formal joint management-worker health and safety committees [GRI 403-1]

All our employees are represented in formal health and safety committees. Several employment levels are involved in each business unit, as described below:

Ethanol, Sugar, and Bioenergy (EAB):

- Corporate HSE Committee: President, Vice Presidents, Directors, Managers and other representatives of HSE and of the operational areas;
- Production Meeting: Vice President of EAB, Chief Operating Officers, Corporate Officers, and Managers of complex ;
- Meeting about Total Quality Raízen (QTR - Qualidade Total Raízen): Unit Administrative Coordinator, Operational Managers, at least one member of the Specialized Service in Safety Engineering and Occupational Medicine (SESMT) and other representatives of the areas according to the agenda of the meeting;

- Internal HSE Committee - per unit: Unit Industrial Manager, representatives of the Employees and representatives of the Employer.

Logistics, Distribution, and Trading (LD&T):

- Corporate HSE Committee: President, Vice Presidents, Directors, Managers and other representatives of HSE and of the operational areas;
- HSE Committee Operations: HSE Operations Manager, Operations Managers, HSE Advisors, Chief Operating Officer, Operations Managers, Operations Support Group and other representatives as needed;
- HSE Committee Transportation: Logistics Director, Transportation Manager, Transportation Advisors, HSE Transportation Coordinator and Advisors and other representatives as needed;
- Internal HSE Committee (CISSMA), per terminal: Manager, superintendent, employees, and terminal contractors.

Commercial:

- Corporate HSE Committee: President, Vice Presidents, Directors, Managers and other representatives of HSE and operational areas;
- Commercial HSE Committee (MTC): Commercial VP, HSE Directors, Sales, Retail, B2B, Engineering, Finance and Aviation;
- Operational Committee of Commercial HSE : HSE Directors, HR and other appointed directors, HSE Manager;
- Light Fleet Committee: Representatives of administration (directors).

1. Responsible for taking the information to Unit managers and supervisors.

Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities IGRI 403-21

Health and safety indicators follow the standards set out by NBR 14.280 and OSHA 3.245 09R, as well as internal procedures: Element 7 of the Operations Management System (SIGO) and PMR Specification Shell. Minor injuries (first aid) are not

considered in the Lost Time Injury Frequency (LTIF) or Total Recordable Case Frequency (TRCF) indices, but are monitored and tracked. To record exposure and accidents, we have in place external systems (Work Accident Communication - CAT, NEXO System) and internal systems (Sustainability Indicators System - SIS, Emergency Response Center - CAE, and AlertaWeb).

The numbers of accidents and fatalities refer only to accidents classified as controllable/avoidable, i.e., those that are included in the HSE indicators due to characteristics of relevance for learning, actual consequences, potential risks or operational and reputational impacts.

The following information is available for each business unit:

ETHANOL, SUGAR, AND BIOENERGY (EAB)¹:

Main results for occupational health and safety for EAB:	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Lost time injury frequency for own employees and contractors - LTIF/TF	0.40	0.28	0.18	0.14
Total Recordable Case Frequency (with and without lost time, except first aid) for own employees and contractors - TRCF/TAR	2.55	1.73	1.34	0.98

1. Does not include data from the Shared Services Center (SSC). However, no accidents were recorded in this unit in the crop year.

Lost time injury frequency for own employees and contractors, by region (LTIF/TF)	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Araçatuba	0.18	0.05	0.00
Araraquara	0.28	0.50	0.45
Assis	0.83	0.09	0.00
Jaú	0.21	0.25	0.19
Piracicaba	0.13	0.00	0.00
Midwest ¹	-	-	0.27
Corporate	0.00	0.00	0.00

1. The information about this region started to be reported in 2017/2018, and as such, it is not available for previous years.

Total Recordable Case Frequency for own employees and contractors (TRCF/TAR)	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Araçatuba	1.57	1.43	1.07
Araraquara	1.99	1.66	1.58
Assis	2.5	0.98	1.02
Jaú	1.83	1.71	0.63
Piracicaba	1.22	1.04	0.80
Midwest ¹	-	-	0.94
Corporate	0.29	0.25	0.00

1. The information about this region started to be reported in 2017/2018, and as such, it is not available for previous years.

