



**ANNUAL**

**REPORT**

**19/20 Harvest**





**MESSAGES**

**ELO PROGRAM**

**WHO WE ARE**

**OUR PERFORMANCE IN THE FIELD**

**DIAGNOSTICS / IDENTIFICATION OF OPPORTUNITIES FOR IMPROVEMENT**

**TECHNICAL SUPPORT**

**OUR WAY**

**ENGAGEMENT**

**RESULTS**

**SUPPLIERS OF EXCELLENCE**

**MAJOR EVENTS**

**CHALLENGES OF THE 20/21 HARVEST**

# ABOUT THIS REPORT



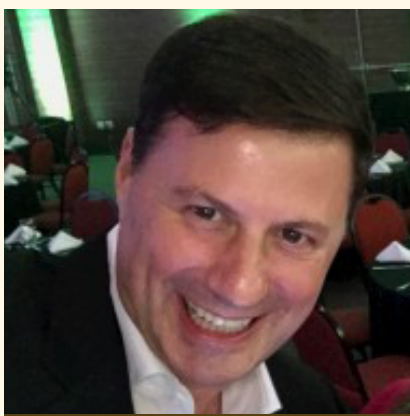
THIS IS THE FIRST REPORT IN THE HISTORY OF THE ELO PROGRAM.

The purpose of this report is to detail our achievements and provide transparency to our internal and external audiences about the activities we developed during the 19/20 harvest to drive sustainability among sugarcane producers.

You will find a summary of the main initiatives of the team responsible for implementing the program: training courses, forums, engagement, relationships, and technical support to suppliers.

## LEADERSHIP

THE ELO PROGRAM CELEBRATED ITS **SIXTH YEAR** IN THE 19/20 HARVEST.



**Ricardo Berni**  
*Agricultural Business Director*

The ELO Program is so much more than a consultancy for Raízen's sugarcane trading partners. It sets a standard in the Brazilian sugar, ethanol, and bioenergy sector for its promotion of a culture of sustainability on sugarcane farms. This means respect for labor and environmental laws, quality of life for employees, and long life for our sugarcane fields – the source of our raw material – without losing sight of the economic feasibility of the process.

ELO is implemented through practical actions such as events, communication materials, and field visits. This includes everything from guidance on work shifts to technical consultancy for employee living quarters or proper disposal of packaging of agricultural inputs.

As a value program, we focus on opportunities for improvement on each farm in order to propose and plan changes. **Acting both individually and collectively, our actions and guidelines for best practices influence companies in the sector, sugarcane producers, service providers, and employees;** thus, we expand the scope of the program through consistent transformations.

**We ended the 19/20 harvest with 25 business partners of excellence, considered a standard in the sustainability journey proposed by ELO, and we continue working to increase this number!**

We want to go beyond Raízen's boundaries. Our close work with ORPLANA on events and in the preparation of guiding materials is intended to expand the dissemination of best practices to the entire sector, not only to our suppliers.

**This scope has just received international recognition.** ECLAC (Economic Commission for Latin America and the Caribbean), an entity associated with the United Nations, included ELO as a Sustainable Big Push in the sector. **With this recognition, ELO enters the selection of program cases\* that promote a more sustainable and inclusive economic development model, serving as a reference for other sectors and countries.**

This is all thanks to the strategic priority Raízen has given to the program. It is the unfettered support of shareholders, senior management, and employees that each day turns the reality of Brazilian sugarcane fields into more sustainable practices with expansion and longevity. **Let's go together.**

\*<https://biblioguias.cepal.org/c.php?g=981128&p=7143453>



# FROM OUR PARTNERS

## Solidaridad

“With each harvest, the ELO Program becomes increasingly consolidated as a benchmark for sustainability in the agricultural sector thanks to the important advances achieved with producers in the fields.”

**Rodrigo Castro, Country Manager at Solidaridad**



### SOLIDARIDAD IS AN INTERNATIONAL ORGANIZATION

present in 54 countries. It develops partnerships and solutions to help farmers produce more and better, transitioning to more efficient agricultural production in terms of inputs and rational use of the land.



Articulando diálogos.  
Cuidando da Terra.

