

BBF GROUP (BRASIL BIOFUELS)  
**Sustainability**

**2022**



**GRUPO  
BBF**

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# Presentation

GRI 2-2, 2-3

This Sustainability Report is inspired by the GRI (Global Reporting Initiative) Standards, the most important methodology used for global sustainability reporting, and involves a number of its indicators. Here we present our employees, investors, suppliers, clients, communities and other BBF Group stakeholders. We also outline the path we have taken since we were founded in 2008, our proposals, challenges and results obtained during the period covered by the report, from January 1 to December 31, 2022.

From now on, we intend to publish this report on an annual basis, to report our indicators demonstrating the incorporation of the ESG principles into all our operations, which are and will be directing us towards a sustainable business model, now and in the future, generating a positive impact on society and the environment.

Doubts, criticism and suggestions can be sent to [contatos@bbfuels.com.br](mailto:contatos@bbfuels.com.br)

# A message from the CEO

GRI 2-22



I am extremely proud of the history that our more than 6,000 direct employees and 18,000 indirect employees created in 2022. It was a year in which our business was transformed and accelerated. And we have remained firm in our objective of decarbonating the Amazon Forest, creating jobs and ensuring socioeconomic development in the communities where we operate.

I always say that where there is development, education and the generation of income, there exists preservation and care for the forest. Sustainability in the Amazon has to be priority number one, be it by the state or by the private sector; and one of the main factors for success, without a doubt, is anchored in the creation of jobs and ensuring socioeconomic development in the region.

And talking of love for the land and protection of the forests, we have strengthened our environmental and social practices, at the same time as we have expanded our area devoted to the sustainable farming of oil palm, with 75,000 hectares now planted in the states of Roraima and Pará, containing more than 10 million palm trees. We also announced our investment in expanding our presence through the planting of another

120,000 hectares of palm in Roraima by the end of 2025, to exclusively meet the raw material supply needs of the groundbreaking biofuels that we will be launching in 2026.

We have announced innovative projects, such as: investment in the production of Sustainable Aviation Fuel (SAF), that we will be producing at the country's first bio-refinery, currently under construction at the Manaus Free-Trade Zone; and we have inaugurated the first hybrid thermoelectric power station in Roraima, powered by biomass and plant oil, this being a project that contributes enormously to our company's legacy in the state.

We have moved forward with our corporate governance agenda, having begun implementation of the SAP project in all our operations. We achieved investment grade in our first appearance with Fitch Ratings, noting a positive outlook for our business in the long-term.

In the social pillar, I would like to highlight the results of our Family Farming Program, which encourages more than 400 families in Pará and last year generated around R\$ 30 million in income for those farmers who are partners of the BBF Group. Furthermore, we have invested in the construction of nine bridges, the maintenance of more than 650 km of country roads and in our partnership with the Vivo telecommunications

company to expand 4G cover into the northeast of Pará state.

Our business involves long-term assets, reinforcing the Company's commitment to best environmental, social and corporate governance practices. We believe in investment in innovation tied to sustainability, in the generation of employment and income in remote areas, and in offering products developed with respect for the environment. Preservation of our biodiversity should be everyone's priority, and Brazil, by having the biggest biodiversity on the planet, is a leader in achieving a global balance of the ecosystems. It is within this context that we continue advancing in our current activities and developing new avenues of growth for the BBF Group.

Please read through this Sustainability Report to understand a little more about our history and progress. The report is underpinned by the GRI Standards, which aim to guarantee a sustainable business model both now and in the future, capable of generating positive impacts for society and the environment.

We hope you enjoy the report!

**Milton Steagall**  
BBF Group CEO

# Our figures GRI 2-6



**200,000  
tons**

of palm oil production  
capacity

**3 units**

devoted to crushing  
palm oil

**1 unit**

devoted to crushing soybean  
and one industrial unit



**140,000**

energy clients

**38 thermoelectric  
power stations**

thermoelectric power plants - 25 in operation  
and 13 in the implementation stage

**86.8 MW**

of energy generation  
capacity



**75,000+**

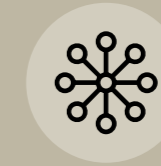
hectares of oil palm  
planted

**400+**

family farmer partners

**64 million**

liters/year of palm oil  
biodiesel production capacity



**6,000+**

direct employees



**R\$ 2.2 billion**

in assets

1

# Who We Are



# The **BBF Group** (Brasil BioFuels)

GRI 2-1, 2-6

The BBF (Brasil BioFuels) Group, an entirely Brazilian company, was founded in 2008, with the aim of **changing the energy structure** of the Northern Region of the country, creating jobs and income, and reducing the cost of electricity for the population. By means of a vertical and integrated business model, we operate from the beginning to the end of the value chain - from the planting of the oil palm, extraction of raw oil and production of biofuels, through to the generation of clean and renewable electricity for Isolated Systems, made up of those locations not connected to the National Interconnected Grid (NIG).

**We were founded in 2008,**  
farming our first hectares of  
oil palm in Roraima

We started in the city of São João da Baliza, in the state of Roraima, where we farmed our first hectares of oil palm. Using the palm oil, we developed biofuels to generate renewable energy and to supply our thermoelectric power plants that form part of the Isolated Systems. By doing so, we have made clean electricity available to our clients in the Northern Region of Brazil, promoting economic and social development in the Amazon Region, in full harmony with the Amazon Rainforest.

The Environmental, Social and Governance (ESG) principles are incorporated into all of our operations and guide us in guaranteeing that our business model is sustainable both now and in the future, having a positive impact on society and the environment.



# The **BBF Group** GRI 2-1, 2-6

With administrative head offices in São Paulo, we are a privately held company (BRASIL BIO FUELS S.A.) working with agribusiness from the farming of the oil palm, through commercialization, production of biofuels and generation of renewable energy.

Over the course of time, we have managed to consolidate ourselves as one of the biggest energy producers in the Isolated Systems of the Northern Region and as the biggest palm oil producer in Latin America. Our businesses involve long-term assets, reinforcing our commitment to best environmental, social and governance practices.

We are the biggest producer of oil palms in Latin America, with more than 75 hectares planted in the states of Pará and Roraima. All of our plantations respect the Agroecological Zoning (ZAE) of the Palm Oil Crop, approved by Decree no. 7,172, dated May 7, 2010, that defines the sustainable implementation of this crop in areas damaged through until 2007, with the aim of restoring them.

In 2021, following the acquisition, in 2020, of a shareholder control in the palm oil producer Biopalma Amazônia, located in the north of Pará state, we moved forward with the expansion of our agribusiness plans, reaching a total of more than 6,000 employees across the BBF Group.

In the electricity sector, we are one of the biggest generators of clean energy in Isolated Systems, with a generating capacity of 86.8 MW and 25 thermoelectric power plants in operation, serving the needs of more than 140,000 clients. At the end of 2022, the operational tests began on our first hybrid power plant, located in São João da Baliza, in the state of Roraima, combining biofuel and biomass for energy generation. By 2024, we will have incorporated another 13 thermoelectric power plants, increasing our generating capacity to 238 MW.

We have been producing biodiesel in the state of Rondônia since 2009. The palm oil provides a production capacity of more than **64 million liters** every year, offering a sustainable alternative to S500 Diesel (a highly polluting fossil fuel).

Our biodiesel is used as a **green biofuel** for the generation of electricity, whilst it is also commercialized as a sustainable option for fueling trucks, equipment and energy generators. On top of this, as of 2026, we will be pioneers in the development of Green Diesel biofuel (HVO), revolutionizing the biofuels sector in Brazil.



GRI 2-23, 2-24

## Our Objective

**To decarbonize the Amazon Forest, creating jobs and ensuring socioeconomic development in the communities where we operate.**

## Our Directive

**To empower the local Amazon culture and drive the world's energy transition.**



# Agroecological Zoning (AEZ) of the Oil Palm

Decree N°. 7,172, dated May 7, 2010

A federal decree that authorizes and regulates the areas marked out for oil palm farming in Brazil.

BBF is committed to sustainability and environmental responsibility in its palm oil production processes. To ensure this, planting is only performed in areas that have been identified and approved for Agroecological Zoning, as established by Decree n°. 7,172/2010. These areas were damaged before 2007 and BBF is working to restore the biodiversity and preserve an ecological balance in all of its agricultural operations.

## OBJECTIVES OF THE AGROECOLOGICAL ZONING OF OIL PALM



To guide the expansion of Brazilian production of palm, using technical-scientific bases, with the aim of ensuring sustainability in its economic, social and environmental aspects.



To offer sustainable economic solutions for the rural producers in the region and balance economic development with preservation of the environment.