Number of fatalities of own employees and contractors	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Araçatuba	0	0	0
Araraquara	1	0	0
Assis	0	0	0
Jaú	1	1	0
Piracicaba	0	0	0
Midwest ¹	0	0	0
Corporate	0	0	0

1. The information about this region started to be reported in 2017/2018, and as such, it is not available for previous years.

LOGISTICS, DISTRIBUTION, AND TRADING (LD&T):

Main results for occupational health and safety for LD&T:	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest ¹
Lost time injury frequency for own employees and contractors - LTIF/TF	0.06	0.06	0.00
Total Recordable Case Frequency (with and without lost time, except first aid) for own employees and contractors - TRCF/TAR	0.13	0.33	0.05

1. One controllable accident without lost time in the northern region of the country, involving a male employee.

There were no fatalities in the period.

COMMERCIAL:

Main results for occupational health and safety for the Commercial area:	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest ¹
Lost time injury frequency for own employees and contractors - LTIF/TF	0.00	0.00	0.00
Total Recordable Case Frequency (with and without lost time, except first aid) for own employees and contractors - TRCF/TAR	1.09	0.00	0.38

1. One controllable accident without lost time in Aviation Operations, in the northern region of the country, involving a male employee.

There were no fatalities in the period.

HEALTH MANAGEMENT:

Health management indicators for EAB ¹	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest ²	
			Men	Women
Rate of occupational diseases ³ for own employees	6.46	6.62	0.04	0.13
Total number of lost days ⁴ for own employees	2.125	2.442	2.360	158
Absenteeism rate ⁵ for own employees	0.96	0.83	0.78	1.70

1. Data not available for LD&T and Commercial, but they are already being recorded and will be reported starting next harvest.

2. The calculation methodology was modified in 2017/2018.

3. Calculation method: (number of diseases) / (MHW) *1,000,000

4. Considering lost days due to work-related accidents.

5. Calculation method (where MHA is the number of man-hours absent on medical leave - typical and commuting accidents and diseases less days on leave paid for by social security - INSS): (MHA) / (MHA + MHW) *100

Rate of occupational diseases ¹ for own employees, by gender and region	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Female	0.00	0	16.12
Male	6.62	7.51	1.11
South	0.00	0	0
Southeast	6.62	6.97	3.09
Midwest	0.00	0	0
Northeast	0.00	0	0
North	0.00	0	0

1. Calculation method: (number of diseases) / (MHW) *1,000,000. Includes only Raízen Energia (EAB).

Total number of lost days ² for own employees, by gender and region	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Female	214	89	158
Male	1,713	2,353	2,360
South	0	0	0
Southeast	1,796	2,426	2,518
Midwest	131	16	0
Northeast	0	0	0
North	0	0	0

2. Considering lost days due to work-related accidents. Includes only Raízen Energia (EAB)..

Absenteeism rate ¹ for own employees, by gender and region	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Female	0.21	1.62	1.7
Male	0.69	0.73	0.78
South	0	0	0
Southeast	0.81	0.8	0.86
Midwest	0.08	1.37	1.44
Northeast	0	0	0
North	0	0	0

1. Calculation method (where MHA is the number of man-hours absent on medical leave - typical and commuting accidents and diseases less days on leave paid for by social security - INSS): $(MHA) / (MHA + MHW) * 100$

We did not monitor absenteeism rate, number of lost days and rate of occupational diseases related to contractors and employees of Commercial and LD&T.

Health and safety topics covered in formal agreements with trade unions | GRI 403-4|

We comply with the legislation that provides on occupational health and safety standards, although not all aspects are provided for in the collective bargaining agreements. We established clauses referring to this topic, such as the provision of Personal Protective Equipment (PPE), first aid, composition of the Specialized Service in Safety Engineering and Occupational Medicine (SESMT), conditions of vehicles that transport and provide assistance to the injured, reinforcing what is already provided for in current labor legislation.