“The ELO Program has been maturing year after year and, in this last harvest, an important advance took place with the expansion of its scope of action, greater involvement of other company teams, and the use of new tools that will allow it to act more systemically, more effectively contributing to the evolution of suppliers toward sustainability.”

**Luís Fernando Guedes Pinto, Agronomist at Imaflora (Institute of Agricultural and Forestry Management and Certification).**



### IMAFLOA (INSTITUTE OF AGRICULTURAL AND FORESTRY

### MANAGEMENT AND CERTIFICATION)

is a Brazilian organization that works to promote transformations in the forestry and agricultural sectors. Since 1995, the institute has been working on the development and implementation of innovative solutions for production chains and has stimulated the development of sustainable businesses, demonstrating that it is possible to promote conservation and sustainable use of natural resources, generate social benefits, and reduce Greenhouse Gas (GHG) emissions.

# ELO PROGRAM

Raízen identified a demand for training the sugarcane supply chain and started this work in partnership with Solidaridad and Imaflora. This training made it possible to add greater sustainability to the business and gave suppliers a way to improve continuously by reducing costs and allowing for a sustainable supply of sugarcane.



In mid-2011, negotiations for a pilot project were initiated in order to provide training to 15 suppliers. In this stage, the most relevant practices in need of improvements were identified.

**ELO IS AN UNPRECEDENTED SUSTAINABILITY PROGRAM IN THE GLOBAL SUGARCANE PRODUCTION CHAIN THAT DRIVES CONTINUOUS IMPROVEMENT AND SUSTAINABLE TRANSFORMATION OF SUGARCANE SUPPLIERS IN RURAL LOCATIONS UNDER RAÍZEN'S AREA OF INFLUENCE.**

In the 19/20 harvest, the Program was broken down into four pillars: Business, Environment, Cultivation, and People, with 17 associated topics. Within these topics, attention is given to producers' third parties and service providers, further extending the program's reach to another link in the chain.

It relies on shared governance between the agricultural and sustainability business areas and the results are monitored by company shareholders.

In addition to promoting the continuous improvement of its participants, ELO is a program that is constantly improving. Since its inception, this learning has been absorbed by Raízen, making the program increasingly robust.



# REACH



**2,000\***  
**suppliers**

\*Approximately



**30 MILLION\***  
**tons of sugarcane**

\*Approximately



**5,200**  
**rural**  
**properties**



**140**  
**municipalities**



**448,000**  
**hectares**



**5 BRAZILIAN**  
**states**

SP, GO, MS, PR, MG

**99.98%** of the volume acquired by Raízen from third parties is under a long-term contract

**R\$ 21 MILLION** invested in the last 4 harvests

**18 PEOPLE** directly involved in the implementation of the Program

**150+ PEOPLE** involved in the legal, communication, agricultural, and HSE areas.

## PURPOSE

The ELO Program works to address the following challenges:

Continuous improvement of Raízen's sugarcane suppliers, **addressing the advancement** of economic, environmental, and social management techniques;

**Guaranteed supply of sustainable sugarcane**, considering legal and regulatory requirements and best practices;

**Economic, environmental**, and social sustainability, recognizing that sustainability is a key factor for business success;

Market trend, ahead of requirements for a **sustainable supply chain**;

Risk reduction, ensuring business continuity and **contributing to protecting the image of sugarcane suppliers, of Raízen, and of its customers.**