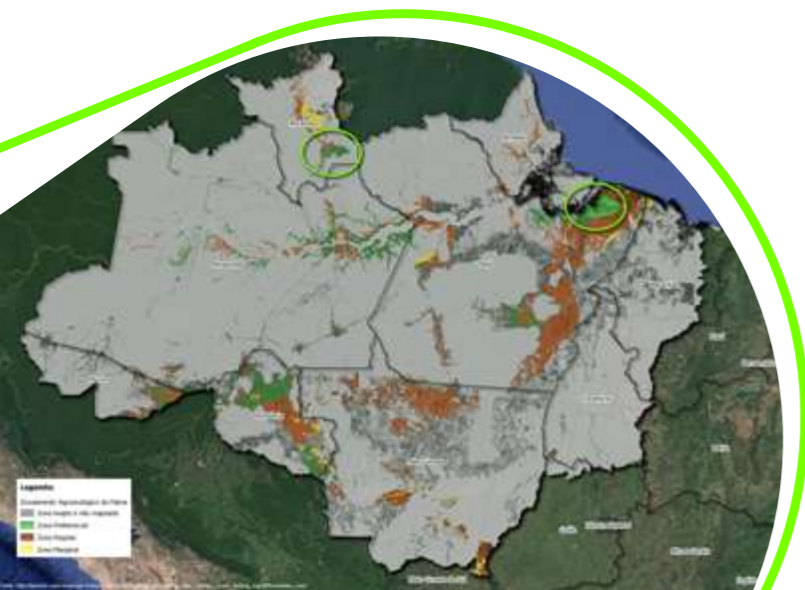


To provide a base for the planning of sustainable uses of the land in accordance with the currently applicable legislation.

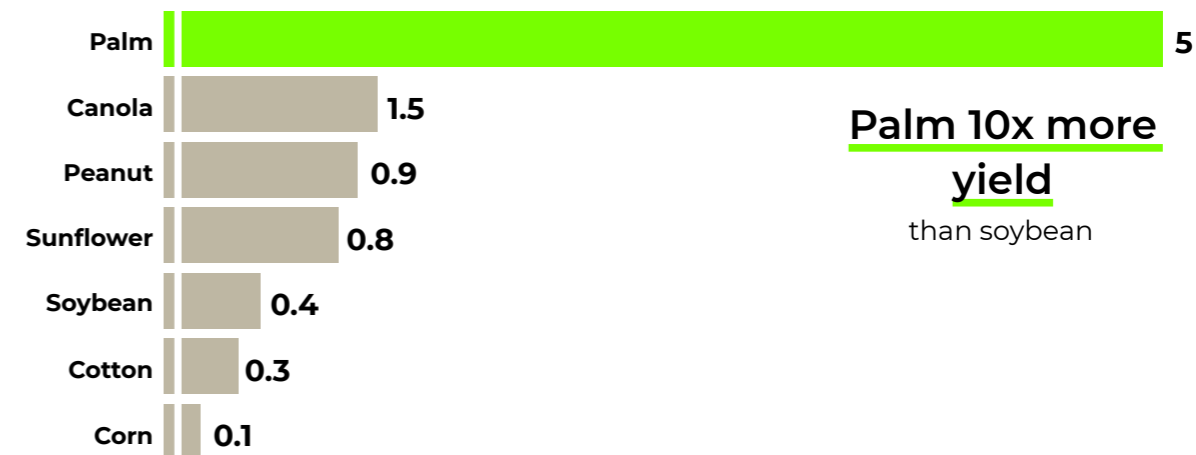


To provide a base for the planning of development hubs in rural areas, in alignment with the Government's public policies.

In 2010, by means of the AEZ, the federal government recognized the expansion of the oil palm crop in already deforested areas of the Legal Amazon region, as an alternative for the production of oil for food and energy needs.



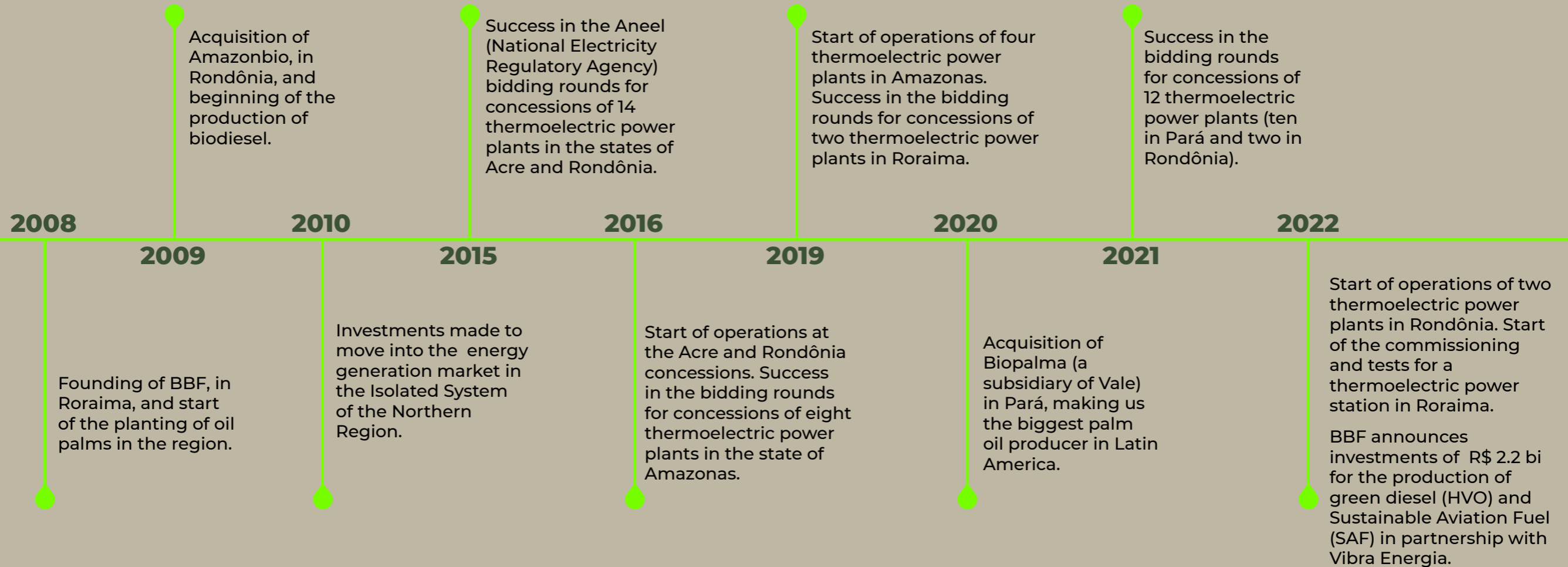
YIELD IN TONS (per hectare/year)



**Palm 10x more yield**  
than soybean

Source: Decree N°. 7,172, dated May 7, 2010

# Timeline



# Our Business

By means of an integrated and vertical business model, we operate across the entire production chain, ensuring the practical application of our aim to be an integrated player and our directive of driving energy transition for the production and consumption of clean electricity. To achieve this, we have invested in the planting of the oil palm, in the harvesting and processing of the fruit, and in the extraction of the oil, from which we produce the biodiesel that supplies the generation of clean and renewable energy in thermal power plants in the Northern Region of the country.

By operating throughout the production chain (agribusiness, biofuels and renewable electricity), we generate more than 6,000 direct jobs and more than 18,000 indirect jobs, making the BFF Group one of the biggest employers in the Northern Region of Brazil.

## OUR FOUNDATIONS

### The origin of the raw-material

By producing the raw-material ourselves, we are able to guarantee control of the costs and low exposure to commodity prices.

### Investments in technology and patents

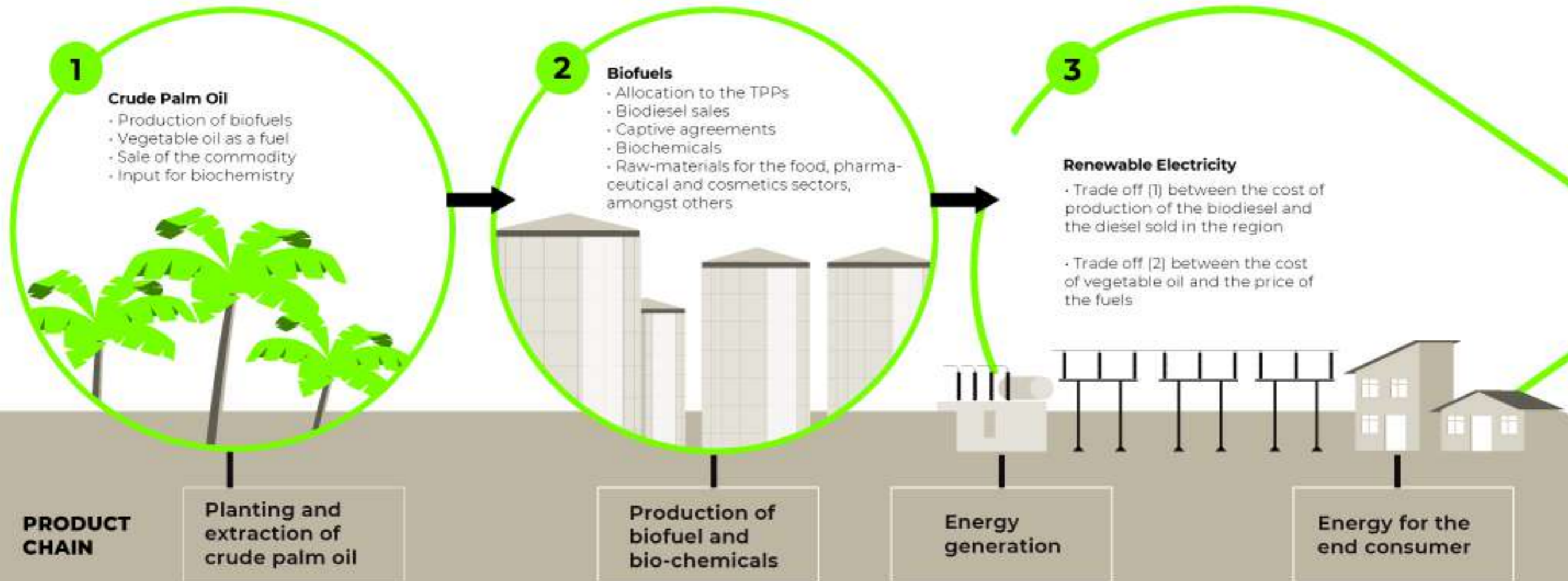
We registered 11 patents in 2022.