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

In 2017/2018, we offered an average of 29.06 training hours for men and 14.06 for women. Training totaled more than 849,000 hours, offered through more than 18,757 classes in 22,152 training sessions.

The steps to determine the need for training, planning of activities, execution, recording and evaluating results are defined based on the requirements of standard ISO 9001:2015, in which we are certified.

This process is monitored through the Effectiveness Dashboard Assessment, based on feedback from an evaluation sent to the manager of participants, preferably 90 days after each training course. The goal for this indicator is greater than or equal to 90%. In 2017/2018, the result was 100% effectiveness of the activities evaluated.

Below is the breakdown by gender and employment category:

Average number of training hours per employee, by gender	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Men	23.3	28.8	26.7	29.1
Women	12.4	13.1	12	14.1

Average number of training hours per employee, by employment category	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Apprentice	0.8	0.0	0.7	1.9
Operation	7.0	2.6	4.2	4.3
Production	23.7	29.6	27.9	30.8
Administration	9.7	9.8	8.5	11.4
Coordination/Supervision	10.3	19.2	11.1	13.2
Management	7.7	14.4	8.6	7.3
Directors	2.3	0.8	4.1	2.3
Vice Presidency	0.5	0.0	0.0	0.3
Presidency	0.0	0.0	0.0	0.0

There were more than 39,000 hours of classroom training and more than 56,000 hours of online training for Logistics, Distribution and Trading (LD&T) employees - the unit does not monitor training for third parties. The Commercial unit offered a total class time of 7,983 hours for employees and 197,771 for contractors, as detailed below:

Training for the Commercial area	2016/2017 Harvest	2017/2018 Harvest
Own employees		
Training hours for classroom training	10,107	6,520
Training hours for online training	4,512	1,463
Total training hours for own employees	14,619	7,983
Third parties		
Training hours for classroom training	150,686	150,398
Training hours for online training	31,598	47,373
Total training hours for contractors	182,284	197,771

Other results of Raízen's learning programs	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Number of professionals served by the Leadership Academy	179	381	-
Number of training courses taught through the Skills Cycle	23	15	26
Number of employees served by scholarships and courses for professional development	153	1,007	101
Total number of classroom training hours offered to all employees	964,624 hours	808,683 hours	849,806 hours

Percentage of employees receiving regular performance and career development reviews

[GRI 404-3]

In 2017/2018, 15% of the male employees and 46% of the female employees received performance and career development reviews.

Below is the breakdown by employment category:

Percentage of employees receiving regular performance and career development review, by gender (%)	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Men	8	9	10	15
Women	16	22	27	46

Percentage of employees receiving regular performance and career development review, by employment category (%)	2014/2015 Harvest	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Apprentice	0	0	0	0
Operation	96	88	89	89
Production	0	0	0	0
Administration	53	62	61	59
Coordination/Supervision	100	100	99	100
Management	100	100	100	100
Directors	100	100	100	100
Vice Presidency	9	100	100	100
Presidency	100	100	100	100

Diversity of governance bodies and employees |GRI 405-1|

Percentage of employees by employment category, age group and gender, in the 2017/2018 harvest (%)		Under 20	Between 21 and 30	Between 31 and 40	Between 41 and 50	Between 51 and 60	Over 60	Total
Administration	Men	0.04%	3,23%	2.88%	0.96%	0.48%	0.13%	7.71%
	Women	0.06%	2.69%	2.15%	0.51%	0.11%	0.03%	5.55%
Apprentice	Men	0.33%	0.02%	0.00%	0.00%	0.00%	0.00%	0.35%
	Women	0.06%	0.01%	0.00%	0.00%	0.00%	0.00%	0.07%
Coordination/ Supervision	Men	0.00%	0.34%	1.10%	0.45%	0.19%	0.02%	2.09%
	Women	0.00%	0.12%	0.40%	0.09%	0.01%	0.00%	0.62%
Directors	Men	0.00%	0.00%	0.02%	0.07%	0.03%	0.00%	0.12%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
Management	Men	0.00%	0.00%	0.35%	0.29%	0.13%	0.01%	0.78%
	Women	0.00%	0.00%	0.08%	0.05%	0.00%	0.00%	0.14%
Operation	Men	0.02%	0.55%	0.98%	0.57%	0.18%	0.02%	2.31%
	Women	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.01%
Presidency	Men	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Production	Men	0.99%	16.42%	22.65%	17.62%	11.44%	3.39%	72.50%
	Women	0.10%	1.94%	2.36%	1.90%	1.02%	0.38%	7.71%
Vice Presidency	Men	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.02%
	Women	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	Men	1.37%	20.55%	27.99%	19.97%	12.46%	3.55%	86%
	Women	0.21%	4.76%	5.01%	2.56%	1.15%	0.41%	14%
	Total	1.58%	25.31%	33.00%	22.53%	13.61%	3.96%	100%

