

com bio

Sustainability
Report **20/21**

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1. A MESSAGE FROM MANAGEMENT

A Message from The President of The board of directors [102-14]

We are very pleased to present the first ComBio Sustainability Report!

This is a relevant milestone in the company's 13-year history, conceived by four founding partners, including me.

At the time of the foundation, we had the vision and desire to build a project that could actually have important practices and values linked to environmental and climate sustainability, and play a leading role in the energy transition from fossil fuels to renewable ones.

From the start of ComBio to the present day, this agenda was expanded and gained relevance in the Companies and society. I understand that we have had important achievements along this path, and we are working so that we can achieve increasingly relevant results, making the Company a reference in ESG practices and generating long-term value for shareholders and stakeholders. ComBio has in its DNA the values of preservation, sustainability, respect for diversity and compliance with laws and regulations, in addition to always seeking balance in our most diverse relationships. These are uncompromising values and practices for us!

In relation to our customers, in addition to the savings inherent in the transition from fossil fuel to renewable biomass, we must, with the current projects contracted, avoid the emission of more than 400 thousand tons of CO2 per year, and it is worth mentioning that we were invited by the Ministry of the Environment (MMA) to present our business model in terms of energy transition, at COP-26 in Glasgow.

In this model, we have already addressed at least four SDGs (United Nations Sustainable Development Goals).



Roberto Lombardi de Barros

President of the Board of Directors

We are the first industry certified in the Sistema B in Brazil and, in July 2021, ComBio was recognized as a B Corp among the 5% in the world with the best environmental performance. We have received the Best for the World award every time such award has been granted.

However, the current scenario and challenges force us to do much more: the severity of climate change and its effects, which are already being perceived more clearly, are an urgent scenario, which must take all generations living on the planet today out of their comfort zone.

According to Paulo Hartung, COP-26 brought the long-awaited consensus on article 6 of the Paris Agreement, initiating the process of creating the global carbon credit market. Also, according to the executive president of IBÁ and former governor of Espírito Santo, we cannot disregard that the starting point of the entire global effort to create a carbon market focuses on the care of human life, especially that of next generations. Finally, we have important opportunities and challenges, which are incompatible with a passive approach, with watching the facts and their consequences from the sidelines.

Improving the management and performance of ComBio as a whole is the liability of each one of us who work at it, so that we can have a leading role in the segment and bring continuity so that the Company can properly fulfill its mission.

A Message from The CEO [102-14]



Paulo Antonio Skaf Filho

CEO

We at ComBio believe that the world is heading towards a large-scale energy transition. Environmental demands became urgent and, finally, society decided to act effectively. Renewable energy is a top priority for governments, companies and many consumers.

The generation of thermal energy in its different forms (water vapor, hot water/gas and heated thermal fluids) is among the major emitters of greenhouse gases worldwide. Together with electricity generation and transportation, they represent more than 70% of all CO₂ that is emitted by our civilization.

In general, thermal generation consists of the burning of some fuel, be it gaseous, liquid or solid. Fossil fuels are by far the most used. The main ones are: Natural Gas, Mineral Coal and Industrial Oil. Unlike electricity generation, in thermal generation, wind technology is not applicable and solar thermal energy has serious operational limitations that do not allow it to be a viable technological alternative in scale for the industrial segment in the short- and medium-term. In our view, the energy transition in the thermal energy generation will involve the use of two fuels: solid biomass and biogas.

Fortunately, these fuels are plentiful in Brazil and in some other countries. In Brazil, by-products from agriculture, forestry and even garbage are potential competitive and still underutilized sources of thermal energy. As you will see in the report that follows, we

have had successful experiences with sources as diverse as açai berry seeds, in the north of the country, and rice husks, in Rio Grande do Sul.

Our purpose at ComBio is to lead the thermal generation energy transition process and for that, in the last 13 years, we have specialized increasingly in the generation and use of solid biomass and, more recently, in biogas.

We see a future of growing demand for our products, with many opportunities along with their challenges. So that we can take advantage of these opportunities in a sustainable and lasting way, we are dedicated to increasingly improving our governance. The release of this first sustainability report verified by PwC is an important step in this direction. But this report is more than that. It is also an opportunity to share the work that all of us, more than 450 ComBio employees, are doing, and the results we are achieving.

We hope that it will serve as an encouragement for other companies and that it will reinforce that there is a competitive and efficient path towards a more renewable society as a whole.

A Message from The Sustainability Director [102-14]

When a company creates a sustainability area, its employees, customers and other related parties tend to expect that the company will look more closely at society and the environment. In current times, it seems to me that this no longer just desirable, but I believe that from now on it will be something vital for the perpetuity of a company.

In our case, however, the creation of a sustainability executive board has a further meaning. For us, it is to award everything we have been doing in the recent years, in the important role that ComBio plays in the decarbonization of large industries. In terms of thermal energy, our main product, the only economically viable way is to migrate to biomass boilers. Since 2008, when the company was founded, and even at that time, it was clear to us that the path of many industries to the so-called net zero would imply the energy transition to biomass.

From a personal point of view, the importance of creating this executive board was such that after almost 12 years in the financial area of ComBio, I gave up my former role to dedicate myself to the challenge of corporate sustainability. This career move, which at first glance might seem quite daring, never gave rise to any doubt as to its necessity and relevance.

The sustainability executive board was created in January 2021, and the journey was full of challenges in its first year. At the beginning of the year, we started the Sistema B recertification process, which made us review the BIA (B Impact Assessment), an important impact measurement tool. Subsequently, a journey of understanding the carbon market began, from the registration of projects, issuance of credits and sales to the international market. In this context, we were invited to close the event of the Global Climate Summit of Sistema B, which culminated, months later, in an invitation to present the ComBio case at COP-26, in Glasgow. Finally, this deeper journey towards corporate sustainability made us understand how the SDGs (Sustainable Development Goals) interrelate with the Company's activities and how this global agenda is fundamental for us to achieve an environmentally balanced and socially fair world.

The result of all this is this sustainability report. As the first, we seek to bring not only data from 2020 and 2021, but much of what we have been doing since our foundation. So far, ComBio has been acting with discretion, performing very specific activities within our clients' plants, and has rarely disclosed its actions and results to the market and society. If we want to be – and I believe we will be – protagonists in the global climate change agenda, this report is our calling card.



Roberto de Carvalho Vêras Junior
Sustainability Director

2. ABOUT THE REPORT



Introduction

[102-1, 102-50, 102-51, 102-52, 102-54, 102-56]

Welcome to the first Sustainability Report of ComBio Energia S.A. (ComBio), a document that demonstrates its performance from an environmental, social and governance point of view between January 1, 2020 to December 31, 2020 and January 1, 2021 to December 31, 2021. In this first report, we decided to provide information from two annual cycles. Starting next year, the reports will be published annually and will present data for the year in question. The purpose of the publication is to make it accessible and transparent, in addition to sharing the main initiatives developed and challenges overcome throughout the year.

This report was prepared in accordance with the GRI Standards: Essential option and assurance of the report is performed independently by PwC Brasil. The publication also presents how its practices are in line with (i) the principles of the Global Compact, (ii) the Sustainable Development Goals of the 2030 Agenda (SDGs) and (iii) the dimensions of Sistema B. Data throughout the publication covers all our company units.



Materiality [102-40, 102-42, 102-43, 102-46,

102-47]

The materiality matrix that informs the content of this report was prepared in 2021, in a consultation process that involved 143 internal and external stakeholders. The study was carried out with the support of an external consultancy and was divided into four stages:

(i) **Identification:** analysis of internal and external documents to select the main relevant topics, in addition to mapping the main audiences to be consulted through a survey and weighting, carried out with the sustainability executive board and the c-level, of those most impacted stakeholders and those that most influence the company;

(ii) **Prioritization:** assessment of stakeholder perception to prioritize topics through the following engagement actions: interviews with executives and experts; online consultation with different audiences such as employees, suppliers and third parties, customers and society; and focus group with ComBio managers;

(iii) **Analysis:** weighting and analysis of topics;

(iv) **Validation:** presentation of the results to the leaders.

As a result of the validation, six material and seven relevant topics were highlighted from the materiality matrix, as shown below:



Material topics:

- ☛ Biomass supply
- ☛ People management
- ☛ Governance, ethics and transparency
- ☛ Innovation and operational efficiency
- ☛ Climate change
- ☛ Health and safety

Relevant topics:

- ☛ Water and effluents
- ☛ Supply chain
- ☛ Economic and financial performance
- ☛ Local development
- ☛ Human rights, diversity and inclusion
- ☛ Waste management
- ☛ Land use and biodiversity





The list of material topics will undergo further consultation when there are significant changes in the company's business model and operations and/or when the management deems it necessary. Annually, the sustainability executive board will review the topics and, if applicable, make the necessary adjustments.








Material topics and their relationship to GRI, Global Compact Principles, SDGs and Dimensions of Sistema B [102-40, 102-44, 102-46, 102-47, 103-1]

Material topic	Why is it a relevant topic?	Stakeholder who prioritized the topic	Impact limit	GRI Standards	Global Compact Principles	Sustainable Development Goals	Dimensions of Sistema B
Biomass supply	The biomass supply is the main risk factor in the operation, since it lacks can cause the disruption of steam production and, consequently, the stoppage of our customer's factory. ComBio has a specific area responsible for prospecting new opportunities and avoiding supply problems.	Executives Specialists Customers	All business units	204-1 301-1			Environment Community
People management	The increase in ComBio's staff has been expressive. Considering the expansion of business across the country, we believe that providing a healthy work environment is essential for the employee's healthy life conditions and for the smooth running of activities. Therefore, we are committed to offering favorable conditions for your well-being, adequate remuneration, good benefits, training and open dialogue with your area and with leaders.	Executives Managers Specialists Employees Suppliers	All business units	401-1 401-2 401-3 404-2 404-3			Employees

Continue...

Material topic	Why is it a relevant topic?	Stakeholder who prioritized the topic	Impact limit	GRI Standards	Global Compact Principles	Sustainable Development Goals	Dimensions of Sistema B
Governance, Ethics and Transparency	Integrity is one of our values and we are committed to cultivating reputable relationships with stakeholders in a transparent manner, always disclosing accurate and complete information, respecting the laws and the demands of society. Our Code of Conduct guides our internal and external relationships, whether with customers, partners, competitors, suppliers, shareholders, public agencies, the press, financial institutions and society in general. As the company's main conduct guideline, it has an indefinite term and is mandatory.	Executives Managers	All business units	205-3 206-1 307-1 419-1			Governance
Innovation and operational efficiency	The sense of innovation within ComBio is born with our own business model. From the beginning, we proposed to adjust the boilers so that they could receive different types of biomasses. We therefore develop new types of vegetable fuels by mixing biomasses, or even unconventional biomasses, such as, for example, açai berry seeds. We work in the search for continuous improvement of our processes through research, laboratory analysis and implementation of new technologies.	Executives Managers Employees Suppliers Customers	All business units	201-4			Environment Communities Customers

Continue...

Material topic	Why is it a relevant topic?	Stakeholder who prioritized the topic	Impact limit	GRI Standards	Global Compact Principles	Sustainable Development Goals	Dimensions of Sistema B
Climate change	Our business model is directly linked to increasing the share of renewable energies in the global energy mix. By intensively contributing to a low carbon economy, over the years we have become a benchmark in reducing greenhouse gas emissions. In November 2021, ComBio was invited to speak about biomass, in a panel on energy transition, at Brazil's stand at COP-26, in Glasgow.	Specialists Others	All business units	302-1 302-3 305-1 305-2 305-4 305-7		 	Environment Communities Customers
Health and Safety	ComBio's Health and Safety area is regarded as the area with the highest maturity level. As we are located inside our customers, the requirement has always had to match the level of the customers we serve. Our efforts are always aimed at providing a consistent safety culture for our employees, and we do so through training, workshops, risk analysis, accident investigations, health and safety services and commemorative dates.	Executives Managers Specialists Employees	All business units	403-1 403-2 403-3 403-4 403-5 403-6 403-7 403-8 403-9 403-10			Employees Customers

3. ABOUT COMBIO

[102-2, 102-6, 102-7, 102-16]





About us

Founded in 2008, ComBio's main activity is the development of steam generation projects for certain industry segments. With its full-outsourcing model, it is responsible for all aspects of the project - including investment in assets, work coordination and environmental licensing - and all aspects of operation, such as payroll, operation and maintenance of the steam generation system, miscellaneous operating expenses and, mainly, the entire biomass supply chain that will support the project.

In this outsourcing process, ComBio provides its customers with three important deliverables. The first one is the savings inherent in the transition from fuel, such as low pour fuel oil and natural gas, to biomass. The second one is a reduction in greenhouse gas emissions which, in the case of the steam production units (SPU) Alumínio, for example, reaches more than 60% of the CO2 inventory of a manufacturing unit. And,

finally, the carbon credits that are generated by the energy transition process. ComBio coordinates the entire process of registration, auditing and issuance of credits and delivers the due portion to the customer.

Through solid results in the reduction of GHG emissions and operating costs, ComBio has built its credibility in the market and gained confidence to be increasingly active in the decarbonization of the industrial sector, being close to its vision of being a leader in the change from an energy model based on fossil fuel to one based on renewable sources.

In addition, when implementing projects, multiple SDGs are addressed, since at least four of them are internalized in the company's business model. ComBio contributes, in an integrated way, to innovation in the industry (SDG 9) through adjustments in the boiler so that it is capable of receiving different types of biomasses, and to the circular economy (SDG 12), by using waste residues and by-products of agricultural and reforestation activities in the region as raw material, and to allocate the ashes for the production of organic fertilizers or compost. At the same time, we significantly increased the share of renewable energy in the global energy mix (SDG 7) and contributed to a low-carbon economy by being a benchmark in reducing greenhouse gas emissions (SDG 13).

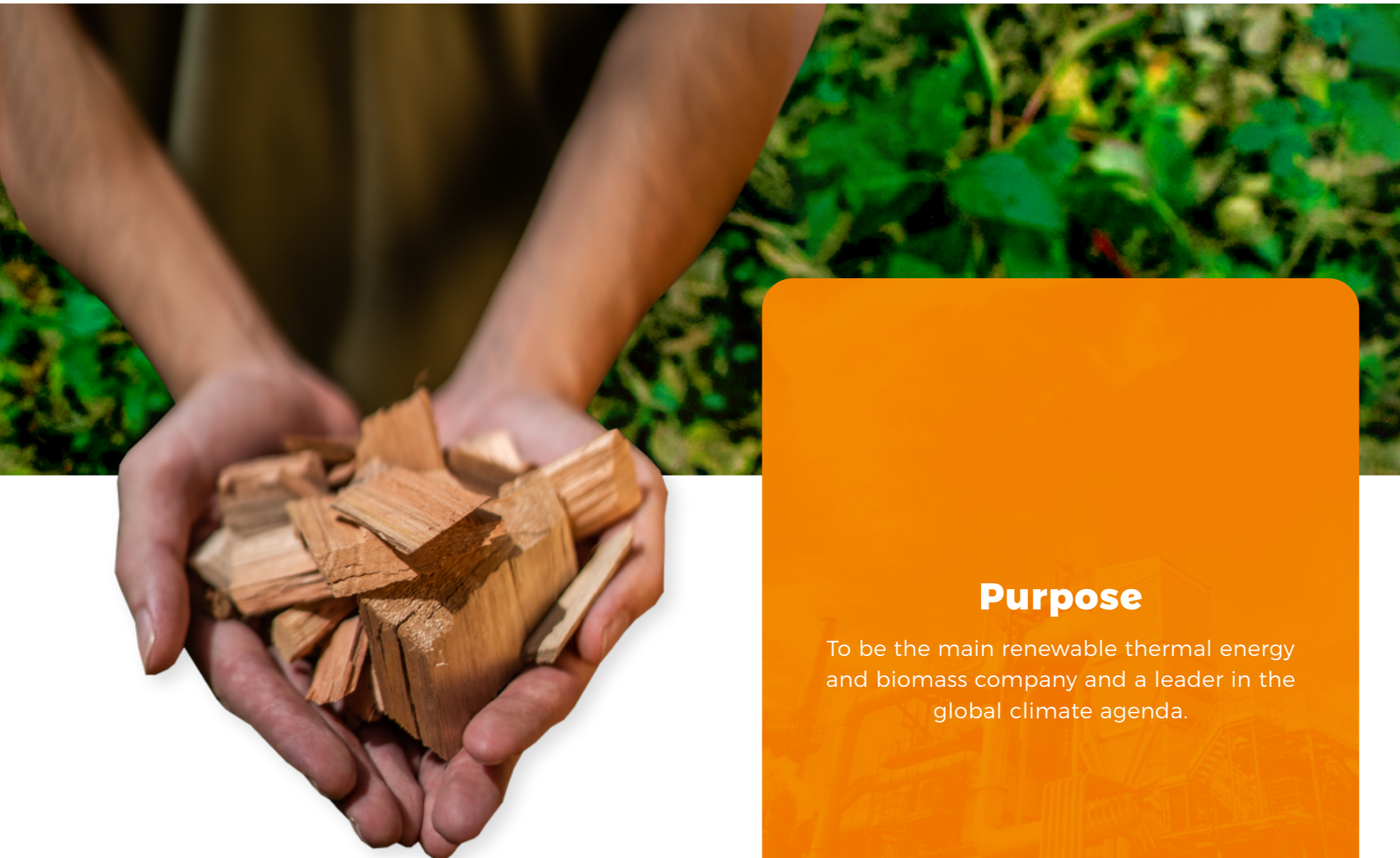
More recently, ComBio expanded its operations and started to offer the following services and products:

trading of biomass; operation and maintenance services for thermal plants and assets from third parties; leasing and services of biodigestion and energy efficiency equipment; project implementation.