### Long-term contracts

Stability of the cash flow through energy concessions or purchase agreements.

# Verticalized business model:

We work across the entire production chain, ensuring the efficiency of the solutions presented and the products sold



## BBF Agro

In the agribusiness segment, we work with the planting, management, processing and commercialization of palm oil in the states of Roraima and Pará. This oil is processed at our own extractor plants, with a production capacity of 200,000 tons - the majority of the oil going towards the production of biodiesel. The palm oil is used around the world in food, hygiene and pharmaceutical products. In Brazil, we are pioneers in its use for the production of green fuels.

As the biggest producer of the oil palm in Latin America, we follow best international practices for its sustainable management, with continual monitoring in the areas surrounding our operations, in accordance with the standards established by the National Environment Board (Conama) and the Program for the Sustainable Production of Oil Palm in Brazil, instigated by the Ministry for the Environment, which should only be performed in areas damaged through

until 2007. As such, our operations in the field contribute to preventing new deforestation and to maintaining the ecological balance of the Amazon Region, through the perennial planting of the oil palm, the fruit of which is collected whilst the tree remains in the ground.

As of 2025, we will be entering the cacao and corn markets. In addition to this, research will be performed on the macaúba, a species of palm native to Brazil.

# 75,000

hectares of total farmed land

# 15,300

hectares in São João da Baliza (RR)

# 60,400

hectares in Acará, Concórdia, Moju and Tomé-Açu (PA)





## BBF Biofuels

Active in Ji-Paraná (RO) since 2009, the plant has a biodiesel production capacity of 64 million liters/year, under license from the ANP (National Agency of Petroleum, Natural Gas and Biofuels). Furthermore, the business holds a RenovaBio certification, issued by the ANP, and the '*Biocom-bustível Social*' seal, issued by Mapa (Ministry of Agriculture, Livestock and Supply).

Palm oil biodiesel is used as a green biofuel for the generation of electricity whilst it is also marketed as a sustainable option for fueling trucks and equipment.

## BBF Energy

We supply around 140,000 clients in the Northern Region, with 25 thermoelectric power plants in operation, powered by biodiesel and biomass, whilst we have also begun operational tests on a biomass-powered energy plant, meaning a total of 86.8 MW of installed capacity. BBF is currently the only company that operates with B100 biodiesel, rather than fossil diesel, on a commercial scale in isolated systems.

In 2022, we began operations at two thermoelectric power plants in Isolated Systems in the state of Rondônia. Also in 2022, talks began in relation to the contracting and licensing of ten power stations in Pará, with operations planned to begin in 2023. In the state of Roraima, we moved ahead with work on two sustainable plants that will use the biomass from oil palm bagasse to supply the needs of part of the state of Roraima, where one of the plants has already been finalized and commissioned. Once all of these plants have moved into operation, we will achieve a total generation capacity of 238 MW.

### **140,000 clients**

are supplied by means of our 25 operational thermoelectric power plants powered by biodiesel and biomass



# Group BBF operations in the Northern Region

2 oil palm plantations covering **75+ hectares**

3 oil palm crushers

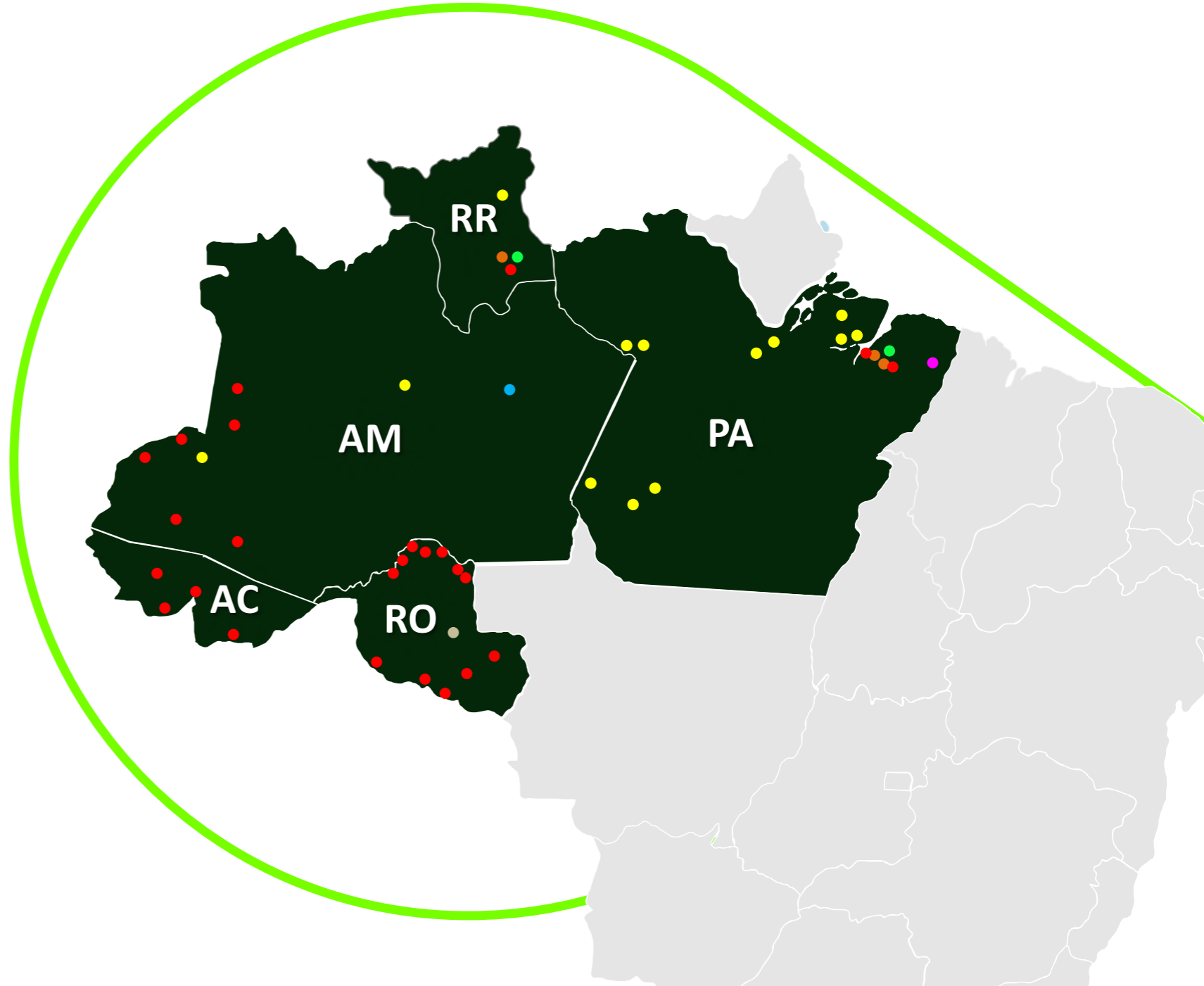
13 electricity power plants under construction

1 biodiesel unit

25 electricity power plants in commercial operation or being tested

1 biodiesel unit in the pre-implementation phase

1 soybean extractor in operation





# Governance

GRI 2-9

Our management model is focused on continually improving the engagement of our employees in achieving the company's strategic objectives. Amongst the methodologies applied are monthly meetings designed to address operational and financial performance. At these meetings, the operational support departments validate the indicators and targets, consolidating the management model and the culture of critical analysis of results with the senior management.

In order to monitor the achievement of our strategies, we employ the 'Balanced Scorecard' (BSC) management tool, ensuring that operational and financial performance is monitored at all hierarchical levels. This method creates a continuous flow of information, which assists in streamlining the decision-making process.