Percentage of People with Disabilities (PwD) by employment category and gender	2015/2016 Harvest	2016/2017 Harvest	2017/2018 Harvest
Administration	1.0%	2.6%	2.4%
Men	1.6%	2.8%	4.4%
Women	1.4%	2.2%	1.4%
Coordination/Supervision	0.3%	0.3%	0.5%
Men	0.2%	0.2%	0.5%
Women	0.8%	0.6%	0.6%
Directors	0.0%	0.0%	0.0%
Men	0.0%	0.0%	0.0%
Women	0.0%	0.0%	0.0%
Management	0.4%	0.4%	0.4%
Men	0.4%	0.4%	0.4%
Women	0.0%	0.0%	0.0%
Operation	0.2%	0.4%	2.1%
Men	0.0%	0.4%	2.0%
Women	0.2%	0.0%	3.2%
Presidency	0.0%	0.0%	0.0%
Men	0.0%	0.0%	0.0%
Women	0.0%	0.0%	0.0%
Production	1.2%	1.6%	2.1%
Men	1.1%	1.5%	0.0%
Women	2.0%	2.6%	0.0%
Vice Presidency	0.0%	0.0%	0.0%
Men	0.0%	0.0%	0.0%
Women	0.0%	0.0%	0.0%
Grand total	2.0%	1.7%	2.1%

Percentage of members of the governance bodies, by gender (%)	2016/2017 Harvest	2017/2018 Harvest
Men	86.5	89.2%
Women	13.5	10.8%

Percentage of members of the governance bodies by age group and gender (%), in the 2017/2018 harvest	Men	Women	Total
Under 20	0.00%	0.00%	0.00%
Between 21 and 30	0.00%	0.00%	0.00%
Between 31 and 40	35.1%	10.8%	45.9%
Between 41 and 50	35.1%	0.00%	35.1%
Between 51 and 60	18.9%	0.00%	18.9%
Over 60	0.00%	0.00%	0.00%
Total	89.2%	10.8%	100.0%

We do not monitor other indicators of diversity.

Incidents of discrimination and corrective actions taken |GRI 406-1|

Eight reports of discrimination were recorded by the Ethics Channel in the period. The cases were investigated by the relevant areas and, depending on the origin of the report, administrative measures were taken, such as verbal and written warning or even termination of the employee. We also received 47 labor lawsuits related to discrimination during the crop year, which were analyzed by the Legal Department. All cases were considered to be founded, 41 are under analysis and 6 were completed in the crop year.

Operations and suppliers where the right to freedom of association and collective bargaining may be at risk |GRI 407-1|

None. Our managers are made aware of the role of Labor Unions, the dynamics of collective bargaining, and the labor legislation in effect. Furthermore, we train all managers and operation leaders in all business units.

Operations and suppliers with significant risk of incidents of child labor |GRI 408-1|

Although the sugarcane chain is labor intensive, we have identified that there is no significant risk in the supply chain due to the actions carried out under the ELO Program. The actions involve technical follow-up, document checks, visits to suppliers, definitions of improvement plans, among other actions.

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

Although the sugarcane chain is labor intensive, we have identified that there is no significant risk in the supply chain due to the actions carried out under the ELO Program. The actions involve technical follow-up, document checks, visits to suppliers, definitions of improvement plans, among other actions.