COMBUSTÃO EM GRELHA
OU LEITO FLUIDIZADO





Purpose

To be the main renewable thermal energy and biomass company and a leader in the global climate agenda.

Values

- ✦ **Sustainability:** Make decisions based on environmental, social and economic sustainability.
- ✦ **Customer focus:** Build balanced and lasting relationships with customers, always with quality and performance differentials.
- ✦ **Integrity:** Cultivate reputable relationships with stakeholders in a transparent manner, with accurate and complete information, respecting the laws and the demands of society.
- ✦ **Austerity:** Relentlessly seek cost reduction; “do more with less” by adopting simplicity, fighting waste and superfluous expenses.
- ✦ **Meritocracy:** Motivating people towards superior performance, creating challenges, possibilities for professional development and providing recognition in the performance and delivery of results.
- ✦ **Operational Excellence and Results:** Pursuing high performance based on the best indicators, making permanent improvements in processes with a firm determination for increasing results.
- ✦ **Safety:** Promote practical actions that make the safety culture effective, consistent and structured, ensuring that this value is present in all people involved in our processes.

MACRO TIMELINE

2008

ComBio is founded on July 10, 2008.

2009

Start of operation of the first SPU in Mogi Mirim/State of São Paulo.

2011

Operation with the first customer is discontinued and the assets are transferred to the SPU in Angatuba/State of São Paulo.

2012

Start of operation of the SPU in Angatuba/State of São Paulo (January), Guaíba/State of Rio Grande do Sul (September) and Boituva/State of São Paulo (October).

2013

ComBio executes a contract with Imerys and arrives to the north of the country.

2014

ComBio is the first industry in Brazil to be a certified B Corp.

ComBio signs a contract with Grupo Petrópolis and Santher Fábrica de Papéis.

ComBio signs the Global Compact.

2015

Start of operation of the SPU in Barcarena/PA.

2017

Start of operation of the SPU in Três Marias/State of Minas Gerais.

2018

ComBio executes a contract with CBA, which would be its biggest thermal energy generation project.

2019

ComBio executes its second contract with Klabin, this time in Piracicaba/State of São Paulo.

ComBio executes a contract with Nexa Resources, in Três Marias/State of Minas Gerais.

ComBio issues its first CRA (Agribusiness Receivables Certificate) on the capital market.

2020 and 2021 Timeline

Mar/2020

Start of operation of SPU Alumínio/State of São Paulo.

Jun/2020

Start of operation of SPU Porto Franco/State of Maranhão, the first in O&M modeling.

Sep/2020

ComBio has its first carbon credit project approved by the Verra international standard.

Dec/2020

Board of Directors approves the creation of the Sustainability Executive Board.

Jan/2021

Start of operation of the SPU in Piracicaba/State of São Paulo.

Feb/2021

ComBio submits its third recertification to Sistema B Brasil.

Mar/2021

ComBio starts trading biomass in the state of Pernambuco.

May/2021

ComBio executes a contract with the company Oxe Energia, to operate four biomass thermoelectric plants in the state of Roraima.

Jul/2021

Start of the biomass trading operation in Juscimeira/State of Mato Grosso

Nov/2021

ComBio is invited to present a panel on energy transition at COP26.

Dec/2021

ComBio issues its second CRA and its first Green Seal in the capital markets.

Recognized as a B Corp among the top 5% in the world with best performance in the environmental category.

START OF OPERATION IN COMPANHIA BRASILEIRA DE ALUMÍNIO (CBA)

After a period of construction that took more than a year, on March 11, 2020, the unit at the Alumínio/SP was inaugurated, where the Companhia Brasileira de Alumínio (CBA) is located. With a boiler capable of producing 200 tons of steam per hour, the Steam Production Unit (SPU) was planned to supply thermal energy for the largest integrated aluminum plant in Brazil.

As it is integrated, the manufacturing unit operates in the process that ranges from the extraction of ore to the final product, such as ingots, billets, rebars, sheets, plates and tiles. Within the production cycle, the steam produced by the SPU is used in the step of transforming bauxite into alumina, a compound that is transformed into aluminum in the next phase. To serve a customer of this

size, ComBio's SPU has a 40-meter high and 290-meter-long steam generation system, including silos and biomass feeding systems.

The start-up of this unit brought a significant increase in the volume of steam produced by the company. Until February, in the other five units in operation, the average production of steam was around 100 to 120 tons per hour. From then on, this project alone started to produce an average of 156 tons per hour.



START OF OPERATION OF THE SPU PIRACICABA

On January 23, 2021, we inaugurated a new Steam Production Unit (SPU) at the Klabin S/A (Klabin) factory, located in the municipality of Piracicaba/State of São Paulo, within the urban boundaries of the city. Klabin has been present in Piracicaba for about 50 years and, with the growth of the population, it was inevitable that the factory was surrounded by the city, operating with buildings and commercial establishments in its surroundings. In addition, unlike the other municipalities where we have SPUs, with populations that vary up to 130 thousand inhabitants, Piracicaba is a larger city, with more than 400 thousand inhabitants.

Klabin's unit in Piracicaba has a very noble activity. In 1998, a Tetra Pak recycling machine was inaugurated, which gave this unit a very important role in the recycling cycle of this type of packaging. Currently, different types of paper are recycled.

The Piracicaba region is one of the great sugarcane and orange producing areas in Brazil and, therefore, we intend to seize the opportunities to reuse these by-products as fuel.



START OF BIOMASS SUPPLY OPERATION IN JUSCIMEIRA

In 2021, we also started the year with a biomass supply operation for FS Agrisolutions Indústria de Biocombustíveis (FS Bioenergia), a company that produces corn ethanol, located in the municipality of Lucas do Rio Verde/MT. Our opera-

tion consists of the activity of wood processing and its transport logistics to the customer's unit, where around 300 thousand m³ of wood chips are required per year.



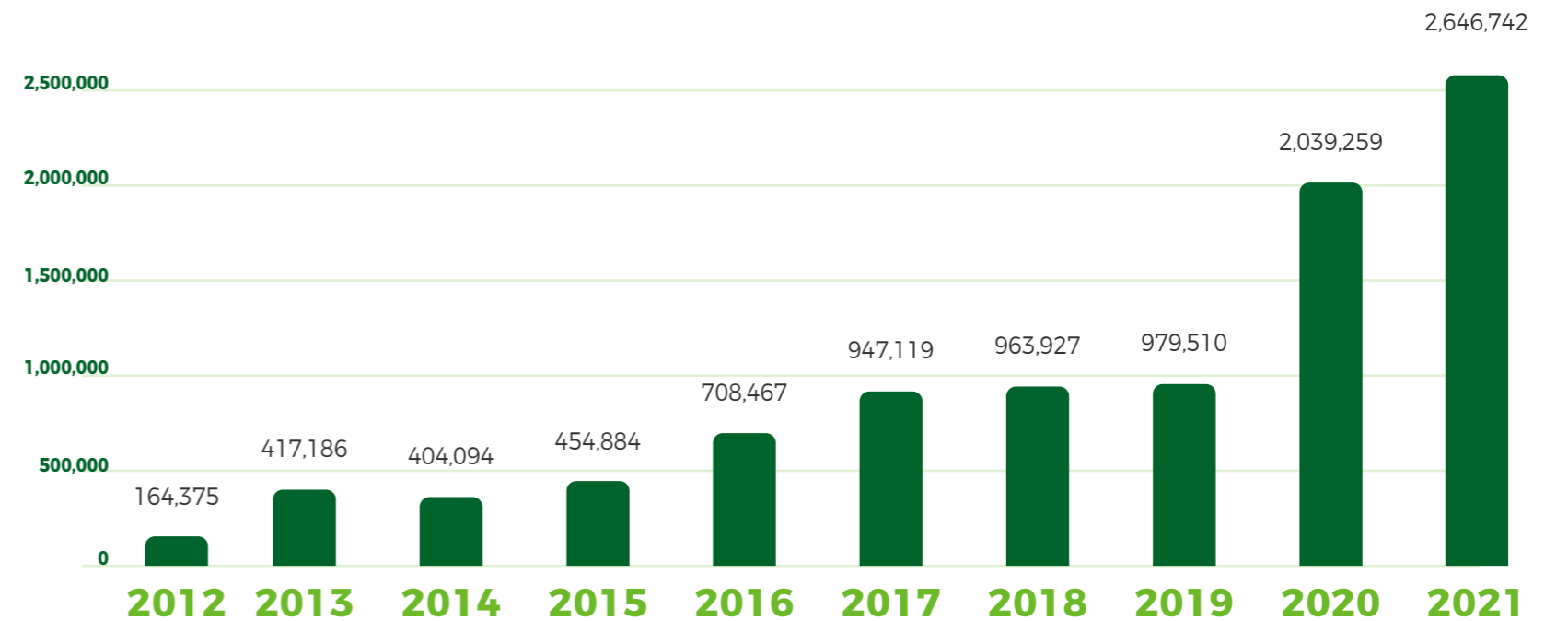
Operations and projects [102-4, 102-6, 102-7]

We ended 2021 with operations in 23 Brazilian cities and started to operate 10 boilers that, together, produced more than 2.6 million tons of steam throughout the year.

In addition, the beginning of the biomass trading activity in Juscimeira/MT was an important milestone, since, from then on, we started to operate in the five regions of the country.

Steam History

Steam production (ton) per year



Locations [102-4, 102-6, 102-7]

Southeast

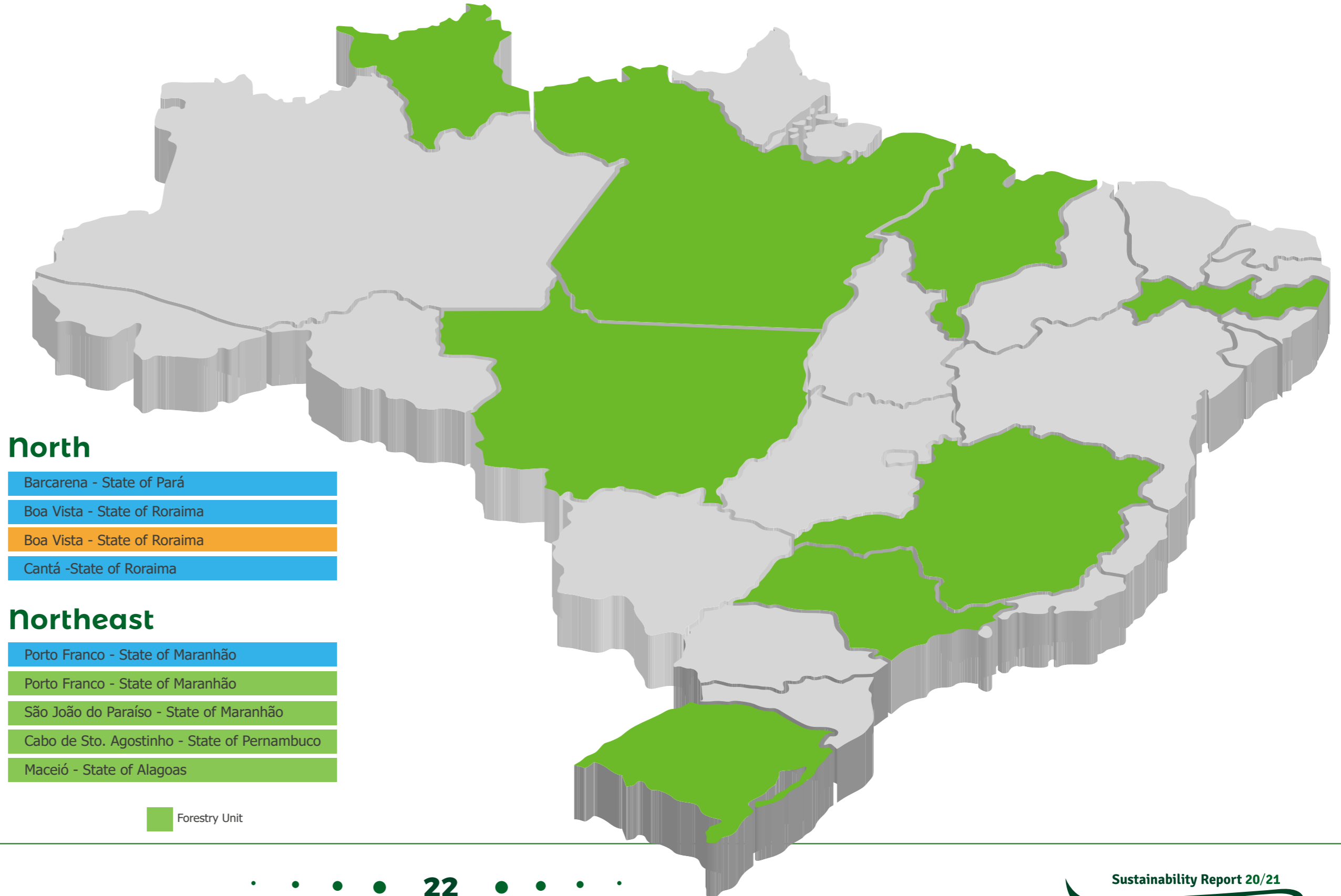
- São Paulo - State of São Paulo
- Boituva - State of São Paulo
- Angatuba - State of São Paulo
- Capão Bonito - State of São Paulo
- Alumínio - State of São Paulo
- Paranapanema - State of São Paulo
- Piedade - State of São Paulo
- Pilar do Sul - SP
- Piracicaba - State of São Paulo
- Piracicaba - State of São Paulo
- Anhembi - State of São Paulo
- Piracaia - State of São Paulo
- Tapiraí - State of São Paulo
- Leme - State of São Paulo
- Três Marias - State of Minas Gerais
- Três Marias - State of Minas Gerais

South

- Guaíba - State of Rio Grande do Sul

Midwest

- Juscimeira - State of Mato Grosso



North

- Barcarena - State of Pará
- Boa Vista - State of Roraima
- Boa Vista - State of Roraima
- Cantá - State of Roraima

Northeast

- Porto Franco - State of Maranhão
- Porto Franco - State of Maranhão
- São João do Paraíso - State of Maranhão
- Cabo de Sto. Agostinho - State of Pernambuco
- Maceió - State of Alagoas

Industrial Unit

Administrative Unit

Forestry Unit

Operation in Roraima

In December 2021, we started the operation of four biomass thermoelectric plants located in the state of Roraima. This project is emblematic for ComBio, as, for the first time, we will operate boilers that will have the exclusive purpose of generating electricity.

Roraima is the only Brazilian state that is not integrated into the SIN (National Interconnected System). Currently, local electricity is produced using diesel generators, which makes Roraima the state with the most polluting energy mix in Brazil.

In 2019, the National Electric Energy Agency (ANEEL) held an auction for the development of more sustainable forms of generation. Now, the diesel-based energy mix will give way to a mix using natural gas, solar energy, biogas and biomass.

Our customer is a consortium made up of three large investment funds that, in the ANEEL auction, won the concession to produce electricity from biomass and supply it to the local system. Altogether, the customer's investment includes four boilers and four turbines, which will comprise two thermoelectric clusters.

Due to its extensive knowledge of boiler operation and forest handling, ComBio was selected to perform both activities and will be responsible for operating the energy produced from biomass on the Roraima electric power



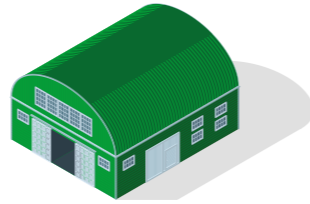
“
**expected to generate
approximately 150 jobs**
”

grid. Thus, we will act on two fronts: an industrial plant, which will operate the four thermoelectric plants; and a forestry front, which will harvest and chop the wood, and will be responsible for supplying the thermal plants. Both fronts are expected to generate approximately 150 jobs in Roraima.



Forestry Operation (eucalyptus)

Our Activities [102-2, 102-7]



Project Implementation

As a rule, the customer lends for use land on which ComBio installs its boiler, creating a subsidiary in this space. In some cases, where the equipment is purchased by the customer, ComBio can play the role of EPC (Engineering, Procurement and Construction), leading the project implementation from start to finish.

Biomass Supply

ComBio operates in the biomass chain in an integrated manner. It can either take advantage of residues and by-products from other activities, or generate its own biomass from the processing of eucalyptus forests and other species. For each project, a specific supply profile is prepared, which may be composed of different types of biomasses.

Logistics and Distribution

ComBio has a series of yards and other storage locations where it stores the biomass. In most cases, this structure serves to supply its own units, but it can also be directed to the provision of services to third parties, including, in addition to logistics management, trucks, trailers and drivers.

Steam Generation Operation

ComBio has an experienced O&M (Operation and Maintenance) team, which operates its own projects throughout Brazil since 2009. More recently, in addition to its own assets, ComBio started operating pre-existing assets, providing these customers with greater availability and predictable costs.

Product Delivery

In most of the projects in which ComBio operates, steam is used as a thermal input for companies in segments such as mining, pulp & paper, and food & beverage. There are also cases such as the thermoelectric plants in Roraima, where steam is used to power turbines that produce electricity.

Use of Ashes

All ash generated in the process is captured by filtering systems and stored in containers intended for this purpose. Then, the material is sent to composting companies, which use the material to produce manure and organic fertilizers.