# MEET THE TEAM OF THE ELO PROGRAM

AGRICULTURAL BUSINESS

## CORPORATE



**Gustavo Spegiorin**  
ELO Coordinator



**Kleber de Luca**  
HSE

WESTERN HUB  
SUSTAINABILITY  
MANAGERS

**Wesley Acre**  
Andradina/Jataí



**Thiago Luchetti**  
Araçatuba



**Vinicius Cabrio**  
Assis/Ipaussu



**Pedro Ernesto**  
Assis/Ipaussu



**Camila Gontijo**  
Assis/Ipaussu

EASTERN HUB  
SUSTAINABILITY  
MANAGERS

**Catiana Brumatti**  
Piracicaba I



**Isabelle Vidotto**  
Piracicaba I



**Michelle Webster**  
Piracicaba II



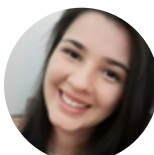
**Mariana Soto**  
Piracicaba II



**Luciene Apponi**  
Araraquara



**Valéria Oliveira**  
Araraquara



**Maraísa Santos**  
Araraquara



**Diego Barsanulfo**  
Junqueira



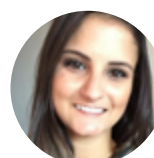
**Rafael Nascimento**  
Jaú/Brotas



**Gisele Marconato**  
Jaú/Brotas



**Guilherme Zanutto**  
Jaú/Brotas



**Diana Lezier**  
Jaú/Brotas

## CORPORATE



**Marina Stefani Carlini**  
Manager



**Beatriz Domeniconi**  
Coordinator



**Monique Suguitani**  
Analyst



**Michele Espadoni**  
Analyst



**Marcela Sbríça**  
Intern

SUSTAINABILITY



# TECHNICAL SUPPORT FOR SUPPLIERS, THIRD PARTIES, SERVICE PROVIDERS, CONSORTIUMS, AND LIVING QUARTERS

## High-quality consultancy to our suppliers

In this program, the engagement process for continuous improvement occurs in several ways:

- Direct interface with producers
- Engagement with associations
- Events and lectures
- Training
- Dissemination of information materials
- Incentives to use technologies
- Promotion and dissemination of knowledge
- Lasting and sustainable relationships



# OUR BASE OF OPERATION



## WESTERN HUB

### ANDRADINA / JATAÍ

**Units:** Gasa, Mundial e Jataí  
**94 suppliers**

### ASSIS / IPAUSSU

**Units:** Tarumã, Maracaí,  
Paraguaçu, Caarapó e Ipaussu  
**323 suppliers**

### ARAÇATUBA

**Units:** Destivale, Benalcool e  
Univalem  
**88 suppliers**

## EASTERN HUB

### PIRACICABA I

**Units:** São Francisco e Rafard  
**203 suppliers**

### ARARAQUARA

**Units:** Bonfim, Serra e Zanin  
**314 suppliers**

### PIRACICABA II

**Units:** Costa Pinto e Santa Helena  
**235 suppliers**

### JAÚ / BROTAS

**Units:** Santa Cândida, Paraíso,  
Diamante e Barra  
**454 suppliers**

### JUNQUEIRA

**Unit:** Junqueira  
**128 suppliers**



DIAGNOSTICS ARE MADE AT THE BEGINNING OF THE DIALOGUE WITH PRODUCERS AND ARE INTENDED TO GIVE INFORMATION ABOUT THE REALITY OF THE PROPERTY AND ITS SPECIFICITIES

During the visit, the practices adopted in each of the **4 pillars** and their respective topics are observed:

<b>PILLARS</b>	<b>BUSINESS</b>	1. CULTIVATION
		2. MANAGEMENT
	<b>ENVIRON MENT</b>	3. AGROCHEMICALS
		4. FOREST
		5. BURNING
		6. HUMAN RESOURCES
	<b>CULTIVATION</b>	7. FERTILIZATION
		8. INTEGRATED PEST MANAGEMENT (IPM)
		9. PLANTING
		10. SOIL
	<b>PEOPLE</b>	11. LABOR FORCE
		12. LABOR
		13. OWN EMPLOYEES
		14. CONSORTIUM
		15. THIRD PARTIES
		16. SERVICE PROVIDERS
		17. PREVENTION OF RISKS AND ACCIDENTS



## TRAINING FOR THE APPLICATION OF AGROCHEMICALS

Piracicaba I Region



## ITINERANT COLLECTION OF EMPTY PACKAGING OF AGROCHEMICALS

Araçatuba Region

# WE IDENTIFIED OPPORTUNITIES FOR IMPROVEMENTS AND PROMOTED INDIVIDUAL TALKS WITH SUPPLIERS



Rest Area  
Araraquara Region



Storage of Agrochemicals  
Araraquara Region



Fuel Storage  
Araraquara Region



# TECHNICAL SUPPORT IS THE CORE OF OUR WORK, AND IT IS ON THIS THAT ELO BASES ITS ROUTINE IN THE FIELDS WITH SUGARCANE SUPPLIERS.

Visits are conducted to discuss a variety of actions in planting, crop management, harvesting, framework, and labor legislation.