In the supply chain, documents of the companies hired are checked and, in the case of irregularities,

a block from new contracts is put in place until the issue is resolved. In the crop-year, 20 suppliers were suspended because they were blacklisted for slave labor.

Incidents of violations involving rights of indigenous peoples |GRI 411-1|

In 2017/2018, there were no incidents of violations involving rights of indigenous peoples.

Operations with local community engagement, impact assessments, and development programs |GRI 413-1|

On average, 37% of our operations undertake programs for engaging surrounding communities and assessing impacts. Another 21% create programs for local development.

SCOPE OF PROGRAMS DEVELOPED BY RAÍZEN, IN PERCENTAGE, BY TYPE OF OPERATION AND PROGRAM

Project	Offices	Production units	Distribution terminals	Airports
Amigo Leal (Loyal Friend)	67%	29%	9%	0%
Winter Clothes Drive	100%	96%	39%	5%
Christmas Campaign	100%	100%	34%	9%
Projects originating from incentives acts	100%	92%	8%	9%
Professional training courses	0%	17%	0%	0%
Volunteering	100%	25%	0%	0%
Projects derived from investments from BNDES	0%	1%	0%	0%

Operations with significant actual and potential negative impacts on local communities |GRI 413-2|

Potential or actual negative impacts on communities surrounding the agricultural and industrial operations of our production units include:

- Noise from nighttime cutting and loading operations;
- Dust, vibration and noise generated by transportation of sugarcane;
- Odor and possible contamination of neighboring crops or soil resulting from the application of vinasse and agricultural pesticides;
- Noise and odor in areas surrounding industrial plants - generated by industrial operations.
- Shutting down of a production unit in municipalities with small population, since the units are labor-intensive and layoffs can negatively impact the local economy.

Political contributions |GRI 415-1|

We do not make contributions to political parties or candidates nor provide assets (physical, human and/or financial) for election campaigns.

Non-compliance with laws and regulations in the social and economic area |GRI 419-1|

In 2017/2018, we recorded three infraction notices by Regulatory Agencies, which totaled BRL 380,100. In addition to the three fines indicated above, we point out the receipt of four notices of infraction for the sale of hydrous ethanol out of specifications concerning methanol content. We filed an appeal against the notice of infraction and the cases are awaiting judgment by the ANP.

There were no non-monetary sanctions or proceedings brought by arbitration mechanism in the period.

The topic is managed by the legal areas² of the business units, which evaluate nonconformities and fines received in order to identify causes and address the problems. Regarding tax matters, the contingency related to significant fines, notices of infractions or sanctions drawn up by public agencies, object of administrative or legal proceedings, for alleged non-compliance with tax laws and regulations in the harvest period, is duly reported in the Financial Statements of Raízen Energia S.A. and Raízen Combustíveis S.A., available [here](#).

	2016/2017 Harvest	2017/2018 Harvest ¹
Total number of nonconformities	5	3
Total value of nonconformities (in BRL)	BRL 404,000	BRL 380,100

1. We considered occurrences that represented significant and non-standard notices of infraction received

2. Each area is responsible for setting the criteria for significant fines and sanctions.

GRI CONTENT INDEX (102-55)

GRI Standard	Disclosure	Page number or link/direct disclosure	Omission	SDG
GRI 100: General Disclosures				
Organizational Profile				
102-1	Name of the organization	Page 11		
102-2	Activities, brands, products and services	Pages 10 and 12		
102-3	Location of headquarters	Avenida Faria Lima, 4.100 – 11o andar, Itaim Bibi, São Paulo – SP		
102-4	Location of operations	Page 13		
102-5	Nature of ownership and legal form	Page 11 We are a joint venture whose control is equally shared between Royal Dutch Shell and Cosan. Our operations comprise Raízen Energia S.A., a joint-stock company that issues debentures registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários - CVM), category B; and Raízen Combustíveis S.A., a privately held company.		
102-6	Markets served	Pages 10, 12 and 13		
102-7	Scale of the organization	Pages 10, 13 and 26		
102-8	Information on employees and other workers	Pages 11 and 54		
102-9	Supplier chain	Pages 37 and 55		
102-10	Significant changes to the organization and its supply chain	Page 22 We also disclose that we sold 100% interest in the company Terminal Exportador de Álcool de Santos Ltda. (TEAS) to Terminal Químico de Aratu S.A. (TEQUIMAR). In 2017/2018, there was no material change to the structure of our capital stock or to our supply chain.		
102-11	Precautionary Principle or approach	Through a structured sustainability governance process, the precautionary principle integrates strategic planning and risk management of our activities. Care for employees, with policies and tools to promote health, safety, and quality of life are among the aspects observed. We also have in place programs to ensure professional training and recognition of our team's performance. Promoting sustainability in our value chain includes actions with suppliers in order to stimulate the development of increasingly innovative products and solutions.		
102-12	External initiatives	Pages 45 and 46		