4. HIGHLIGHTS OF THE YEAR

[102-7]



Highlights of 2020

SPU Alumínio (São Paulo) and SPU Porto Franco (Maranhão)

Start of operation

The Sustainability Executive Board

approval of the creation

9 boilers

in operation

More than 2 million

tons of steam produced



com bio



241

direct employees

362 thousand

tons of CO2 avoided

BRL 158 MM

in net revenue

BRL 52 MM

of EBITDA

BRL 44 MM

of investments in assets (CAPEX)

Highlights of 2021

SPU Piracicaba (SP)

Start of operation

10 boilers

in operation

More than 2.6 million

tons of steam produced

456

direct employees

Best For The World

Recognition - Environment Category

First sale of carbon credit

generated in its own operations

COP26 in Glasgow

Presentation of the ComBio case

446 thousand

tons of CO2 avoided

BRL 269 MM

in net revenues

BRL 67 MM

of EBITDA

BRL 33MM

of investments in assets (CAPEX)

BRL 150 MM

of fundraising with CRA with Green Seal



5. ACTIONS DURING THE PANDEMIC

com bio
energias renováveis

JUNTOS NA
BATALHA CONTRA
O COVID19

com bio



Actions during The Pandemic

As soon as the pandemic was declared, ComBio quickly established procedures to maintain a safe and healthy work environment in the context of COVID-19. In an effort to protect the health of its employees and service providers, the company has prepared a Contingency Plan to prevent and avoid the contamination and spread of COVID-19. The plan includes procedures related to:

- ✦ Reinforcement of the importance of personal workplace hygiene;
- ✦ Delimitation of use of common areas;
- ✦ Setting rules for social distancing;
- ✦ Events and meetings held by videoconference;
- ✦ Definition of home office;



- ✦ Access control and restriction to avoid agglomerations;
- ✦ Isolation protocol for suspected and confirmed cases;
- ✦ Provision of Personal Protective Equipment;
- ✦ Task force to enhance biomass supply.

Hand sanitizer dispensers and instruction booklets were also made available in the units. The Health, Safety and Environment (HSE) area prepared communications on the main symptoms, vaccination against H1N1, safety protocol for pregnant women and other relevant information related to the pandemic. In 2021, a survey was carried out by the People and Management area to hear employees regarding home office.



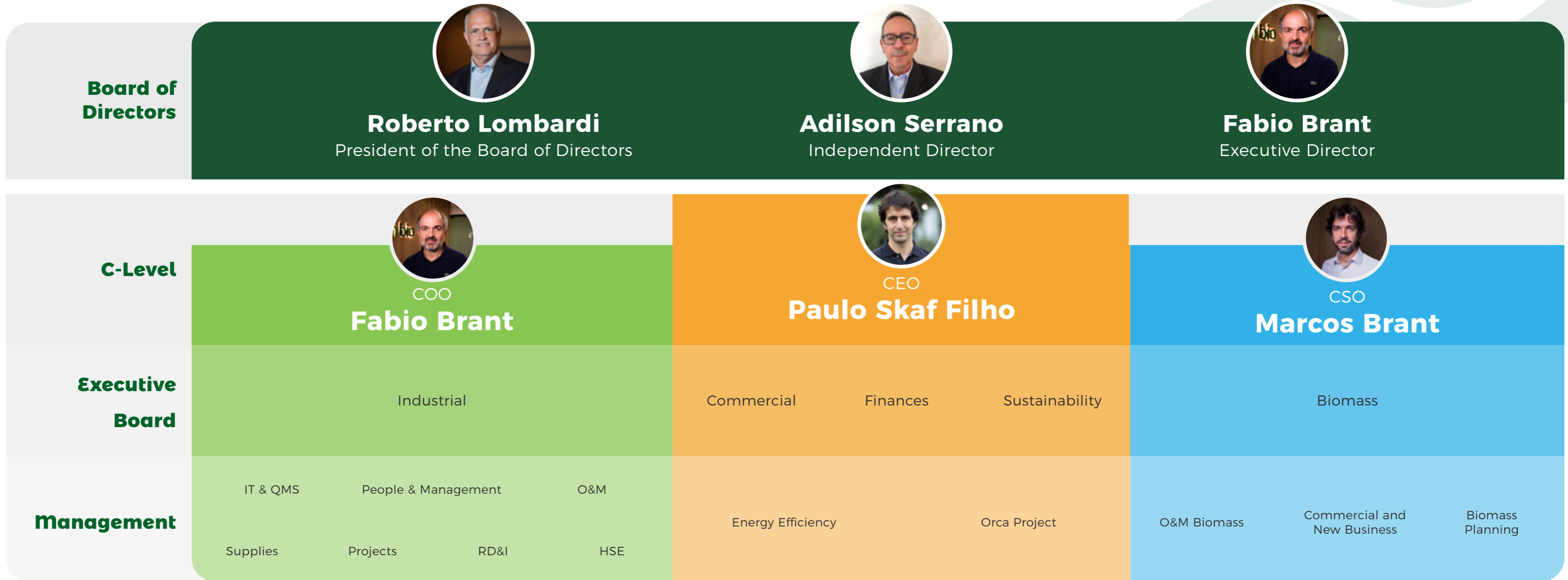
7. GOVERNANCE

[103-2, 103-3]



Governance Structure [102-18]

With a view to regional expansion and ComBio's staff, the company restructured its organizational chart, with the founding partners assuming the positions of COO (Fabio Brant), CSO (Marcos Brant) and CEO (Paulo Skaf Filho).



Another noteworthy fact is that the sustainability executive board is now part of the company's organizational chart. In November 2020, the Board of Directors approved the creation of the sustainability executive board and, as of January 2021, the company's then CFO, Roberto Véras, took charge of the newly created board. After more than 11 years in the financial executive board, Roberto comes with the objective of forming a team, centralizing the sustainability actions already carried out at ComBio, starting to report what is already done, and creating a strategic plan, within the 2030 Agenda.



Code of Conduct [102-16]

Reinforcing our values through the Code of Conduct, ComBio has a code approved by the highest level of the company's governance, the Board of Directors. This document is intended for all employees, officers and directors of the company. It is a document that guides our internal and external relationships, whether with customers, partners, competitors, suppliers, shareholders, public agencies, the press, financial institutions and society in general. As the company's main conduct guideline, it has an indefinite term and is mandatory.

The internal audience must understand and respect the code, considering that individual conduct conveys the company's values and culture. Non-compliance will be deemed a serious infringement, which will lead to corresponding consequences. At the time of onboarding (Onboarding Program), new employees receive a copy of the document for reading and consultation.



Ethics Hotline

Concerned with keeping the environment intact, pursuant to the legislation and regulations in force and free from violations, ComBio implemented an Ethics Hotline¹ with mechanisms to receive and forward reports of facts considered inconsistent or in disagreement with our Code of Conduct, values and/or the legislation itself. It is also a new way to clarify doubts and receive suggestions for improvements.

The hotline is managed by an independent outsourced company, which contributes to the transparency process and to the maintenance of ethical principles. A specialized team from the outsourced company receives calls or messages via the website and carries out an initial analysis before forwarding it to the ComBio committee responsible for the investigation. This committee has the role of analyzing, investigating and taking action, when necessary, for a better resolution of the incident.



The internal and external audience can contact the Ethics Hotline via the website, cell phone app or by phone 0800 800 8081. All reports receive a protocol number, with which they will be able to access the hotline again and learn about the developments of the matter. The information will be received and treated responsibly and the identification of the reporting person is optional.

ComBio strictly follows legal, ethical and moral standards. Corruption, whether active or passive, is unacceptable. Any type of favor, direct or indirect, will lead to the corresponding consequences. Relationships must be formal and institutional, whether with private companies or public agencies. In 2020 and 2021, there were no confirmed cases of corruption or violation of antitrust and antitrust laws. [205-3, 206-1]

¹<https://www.contatoseguro.com.br/combio>



Sistema B

About Movimento B

Sistema B Brasil² has been a partner organization of B Lab since 2012, responsible for the engagement, dissemination and local promotion of the Movimento B throughout the country and Latin America. The B Corp Global Movement was created in 2006 in the United States with the aim of redefining success in the economy so that not only financial success is considered, but also the well-being of society and the planet. It is a global community of leaders who use their businesses to build a more inclusive, equitable and regenerative economic system for people and the planet.

In this sense, social and environmental profits must have the same weight as economic profits. These 3 Ps (people, planet and profit)³, or even the term “ESG” (environment, social and governance), is reflected in

the analysis tool of Sistema B (B Impact Assessment - BIA). The difference is that the “social” questionnaire is divided into three: community, customers and employees. Through this methodology, Sistema B attested that ComBio is an organization that has a business model that positively contributes to socio-environmental development. The company obtained the “B Corp” certification in 2014, being the first company in the industrial sector to obtain the seal in Brazil.

In 2021, we went through our third recertification process and, with each cycle, we were able to increase our overall impact score:

2014: 89.9

2018: 94.1

2021: In the process of validation by Sistema B Internacional (“SBI”).

We have also committed to significant carbon reduction by signing the B Corp Climate Collective’s Net Zero 2030 pledge⁴. The organization is a member of the UNFCCC’s Race to Zero campaign, which mobilizes cities and organizations to achieve net zero carbon emissions by 2050. As part of this partnership, all B Corps committed to Net Zero 2030 are also considered part of the Race to Zero.



Recognition and participation within Sistema B [102-12, 102-13]

Best for the World

Recognized as the best performing B Corp in 2015, 2016, 2018, 2019, and 2021⁵ for creating impact through its business - environment category - ranking in the top 5% of global B Corps in its category measured by



²<https://www.sistemabrasil.org/>

³Tripple Bottom Line - John Elkington - <https://www.johnelkington.com/archive/TBL-elkington-chapter.pdf>

⁴<https://www.bcorpclimatecollective.org/>

⁵There were no awards in the years 2017 and 2020.

size range – employee indicator. The Best for the World award is granted annually by B Lab, the NGO responsible for the certification of B Corps, which publishes a list of the best companies for the world in the five areas that are analyzed in the certification process.

🌿 **Sistema B Committee**

Since its first certification, ComBio has shown itself to be engaged with the B movement, continually having a representative in the Sistema B Committee. Currently, the sustainability director, Roberto Véras, has a seat in the Audit Committee.

🌿 **Global Climate Summit 2021**

Participation of the sustainability director Roberto Véras as a speaker, ending the three-day event with the lecture “Agenda 2030 | Transition of energy mix in industries: Measure, Reduce and Offset”. The global community of the B Corp Climate Collective came together to dialogue with society on this very relevant and urgent issue, on which it is necessary to act as a network, in a targeted way and on a global scale.



Certifications and commitments [102-12, 102-13]

🌿 **Global Compact**

A signatory to the Global Compact since 2014, we are committed to aligning our strategies and operations with the 10 universal principles in the areas of Human Rights, Labor, Environment and Anti-corruption. Within the scope that ComBio operates, that is, steam-intensive industrial segments, we understand that our business model contributes directly to SDG 7 – Clean Energy, SDG 9 – Industry, Innovation and Infrastructure, SDG 12 – Sustainable Consumption and Production and SDG 13 – Action Against Global Climate Change.

🌿 **Gold Seal in the Greenhouse Gas Emissions Inventory - Brazilian GHG Protocol Program**

For the fifth consecutive year, our Greenhouse Gas Emissions Inventory (GHG) received the Gold Seal⁶ in the Brazilian GHG Protocol Program. The GHG inventory is a process that allows accounting for the emissions and removals of these gases related to various activities. In addition, the inventory also makes it possible to assess the impact of the organization’s efforts to mitigate greenhouse gas emissions and, thus, provide fundamental information for prioritizing activities and developing more efficient strategies.



Pacto Global
Rede Brasil

AÇÃO
PELO CLIMA

⁶<https://www.registropublicodeemissoes.com.br/participantes/1049>

🌿 **Eureciclo seal**

Certified by eureciclo, through an environmental compensation system, the initiative generates an incentive for the development of the recycling chain, established between ComBio, which has the need to dispose of packaging, and the sorting operators that collect, separate and send packaging for recycling. The certificate corresponds to the waste generated in our central office.



Acknowledgments and participation [102-12, 102-13]

🌿 **Climate Connection Association**

We were invited by Marco Antonio Fujihara to participate as a member of the Climate Connection Association. Created in 2021, the organization considers the private sector as key to climate action, valued more than ever within the climate architecture of the Paris Agreement.



🌿 **Climate and Development Initiative**

One of the 6 B Corps nominated to participate as a member of the Climate and Development Initiative on the Climate Policy Committee. This action was founded by one of the B Councilors, Natalie Unterstell, through Instituto Tanaloo, a Brazilian think tank dedicated to climate policy.



🌿 **COP26**

ComBio was chosen to present its business model at COP26 - United Nations Climate Change Conference - an important opportunity to share its best practices and discuss the decarbonization of the industrial sector through the transition from fossil to renewable energy mix.



FIRST ISSUE OF GREEN BONDS

In 2021, ComBio completed its first issuance of Green Bonds from Agribusiness Receivables Certificates (CRA), backed by a Rural Financial Product Certificate (CPR-F). The funds obtained will be used for investments in and operating costs for the generation of steam and cogeneration of electricity with biomass, for ComBio customers who are inserted in the agribusiness segment. The issuance valued to BRL 150 million with a term of 7 years.

The Independent Opinion was prepared by Sitawi Finanças do Bem, where we obtained a positive opinion regarding the issuance of Green Bonds. Considering the four Green Bonds Principles (GBP), we achieved a level of alignment from “comfortable” to “leading” with best practices. The opinion also attested alignment with five SDGs (7, 9, 12, 13, 15). This issue was unprecedented for ComBio and promoted partnership with B Corps.

The issue was also voluntarily registered on the Green Bond Transparency Platform⁷ (GBTP), an initiative developed by the Inter-American Development Bank (IDB) to promote transparency in the green bond market in Latin America and the Caribbean.



ComBio Energia e Itaú BBA.
Orgulho de liderar mais uma operação ESG.



⁷<https://www.greenbondtransparency.com/>

Economic Performance

[201-1]

Direct economic value generated (BRL thousand)	2020	2021
Generated		
Revenues	-BRL 212,554	-BRL 362,443
Economic value distributed		
Operating costs	-BRL 97,174	-BRL 180,426
Employee salaries and benefits	-BRL 24,149	-BRL 47,140
Payments to providers of capital	-BRL 17,155	-BRL 29,389
Government payments	-BRL 60,812	-BRL 88,312
Total	-BRL 199,290	-BRL 345,267
Economic value retained	-BRL 13,264	-BRL 17,176



8. RESEARCH & DEVELOPMENT

[103-2, 103-3]



ComBio has a Research and Development (R&D) department that permeates all areas of the company and aims to seek sustainable alternatives for the business, mainly by increasing efficiency in our projects. Among the main initiatives of the department, we can highlight:

➤ **Advanced Control System:** In October 2021, Steam Production Unit (SPU) Angatuba was chosen for the implementation of an advanced control system. The system allows the boilers to operate with greater operational stability, reducing the consumption of biomass and improving its burning. As a consequence, there is also a reduction in CO2 emissions. Among the first results of the unit, an increase of around 1.5% in thermal efficiency stands out for the period with the Advanced Control System compared to previous months. For the next year, we expect to expand the system to other SPUs.



➤ **R&D Laboratory:** We started to build an R&D laboratory in the city of Piracicaba, in the interior of the state of São Paulo. As of 2022, ComBio will be able to provide internal and external information on the quality of the water supplying the boiler and the steam generating reservoir, on the immediate and inorganic composition of the different types of biomasses and the by-products generated in the combustion reaction in our boilers, in addition to soil analyzes that directly contribute to our forestry activities. This is an important step for the company, which will start having its own analyses of inputs and by-products from an operational, occupational, environmental point of view, among others.

➤ **Ideas Program:** Scheduled for launch in 2022, the department led the structuring of the Ideas Program. The program aims to encourage all employees to share ideas that contribute to the culture of health, safety and the environment, sustainability, innovation, cost and loss reduction, productivity increase and/or process improvement, for our facilities, accelerating shared value projects, whether for ComBio, its customers, third parties and/or the surrounding community. All ideas will be evaluated by a technical committee and, if approved, will be implemented by the company, and may have awards.

➤ **Partnership with universities and institutes:** The company maintains relationships with different universities and institutions in the country, both for contributions to postgraduate studies (UFSCAR - Federal University of São Carlos), as well as for partnerships for laboratory analysis (IPT - Institute of Technological Research, UFSCAR - Federal University of São Carlos and ESALQ - Higher School of Agriculture "Luiz de Queiroz").



Our boilers

Traditionally, biomass boilers are designed to receive only one type of fuel, with eucalyptus wood chips being the most used. Bringing innovation into its business model, ComBio adjusts the operating mode of its boilers so that they can burn multiple biomasses, either alone or mixed with others. This adaptation allows the company to seek the most abundant biomass in the region, considering two essential aspects: shorter transportation distance and use of a waste residue that represents a local environmental problem and/or that is a waste residue or a by-product of agricultural or industrial activities. Over the last few years, we can highlight the use of rice husk, sawdust, recycled wood, wood chips, eucalyptus bark, sugarcane bagasse and açai berry seeds.



Development of new biomass

Within the company, the term biomass represents waste residues and by-products from agricultural, industrial and reforestation activities. The Brazilian capacity to generate these waste residues, as a result of its large agricultural potential, impelled ComBio to prospect and develop new biomass, making such expertise a differential in its business model.

The biomass executive board is constantly prospecting new waste residues and by-products opportunities in the region surrounding our Steam Production Unit (SPU), while the R&D department will increasingly have the role of performing laboratory analyses, validating the use of these waste residues and by-products in our boilers. In order for a biomass to be considered as a fuel, it needs to meet certain physical-chemical standards, such as humidity, granulometry and calorific value.