**In this work, we carried out:**

# 2,194 VISITS

for technical support, planting fronts, CCT, and crop management.

To organize our routine in the field and to manage the improvement actions proposed by the Sustainability Managers, we used the Extension Solution app, created by Solidaridad.



Field Sustainability Manager during technical support to a supplier.  
Araçatuba Region

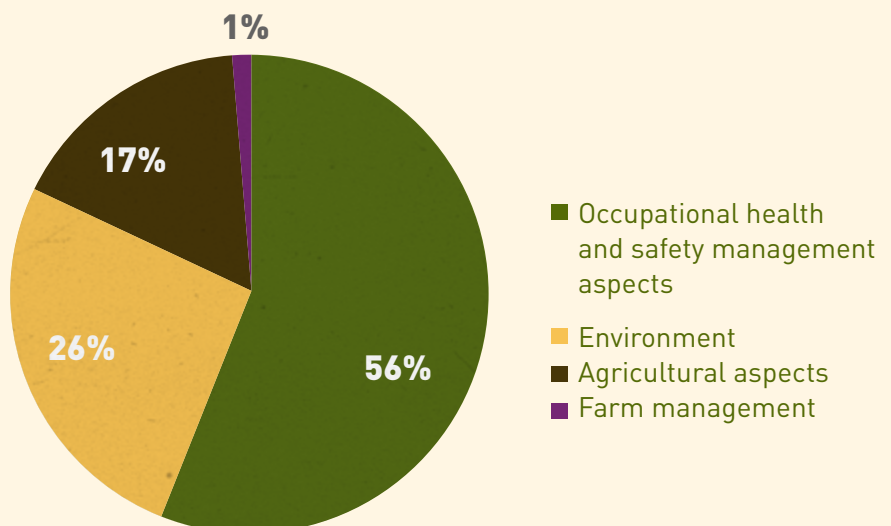
## IN THIS LAST YEAR, A TOTAL OF 177 IMPROVEMENT ACTIONS WERE IMPLEMENTED IN THE FIELDS.

## MANAGEMENT OF INFORMATION CONTENT: SEVERAL MATERIALS WERE DISTRIBUTED THROUGHOUT THE 19/20 HARVEST



Such as: beginning of the harvest primer, basic rules of rural work, materials for the living quarters, HSE guide for agricultural maintenance. Several associations worked in partnership in the development of communication materials. **This joint work inspired the development of an even greater partnership between Raízen and Orplana, intended to disseminate best labor practices among sugarcane producers in different regions, not only among Raízen's suppliers.** The actions planned in this partnership will be conducted throughout the 20/21 harvest.

### PERCENTAGE OF IMPROVEMENT ACTIONS IMPLEMENTED BY TOPIC



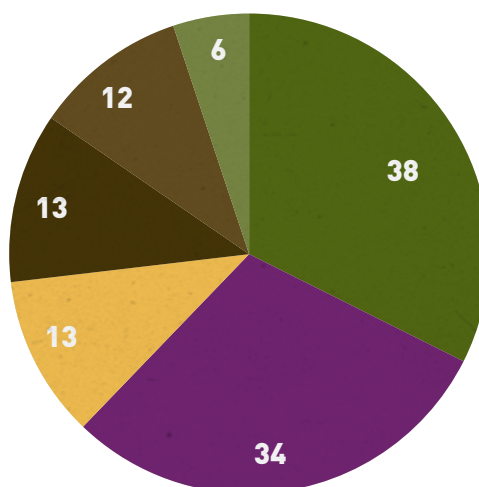
# THE ELO TEAM IS CONSTANTLY PROMOTING SEVERAL ENGAGEMENT ACTIONS WITH SUPPLIERS.



The main objective is to drive sustainability within the business.