In 2022, we achieved investment grade with Fitch Ratings, noting a positive outlook for our business in the long-term.

## THE SHAREHOLDING STRUCTURE OF BRASIL BIOFUELS S.A.

| Shareholders                | Share  |
|-----------------------------|--------|
| Sócrates Participações S. A | 64.97% |
| Other                       | 35.03% |

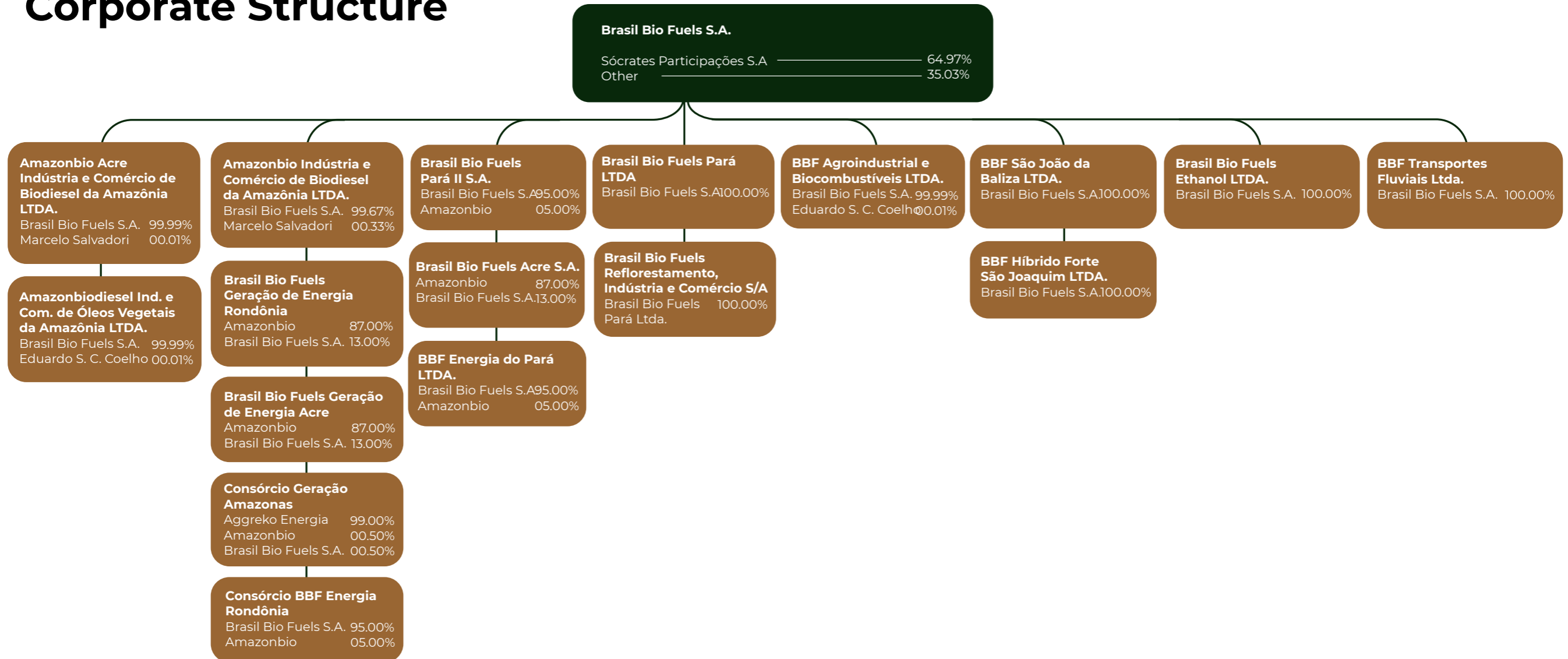


## Management Innovation

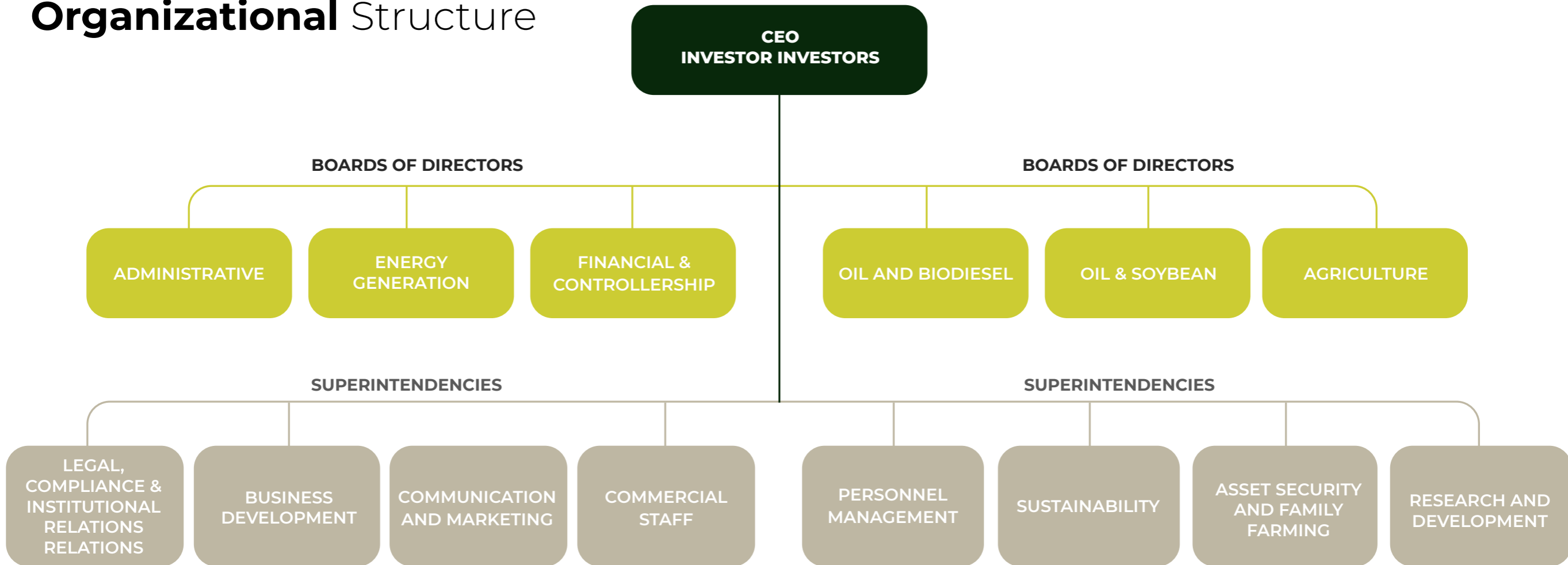
By 2024, we will have achieved the full modernization of our management structure, through the digital transformation of our businesses. To do so, the company opted for cutting-edge technological solutions focused on the management and automation of processes. The 'RISE with SAP' cloud solution will serve all our departments, allowing state-of-the-art management at the business units, and strengthening governance and technological intelligence throughout our chain.

# BBF Group

## Corporate Structure



# Administrative Organizational Structure



## ETHICS AND COMPLIANCE **GRI 2-23, 2-24, 2-26**

We believe that achieving our objective of inclusively and sustainably transforming the living conditions of the Amazon Region, through our vertical business, depends upon ethical operations. In pursuit of this, we follow our own Code of Ethical Conduct based upon four values: respect for the environment, life and people; transparency and responsibility; excellence in what we do; and a focus on results and simplicity.

The procedures relating to the Code of Ethical Conduct are handled by the Legal and Compliance Department. The Board of the BFF Group is responsible for applying it and proposing any improvements or updating to the Administrative Council, whenever necessary.

Our anti-corruption policy ensures compliance with anti-bribery and anti-corruption laws in the various jurisdictions where we operate. Amongst the good practices regulations established are the performance of anti-corruption due diligence throughout a supplier's contracted period and reporting of any suspect situation through the compliance hotline available on our website. Our employees can also report such situations to their superiors, the Internal Control department, or their local compliance department, with a guarantee of full confidentiality.

Based upon the Universal Declaration of Human Rights, our actions are guided by respect for human diversity, appreciation for local culture and promotion of the principles of decent and non-discriminatory work, with an emphasis on the eradication of child, slave and degrading labor in our production chain.

We require our suppliers to provide safe and healthy working conditions which meet all regulatory requirements. We have established contractual penalties, with the prohibition of practices involving child labor, forced labor, or moral, mental or psychological harassment or other unethical restraints, whilst we repudiate any type of discrimination.

## RISK MANAGEMENT **GRI 2-12**

Our management structure allows for a standardization in the manner in which risks are identified, analyzed, assessed, handled and monitored, on a monthly and annual basis. These practices influence our future performance by facilitating the allocation of resources that could affect the company's objectives, reducing the commercial exposure of the cashflow and optimizing working capital. The monitoring is performed using tools that protect the operations, as well as the relationships with the company's suppliers.