Use of the ashes

In order for our industrial processes to become increasingly circular, the R&D department has also started laboratory analyzes of our ashes with the aim of better adjusting the biomass burning process with increased thermal efficiency.

In addition, the company understands that ash must be considered a by-product that can be used in different ways, for example, as a carbon source for the soil or fertilizer, due to its mineral content. Today, we are working to develop new value-generating alternatives for this by-product.



Lei do Bem

As we can identify an important aspect of innovation in our actions, ComBio applies its projects in the “*Lei do Bem*”. Law 11.196/05, which became known as “*Lei do Bem*”, grants tax benefits to legal entities that carry out technological innovation research and development. The federal government, through the Ministry of Science, Technology and Innovation (MCTI), uses this mechanism to encourage investments in innovation by the private sector. In addition, it seeks to bring companies closer to universities and research institutes, enhancing R&D results.

Since the first investment, in 2016, we have already declared BRL 4,452,249.71 in expenditure on R&D activities, of which BRL 570,983.77 and BRL 1,262,502.8 refer only to the years 2020 and 2021. In the last two years, we were granted effective tax incentives in the value of 116,480.68 and BRL 343,402.12, respectively. [201-4]



Biomass used by region

North

Açaí berry seed
Wood chips
Palm waste



Northeast

Bamboo
Açaí berry seed
Wood chips



Southeast

Sugarcane bagasse
Eucalyptus wood chip
Orange wood chips
Recycled wood chips
Sawdust



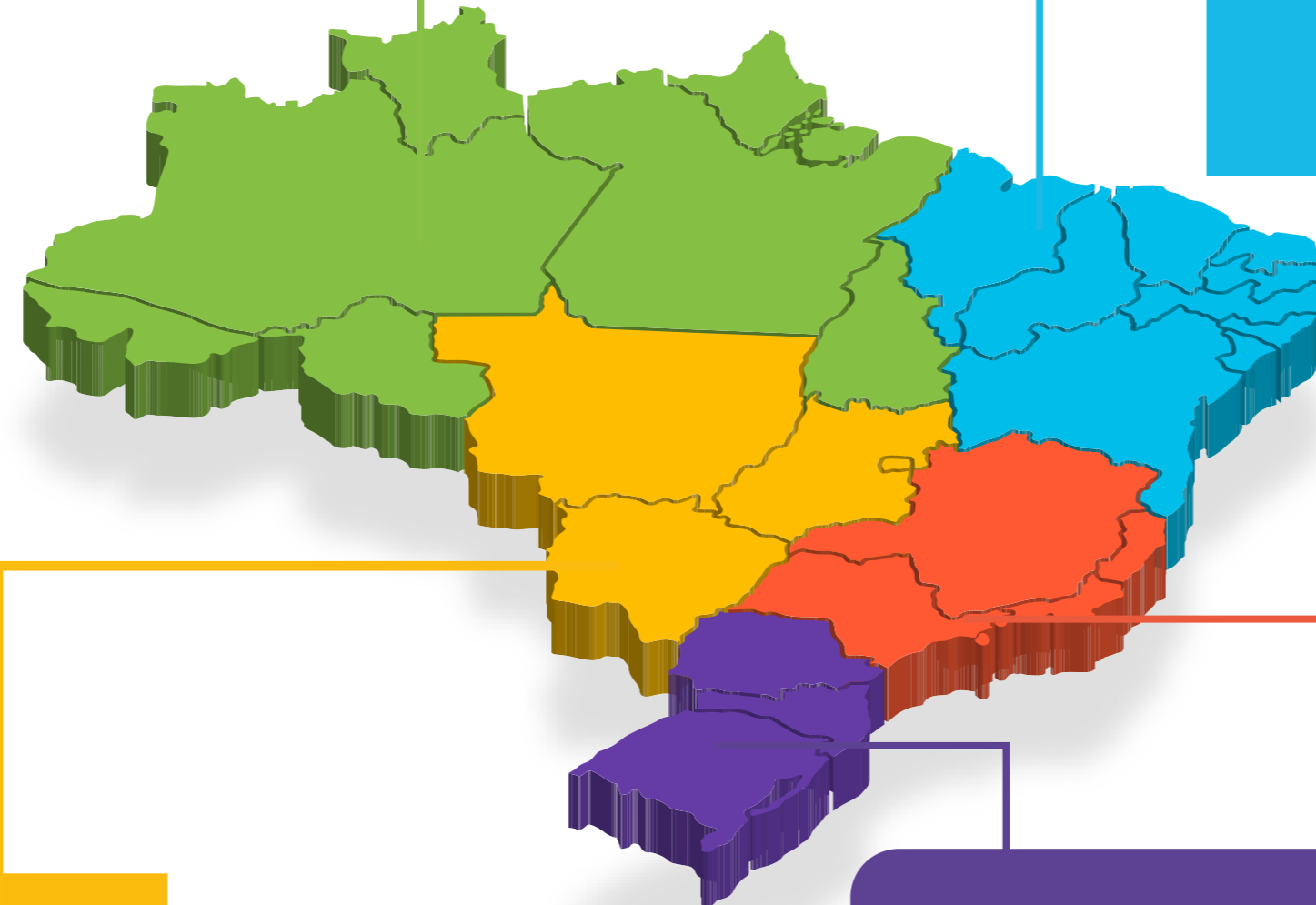
Midwest

Eucalyptus wood chip



South

Rice husk
Wood chips



Forestry

With the purpose of guaranteeing the continuity of supply for its operations in the long term, ComBio started forestry activities in the state of São Paulo. The company has partnerships with other companies to carry out project management and handling, which includes activities of soil preparation, pest control, planting, irrigation, mowing, replanting, among others. Until the end of 2021, all forestry fronts were intended for planting the Eucalyptus (Eucalyptus) genus, with a forecast of expansion to other crops in the coming years.



Forest fire department

With the beginning of the pre-operational stages in Roraima, we structured a team composed of firefighters and assistants. The team is responsible for directly fighting the fire using extinguishers, knapsack and water trucks, as well as preventing possible fire outbreaks, invasions, night surveillance and community relations. Once the area was structured, employees underwent training promoted by the company and, later, training with the Military Fire Brigade of Roraima, in Boa Vista.

Currently, we have three monitoring towers with long-range cameras to identify and warn fire outbreaks. The firefighting team also uses specific map pointing applications to guide the reinforcement teams to reach the exact location of the event.



BARCARENA CASE

The start of operations at the Steam Production Unit (SPU) Barcarena brought a series of challenges for ComBio. First of all, due to distance. Getting to the northern region of Brazil was something new to the company in all aspects. Culture change, different climate, specific state legislation and, above all, being within the Amazon biome.

The State of Pará is the largest producer of açai berry in Brazil, with an annual volume of over 1 million tons of fruit, representing about 95% of national production.⁸ After processing, the açai berry seed (residue from pulp production) is usually discarded on the streets or in bodies of water, causing serious environmental problems, such as silting of rivers.

In this context, ComBio developed its main sustainability case, by designing a boiler capable of burning açai berry seeds. Today, while the oil that customers used in their boilers has been reduced to almost zero, a large part

of the açai berry seed produced in the Abaetetuba region is used to generate thermal energy. In this project, innovation in industry (SDG 9) was solidly combined with circular economy (SDG 12).

As a result, processors now appropriately allocate their waste residues and have a revenue from this waste. In five years of operation, more than 100 thousand tons of açai berry seeds were reused. In 2021, the açai berry seed represented 47% of the total biomass used in this SPU.

This operation is so emblematic from an environmental point of view that it was used as an example of sustainability by Banco Santander and composed a study by students from Fundação Getúlio Vargas (FGV).



⁸ <http://www.sedap.pa.gov.br/content/a%C3%A7a%C3%AD>



Steam production [301-2, 301-3]

The steam production activity comprises three main raw materials, which are presented below. The process consists of some chemical treatments of the water before heating it, and the heat generated by burning biomass allows the transformation of this water into steam and its respective distribution to customers. The supply of water for steam production is the liability of our customers.

[301-1]

Raw materials or materials used (tons)		2020	2021
Non-renewable	Description	Quantity	Quantity
	Chemicals	47.5	67.67
	Total	47.5	67.67
Renewable	Description	Quantity	Quantity
	Treated water	543,714.77	616,812.61
	Biomass	591,848.27	778,723.50
	Total	1,135,563.04	1,395,536.11
Total		1,135,610.54	1,395,603.78

Note: The indicator considers only the company's main activity, steam generation.



9. ENVIRONMENT

Climate Change [103-2, 103-3]

In the booklet of a low carbon economy, where the aim is to measure emissions, reduce everything possible and only then offset with carbon credits, ComBio works to help its customers in all these stages.

Measure

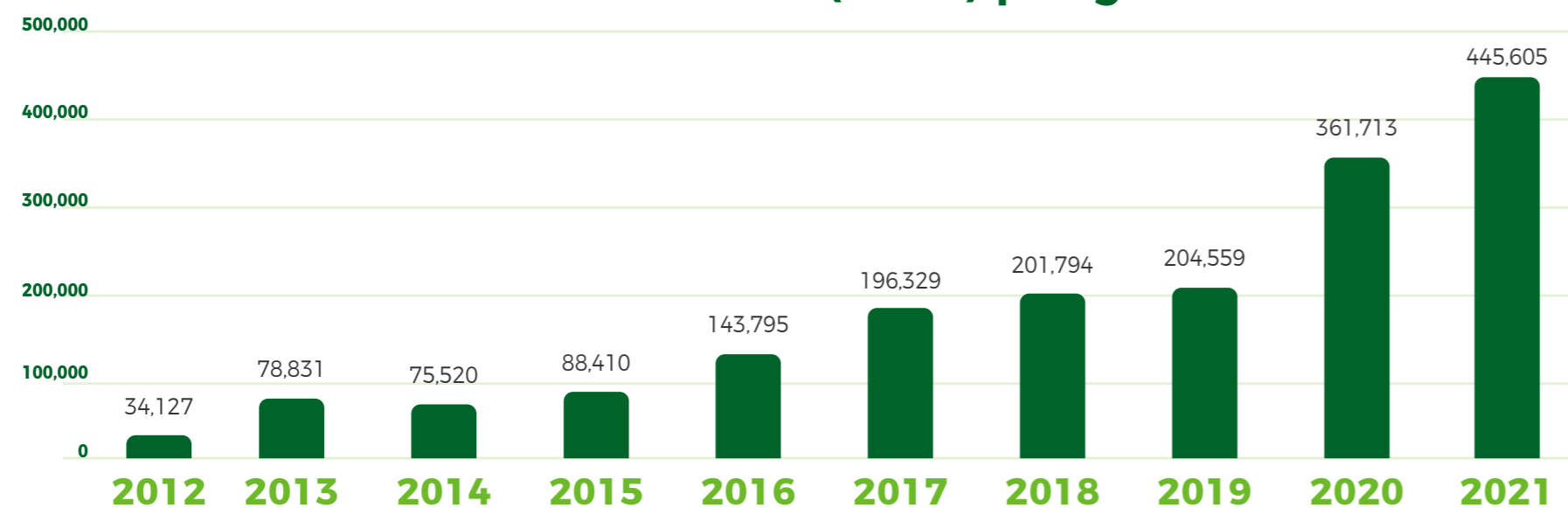
ComBio has customers in the industrial sector who are already in the habit of measuring their emissions. When looking at their inventory, we note that up to 90% of the emissions of that manufacturing unit can come from the boilers, since it is a continuous activity with high fuel consumption.

Reduce

Replacing fossil fuel for renewable fuels in boilers allows to reduce relevant amounts of CO₂; however, this change requires high investment costs (CAPEX) and dedication of a greater number of employees to the operation. ComBio offers its customers a solution that allows them to significantly reduce amounts of CO₂, without the need for such investments. In 2021, our Steam Production Units (SPUs) avoided the emission of 445,605 tons of CO₂ into the atmosphere.

In 2021, ComBio started activities at Steam Production Unit (SPU) Alumínio, currently the company's largest operation. This project generated a great positive impact due to its magnitude, significantly increasing the CO₂ emissions avoided per year for our customers.

Avoided emissions (tCO₂) per year



Note: The data does not consider the avoided emissions of SPU Porto Franco.



Avoid emissions in 2021

Offsetting

Due to the significant reductions in emissions from our operations, ComBio's projects allow the generation of carbon credits, which are shared between the customer and the company. The credits generated can be used to offset residual emissions and/or those for which there are not yet viable alternatives to avoid them, for example, emissions from air conditioning, air travel, etc.

In 2019, for the first time, we registered one of our projects in the Verified Carbon Standard (VCS or Verra)⁹, one of the main carbon credit certification standards in the voluntary market. The first emission took place in the same year and generated more than 69 thousand carbon credits in 14 months of operation, equivalent to 69 thousand tCO₂ avoided in the atmosphere.

In 2021, we completed the process of issuing another batch for Três Marias, generating more than 184,000 carbon credits during 34 months of operation. We are also in the feasibility study stage of three other ComBio projects: Angatuba, Alumínio and Piracicaba.



Tons of CO₂ avoided by SPU in 2021



⁹ <https://registry.verra.org/app/projectDetail/VCS/1804>

TRÊS MARIAS CASE

Job generation

In addition to the benefit related to emissions, our projects contribute to the increase in the number of jobs in the region. When compared to a traditional boiler, the operation of a biomass boiler can be considered more complex. At Steam Production Unit (SPU) Três Marias, for example, before the start of operation of the ComBio boiler, the customer had four employees responsible for the operation of the boiler. ComBio started its activities in March 2017 and, after a month of operation, it already had a team of 19 people, representing a 375% increase in employees dedicated to the activity.

In 2018, with the start of the forestry operation in Três Marias, the project added 9 more employees, increasing the initial staff by 47%. During this period, the vehicle fleet and drivers were totally outsourced. As of 2021, the hiring of its own drivers began, once again contributing with jobs in the region. Eight more jobs were created.

Community garden

The SPU Três Marias, in partnership with Nexa, developed and approved a socio-environmental liabi-



lity project in 2020. This case concerns circular economy, where the by-product of our operation will be reused as an input for another activity.

The project sends the unit's ashes to the Associação da Fazendinha Comunitária (ASFA) association. The ash will be used to improve the soil for agriculture. ASFAZ is an association formed by 55 families, who live exclusively on income from the community garden crops.

With the help of Nexa's environment manager and the municipality's Environment Department, the SPU was able to provide all the necessary documentation, in compliance with state and municipal legislation, to move forward with the project. The next step will be to ob-

tain, together with the Environment and Agriculture Departments, the authorization to use ashes as raw material to manufacture substrate for trading, which will generate income for investment within the association itself.

The community garden is installed next to the unit and, therefore, there are no transportation costs. The project reinforces ComBio's commitment to the environment and our concern with the socioeconomic development of the communities in which we are present.

Greenhouse Gas Emissions [103-2, 103-3]

We have published our GHG emissions inventory since 2014 in the Public Emissions Registry of the Brazilian GHG Protocol Program¹⁰. In 2014 and 2015, the inventory was awarded the Silver Seal and, as of 2016, it won the Gold Seal. Currently, our inventory includes the impact of our direct emissions (Scope 1) and indirect electricity emissions (Scope 2).

We have not yet quantified our indirect emissions (Scope 3). However, we plan to act in our supply chain to be able to measure the main emissions within this scope. Subsequently, create a relationship network with suppliers and develop a strategy to reduce emissions from the most significant sources.



[305-1, 305-2]

Scope 1 emissions broken down by category	2020		2021	
	tCO2e emissions	Biogenic CO2 emissions	tCO2e emissions	Biogenic CO2 emissions
Mobile Combustion	3,484.22	458.41	2,944.639	479.22
Stationary Combustion	13,274.64	684,242.54	17,137.627	902,864.733
Fugitive Emissions	46.6	0	8.136	0
Total Scope 1 emissions	16,805.46	684,700.95	20,090.40	903,343.95

Scope 2 emissions broken down by category	2020		2021	
	tCO2e emissions	Biogenic CO2 emissions	tCO2e emissions	Biogenic CO2 emissions
Location-based approach				
Purchased electricity	95.89	0	416.86	0
Total Scope 2 emissions	95.89	0	416.86	0

Note:

- 1) The inventory of GHG emissions is carried out in accordance with the standards of the Brazilian GHG Protocol Program.
- 2) The calculation tool considers all gases (CO2, CH4, N2O, HFCs, PFCs, SF6, NF3).
- 3) The consolidation approach used is that of operational control.