## ENGAGEMENT ACTIONS

- Technical deliveries of PPE
- Beginning of Harvest Meetings / Workshops
- Labor Forums
- Training
- Safety Tour (HSE and ELO)
- Itinerant Collections





# AWARENESS TRAINING AND EVENTS

Through a partnership with entities such as SENAR, the Fire Department, Environmental Police, and other organizations, ELO promoted several training sessions during the 19/20 harvest. Supplier engagement and participation in these events were very representative:



TRAINING	CLASSES	PARTICIPANTS	SUPPLIERS IMPACTED
SAFETY IN HANDLING AGROCHEMICALS (NR 31.8)	16	208	68
OPERATION OF AGRICULTURAL MACHINERY (NR 31.12)	12	201	34
FIRST AID (NR 7)	3	47	7
USE OF PPE (NR 6)	3	121	4
<b>34 CLASSES AND 577 PARTICIPANTS</b>		<b>113 SUPPLIERS IMPACTED</b>	



## Forums

# LEGAL LABOR

**Effective participation** of suppliers across all regions.

**Clarification** of supplier concerns.

**Partnership** with associations to carry out the events.

**Delivery of support materials.**



**94%** approval  
**excellent/very good**

## SOME TESTIMONIALS FROM PARTICIPANTS

“ The materials provided make us stronger, so we can increasingly learn, improve, and work with excellence. ”

*José Roberto de Oliveira - Igarapava/SP*

“ New meetings with Dr. Felisberto to update us on topics covered, as well as labor issues. ”

*Décio Meda - Jataí/GO*

“ More lectures to teach about the duties and rights of employers and employees. ”

*Cristina Okano - Araçatuba/SP*

12

events

318

participants

274

suppliers impacted



## PARTNER ASSOCIATIONS

Alfocig



# A YEAR OF OVERCOMING



## NEW GUIDE

**Diagnostics were performed on 99.98% of the total volume of sugarcane.**

As of this harvest, the ELO guide for the diagnosis of opportunities for improvement will also include the practices adopted by the service providers of our suppliers, thus expanding the reach of the program.



## NEW APP

This was developed in partnership with Solidaridad to support the ELO team in managing improvement actions.



## IMAFLORA\* ASSURANCE

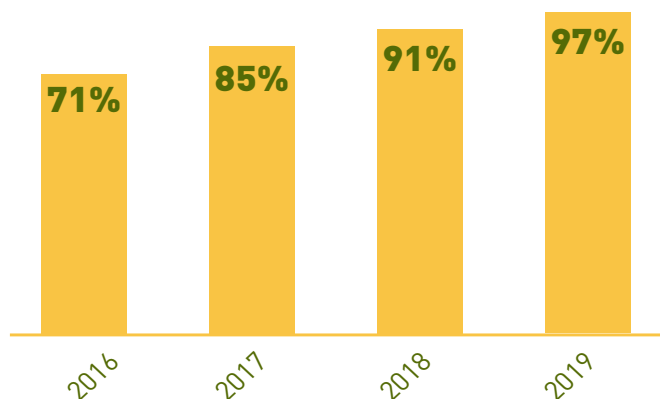
External assurance includes the analysis of the program's internal management system, as well as the practices adopted by our suppliers. This year, Imaflora attested to a 97% assertiveness rate in the diagnosis of opportunities for improvement; in other words, the proposed actions for improvement were consistent with the challenges found in the field.



## TRAINING OF TEAM ELO

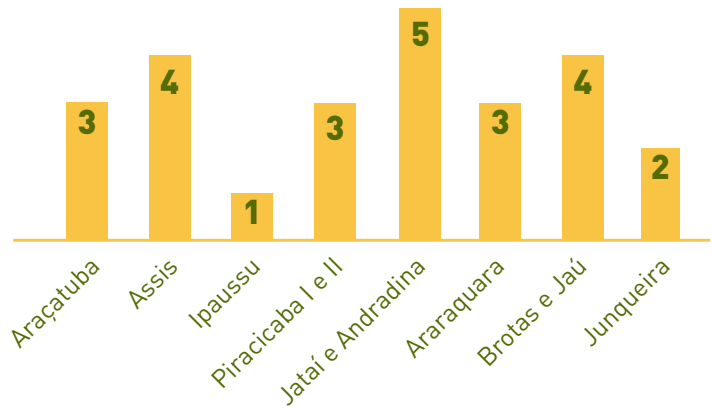
The training material were carried out to standardize knowledge across the ELO team. Training material was also developed and made available through Raízen University.