GRI Standard	Disclosure	Page number or link/direct disclosure	Omission	SDG
102-13	Interest in associations	We participate in the following organizations: União da Indústria de Cana-de-Açúcar (UNICA); Associação Brasileira de Biotecnologia Industrial (ABBI); Associação da Indústria de Cogeração de Energia (COGEN); Fundação Getulio Vargas (FGV) – Business initiatives; Plural, former Sindicato Nacional das Empresas Distribuidoras de Combustíveis (SINDICOM); Associação Brasileira dos Terminais Portuários (ABTP); Bonsucro – organization responsible for the certification of sustainability aspects in the production of sugarcane; and Associação Brasileira do Agronegócio (ABAG).		
Strategy				
102-14	Statement from senior decision-maker	Page 7		
Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	Pages 16 and 17		
Governance				
102-18	Governance structure	Page 16		
Stakeholder engagement				
102-40	List of stakeholder groups	Press, fuel dealers, shareholders, employees, customers, business partners, communities, universities, public authorities, and trade associations.		
102-41	Collective bargaining agreements	All our employees are covered by collective bargaining agreements.		
102-42	Identification and selection of stakeholders	Through our Annual Report, Ombudsman's Office, Digital Social Networks and Customer Service (SAC), we map out stakeholders and their issues of concern.		
102-43	Approach to stakeholder engagement	Pages 3 and 47 To learn more about our relationship procedures with our audiences, click here .		
102-44	Key topics and concerns raised	Pages 3 and 44		
Reporting practices				
102-45	Entities included in the organization's consolidated financial statements or equivalent documents	Page 2		
102-46	Defining report content and topic Boundaries	Pages 2 and 3		
102-47	List of material topics	Page 3		
102-48	Restatements of information	Any restatements of information provided in previous reports will be presented throughout the report.		
102-49	Changes in reporting	Any significant changes in relation to periods covered by previous reports in Scope and Boundaries of the aspects will be presented throughout the report.		

GRI Standard	Disclosure	Page number or link/direct disclosure	Omission	SDG
102-50	Reporting period	Page 2		
102-51	Date of most recent report	September 2017.		
102-52	Frequency of the reporting cycles	Page 2		
102-53	Contact point for questions regarding the report	Page 2		
102-54	Report of the “in accordance” option chosen by the organization	Page 2		
102-55	GRI Content Index	Page 84		
102-56	External Assurance	Page 2		

TÓPICOS MATERIAIS

GRI Standard	Disclosure	Page number or link/direct disclosure	Omission	SDG
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4	
	103-2	The management approach and its components	Pages 16, 22, 33 e 50 For more information, access the earnings report, here , or the investor relations website .	
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Pages 51, 52 e 56	
	201-2	Financial implications and other risks and opportunities due to climate change	Page 59	
Social and environmental aspects and impacts				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 4	
	103-2	The management approach and its components	Pages 47, 48 e 49 To manage this topic, we have in place the Sustainability Policy, the HSE Policy and the Social Performance Policy.	
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.	
GRI 202: Market Presence 2016	202-1	Ratio between standard entry level wage of the organization and minimum local wage by gender	Page 60	1, 5, 8, 10
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Page 61	2, 7, 8, 9, 11
GRI 303: Water 2016	303-1	Total water withdrawal by source	Page 63	3, 6, 8, 12
GRI 304: Biodiversity 2016	304-1	Operational units owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 64	We did not disclose part of the information requested because data is not available. 6, 15
	304-2	Significant impacts of activities, products, and services on biodiversity	Page 64	6, 15
GRI 306: Effluents and Waste 2016	306-3	Significant spills	Page 66	3, 6, 8, 11, 12, 14, 15