[305-4]

Intensity of greenhouse gas emissions (GHG)		
GHG Emissions (tCO2e)/ Net Revenue (BRL thousand)	2020	2021
		0.11

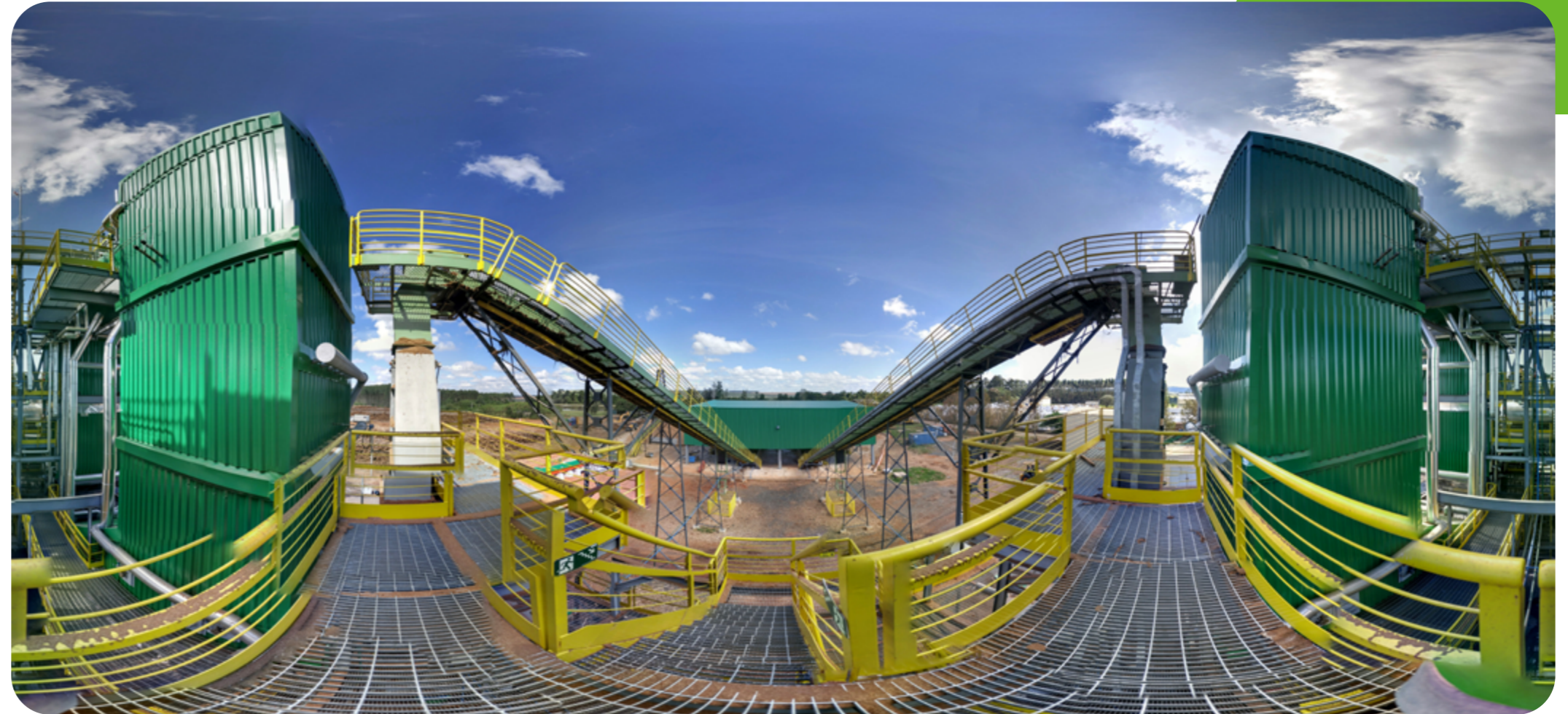
Note:

- 1) The index considers scope 1 and 2 emissions.
- 2) The index considers all gases (CO2, CH4, N2O, HFCs, PFCs, SF6, NF3).
- 3) Net revenue was taken from the company's financial statements.

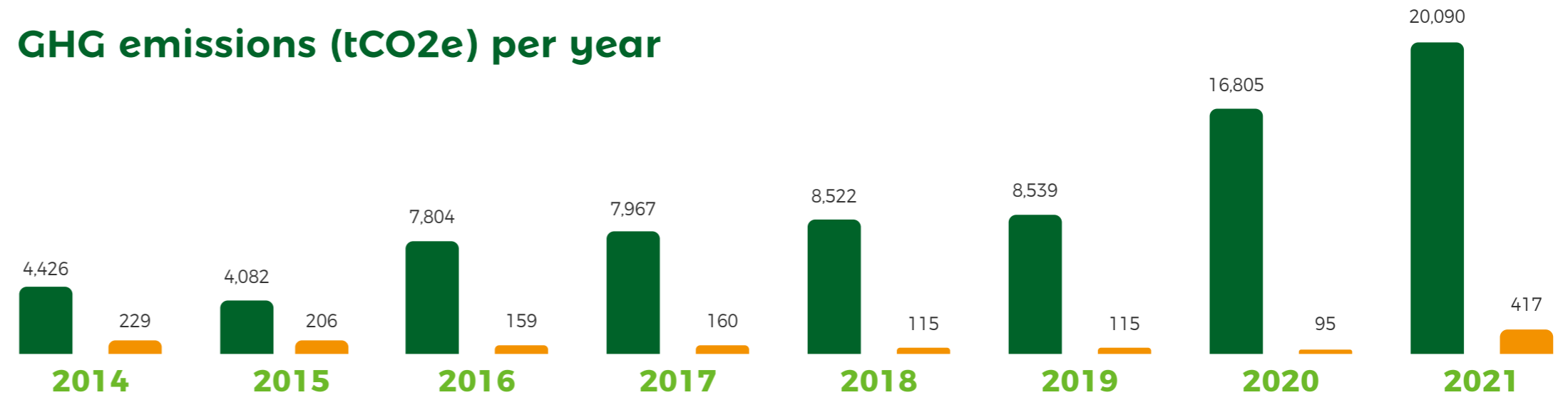
¹⁰ <https://www.registropublicodeemissoes.com.br/participantes/1049>

History Of Emissions

When compared to 2019, there was an increase of more than 96% in our scope 1 emissions in 2020, which is justified by the start of activities at the Alumínio and Porto Franco SPUs. In 2021, SPU Piracicaba started operating and SPU Alumínio started full operation, which again justifies the increase in emissions. We emphasize that our emissions are mostly biogenic since we have biomass as the main fuel used in our operations.



GHG emissions (tCO2e) per year



Note: Our inventories can be accessed directly through the Public Emissions Registry of the Brazilian GHG Protocol Program (<https://www.registropublicodeemissoes.com.br/participantes/1049>).

■ Scope 1 ■ Scope 2 - Location

Energy [103-2, 103-3]

In 2021, we consumed 9,079,422.96 GJ (Gigajoule) of energy, of which 9,039,805.92 GJ from renewable sources and 39,617.04 GJ from non-renewable sources, within our organization. The amount of steam supplied to our customers in 2020 and 2021 corresponds to 5,684,871 GJ and 7,383,789 GJ respectively.

[302-1]

Direct energy consumption (GJ)		
Renewable fuel	2020	2021
Biomass	6,865,439.94	9,033,192.60
Biodiesel	5,381.08	4,503.50
Hydrous ethanol	696.63	1,960.15
Anhydrous Ethanol	64.26	149.67
Non-renewable fuel	2020	2021
Diesel Fuel	46,638.26	39,032.17
Gasoline	251.11	584.87

Direct energy consumption (GJ)

	2020	2021
Renewable fuel	99.32%	99.56%
Non-renewable fuel	0.68%	0.44%

Consumption (MWh)

Electricity	2020	2021
Energy	1,511.81	3,297.53

Note:

- 1) Density and calorific value data was taken from the IPCC 2006 and the National Energy Balance 2020 ("BEN 2020").
- 2) Exclusively for the steam produced, the data is based on internal information.

[302-3]

Energy Intensity

Energy consumption (GJ) / Net revenue (BRL thousand)	2020	2020
	43.90	33.83

Note:

- 1) The index considers direct energy and electricity consumption (GJ).
- 2) Net revenue was taken from the company's financial statements.

Atmospheric emissions [103-2, 103-3]

We carry out annual monitoring of atmospheric emissions from the boilers of our SPUs, with the exception of Três Marias, which takes place every six months, as determined by the licenses. During the year, our operations met the limit established by local legislation.

[305-7]

Significant atmospheric emissions (tons)	2020	2021
Particulate material	343.23	534.28
NOx	324.49	596.35
SOx	4.55	12.29
CO	357.51	1,107.15

Note:

- 1) The volumes were estimated from the average emission rate, multiplied by the number of hours in the year.
- 2) The data does not consider the emissions of SPU Porto Franco.

Noise monitoring

We also carry out noise monitoring for the regions surrounding the SPUs of Piracicaba and Boituva and the UPB of Pilar do Sul, in order to verify the influence of operations in neighboring inhabited areas, according to ABNT NBR 10.151/2020. Monitored operations are within established limits.

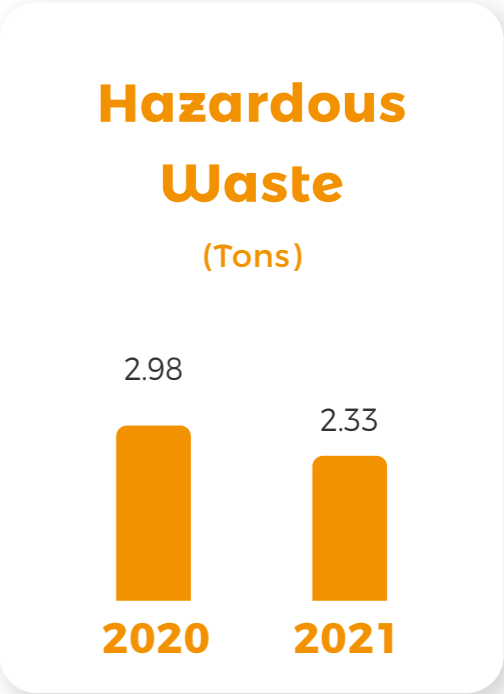
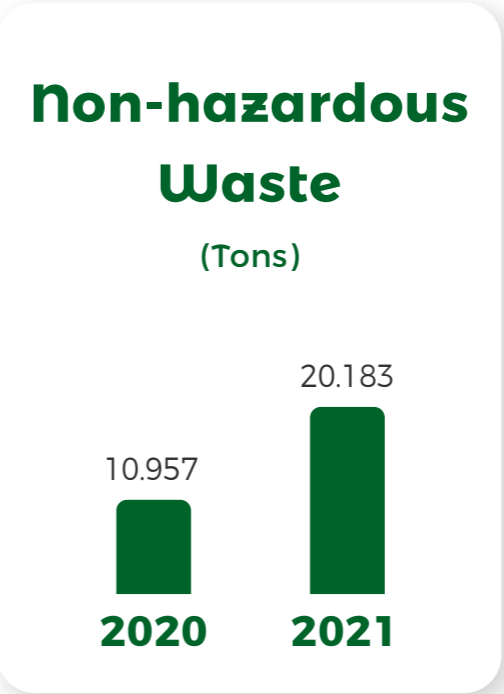
Waste Management [103-2, 103-3]

We have ashes as the main by-product generated in our operations and, considering it is rich in nutrients, ComBio targets efforts to find new disposal alternatives, diverting them, whenever possible, from the landfill.

Currently, the ashes are allocated in the following activities:

- Manure and fertilizer production;
- Composting;
- Production of cement and metals (co-processing);
- Ceramic production (co-processing);
- Manufacture of additives for burning in ovens;
- Spraying molten steel.

In our Steam Production Units (SPUs), the disposal of non-hazardous or hazardous waste residues follows the waste management plan of our customers, with ComBio, in most cases, only being responsible for the correct packaging and sending it to the collection sites indicated by them. In our UPBs, we are liable for disposing of hazardous waste. ComBio has the Operational Waste Management directive as a guiding document, which aims to establish safety and environmental guidelines for the management of solid and liquid waste residues generated by the company. In addition, this topic is included in the Environmental Impact Analysis ("EIA").



- Note:**
- The indicator does not include hazardous and non-hazardous waste whose disposal is not incumbent upon us.
 - Hazardous Waste corresponds to: automotive oil, contaminated packaging and personal protective equipment (PPE).
 - Non-hazardous waste corresponds to: ash, scrap and wood.



Water [103-2, 103-3]

The supply of water for the operation of the Steam Production Units (SPUs) is the customer's liability; therefore, issues of water collection and treatment are outside the scope of ComBio's operational activities. Our customers have Water Treatment Stations (ETA) and Effluent Treatment Stations (ETE) in their plants and must make water available at acceptable quality standards for the operation. The table below shows the water consumption required by our boilers.

[303-5]

Operating water consumption (m ³)		
Region	2020	2021
Midwest	-	-
Northeast	2,533	4,367
North	107,508	104,873
Southeast	369,207	439,283
South	64,466	68,289
Total	543,715	616,813

Note:

- 1) The indicator does not include water consumption in administrative areas.
- 2) Our operations are not located in areas considered to be of high or very high-water stress.

Our operations have condensate return, that is, the steam that was generated in the boiler returns as condensed water, which can vary from 60% to 90% return. In the case of Três Marias, the return does not occur, as there is contamination of this condensate with fluid from the customer's process, and the water is sent to the ETE.

At SPU Barcarena, the condensate is also contaminated by the customer's process, but in this case, we were able to use the energy to heat our make-up water.





PROCESS AUTOMATION

With the start of new operations, the demand for receiving of biomass invoices increased significantly. Until then, the invoices were counted after sending the papers to the central office via mail. Today, the process is done quickly and intuitively by the operation itself and 100% of the biomass invoices received by the SPUs enter automatically, without the need to go through an analyst or mail for their conclusion.

Improvements also occurred in the issuance of invoices for transfer between our units, a process that was previously done manually. With the new project, the company started to issue, in addition to the invoices, the toll voucher for each trip, in an integrated and intuitive way. The process, which would be more complex with the new mandatory fee, became faster and safer, with a time optimization of more than 90%.



IT HIGHLIGHTS

- ✓ Structuring the team to support the company's growth;
- ✓ Implementation of several processes within Fluig platform;
- ✓ Number of requests opened on Fluig exceeded 127,000 in 2021;
- ✓ Revitalization of the infrastructure of industrial and paperless operations;
- ✓ Tripled requests/calls (from 1,200 to 3,600 requests), maintaining the service quality level.

10. EMPLOYEES

[103-2, 103-3]





Employees

We believe that providing a healthy work environment is critical. Hence, ComBio is committed to providing the necessary infrastructure for the employee to carry out their work in favorable conditions for their well-being and activities, as well as a respectful and healthy organizational environment.

The Code of Conduct establishes that there must be an organizational environment of mutual respect, which provides challenges, recognition and professional growth, considering any and all abusive conduct as unacceptable, including moral, sexual or any other type of harassment. This also applies to the use of offensive words, intimidation, embarrassment, humiliation, innuendo or any other disrespectful act.

Among the actions of the People & Management area, short surveys are carried out by telephone to monitor the organizational environment, leadership and gather suggestions for improvement. The department sets a sample for the areas and calls the employee with a pre-established script. The employee can bring more information, if necessary.

Union negotiations [102-41]

In the Code of Conduct, there is an item referring to freedom of union association, which allows its employees to join unions and/or other types of associations. ComBio adheres to collective labor agreements and applies all definitions in labor relations with the categories covered, having all its own employees covered by collective bargaining agreements, with the exception of interns.

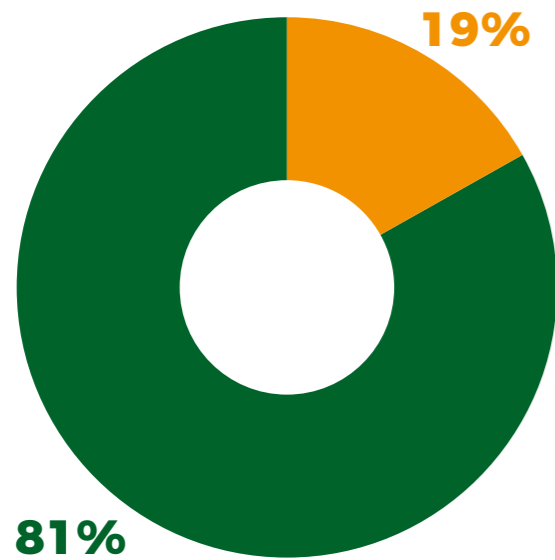


Staff

We ended 2021 with 456 employees, which is an increase of 89% in the staff when compared to the previous year. The increase is mainly due to the beginning of the pre-operational stages of the Roraima unit, where more than 100 employees were hired throughout the year. With the expansion of our business, the demand for activities in our central office has also increased, resulting in the hiring of more than 80 new employees and ensuring soundness for the administrative areas.

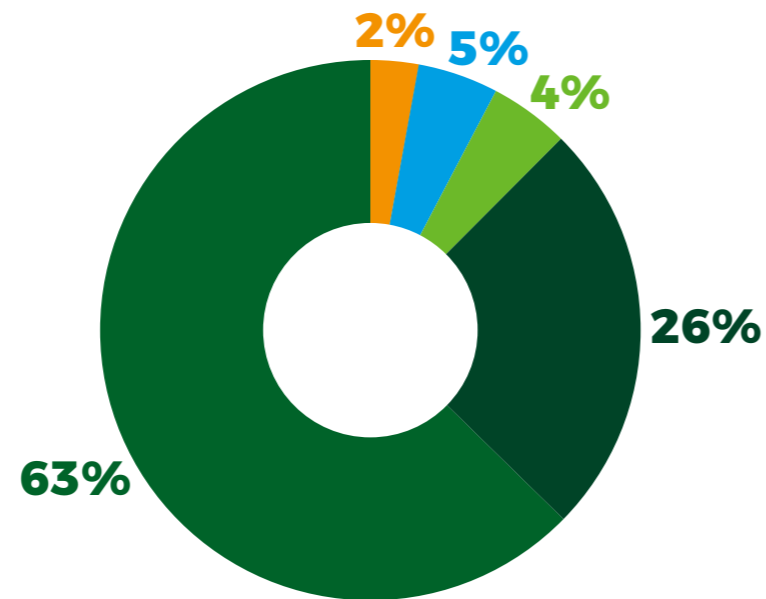
[102 -8]

Employees by gender
(2021)



Female
Male

Employees by region
(2021)



South Northeast North
Midwest Southeast

Own staff by gender and region	2020		2021	
	Female	Male	Female	Male
Midwest	0	1	1	21
Northeast	0	17	2	18
North	1	13	13	106
Southeast	36	164	69	216
South	0	9	0	10
TOTAL	37	204	85	371

Note:

- 1) Data on own employees does not include directors.
- 2) With the exception of interns, all employees are hired on a permanent, full-time basis (40 to 44 hours per week).
- 3) The staff for 2020 and 2021 had 5 (2 women and 3 men) and 1 (1 man) intern, respectively. All of them are part-time (30 hours a week) and work in the Southeast region.
- 4) Data was extracted from ERP Datasul at the position as of 12/31 of the reporting year.