## OUR CERTIFICATIONS



**RenovaBio:** The National Biofuels Policy, the main objective of which is to reduce the emissions of gases that cause the greenhouse effect in the production, commercialization and use of biofuels through Decarbonization Credits (CBIOS). This certification has been awarded to the Amazonbio production unit.



**Social Biofuel Seal:** this grants the Amazonbio production unit the status of promoter of productive inclusion for those family farmers qualifying for the Pronaf program.



**Green Seal:** this represents the BFF Group's commitment to sustainable development, with a focus on the reduction of environmental impacts in its operations.



# Strategy **and Management**

**2**

# Structural Growth

In 2022, we continued with the process of expanding and diversifying our business to establish ourselves as an electricity generation company using different clean and renewable sources. The strategy reflects our aim of investing in the expansion of the vegetable oils portfolio, with a view to energy transition through the production of biodiesel, green diesel (HVO) and sustainable aviation fuel (SAF).

Forming part of this new phase in the history of the BBF Group are the installation of new co-generation units at its oil palm crushing plants in Roraima, the construction of two corn ethanol production units, and the development of biodiesel, green diesel (HVO) and sustainable aviation fuel (SAF).

## **BBF BIOTECH**

BBF Biotech, a new division of the BBF Group, aims to substitute petrochemical inputs with renewable raw materials. With the first of two industrial plants in Ji-Paraná, Rondônia, we supply a number of different sectors, including agriculture and cosmetics, from sustainable farming through to development of the inputs. We use plant-based oils, such as that extracted from palm and palm kernel, farmed in the Amazon. Our products are notable for their biodegradability, low phytotoxicity and dermal irritation, suitable for use in various different consumer goods industries.

## **HYBRID PLANT - SÃO JOÃO DA BALIZA (RR)**

With an installed capacity of 17.9 MW, the hybrid thermal power plant located in São João da Baliza, in Roraima, received investments of R\$ 166 million and is the first plant in the country to combine vegetable oil and biomass with inputs obtained from the processing of palm oil. The operation will contribute to reducing the burning of fossil fuels in the Amazon Region by around 43 million liters per year. The substitution of fossil diesel will benefit the population and the environment through a reduction of around 99,000 tons of carbon emissions into the atmosphere.

With tests having started in 2022, our TPP will be offering a complete production cycle, ranging from the planting of the oil palm through to the transformation of the biomass, reusing part of the waste from the operation.

### **SOYBEAN EXTRUDER (PA)**

In 2022, we began operations at the company's first soybean extruder plant, located in Paragominas, in Pará, this also being the first of its type anywhere in the state. The new plant supports local producers, who can use the installations to extract soybean oil and bran for commercial purposes, with the capacity to process up to 2,448t/month. In 2022, 776 tons of bran and 123 tons of oil were produced.

### **HYBRID POWER STATION - FORTE SÃO JOAQUIM (RR)**

In 2022, great advances were made on the Forte de São Joaquim Hybrid Thermoelectric Power Station, with head offices in Boa Vista (RR) With inauguration planned for 2023 and an installed

capacity of 56.2 MW, the plant's industrial complex will be supplied by renewable energy sources of biomass and vegetable oil, with investment budgeted at R\$ 336 million.

### **CORN ETHANOL PRODUCTION (RO)**

In line with the pioneering spirit of Brazil's Northern Region, BBF is developing a project to produce ethanol from corn, with the aim of making this biofuel more accessible in the region. The aim is to process around 168,000 tons of corn/year, starting in 2025, with an annual production of more than 70 million liters of anhydrous ethanol for use in the Northern Region and with the capacity to double this volume as of 2028.

In partnership with companies using this technology that are global benchmarks in this segment, we will be making use of 100% of the corn's raw-material, including the production of oil, bran and corn fusel, with no generation of waste at the industrial plant.

With investments in the order of R\$ 433 million, the new plant is to be built together with the Forte de São Joaquim Hybrid Thermoelectric Power Station (Biomass/Biodiesel), in Boa Vista-RR, taking advantage of the excess generation of steam and electricity, thus making it more efficient and creating more than 80 direct jobs in the region.



# Plans for the first **HVO** and **SAF** Biorefinery



Announcement of construction of the **first HVO and SAF Biorefinery in Brazil**, located in the Manaus Free Trade Zone



Investment of **R\$2.2 billion+**, in a groundbreaking biorefinery



Production of green diesel (HVO) **developed entirely from vegetable oil, and Sustainable Aviation Fuel (SAF)**



Additional planting on **more than 100,000 hectares** in Roraima by 2026



Production of **500 million+** liters per year, as of 2026



Commercial distribution performed by **Vibra Energia**

More information on our **Structural Growth** can be found on **page 22**





# Technology and innovation

GRI 2-9

Our present stage of maturity and robustness, achieved over the course of recent years, has led us to a moment of never-before-seen innovation in the technology of transformation of vegetable oils. Added to the technological know-how in the development of green fuels, the BFF Group's new strategic projects include the future launch of a line of oleochemicals to substitute the products produced by the fossil-sourced petrochemical industry.

At a competitive cost, due to the BFF Group's vertical and integrated business model, the line of oleochemicals will, in principal, supply the fertilizer, cosmetics and pharmaceuticals segments.

## PRECISION FARMING

The adoption of precision farming has allowed us to manage controlled and effective actions designed to increase production. Based upon the collection of information from the earth, the crop and the climate, we can precisely determine the nutritional need of each oil palm crop on our 90 farms.

High-quality aerial images, captured by drones, allow us to analyze a wide range of different aspects of our crops, monitor the entirety of the plantation and obtain information including the soil's capacity to retain water and rates of growth,

as well as detect diseases and pests and make productivity estimates. The use of drones for monitoring allows us to identify the presence of pests and nutritional deficiencies, and also map out the Permanent Conservation Areas (PCAs) and the focal points of wildfires.



**Monitoring the earth,  
crops and climate**  
ensures quality control in  
the production

3

# Social Responsibility

Our sustainable production of palm oil and its derivatives generates value for the business and for our stakeholders. By means of conscientious and responsible management, we support social empowerment, the development of regional economic vocations, and environmental conservation and recovery. By combining sustainability and increased productivity in our operations, we are collaborating with social inclusion, the use of efficient and clean technologies, the recovery of damaged areas and environmental preservation.

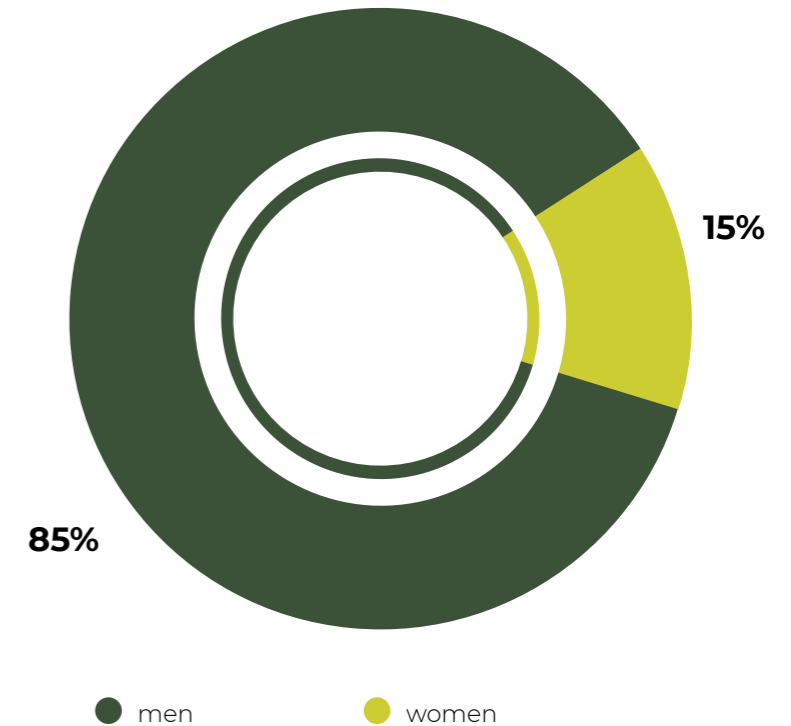
# Our People

GRI 2-7, 2-8

The BFF Group's Human Resources Policy establishes general directives and principles related to personnel management. All of our procedures are aligned with our business values, objectives and targets, serving as a strategic guide in the management of our human capital.

We believe in our employees' capacity, potential and desire for self-fulfillment. We invest in the engagement, development and recognition of our team, to ensure continuous growth, sustainable results and achievement of our future vision. By promoting a collaborative and inclusive environment for professional development, we provide the opportunity for everyone to take an active part in the Company's growth and development.