GRI Standard		Disclosure	Page number or link/direct disclosure	Omission	SDG
GRI 411: Rights of Indigenous and Traditional Peoples	411-1	Cases of violations involving rights of indigenous peoples	Page 82		10, 11
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Page 82		2, 11
	413-2	Operations with significant actual and potential negative impacts on local communities	Page 83		2, 11
Relationship with suppliers, business partners, and clients					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4		
	103-2	The management approach and its components	Pages 37, 39, 42 e 43 For a closer relationship with our business partners, we have in place open communication channels (click here), in addition to specific channels for Dealers , Suppliers and Sugarcane suppliers .	We did not publicly disclose our goals and objectives, since we have not yet defined them or consider them as strategic confidentiality.	
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Page 61		12
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Page 67	We did not disclose the percentage of new sugarcane suppliers that were screened based on environmental criteria because this information is not available.	8, 11, 15
	308-2	Negative environmental impacts in the supply chain and actions taken	Page 67		8, 11, 15
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	Page 82		8, 16

GRI Standard		Disclosure	Page number or link/direct disclosure	Omission	SDG
GRI 408: Child Labor 2016	408-1	Operations and suppliers with significant risk of incidents of child labor	Page 82		8, 16
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labor	Page 82		8
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Page 67	We did not disclose the percentage of new sugarcane suppliers that were screened based on social criteria because this information is not available.	
	414-2	Negative social impacts in the supply chain and actions taken	Page 67		
Ethics and integrity					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4		
	103-2	The management approach and its components	Page 16 Click here for more information.	We did not publicly disclose our goals and objectives, since we have not yet defined them or consider them as strategic confidentiality.	
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Page 62		4, 16
	205-2	Communication and training on anti-corruption policies and procedures	Page 62	We did not disclose the number of people who received the communications and did not break down the information by region because data is not available.	4, 16
	205-3	Confirmed incidents of corruption and actions taken	Page 62		4, 16

GRI Standard		Disclosure	Page number or link/direct disclosure	Omission	SDG
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Page 62		16
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Page 66		16
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Page 83		16
Renewable energy and energy efficiency					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4		
	103-2	The management approach and its components	Pages 19, 21, 22, 34 e 49 This topic is managed by the vice-presidency of Ethanol, Sugar and Bioenergy (EAB - Etanol, Açúcar e Bioenergia), which manages our 26 production units and monitors the entire production process chain. We also have in place the Sustainability Policy to manage this topic. For information on the commitments made at COP21, click here .		
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Page 62		7, 8, 12, 13
	302-2	Energy consumption outside the organization	Page 63		7, 8, 12, 13
	302-3	Energy intensity	Page 63		7, 8, 12, 13
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Pages 21 e 64		3, 8, 12, 13
	305-2	Indirect (Scope 2) GHG emissions	Pages 21 e 64		3, 8, 12, 13
	305-3	Other indirect (Scope 3) GHG emissions	Pages 21 e 65		3, 8, 12, 13
	305-4	Intensity of greenhouse gas (GHG) emissions	Page 66		3, 8, 12, 13

GRI Standard	Disclosure	Page number or link/direct disclosure	Omission	SDG
People management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4	
	103-2	The management approach and its components	Page 16 This topic is managed by the vice-presidency of Human and Organizational Development. It is also guided by the HSE Policy and by the Code of Conduct , in addition to specific procedures. The Ethics Channel is also available for reports of violations of the guidelines and ethical principles set forth in the Code of Conduct.	We did not publicly disclose our goals and objectives, since we have not yet defined them or consider them as strategic confidentiality.
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 67	5, 8, 10
	401-3	Parental leave	Page 73	5, 8, 10
GRI 404: Training and Education 2016	404-1	Average number of training hours per year by employee	Page 77	4, 5, 8, 10
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 79	4, 5, 8, 10
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Page 80	5, 8, 10
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Page 82	5, 8, 10
Workplace safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4	
	103-2	The management approach and its components	Pages 7, 29 e 74	
	103-3	Evaluation of the management approach	Page 29	