ComBio Internship Program

We launched the ComBio Internship Program, which aims to train new talents through technical, behavioral and project training, promoting the development of interns and training internal talent to hold key positions in the future. Hiring will take place throughout 2022 with the expectation of filling 10 vacancies.

Diversity [103-2, 103-3]

We consider any act of discrimination and prejudice unacceptable, whether based on race, color, gender, religion, nationality, economic status or sexual orientation. Employees hired with special needs will have all the necessary infrastructure and equipment to carry out their work.

When compared to 2020, we had an increase of 4 p.p. of women in the staff. This increase in the general staff was also reflected as an increase in the proportion of women in basically all work categories, with the exception of interns and Executive Board. In the administrative category, women correspond to more than 50%.



[405 -1]

Staff by gender and work category	2020		2021	
	Female	Male	Female	Male
Board of Directors	0%	100%	0%	100%
TOTAL	0%	100%	0%	100%
Executive Board	0%	100%	0%	100%
Management	29%	71%	30%	70%
Coordination	16%	84%	21%	79%
Specialist	20%	80%	17%	83%
Administrative	55%	45%	59%	41%
Operational	3%	97%	5%	95%
Intern	40%	60%	0%	100%
Total	15%	85%	19%	81%

Staff by work category and age group	2020			2021		
	Below 30 years of age	Between 30 and 50 years of age	Over 50 years of age	Below 30 years of age	Between 30 and 50 years of age	Over 50 years of age
Board of Directors	0%	67%	33%	0%	50%	50%
TOTAL	0%	67%	33%	0%	50%	50%
Executive Board	0%	100%	0%	0%	87%	13%
Management	0%	100%	0%	0%	100%	0%
Coordination	16%	80%	4%	24%	63%	13%
Specialist	20%	40%	40%	17%	66%	17%
Administrative	45%	55%	0%	52%	45%	3%
Operational	27%	68%	5%	31%	63%	6%
Intern	100%	0%	0%	100%	0%	0%
TOTAL	29%	66%	5%	34%	60%	6%

Note:

- 1) Data on own employees does not include directors.
- 2) There are 4 employees in the Executive Board category who are also part of the Board of Directors.
- 3) Data was extracted from ERP Datasul at the position as of 12/31 of the reporting year.



Caique Oliveira Borges (in memoriam)

★ 1996

✝ 2022

Steam production unit (SPU) Alumínio

Pay equity

ComBio has a Position and Salary Policy (with salary scale, salary increase procedure) and the positions are independent of gender, preventing all types of discrimination and ensuring equivalent compensation for equivalent work. These principles apply equally to recruiting people and career development opportunities. The Policy also establishes that salary tables per state are observed, considering a decent salary per work location.

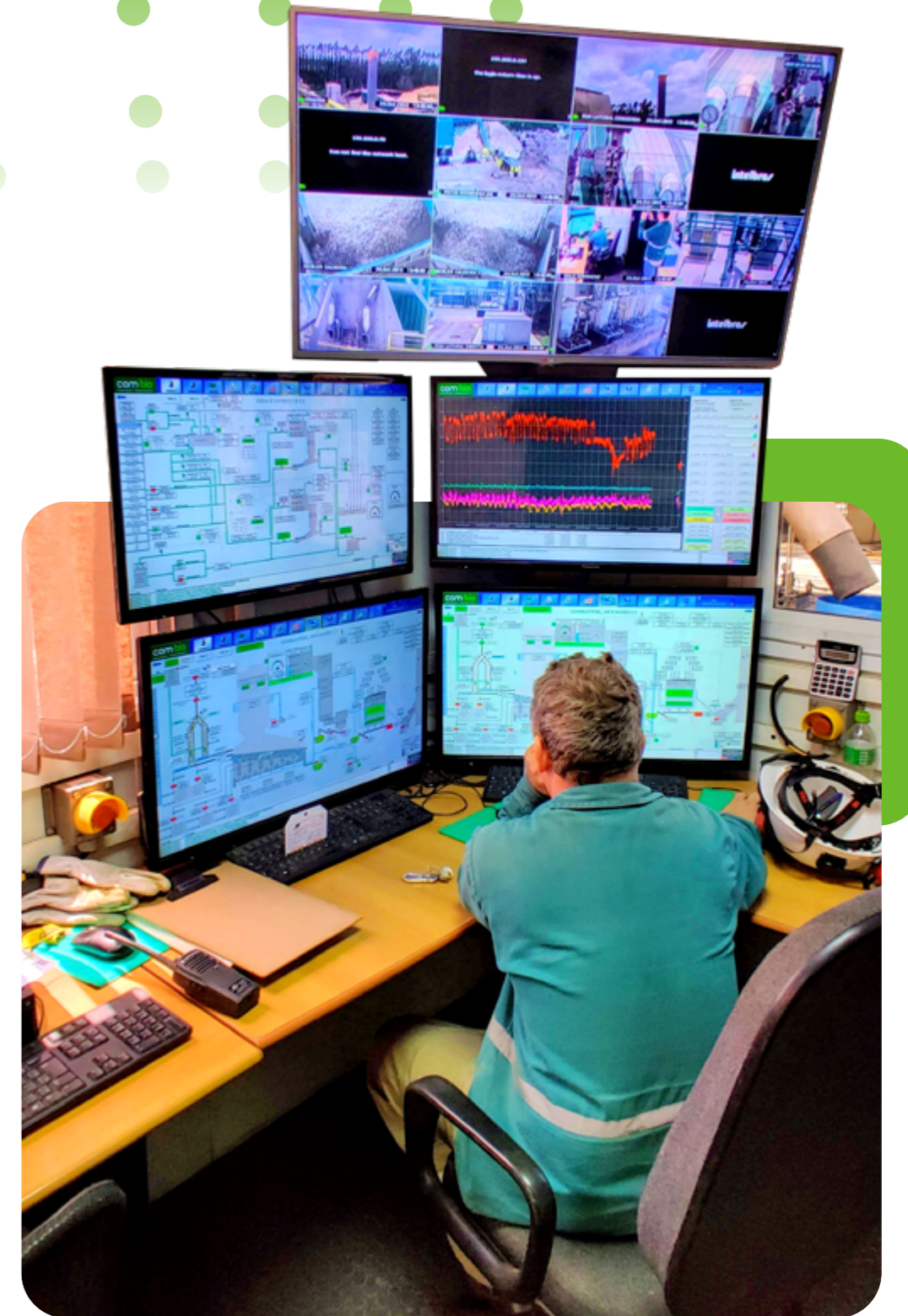
The cases of salary difference between employees of the same position can happen due to the length of service and due to performance evaluations, emphasizing meritocracy as a management practice. But always respecting the salary range approved for that position/function.



Benefits [401-2]

- Health care¹¹;
- Dental care¹²;
- Scholarship plan;
- Discount at pharmacies;
- Life insurance;
- Extended maternity and paternity leave for another sixty and fifteen days, respectively;
- Possibility of annual bonus based on achievement of goals (ComBio Goals Program);
- Meal vouchers and/or food vouchers;
- Transportation voucher and/or fuel voucher;
- Chartered bus;
- Free parking.

Every month, the People & Management area performs the “ADP Explica” [“ADP Explains”] action to clear up doubts from employees about labor procedures, benefits, payments, among others. In addition, it is a time to bring the area closer to employees and, especially, to the units that are far from our main office.



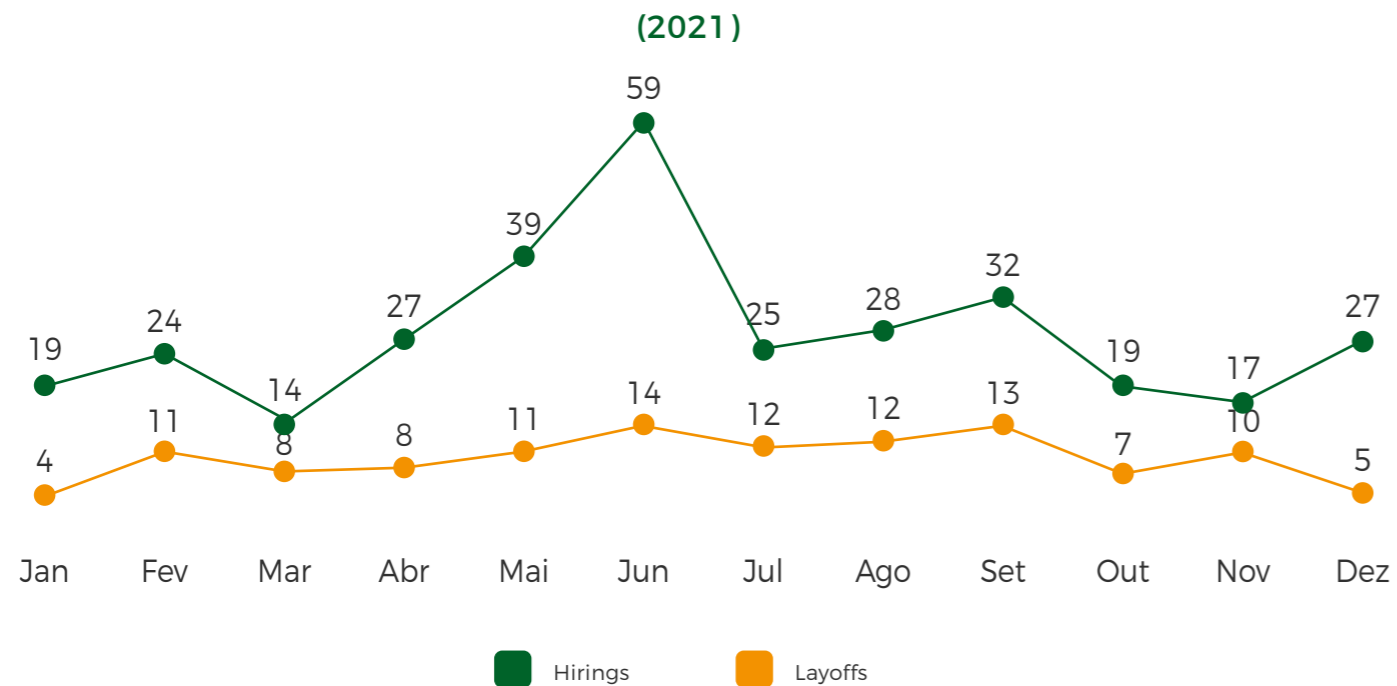
11 and 12 There are no deductions for the employee, only for the dependents.

Turnover [401-1]

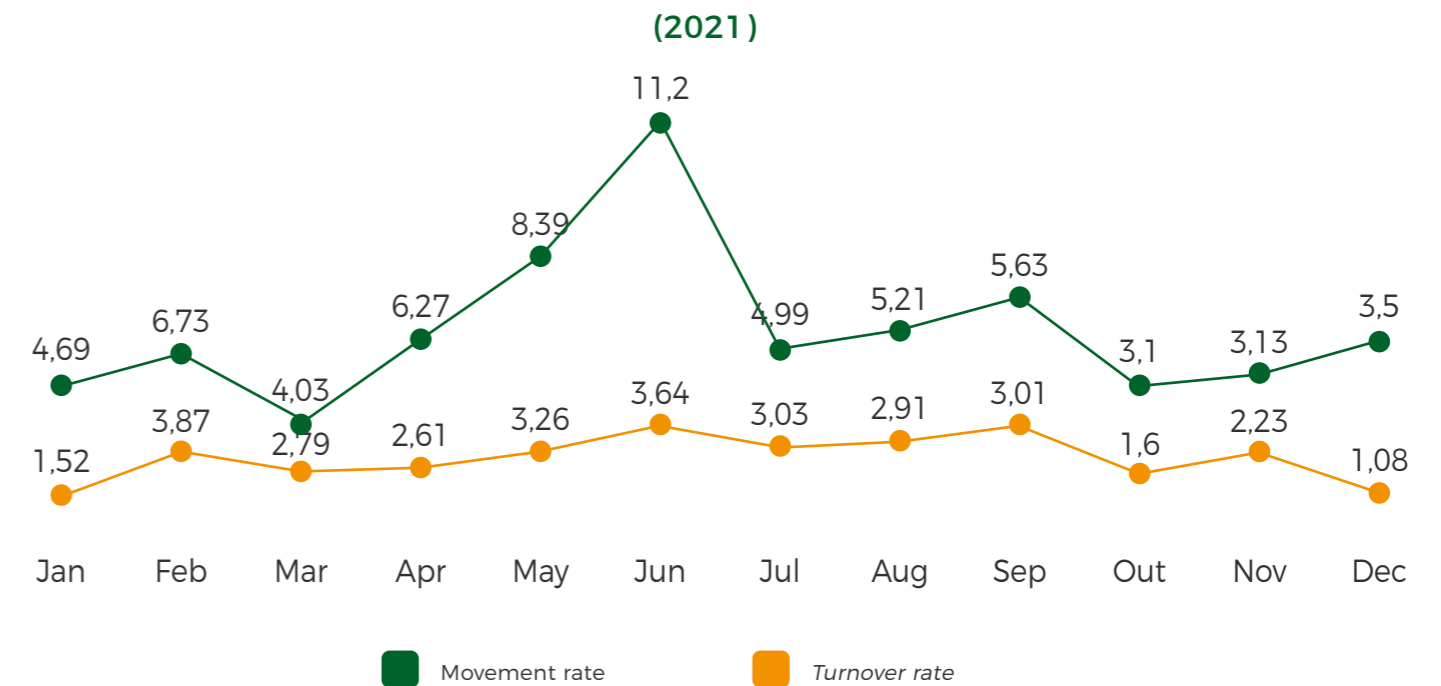
Regarding hiring, we had a high rate throughout 2021, totaling 330 hirings (80% men and 20% women), while layoffs totaled 115 (17% women and 83% men). The average layoff and movement rates were 2.63 and 5.58, respectively.

To meet the high demand for hiring, we have the support of an artificial intelligence tool in the recruitment and selection process, which allows us to optimize candidate screening time.

Number of hiring and layoffs



Employees turnover



Note:

- 1) The data considers voluntary and involuntary layoffs.
- 2) Data on own employees does not include directors.
- 3) Movement rate: $(\text{number of hirings} + \text{number of voluntary and involuntary layoffs}) / (\text{number of active employees in the month}) * 100$
- 4) Turnover rate: $(\text{number of voluntary and involuntary layoffs}) / (\text{number of active employees in the month}) * 100$

Maternity and paternity leave [401-3]

ComBio is part of the Empresa Cidadã [Citizen Company] Program, which extends the duration of maternity leave by sixty days and the paternity leave by fifteen days, in addition to the five already established. All the company's own employees are entitled to take extended leave.

Parental leave	2020		2021	
	Female	Male	Female	Male
Number of employees who took leave	4	11	5	9
Number of employees who returned to work after their leave ended	4	11	5	9
Number of employees who returned to work after the end of maternity/ paternity leave and remained employed twelve months after their return to work	3	9	5	7
Return to work rate	100%	100%	100%	100%
Retention rate	75%	82%	100%	78%

Development [404-2]

By developing its employees, the company contributes to the creation of a healthy environment prepared to enhance the capabilities and abilities of its teams.

In this sense, ComBio presents a structured system for employee development. The activities include:

- ☛ Institutional onboarding (Onboarding Program) in their first days of work, with the aim of bringing new employees closer to the ComBio culture, promoting an environment of continuous learning and helping new employees adapt. There is also a welcome kit to be delivered to employees.
- ☛ ComBio Goals Program, which has 2 types of goal contracting (collective and individual) and with the possibility of an annual bonus, proportional to the results achieved. Collective goals are intended for operational areas and individual goals for corporate areas and leadership positions.
- ☛ Performance Cycle, which is an annual program applied through a customized platform. The program consists of several stages, divided into competency assessment (self-assessment, manager, team and peer assessment, and feedback) and goals.
- ☛ Individual Development Plan, which aims to improve employee performance after the Performance Cycle. The plan is carried out by the manager together with the employee and with the support and guidance of the People & Management area. These can include public speaking training, behavioral focus, leadership, emotional intelligence, as well as coaching or mentoring, technical training, among others. In 2021, we had 402 hours of training available from the PDI, in addition to 565 hours of various trainings mapped in parallel by the department.

- ☛ People Reviews, which are quarterly meetings of the People & Management area with area managers, with the purpose of monitoring the performance of each employee, as well as the progress of the PDIs. At this point, the area talks to the manager about all the employees and guides how he/she can act towards the development of employees according to the needs of the moment. It also enables an understanding of employee satisfaction with the team, the company and the leaders, which allows for early action, avoiding unnecessary turnovers.
- ☛ Dialogue Circles, which are moments promoted by the People & Management area for managers and employees to talk, align expectations and give clear feedback to each other, with the aim of boosting professional performance.
- ☛ Scholarship Plan, which aims to invest in the academic training of employees, based on the requirements of the position held and/or future challenges, in order to favor the acquisition of critical skills for the business and, thus, contribute to the company's strategies and sustainability. In 2020 and 2021, we awarded 9 and 15 scholarship grants to employees, respectively.
- ☛ Leadership Development Program, where every year, except 2020 because of the pandemic, the company's leaders meet and undergo an immersion of internal training and consulting, focused on the alignment of organizational culture, internal procedures and behavioral development with focus on leadership.