## Total n° of employees



**6,000+ employees**

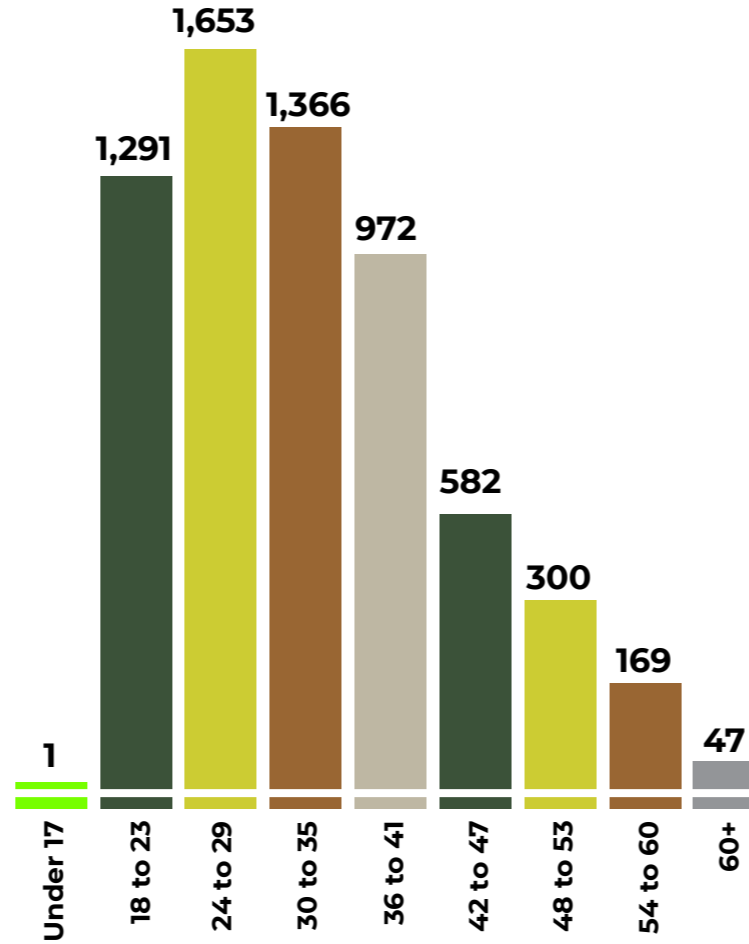
5,449 men and 932 women

**PROFILE OF EMPLOYEES**

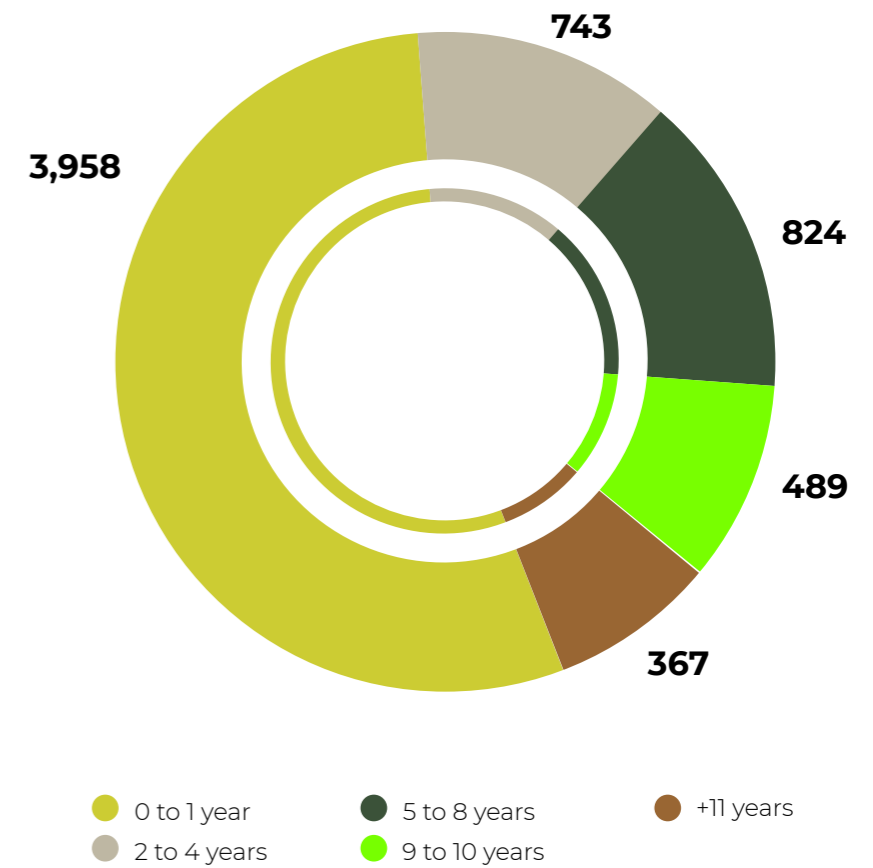
**Education**

|   |       |
|---|-------|
| Secondary Education complete                        | 2,546 |
| 5 <sup>th</sup> to 8 <sup>th</sup> grade incomplete | 1,006 |
| Elementary Education complete                       | 710   |
| Secondary Education incomplete                      | 585   |
| 4 <sup>th</sup> grade incomplete                    | 501   |
| Higher Education complete                           | 340   |
| 4 <sup>th</sup> grade incomplete                    | 330   |
| Illiterate  | 127   |
| Higher Education incomplete                         | 77    |
| Technical course                                    | 76    |
| Post-graduate                                       | 73    |
| MBA   | 5     |
| Masters Degree                                      | 4     |
| Doctorate   | 1     |

**Age group**



**Length of time with the company**



## HIRING AND TRAINING

In 2022, we invested in the hiring, training and upgrading of leaders to meet the management demands arising from the Company's new phase of modernization. Through the Leadership Development Program, we have begun recycling at management level, offering courses and training, with plans for it to be offered to other leadership levels in 2022.

Aware of the need to boost the professional abilities of the population of working age in the states of the Northern Region, we have bolstered our partnerships with Senar (National Service for Rural Learning) and Senai (National Service for Industrial Learning). Another measure has involved expanding our Young Learner, Internship and Technical Improvement programs together with Senai. A culture of meritocracy and transparent feedback aligns the individual career interests with the opportunities and needs of the business, prioritizing internal promotion.

We ended 2022 with 6,381 employees, 68% of the workforce being rural workers. We are already the biggest employer in the Northern Region of the country, and the rapid growth of the BFF Group means we will need to expand the workforce to 12,000 employees by 2027.

## OPEN DIALOG WITH THE UNIONS **GRI 2-29**

The company's Human Resources department is responsible for collective bargaining and our relationship with the unions. We maintain an open, close and transparent dialog. Our managers keep our employees informed about each round of negotiations. Meetings are also held in the locations where we operate to validate our results and address any doubts. To identify potential improvements, our Labor Relations department from time to time holds discussion groups with the operational workers.



### DIVERSITY

**In 2022, we reinforced our process to ensure greater inclusion of women in our operations. Women account for 15% of our workforce. The hirings were concentrated in the work involving pollination of the oil palm, but others doors have also opened for women, such as in the area of machine operations.**

## HEALTH AND SAFETY

One of our central premises is to ensure good working conditions, as well as the safety and quality of life of our employees. We closely monitor our labor and social security obligations, providing proper working conditions and ongoing improvements to the processes and Personal Protective Equipment, as well as excellent housing and healthy meals.

The Health and Safety Policy expands on our value of “Life first”, setting out seven operating principles and seven Commitments. The commitments and results of the senior management are focused on achieving Excellence in Health and Safety, in line with our Code of Ethical Conduct. Our leaders are trained to inspect and monitor the work performed in the field, with the aim of guiding the employees, as well as identifying risks and suggesting preventative actions.

In 2022, we registered a 35% reduction in Accidents involving time off work against 2021, undertook campaigns relating to awareness raising and prevention of accidents and occupational illnesses, and our care for employee health led to discussions on this subject. The company invited doctors and specialists to participate in online meetings, discussing different issues over the course of the year, including prostate cancer (Blue November), Sipat - Internal Occupational Accident and Sexually Transmissible Diseases Prevention Week (Red December). In 2022, we recorded 100% of the periodic exams performed in the BBF Group, guaranteeing full monitoring of the health of our employees.



## 7 Commitments to excellence in H&S

- 1. Health and Safety is everyone’s responsibility;**
- 2. Valuing Health and Safety means valuing people;**
- 3. Health and Safety aims for “Zero Loss”;**
- 4. We want to continually and constantly improve;**
- 5. Identification and Management of Health and Safety Risks are the solution;**
- 6. Health and Safety management is extensive;**
- 7. Health and Safety management takes every relationship into account.**

## 7 operating principles of the Commitments to H&S

- 1. To identify and manage the risks associated with the activities, processes, installations, products and services;**
- 2. To act preventively in the management of the risks posed to the Health and Safety of people and to the integrity of the installations;**
- 3. To meet the established legal Health and Safety requirements as well as those assumed voluntarily;**
- 4. To continuously improve our performance in Health and Safety by means of an effective management system;**
- 5. To contribute positively and proactively to our employees’ evolution in Health and Safety performance;**
- 6. To understand and preventively manage the risks to the health of our employees, their families and the adjacent communities;**
- 7. To promote a healthy working environment, be it physical or psychosocial.**

# Community and Family Farming

Our collaboration with the communities where we operate goes beyond providing clean electricity to more than 140,000 clients in the Amazon region. We participate in the socioeconomic development of small communities, by generating employment and income, stimulating the local economy and helping to reduce the rural exodus.