## \*DIAGNOSTIC ASSERTIVENESS HISTORY

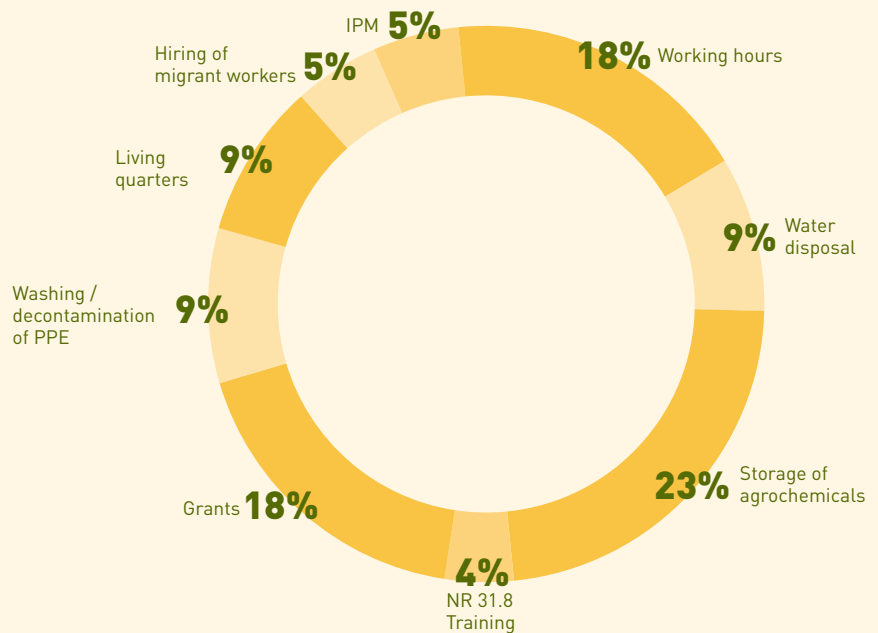


# 25 SUPPLIERS OF EXCELLENCE

## RESULTS OF SUPPLIERS OF EXCELLENCE BY REGION



## MAIN CHALLENGES OVERCOME BY SUPPLIERS OF EXCELLENCE



## HOW IMPORTANT ARE THESE SUPPLIERS OF EXCELLENCE?

Given the high diversity among Raízen's sugarcane suppliers, and in order to include them in this transformation process of the chain, the ELO Program's strategy is to facilitate the progressive adoption of corrective measures adapted to the reality of each supplier, seeking continuous improvement. Producers of excellence are those that best represent the fulfillment of the best Business, People, Environment, and Cultivation practices recommended by the program. **They are our model suppliers.**



# WHAT THEY HAVE TO SAY

“The major benefit of the ELO Program is in the diagnostics and subsequent action plan for legal framework issues to producers who do not have access to continuous changes in legislation covering people, the environment, and tax-accounting. Through this, we can expect long-term business sustainability.” **Fabio de Rezende Barbosa - Assis**

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“ELO is a program that certainly leads us to pay more attention to and focus on the working conditions of our members and the structure of the company; therefore, in addition to increasing legal security, it optimizes our efficiency, since operations are conducted in a more organized manner.” **Joarez Mendonça Filho e Guilherme Mendonça - Andradina**

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“The economic slump is giving back blue skies and star-filled nights to cities! This will change people’s culture! Sustainability, health, and best practices! Attitudes that will guide agribusiness in the post-COVID-19 world! The ELO Program was spot on! Thank you, ELO!” **Eduardo Romão - Jaú**

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“The ELO Program has been greatly beneficial to me by proposing and offering guidance on the necessary adjustments, allowing me to start to sustainably manage my company. Today I have the labor, social, economic, and environmental areas in line with best practices and in compliance with the laws.” **Evandro Piedade - Piracicaba**

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“The ELO Program has become a path of no return and an essential tool for producers who wish to conduct their activities in a conscious and sustainable manner, respecting economic, environmental, and social values that a globalized world needs.” **Guilherme Belezin - Araçatuba**

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“Participation in the ELO Program helps us to travel the best paths in caring for the wellbeing of the people, the community, the environment, and sustainability. In a country that has numerous standards, laws, and regulations, with the support from ELO, we are reassured about which rules we must comply with and apply in order to achieve excellence.” **Mirto Sgavioli Jr - Jaú**