Leadership Meeting 2021

In December 2021, we had the Biomass Production Units (BPUs) and Steam Production Units (SPUs) Leadership Meeting with the aim of promoting integration between the business areas and holding important internal alignment meetings. In the event, the company's areas were presented by their leaders, in order to share information about their activities and processes. In addition, each executive board presented the results achieved and the goals and challenges for the coming year. The meeting was an opportunity for operational and corporate leaders from the biomass and industrial executive boards to learn more about ComBio's culture and obtain a strategic vision for what is expected for 2022.



Competency assessment and feedback

As presented, the Competency Assessment is part of the Performance Cycle and includes the stages of self-assessment and assessment by the manager, team and peers. This is an important moment for employees to reflect on their performance throughout the cycle, in addition to helping to develop the area as a whole.

[404-3]

Percentage of employees who received performance assessment by employee category and gender	2020		2021	
	Female	Male	Female	Male
Executive Board	-	67%	-	100%
Management	100%	100%	100%	100%
Coordination	100%	100%	100%	100%
Specialist	100%	67%	100%	60%
Administrative	91%	95%	93%	96%
Operational	100%	93%	100%	98%

Note:
the indicator does not include interns.

In addition to the Competency Assessment, we have feedback, which is carried out in two ways: there is formal feedback, which takes place after the end of the Performance Cycle, and more punctual feedback, which takes place every three months, called the Dialogue Circle. In 2021, 169 feedbacks were carried out.

NEWSPAPER O SUSTENTÁVEL

We ended the year 2020 with Issue No. 60 of O Sustentável [Sustainable], an internal newspaper made available to employees electronically and in print. In it, we present monthly news and information about ComBio, in addition to sharing information about sustainability and the way in which the company's activities are in line with the environmental, social and economic pillars.

With the intention of further encouraging good practices and the proactiveness of employees, O Sustentável has the "Colaborador Raiz" [Root Employee] section, included in the newspaper's editions since April 2019, when applicable. The purpose is to highlight one employee per month who has developed outstanding work related to some value of ComBio.

In 2021, O Sustentável started to include a series of articles about the 17 UN SDGs. We believe that, as a signatory company of the Global Compact, a certified B Corp and a generator of carbon credits, it is essential that the language of the SDGs is increasingly present in our daily lives.



11. HEALTH AND SAFETY

[103-2, 103-3]



Health and Safety Management System [403-1, 403-7]

The Health and Safety Management System is coordinated and operated by the Health, Safety and Environment area (HSE), which, in turn, is composed of employees who work locally at our operating units (Steam Production Units - SPU, Biomass Production Units - BPU and Thermoelectric Units - TU) and in our central offices and laboratory located in São Paulo and Piracicaba, respectively. All of our own employees are covered by the Health and Safety System, encompassing all our operational and administrative units of the company. [403-8]

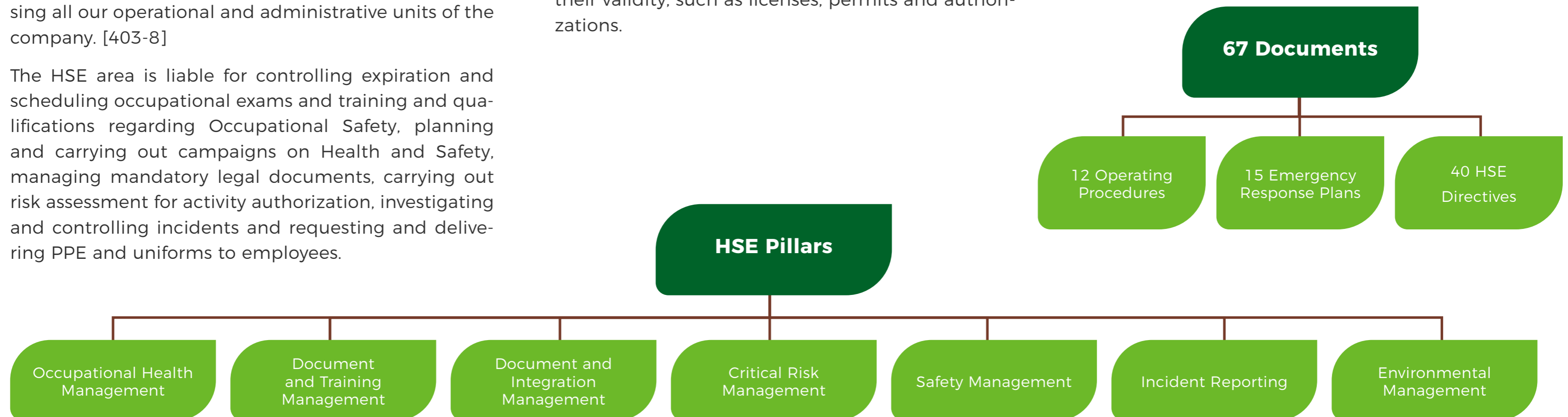
The HSE area is liable for controlling expiration and scheduling occupational exams and training and qualifications regarding Occupational Safety, planning and carrying out campaigns on Health and Safety, managing mandatory legal documents, carrying out risk assessment for activity authorization, investigating and controlling incidents and requesting and delivering PPE and uniforms to employees.

The management of activities is carried out through the Âmbito system, divided into 4 modules:

- She-Q:** Identification, prioritization and documentation of aspects and hazards, showing, through its indicators, the significant impacts, and can be used to control Occupational and Environmental Risk Analysis. Currently, the She-Q module is being replaced by the Radar module, used to manage the Risk Management Program (RMP), under implementation.
- Siga:** Management and control of documents and their validity, such as licenses, permits and authorizations.

- Midas:** Management and treatment of noncompliance, opportunities for improvement, observations, assessments, fines or any events of the organization, with several methodologies for analysis of cause and an action plan tool.
- Legal:** Identification, analysis and monitoring of the legislation applicable to our business.

Aiming at the continuous improvement of processes, the company presents 67 management procedures within the HSE pillars.



In 2021, the Rules for Life were also created, which are safety directives that define practices for preservation of life, which must be strictly followed by all employees, suppliers and/or service providers in all operational units (DT0025). The Rules for Life are sovereign and their main objective is to disseminate and reinforce the safety culture to employees and third parties who carry out activities in the company's environments. They cover the main critical risks that exist in work activities, as well as safety and prevention campaigns on extremely important topics, which are in line with ComBio's safety culture.



The Rules cover the following topics:

- ✦ Alcohol and other Drugs;
- ✦ Restricted Areas;
- ✦ Preparation of Task Safety Analysis and Permit to Work;
- ✦ Communication, Analysis and Investigation of Accidents and Incidents;
- ✦ Energy Lockout;
- ✦ Confined Space;
- ✦ Lifting and Handling of Loads;
- ✦ Fall Prevention;
- ✦ Working with Forestry Machines and Equipment (Forestry Machines, Chainsaws and Chippers);
- ✦ Vehicles and Mobile Equipment;
- ✦ Classified Areas;
- ✦ High Temperature Surfaces and Environments;
- ✦ Safety in Activities with Process Ash.



Risk identification and assessment [403-2, 403-4, 403-7]

The company follows internal and systematic directives for identifying hazards and assessing risks to health and safety. After identifying a risk, it is assessed together with each hazard. First, an analysis of the probability of an accident occurring as a result of the interaction of a person with a given hazard is conducted. Subsequently, the severity of the consequence of an accident is evaluated, should it happen, depending on the hazard in question. For all moderate or high-risk analysis results, the opening of an action plan is mandatory.

During the analyses, audit reports, information on legal requirements, recommendations from the Risk Management Program, among other documents, are taken into account.

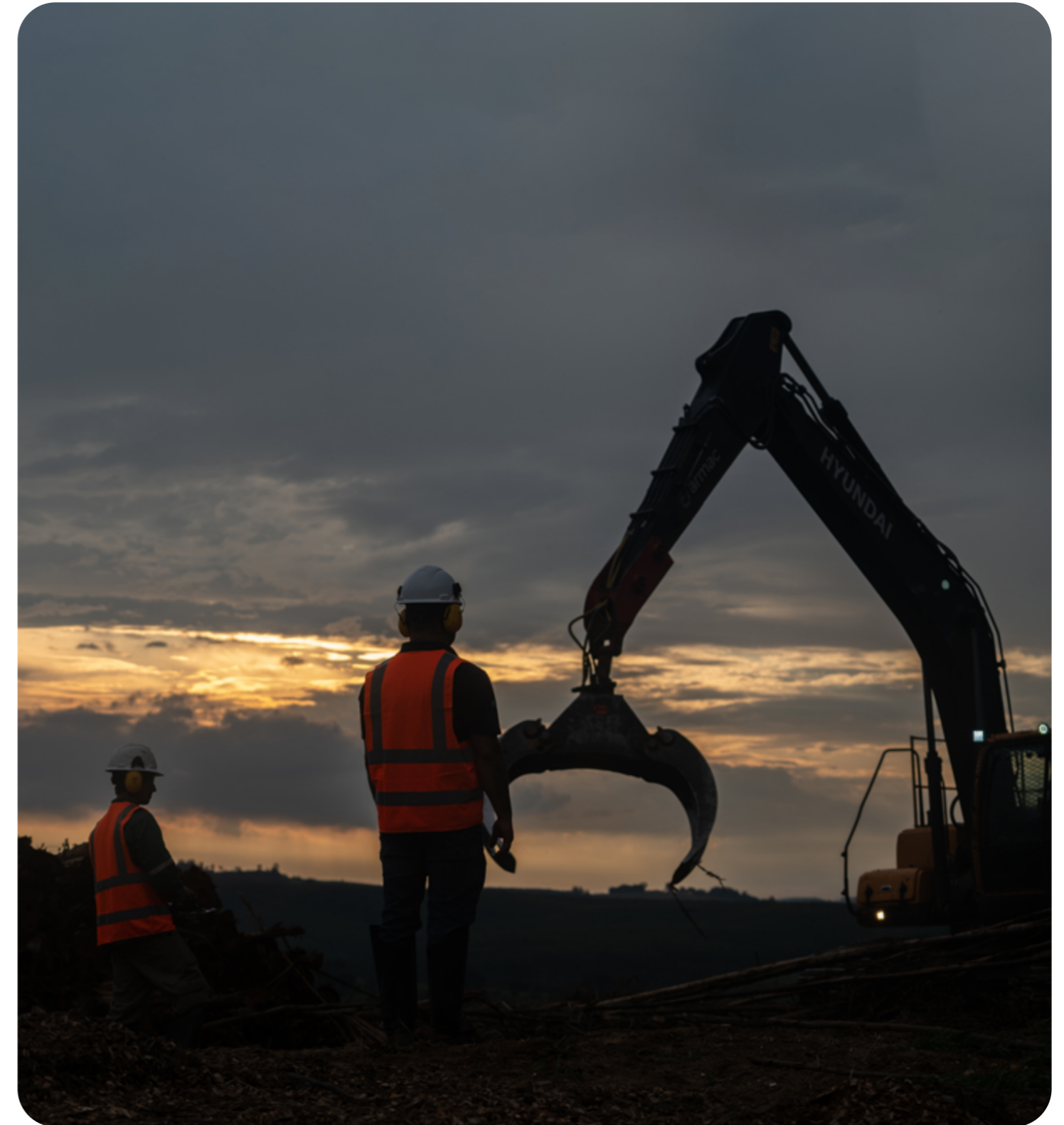
The company also has several parallel mechanisms that contribute to the identification and mitigation of risks:

☛ **Daily Conversation on Safety:**

One of the main HSE communication tools, its main objective is to make employees and service providers aware of the prevention of incidents and accidents at work, as well as to consolidate best practices, so that work activities are carried out safely. These dialogues are held daily on all shifts before the start of activities by the teams at our operating units.

☛ **Fale Fácil [Speak Easy]:**

The purpose of Fale Fácil [Speak Easy] is to enable, in a fast and assertive manner, the communication of deviations, unsafe conditions that may generate incidents and/or accidents at the units and opportunities for improvement, as well as to develop employee's safety culture. This tool is open to all employees and is available in both a digital form and a physical form for manual completion.





☛ **Duty of Refusal**

The Duty of Refusal, assured to employees and service providers, is the act of suspending the performance of their activities, based on their training and experience, if they have reason to believe that their life and/or integrity and/or those of their co-workers is at uncontrolled risk.

☛ **Technical reports**

Technical reports are documents prepared by outsourced companies in order to assess risks in the work environment, such as the Environmental Risk Prevention Program/Risk Management Program, the Occupational Health Medical Control Program, the Work Ergonomic Analysis, the Technical Report on Environmental Conditions at Work, the Hazard Report and the Machinery and Equipment Safety Report (NR-12).

☛ **Task Safety Analysis and Permit to Work (PPT)**

The Task Safety Analysis corresponds to the technique of prior assessment of the risks involved in carrying out a certain activity and consists of evaluating, identifying and proposing control measures. The Permit to Work is a permit that allows work in a certain area for a specified time, and must be open to perform non-routine activities that involve critical risks. With this, the company makes sure that only authorized employees carry out certain activities.

☛ **General HSE Inspection:**

General HSE inspections aim to carry out a technical and detailed assessment covering all the pillars of the area, as well as verifying whether the Directives, Operating Procedures and other HSE documents are being met and practiced in the Units.

Occupational Health Services

[403-3, 403-6, 403-7]

- Partnership with accredited clinics to perform exams that make up the Occupational Health Certificate: hiring exams, periodic exams, changes in occupational risks, return to work, punctual monitoring and termination exams.
- Mandatory programs: Occupational Medical and Health Control Program; Work Ergonomic Analysis; Technical Report on Environmental Conditions at Work.
- Workers' health campaigns promoted through lectures, competitions and instructions. Annually, Traffic Safety Campaigns, World Environment Day, Breast Cancer Prevention (Pink October) and Prostate Cancer Prevention (Blue November) are also carried out.
- Internal Occupational Accident Prevention Week at the units, in which health, occupational safety and environment topics are addressed.
- Vaccination Campaigns against Flu (Influenza) open to employees and their dependents.



Training in occupational health and [403-5]

The monitoring of mandatory training takes place through the Training Matrix, in which the applicable training for each position is specified, according to the activities to be performed and the risks involved. The control is continuously updated, ensuring that it is carried out according to the established validity.

The main trainings include: Safety in Electrical Facilities and Services; Transportation, Movement, Storage and Handling of Materials; Occupational Safety for Machinery and Equipment; Occupational Health and Safety in Confined Spaces; Work at Height; and Defensive Driving, the latter being applied to all ComBio employees, including those in administrative positions. In 2021, 17,210 hours of Occupational Safety training were given to ComBio employees.

Training management is under improvement through the implementation and migration of information to a system with new features, such as signaling internal training demands and warnings about their expiration dates.



SAFETY CULTURE 2021

The Safety Culture Project aims to identify opportunities to increase the maturity of the company's safety cultural processes, seeking to uniformly ensure the internal evolution of acculturation focused on the topic. The purpose is to diagnose the degree of maturity in safety and promote simple strategies, but oriented towards significant results in the quality of the company's Health, Safety and Environment.

The 9-month project had the engagement and participation of all employees, so that, together, it is possible to build a growing and long-term culture. As a result of all this work and dedication, the Program's goals are:

- i) Preparation of the Communication Plan
- ii) Cultural Mapping
- iii) ComBio Cultural Diagnosis
- iv) Diagnosis of Procedures and Tools
- v) Preparation of the Cultural Transformation Plan
- vi) Presentation of the Master Plan

A large part of these goals is already underway and, with this, a gradual and progressive transformation is expected towards an increasingly proactive and preventive profile in terms of Occupational Safety.



and photos, root cause analysis, and preparation of the action plan containing corrective and preventive actions.

We had no records of occupational diseases related to work with our own employees. [403-10]

Communication, analysis and investigation of accidents and [403-2]

Based on its values, ComBio continually seeks operational excellence in its activities and prioritizes the safety of its employees in all activities. Thus, there are specific procedures to communicate, analyze, record, disclose and define handling of events (accidents and incidents).

According to Rule For Life No. 4, any and all incidents or accidents must be reported within 48 hours, regardless of severity. Thus, when there is an event, the employee, supplier or service provider must immediately report what happened to the immediate supervisor or the unit's HSE representative. The HSE representative must then inform the incident/accident to the HSE Management for further handling.

In addition, the analysis and investigation of the accident/incident is mandatory (DT0019). Incident management takes place through a system and includes the following steps: classification and potential severity of the accident and incidents, type and origin of the event, detailed description of the event, inclusion of images

[403-9]

Work-related injuries	2020	2021
Number of hours worked	526,459.48	954,998.34
Number of work accidents without leave	5	1
Rate of work accidents without leave	9.50	1.05
Number of work accidents with leave	3	4
Rate of work accidents with leave	5.70	4.19
Severity rate	108.27	63.87
Number of deaths resulting from work accidents	0	0
Rate of deaths resulting from work accidents	0	0

Note:

- 1) The indicator only considers own employees and typical accidents. The company is structuring the control to consolidate information about third parties.
- 2) Rates were calculated based on 1,000,000 hours worked.
- 3) There were no serious accidents at work with own employees.
- 4) The following are the main agents/conditions related to our activities that represent risks of work accidents: work at heights, confined spaces, electricity, hot surfaces, noise, chemical particulates, combustibles and flammables, etc.
- 5) ComBio has procedures to avoid and mitigate risks, as well as investigate the causality of accidents. [More details in the Investigation and Risk Assessments and Accident Investigation sections]

Occurrences

In 2020, a fire started in the steam generation of the Alumínio unit. The incident took place in the horizontal silo of the boiler and on the conveyor belts and, after the event, as an action plan, the company installed automatic hose cooling devices to prevent overheating.