As well as being one of the biggest employers in the Northern Region, with the intensive use of labor for the farming of oil palm, we invest in the training of young professionals who have the opportunity to work with their families, without having to migrate to bigger cities in search of employment. In parallel, the creation of income drives economic development by stimulating commerce and other local services.

Created in 2020, our Community Relations Plan brings together the directives, management tools and procedures involved in our social actions and the work of our technical teams with traditional communities and family farmers. This is an interaction that is always guided by open dialog and transparency, being based upon the following principles: a positive and well-considered relationship; recognition that the traditional communities have a unique culture and way of life; and the understanding that traditional communities have specific rights that should always be recognized and respected. [GRI 2-29](#)





As of 2022, we began a process aimed at re-adapting the structuring actions that had already been undertaken together with the communities. This involved listening to their leaders and making adjustments to the processes involved in financial subsidies, distributed across the stages of development and execution of projects, in accordance with the regulations agreed upon with the traditional communities and family farmers.

Over the course of the year, the Company's Institutional Relations area worked on specific actions, providing full support for the activities developed between the community and BBF. In addition to this, we worked on representation with the Governments of the municipalities in which our projects are active.



#### COMMUNITY RELATIONS HOTLINE

We provide a Community Relations Hotline, by means of which we can receive demands, complaints and suggestions. This initiative aims to provide support and a means of mitigating and resolving potential disputes, thereby allowing greater speed and efficiency in the processes.

### Communities in which we are active

**Total: 352**

Direct actions: 64

#### **3 Indigenous lands**

(Turé Mariquita I and II, Évare I, Tikuna de Feijoal)

15 villages in which we are directly active

#### **20 quilombola communities**

10 *quilombos* in which we are directly active

#### **329 local communities**

39 *quilombos* in which we are directly active



## AREAS OF ACTIVITY

**Drinking water:** access to quality water by offering a structure designed to receive a water tank and construction of an artesian well with plumbing.

**Food security:** support for agricultural production to ensure a food supply, including fish and poultry farming, agriculture, agroforestry systems and farming tools.

**Education and traditional culture:** support for actions focusing on literacy and cultural preservation, through the construction and maintenance of housing or cultural centers; hosting of traditional parties; encouragement of the local language; inputs for handicrafts and a school structure.

**Productive systems and inputs:** support for productive systems designed to allow the generation of income and provide financial autonomy.

**Health care:** encouragement for the practice of sports and support for the creation and maintenance of a medical services structure.

## FAMILY FARMING

By means of the Family Farming Program, developed by the Ministry of Agriculture, Livestock and Supply, we encourage sustainable production involving more than 400 families in the municipalities of Tome-Açu, Acará, Concórdia do Pará and Moju, in Pará. Our partnerships with local farmers contribute to the socioeconomic development of the Amazon Region, by providing a training program and technical support services.

### Principal initiatives:

- Incentives to purchase fertilizers;
- Support in the harvesting of fresh fruits;
- Phytosanitary control/pest control;
- Community support;
- Technical visits to provide support and recovery.

Work with the  
**Family Farming Program (Pará)**

**400 families+**  
promoted

**4,000 hectares+**  
of palm planted

**37,000 tons+**  
of fruit purchased from promoted family farmers

**R\$ 30 million+**  
invested in fruits grown by family farmers



# Highlights of **Family Farming** in 2022

## Guidance for the improvement of production

theoretical and practical training provided by BBF professionals and invited partners.

**3**

actions undertaken

**62**

families benefited

## Allocation of resources, equipment and BBF teams:

provision of services and improvements for the communities, including maintenance of public byways and technical courses, amongst others.

**5**

actions undertaken

**94**

families benefited

## Leasings:

Support for benefited communities, with lease contracts on farms without harvests and/or in problematic situations. Availability, equipment and BBF teams to provide logistics and technical support.

**451**

tons collected

**75**

families benefited

## Technical support:

ongoing support actions for the recovery of planted areas and improvement actions.

**2,000+**

visits made

**414**

families benefited



## FAMILY FARMING PROGRAM AWARD

To commemorate the delivery of 37,000 tons of palm produced by the 414 farmers who took part in the program in 2022, BBF presented awards to 14 farmers who stood out and hit the mark of more than R\$ 3 million as a result of their production. In total, the production ensured income of more than R\$ 30 million for the families involved in the program.

4

# Environmental Management

GRI 2-25

To fulfill the objective of effectively participating in the conservation of the biodiversity of the Amazon Region, our actions are based upon a number of pillars: recovery of damaged areas; contributions to the combating of climate change; conservation of the lands and hydro-resources; protection of and contribution to the preservation of fauna and flora; management of solid waste and effluents; social actions in neighboring communities; priority employment of conservationist farming practices; increase in the production of biofuels and generation of renewable energy to reduce the use of fossil fuels in the region.



## Programs

### **Environmental Education Program:**

awareness-raising amongst employees and communities with an integrated vision of actions focused on socio-environmental issues and the training of individuals to participate in the improvement of the local situations.

> **2022 Activities** - Environment Dialogs (DMA) at the hubs in Pará; integration of new employees; actions focused on the internal public (campaigns and Environment Week); development of knowledge multipliers; promotion of talks on environmental education at schools, in communities and on the properties of partner farmers.

**Program for Recovery of Damaged Areas:** recovery and monitoring, with adoption of the best alternative for the environmental rehabilitation of each area.

> **2022 Activities** - Identification of priority areas for plant recovery of recomposition; undertaking of projects prioritizing the use of native species; collection of earth during paving projects for later application in the preparation of saplings; studying of local rural producers, preferably families for involvement as partners; maintenance of revegetated areas; production and planting of saplings near to forest areas as a means of raising



employees' awareness; forestation of the agro-villas in the agro-industrial hubs; recovery of areas altered by the exploration of laterite soils; encouragement of partner farmers to make sustainable use of the land, without the use of burning techniques to clear the area.

**Solid Waste Program:** The Solid Waste Management Plan monitors the operational procedures involving separation at the source, collection, storage, transportation and final disposal.

> **2022 Actions** - Training sessions for employees; recycling of all non-hazardous waste and the waste arising from civil construction in the company's current works projects; implementation of partnerships for the purchase of solid waste; recycling of solid waste for energy generation; mapping of recycling cooperatives for partnerships.

**Program for the Prevention and Control of Erosive Processes and Silting:** Evaluation of potential creation of erosive and silting processes in the areas where the company's projects have an influence, and for suggesting preventive and mitigating actions.

> **2022 Actions** - Identification of priority areas for management; undertaking of projects with native species for the recovery of damaged

areas; implementation of partnerships; planting of preventive plant cover.

**Noise Control Program:** Prevention and control of noise emissions, using regular measurements and monitoring of equipment, and application of control measures.

> **2022 Actions** - Periodic measurements of the levels of sound emitted by the equipment, machines and vehicles at the company's projects; evaluation of the satisfaction of the local communities; monitoring of the impacts on the fauna and flora; evaluation and maintenance of anti-noise equipment; definition of times of day when large machinery can be used on the projects.

**Hydro-Resources Management Program:** This program meets the requirements established by the National Hydro-Resources Policy in relation to the monitoring of springs and encouraging conscientious consumption, with respect paid to the limits granted for collection. The company's effluents are also treated.

>**2022 Actions** - Measurement of surface and underground hydro-resources; physical and chemical laboratory analysis of samples with technical interpretation; application of control measures; evaluation and monitoring of the efficacy and cleanliness of the effluent treatment systems; employee training; development of technical specifications and evaluation of proposals from hydro-monitoring suppliers; implementation of water and effluents control and treatment systems, in order to be able to report to the user areas and the relevant environmental body, thus allowing for preventive and corrective actions to be taken; consolidation of hydro-resources management data for reporting of the indicators.



**Socio-environmental and socioeconomic programs:**

Responsible for providing clarification, orienting and supporting those dwelling near the operations. This program involves implementing actions focused on communication, environmental education, socio-environmental responsibility, the acquisition of local inputs, and contracting labor from amongst those living in the areas neighboring the projects.

> **2022 Actions** - Research into possible partners; constant dialog with the communities; improvements to the infrastructure, including the paving and maintenance of byways, and the construction of bridges and auditoriums for traditional peoples; publication of job opportunities; production and distribution of environmental education materials; hosting of workshops and talks involving the employees and local communities; acquisition of local inputs.

**Program for the Monitoring and Control of Atmospheric Conditions:**

this program monitors and prevents any possible alterations to the characteristics of the local environment caused by the agribusiness hubs, using current environmental legislation as a base.

> **2022 Actions** - Monitoring of the concentration of gases emitted in the Company's operations; monitoring of the smoke levels emitted by chimneys, vehicles and machines; restriction on speed limits to avoid raising dust along unpaved roads; constant and preventive maintenance of engines and machines.