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“Complying with labor and environmental legislation is our obligation and part of our organizational values. The ELO Program reinforces our commitment to Brazilian society and raises us to a level of excellence in terms of corporate sustainability as suppliers of sugarcane.” **Walter Baldan Filho - Araraquara**



Alessandro Romio



Ana Claudia Mei



Camila Tavarez



Guilherme Belezin



Moacir Fortin



Agrícola Santa Amélia



Claudemir de Oliveira



Claudemir Trevelin



Eduardo Romão



Evandro Piedade



Milton Berto



Nova América



Lucile Felipe



Mirto Sgavioli



Nova América Caarapó

Joarez Mendonça Filho  
e Guilherme Mendonça

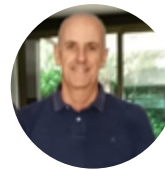
Juliano Cabral



Paulo Rodrigues



Usina Delta

Antônio César  
(Manager at Agrocín)

Rafael Cassol



Renato Trevizoli



Walter Baldan

Airton Pacheco  
e Odair Pacheco

Maria Christina Pacheco

# MAJOR EVENTS

## RECOGNIZED BY ECLAC UNITED NATIONS



ECLAC (Economic Commission for Latin America and the Caribbean), a UN regional commission, currently works directly with studies that drive sustainable development.

In 2019, after receiving more than 130 case studies of sustainability programs in Brazil, ECLAC recognized the ELO Program as a “Sustainable Big Push in the sugarcane production chain.” Thus, the program is recognized as a major tool for environmental, social, and economic sustainability for its chain.

## CLIMATE SMART INDEX

(CSI)

A tool created by Solidaridad, the CSI “monitors the effectiveness of an organization’s climate change programs and measures the progress of producers on this front.” To this end, they use IPCC’s (UN’s Intergovernmental Panel on Climate Change) climate risk assessment report, which is adapted to agricultural practices. In this way, they generate an individual score for climate adaptation for each producer, considering adjustments made in rural properties.

**During the case study, ELO was an important test and showed very significant results, demonstrating that those suppliers monitored for more than two years improved their CSI; in other words, they have reduced their climate impacts with improvements to the environment.**



**The ELO Program is recognized by the Bonsucro Standard** as a program aligned with its sustainability principles and criteria and which, through the continuous improvement approach, addresses the values recommended by the sector’s main sustainability certification.

# RISK MITIGATION

In the 19/20 harvest, the Ministry of the Economy, formerly the Ministry of Labor, inspected the living quarters of sugarcane suppliers.

This preventive work conducted by the ELO team to identify opportunities for improvement and to engage producers in the implementation of necessary actions in compliance with legislation on safety, organization, hygiene, and cleanliness was critical to the success achieved.

## BEST PRACTICES IMPLEMENTED



EMERGENCY SIGNAGE



SANITIZED INTERNAL WALLS

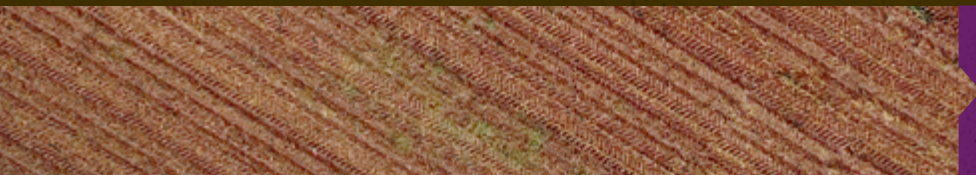


**CLEAN AND ORGANIZED DEDICATED KITCHEN****FOOD STORAGE SHELVES****FIRE EXTINGUISHERS****OUTDOOR COOKING GAS TANKS****SOAP, TISSUE, AND TOILET SEAT INSTALLED****GOOD HYGIENE PRACTICES**

# CHALLENGES OF THE 20/21 HARVEST

- 
- Actions in **partnership with trade entities**;
  - **Increase** the number of suppliers of excellence;
  - **Maintain and improve** the quality of the program;
  - **Guidance for people's health and safety** (COVID-19 pandemic);
  - **Redefine impact indicators**;
  - **Improve the program's communication**, internally and externally;
  - **Visits to and guidance on plantations.**





An initiative by **raízen**