That same year, a communication was reported regarding the flow of trucks transporting biomass on public roads in the city of Piedade, in the state of São Paulo, causing dust to be raised. As soon as the communication was received, the leading employee of the operation went to the City Hall to talk to the Secretary of Works. The parties agreed to send trucks with crushed stone and compaction equipment to avoid raising dust on the road.

In November 2021, an accident occurred involving an avalanche of incandescent ash that, in contact with the ground and external oxygen, generated the flash-back effect, causing a high temperature curtain. Two employees suffered burns on their bodies. Shortly after the incident, both were taken to the hospital for recovery and resumed activities 14 days after the incident. Based on this event, the Action Plan was prepared and implemented involving Engineering measures to eliminate the accumulation of ash in the equipment, as well as the review of equipment instrumentation, the acquisition of PPE's and specific uniforms for activities with process ash and the preparation of the directive

and the Rule for Life No. 13, related to activities with ashes from the process.

Environmental and socioeconomic noncompliance

[307-1] [419-1]

In 2020 and 2021, we did not receive fines and sanctions resulting from noncompliance with environmental and socio-economic laws and/or regulations. [307-1, 419-1]

MILESTONES OF DAYS WITHOUT ACCIDENTS

- SPU Angatuba completed 1,500 days of operation without accidents in September 2021, an expressive milestone of more than 4 years without any type of event.
- SPU Guaíba completed 2 years without accidents with leave in December 2021.



Quality Management System (QMS)

The mission of the Quality Management System is to ensure the structured growth of ComBio Energia, implementing a culture of continuous improvement with quality tools and methodologies, mapping and standardizing processes, multiplying knowledge through training, monitoring performance and acting as facilitators in the problem solving.



2018

- **Implementation of the ComBio Internal Audit Program**
- **QMS Checklist 1.0**
9 cycles applied in 5 SPUs
Limit: 70%
- **Implementation of Critical Analysis Meetings with Executive Board and Managers**
- **Structuring the Management of Action Plans**

2019

- **QMS Checklist 2.0**
4 cycles applied in 5 SPUs
Limit: 90%

2020

- **Structuring the Mapping & Standardization of QMS Processes Pillar, focusing on the revisions of documents applicable to SPUs**

2021

- **QMS Checklist 3.0**
3 cycles applied in 5 SPUs
Limit: 95%
- **Start of Mapping & Standardization of forestry O&M processes and support areas**

Process standardization

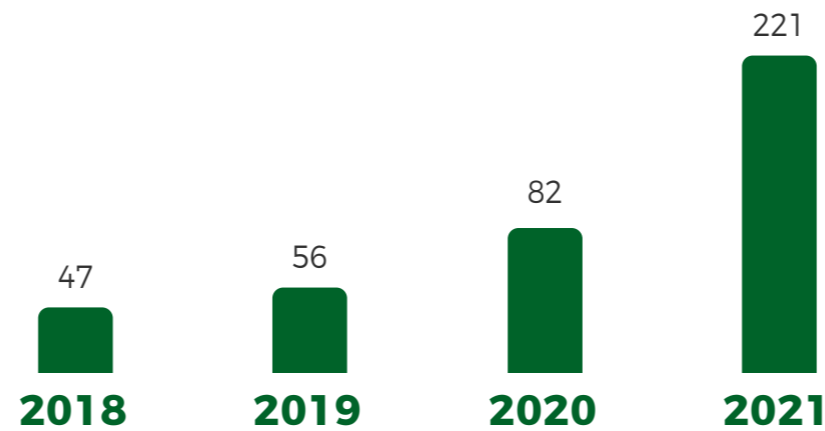
Our directives and procedures are available on Qualyteam, an electronic document management tool that ensures the control, storage, organization and security of the company's files. The tool is freely accessible to employees. In the last two years, there was a 170% increase in the number of internal documents, increasingly guaranteeing the standardization and quality of our operations.

QMS Checklist

The QMS checklist aims to assess the adherence (%) of the reality of our operations in relation to the content described in our internal procedures and, with this, identify what is not being fulfilled or what needs improvement reviews in the process in question. In the checklist, 6 pillars are evaluated (Operation, Maintenance, HSE, Administrative, 5s and Quality).

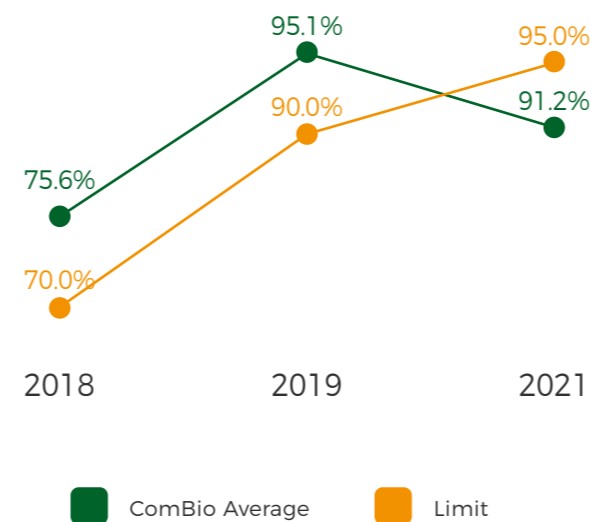
We highlight that, year after year, there was an increase in the audit cutoff, seeking excellence in the execution of processes.

Number of internal documents



Performance in the QMS Checklist

(ComBio Average)



Note: There was no internal audit in 2020 due to the pandemic.



12. SUPPLY CHAIN

[103-2, 103-3, 102-9]



Supply Chain

ComBio continually seeks to increase the participation of local suppliers in its technological development. Currently, the main suppliers are Brazilian, most of our equipment is domestically manufactured and, along with them, new boiler projects are developed in order to burn different types of biomasses and improve our operation. Boiler manufacturers, biomass suppliers, carriers and labor services are the most significant costs within our supply chain.

In 2020, a higher proportion was spent with local suppliers due to a peculiar situation: the boiler for the Piracicaba project was acquired in the same municipality as the project.



[204-1]

Proportion of spending on local suppliers (BRL million)	2020	2021
Value spent on suppliers	BRL 123.06	BRL 147.49
Value spent on local suppliers	BRL 67.04	BRL 73.28
% of spending on local suppliers	54%	50%

Note:

- 1) In this indicator, there is a selection of the most significant suppliers, which together represent 80% of the total expenses allocated to the supply chain.
- 2) Local suppliers are those less than 80 km from our units.
- 3) All units that had expenses with suppliers are considered in the report.
- 4) Expenses that include services performed at various units are excluded from the calculation, such as electricity bills, employee benefits and vehicle rental.

We emphasize that the Code of Conduct prohibits slave labor (or similar) and child labor (under 16 years of age, with the exception of young apprentices from 14 years of age), and establishes that agreements with suppliers and customers that are proven to adopt such practices are prohibited. The employee who witnesses such condition has the obligation to inform the fact directly to the company's management and it will be incumbent upon the company to stop the occurrence immediately, adopting the appropriate measures of those involved.

DOCUMENT MANAGEMENT AND SERVICE PROVIDER INTEGRATION

The Document Management and Integration (DMI) area is responsible for managing documents for continuous service providers at our units. The area is responsible for requesting legal documentation, validating minimum criteria for starting work and transmitting the documents to our customers. The outsourced company is also required to demonstrate that it complies with Brazilian labor legislation and is up to date with the documentation of its employees.



13. COMMUNITIES



Aware of its positive impact, ComBio plans ways to have a closer relationship with the communities where it operates and is analyzing partnerships to carry out projects and support the local development of the region. Most of our operations are located in small and medium-sized cities; therefore, through a structured action plan, we were able to impact that location in a significant and effective manner.

Since 2014, ComBio has made donations related to ICMS and IR for programs related to sports, culture, health and music. Over the years, donations totaled BRL 1,149,766.18, of which BRL 305,930.67 and BRL 350,000.00 refer to 2020 and 2021, respectively.

SUPPORTED PROJECTS

Eco Run - Race in line with socio-environmental practices



Zero Energy - Documentary on sustainable buildings and smart cities and fighting climate change



Turma do Folclore - Cartoon series about Brazilian folklore and SDG



Ubatuba - Medium-length film about the relationship between man and nature



Um Presente à Prova de Futuro - Circular economy book



ORCA

In July 2020, ComBio signed an exclusive distribution agreement for ORCA, a technology developed by the Canadian company ORCA. Through the partnership, ComBio now represents this intelligent solution for disposing of food waste residues in Brazil and South America.

The ORCA digester allows you to manage your organic waste in an environmentally friendly way. Once the ORCA digester is installed, the waste residues are simply added to the equipment, broken down through the aerobic digestion process and turned into wastewater that flows directly into the existing plumbing system. Disposing of waste residues in this way will result in benefits for your business and the environment.

The technology is available in four models – OG 15, OG 25, OG 50 and OG 100 – and can help companies meet environmental improvement goals. While relieving landfills, the use of ORCA reduces emissions related to the transportation of waste residues and emissions from decomposition in open air.

As with steam generation, the environmental gain will be linked to cost reduction. As the equipment has four versions, ComBio can serve a wide range of



customers. The smallest of them, Baby Orca (OG 15) is ideal for small restaurants, condominiums and markets. The largest model (OG 100) is capable of processing more than a ton of organic waste per day, ideal for clubs, shopping malls and even large cafeterias in industrial environments.

By the end of 2021, ComBio had already installed 12 pieces of equipment at customers, which together have the capacity to digest more than 1,800 tons of waste residues per year. The equipment monitors the amount of digested waste residues and the respective environmental gains generated. Currently, more than 300 tons of food waste residues have been diverted from the landfill, with a reduction of 220 tons of CO₂, 180 tons of methane gas and 25,000 liters of diesel.



13. GRI CONTENT INDEX

[102-55]

GRI Standard	Content	Page	Answer or omission
GRI 101: Foundation 2016			
101			
GENERAL CONTENTS			
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Organization name	8	
102-2	Activities, brands, products, and services	13, 14, 25	
102-3	Location of headquarters		R. Fradique Coutinho, 30 - Pinheiros, São Paulo - SP, 05416-000
102-4	Location of operations	21, 22	
102-5	Ownership and legal form		Closely-held corporation.
102-6	Markets served	13, 14, 21, 22	
102-7	Scale of the organization	13, 14, 21, 22, 25, 26, 27, 28	
102-8	Information about the employees and other workers	62	
102-9	Supply chain	82, 83	

GRI Standard	Content	Page	Answer or omission
102-10	Significant changes to the organization and its supply chain		Not applicable. This is the company's first Sustainability Report.
102-11	Precaution principle or approach		We informally apply this principle through internal directives and procedures, which aim to avoid the impact of risks in the different spheres of the company (environment, health and safety operational, etc.). We highlight that ComBio has recently started structuring a risk management front.
102-12	External initiatives	35, 36, 37	
102-13	Membership of associations	35, 36, 37	
Strategy			
102-14	Statement from senior decision-maker	4, 5, 6	
Ethics and integrity			
102-16	Values, principles, standards and norms of behavior	13, 14, 16, 34	
Governance			
102-18	Governance structure	32	

GRI Standard	Content	Page	Answer or omission
Stakeholder engagement			
102-40	List of stakeholder groups	9, 10, 11, 12	
102-41	Collective bargaining agreements	61	
102-42	Identifying and selecting stakeholders	9	
102-43	Approach to stakeholder engagement	9	
102-44	Key topics and concerns raised	10, 11, 12	
Reporting practice			
102-45	Entities included in the consolidated financial statements		The entity included in the financial statements corresponds to ComBio Energia S.A, with all its subsidiaries.
102-46	Defining report content and topic Boundaries	9, 10, 11, 12	
102-47	List of material topics	9, 10, 11, 12	
102-48	Restatements of information		Not applicable. This is the company's first Sustainability Report.
102-49	Changes in reporting		Not applicable. This is the company's first Sustainability Report.

GRI Standard	Content	Page	Answer or omission
102-50	Reporting period	8	
102-51	Date of most recent report		Not applicable. This is the company's first Sustainability Report.
102-52	Reporting cycle		Annual
102-53	Contact for questions about the report		sustentabilidade@combioenergia.com.br
102-54	Claims of reporting in accordance with GRI Standards	8	
102-55	GRI content index	88 - 94	
102-56	External assurance	8	

GRI Standard	Content	Page	Answer or omission
SPECIFIC CONTENTS			
Material theme: Biomass supply			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	48, 82, 83	-
103-3	Evolution of the management approach	48, 82, 83	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	83	
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	48	

GRI Standard	Content	Page	Answer or omission
Material theme: People management			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	60 - 69	
103-3	Evolution of the management approach	60 - 69	
GRI 401: Employment 2016			
401-1	New hires and employee turnover	66	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65	
401-3	Parental leave	67	

GRI Standard	Content	Page	Answer or omission
GRI 404: Training and Education 2016			
404-2	Programs for upgrading employee skills and transition assistance programs	67, 68	
404-3	Percentage of employees receiving regular performance and career development reviews	69	

GRI Standard	Content	Page	Answer or omission
Material theme: Ethical governance and transparency			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	31 - 39	
103-3	Evolution of the management approach	31 - 39	
GRI 205: Anti-Corruption 2016			
205-3	Confirmed incidents of corruption and actions taken	34	
GRI 206: Anti-Competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	34	
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	79	
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	79	

GRI Standard	Content	Page	Answer or omission
Material theme: Innovation and operational efficiency			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	40 - 43	
103-3	Evolution of the management approach	40 - 43	
GRI 201: Economic Performance 2016			
201-4	Financial assistance received from government	43	

GRI Standard	Content	Page	Answer or omission
Material theme: Climate changes			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	50 - 55	
103-3	Evolution of the management approach	50 - 55	
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	55	
302-3	Energy intensity	55	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) of GHG emissions	53	
305-2	Energy indirect (Scope 2) GHG emissions	53	
305-4	Intensity of greenhouse gas emissions (GHG)	53	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	55	

GRI Standard	Content	Page	Answer or omission
Material theme: Health and Safety			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	71 - 78	
103-3	Evolution of the management approach	71 - 78	
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	71	
403-2	Hazard identification, risk assessment and incident investigation	74, 75, 78	
403-3	Occupational health services	76	
403-4	Worker participation, consultation, and communication on occupational health and safety	74, 75	
403-5	Worker training on occupational health and safety	76	
403-6	Promotion of worker health	76	

GRI Standard	Content	Page	Answer or omission
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71, 74, 75, 76	
403-8	Workers covered by an occupational health and safety management system	71	
403-9	Work-related injuries	78	
403-10	Work-related ill health	78	

GRI Standard	Content	Page	Answer or omission
Relevant topic: Water and effluents			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	57	
103-3	Evolution of the management approach	57	
GRI 303: Water and effluents 2018			
303-5	Water consumption	57	
Relevant topic: Economic and financial performance			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	10, 11, 12	
103-2	The management approach and its components	39	
103-3	Evolution of the management approach	39	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	39	

GRI Standard	Content	Page	Answer or omission
Relevant topic: Human rights, diversity and inclusion			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	63	
103-2	The management approach and its components	63	
103-3	Evolution of the management approach	63	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	63	
Relevant topic: Waste Management			
GRI 103: Management approach 2016			
103-1	Explanation of material topics and its boundaries	56	
103-2	The management approach and its components	56	
103-3	Evolution of the management approach	56	
GRI 306: Waste 2020			
306-3	Waste generated	56	

Independent auditor's limited assurance report on non-financial information included in the Sustainability Report for 2021

To the Board of Directors and Stockholders

Combio Energia S.A.

São Paulo - SP

Introduction

We have been engaged by Combio Energia S.A. ("Combio" or "Company") to present our limited assurance report on the non-financial information included in the Company's Sustainability Report for the year ended December 31, 2020 and December 31, 2021.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2021 Sustainability Report, including any incorporated images, audio files or videos.

Responsibilities of Combio's management

The management of Combio's is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the Sustainability Report.
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards) and with the basis of preparation developed by the Company.
- designing, implementing and maintaining internal control over the significant information for the preparation of the information included in the Sustainability Report, which is free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2021 Sustainability Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 - "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews

of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented poli-

cies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2021 Sustainability Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the Company involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Sustainability Report taken as a whole might present material misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2021 Sustainability Report, other circumstances of the engagement and our analysis of the activities and processes associated with the ma-

terial information disclosed in the 2021 Sustainability Report in which material misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2021 Sustainability Report.
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information of Combio.
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2021 Sustainability Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria (1) of the Global Reporting Initiative (GRI-Standards); (2) the provisions established in the basis of preparation developed by the Company, applicable in the preparation of the information included in the 2021 Sustainability Report.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. Had we performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2021 Sustainability Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate, and estimate these data. Qualitative interpretations of the materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods, nor future projections and goals and we also state that we were not responsible for the assurance of Combio's GHG Inventory for the year 2021.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and, therefore, the information included in the 2021 Sustainability Report does not aim to provide assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. Those standards establish, however, the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines occur. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the Sustainability Report for the year ended December 31, 2021 of Combio Energia S.A. has not been prepared, in all material respects, in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards), and with the basis of preparation developed by the Company.

São Paulo, June 30, 2022

**PricewaterhouseCoopers
Auditores Independentes Ltda.**

CRC 2SP000160/O-5

Maurício Colombari

Contador CRC 1SP195838/O-3

CREDITS

Graphic design and layout

Alberto Tamataya

Photos

Érico Hiller

Independent assurance

PwC Brasil

Proofreading and translation

Korn Traduções

Sustainability Report 20/21

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