**Program for Monitoring Fauna and Flora:** This program is focused on a diagnosis of the biota of the regions in which the company's operations are located, creation of a database for future conservation management activities, and establishment of guidelines for minimizing potential impacts.

> **2022 Actions** - Expansion of the program; frequent monitoring; partnerships with research institutes; training of employees in rescue techniques, including detailed annotation of the capture, recovery and release, type of marking, screening and other procedures adopted for the animals captured and collected, providing information on the individual type of identification and registration; identification of different endemic and threatened species; development of an action plan; promotion of self-relocation of animal species from the service regions; expansion of the sample points and their transects, considering the specific features of each location; promotion of the defense of the Permanent Conservation Areas (PCAs) and Legal Reserve Areas (LRAs).

In 2022, **we highlighted a number of different programs** that work together to **conserve the biodiversity** of the Amazon Region



### **Raising Awareness and Environmental Education in Schools:**

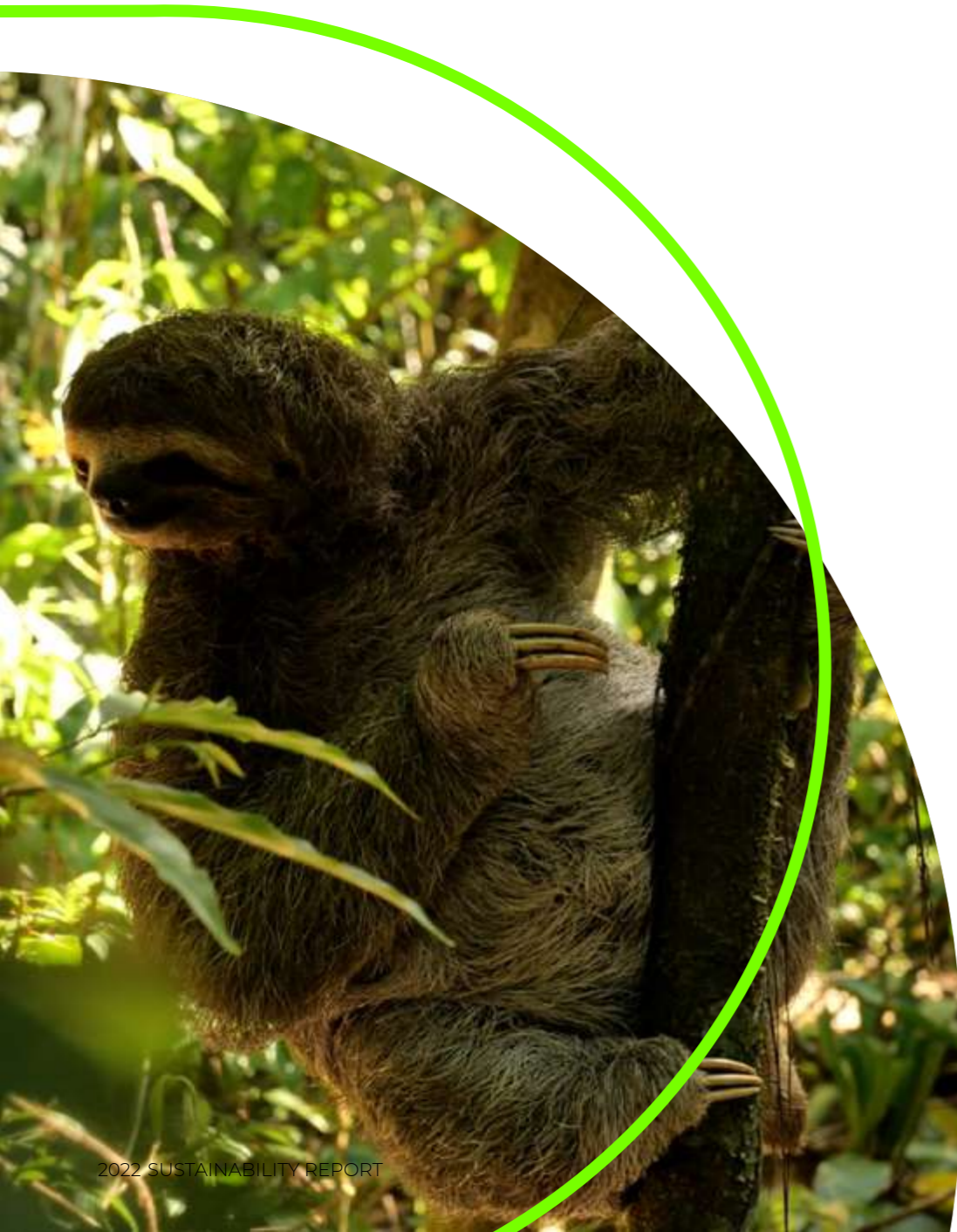
Aligned with BBF's principle of sustainable development and with our target for the protection of Brazilian biodiversity, especially in the Amazon, we have invested in altering habits and encouraged the use of more sustainable actions and practices for the present and future generations, by applying environmental education methodologies in the local and regional schools.

> **2022 Actions** -In 2022, we offered educational talks and campaigns with themes covering the day-to-day lives of the people, as well as their specific environmental experiences. By doing so, we raised the public's level of assimilation and participation, meaning an effective contribution to local development, in the form of agents trained to multiply knowledge and changes in society itself.

The talks were held with students at different levels of education, from pre-school to high school, with methodologies being defined and applied together with the teaching institutions and their employees, with these methodologies also being adapted to the age group and level of understanding the group of students have on the subjects being discussed.

The issues most requested by the institutions were: solid waste management, restoration of damaged areas and environmental conservation.





## RECOVERY AND PRESERVATION OF FORESTS

Based upon the premises focused on preservation of native forest areas and recovery of damaged areas, BBF has designated around 95% of its lands to forest reserve areas. With this in mind, the company is fully focused on reducing the use of pesticides through the adoption of integrated management of pests and good agricultural practices, respecting the currently applicable legislation and, principally, the Oil Palm Agroecological Zoning (Palm AEZ).

In 2010, by means of the AEZ, the federal government recognized the expansion of the oil palm crop in already deforested areas of the Legal Amazon region, as an alternative for the production of oil for food and energy needs. However, the farming of this crop is legally restricted on 96.3% of Brazilian land.

In 2022, with the aim of recovering damaged regions in the Northern Region of the country, BBF moved forward with a project that will allow the farming of local species such as cocoa and macaúba. By means of this project, the company intends to attain new levels in the recovery processes of recovering damaged areas, bringing greater economic and environmental diversity to the region.

Also thinking about reductions in the emissions of polluting gases, we made contact with the Brazilian GHG Protocol Program, which can be used as a tool calculating greenhouse emissions. In parallel, we have signed the São Paulo Environmental Agreement (Cetesb), with the aim of defining targets for the reduction of these gases, which are to be based on a diagnosis of emissions from all the BBF Group's operations, performed by a specialist company.

### **CARBON STOCK - NATIVE FOREST (IN MILLIONS OF TONS)**

According to researchers with the Inpa (National Institute for Amazon Research), each hectare of the forest stores around  $167.7 \pm 6.5$  tons of carbon.

### **CARBON STOCK - PALM CULTIVATION (IN MILLIONS OF TONS)**

According to Cifor (Center for International Forestry Research) each hectare of palm stores 70.8 to 231.4 tons, with the amount varying depending upon the age of the plantation.



**5**

Performance  
**and Perspectives**

# Restructuring for Growth

The BBF Group achieved a net operating revenue of R\$ 1.1 billion in 2022, meaning an increase of 8% in relation to the previous year. This increase is associated with the start of operations of the Feijoa Thermolectric Power Station (with a capacity of 1.2 MW), and the Belém dos Solimões Plant (0.9 MW), both in the state of Amazonas, added to the beginning of operations of two plants in the state of Rondônia - Izidolândia and Urucumacuã - with capacities of 0.7 MW and 0.9 MW, respectively, the bidding rounds for which had been conducted in March 2021. The production of biodiesel contributed positively to the revenue due to the increase by more than 40% of the delivered volu-

me of this fuel in 2021. Better prices on palm oil also leveraged part of this revenue.

The strategic plan that we have set out for the coming years includes a planted area of more than 100,000 hectares, which will serve the expansion of our vertical, plant-based oils, and clean energy generation planting and processing business. In 2022, we continued developing innovative projects in our oils portfolio, with the inclusion of the farming and processing of corn, construction of hybrid plants, and development of HVO (Hydrated Vegetable Oil) and SAF (Sustainable Aviation Fuel).

In 2022, 83% of our revenue stemmed from **palm oil** and its byproducts.



# GRI Content Index

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**Declaration of use**

The BBF Group is reporting the information cited in this GRI content index for the period January 1, 2022, to December 31, 2022, based upon the GRI Standards.

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**GRI Universal Standard**

GRI 1: 2021 Foundations

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