GRI Standard		Disclosure	Page number or link/direct disclosure	Omission	SDG
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal health and safety committees	Page 73		8, 16
	403-2	Types and rates of injuries, occupational illness, lost days, absenteeism and number of work-related fatalities	Page 74		8, 16
	403-4	Health and safety topics covered in formal agreements with trade unions	Page 77		8, 16
Innovation					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4		
	103-2	The management approach and its components	Pages 17 e 33 To manage this topic, we have in place the Intellectual Property Policy . For a closer relationship with our stakeholders on this topic, we have open communication channels (click here), in addition to the investor relations website .	We did not publicly disclose our goals and objectives, since we have not yet defined them or consider them as strategic confidentiality.	
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.		
Sustainability in the strategy					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Page 4		
	103-2	The management approach and its components	Pages 2, 19, 34 e 49 This topic is managed by the vice-presidency of External Relations and Strategy, which includes the Sustainability Department, responsible for integrating environmental and social aspects into our strategy and business management, contributing to growth, competitiveness and continuity. To manage this topic, we also have in place a Sustainability Policy, which encompasses our commitments and guidelines.		
	103-3	Evaluation of the management approach	The evolution of the management approach for this topic is measured based on performance of our operations, determined through the corresponding indicators.		

LETTER OF ASSURANCE

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LIMITED ASSURANCE REPORT ISSUED BY INDEPENDENT AUDITORS

To the Board of Directors, Management and Stakeholders
Raízen Energia S.A.
 São Paulo - SP

Introduction

We have been engaged by Raízen Energia S.A. (“Raízen” or “Company”) to apply limited assurance procedures on the sustainability information disclosed in Raízen’s 2017/2018 Annual Report, which comprise the period from April 1st, 2017 to March 31st, 2018.

Responsibilities of Raízen’s Management

The Management of Raízen is responsible for adequately preparing and presenting the sustainability information in the 2017/2018 Annual Report in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in the 2017/2018 Annual Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC and equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These

standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Raízen’s 2017/2018 Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of Raízen and other professionals of the Company involved in the preparation of the information disclosed in the 2017/2018 Annual Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the 2017/2018 Annual Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the 2017/2018 Annual Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustain-

ability information disclosed where relevant misstatement could exist. The procedures consisted of:

- a. Engagement planning: considering the material aspects for Raízen’s activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Raízen’s 2017/2018 Annual Report. This analysis defined the indicators to be checked in details;
- b. Understanding and analysis of disclosed information related to material aspects management;
- c. Analysis of preparation processes of the 2017/2018 Annual Report and its structure and content, based on the Principles for Defining Report Content and Quality of the GRI Sustainability Reporting Standards;
- d. Evaluation of non financial indicators selected:
 - Understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - Application of analytical procedures regarding data and interviews for

qualitative information and their correlation with indicators disclosed in the 2017/2018 Annual Report;

- Analysis of evidence supporting the disclosed information;
 - Visits to Raízen’s units and offices for application of these procedures, and items (b) and (c);
- e. Analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company;
- f. Comparison of financial indicators with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the 2017/2018 Annual Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data’s materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior

periods, evaluated the adequacy of the company’s policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures carried out, described earlier in this report, we have not identified any relevant information that leads us to believe that the information in Raízen’s 2017/2018 Annual Report is not fairly stated in all material aspects in accordance with the Standards for Sustainability Reporting of the Global Reporting Initiative - GRI (GRI-Standards), and its source records and files.

São Paulo, June 21st, 2018

KPMG Assessores Ltda.
CRC SP-034262/F

Eduardo V. Cipullo
Accountant CRC 1SP135597/O-6

KPMG Financial Risk & Actuarial Services Ltda.

Ricardo Algis Zibas
Director

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