

BRASIL BIOFUELS (BBF)

# Sustainability Report

2021



GRUPO  
BBF



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# Presentation GRI 2-2, 2-3

This is our first Sustainability Report inspired by the GRI (*Global Reporting Initiative*) Standards, the most important methodology used for global sustainability reporting, involving a number of its indicators. Here, we are able to present our employees, investors, suppliers, clients, communities and other BBF Group stakeholders with the path we have taken since we were founded in 2008, along with our proposals, challenges and results obtained during the period covered by the report, from January 1 to December 31, 2021.

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, directing us towards a sustainable business model, now and in the future, generating a positive impact on society and on the environment.

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

# A message from the CEO GRI 2-22



When we came into being, in 2008, what drove us forward was the belief in the possibility of bringing cleaner and cheaper clean electricity to the people in the northern states of the country, recovering balance in damaged areas and employing the region's rural inhabitants. Over the years, we have invested in achieving a dream that has been fed since the founding of BBF - replacing fossil diesel fuel with biodiesel, transforming us into the lungs of the Amazon Region and the largest palm oil producer in Latin America.

In 2021, we went even further. We expanded our ambition. We took important steps towards effectively contributing to a shift in the country's energy grid, based upon the production of green fuel that goes beyond electricity generation.

To do so, we began a vigorous and robust process aimed at the diversification of our business. In addition to consolidating ourselves as an elec-

tricity company based upon different clean and renewable fuels, we have dedicated ourselves to projects designed to expand our vegetable oils portfolio, to investments in the use of biomass, and to the development of new technologies.

Amongst the innovations is the use of palm oil and palm biomass in the generation of electricity at the São João da Baliza hybrid thermoelectric power station, in Roraima. This is a milestone in innovation that has allowed us to include biomass in our vertical and integrated cycle of clean and renewable electricity generation.

By doing so, we have established a complete cycle in our operation and, what is more, we will be transforming the resulting biomass into energy, thereby properly and productively eliminating part of the waste generated at our units. Developing a power station that uses a renewable source of an abundant raw material meets the three ESG principles, since we are managing to avoid CO<sub>2</sub> emissions, reduce the costs involved in the production of this energy, and create jobs and income for the people of Roraima.

In 2021, we also announced the construction of Brazil's first green diesel biorefinery, in the Manaus Free-Trade Zone, with production due to

begin in 2025. With an investment of more than R\$ 2.2 billion, this pioneering project will allow production of 500 million liters of HVO per year, being 100% developed using vegetable oil. The farming of palm oil, in previously damaged areas, will cover 100,000 hectares of the state of Roraima.

Our businesses are long-term assets, reinforcing the Company's commitment to best environmental, social and governance practices. By believing that value generation and sustainable and social development are complementary targets, the strategic plan we have mapped out incorporates the principles of ESG into all of our directives and operations.

As such, we are proud to take the opportunity of publishing our first Sustainability Report, inspired by the GRI Standards, to bring together these and other achievements aimed at guaranteeing 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



**147,100 tons**

of palm oil processed in 2021



**110,000**

energy clients



**68,000+**

hectares of oil palm  
planted



**6,000+**

employees

**1 unit**

devoted to crushing soybean  
and 1 industrial unit

**38**

thermoelectric power plants - 24  
in operation and 14 in the stage  
of implementation

**300+**

partner family farmers



**3 units**

devoted to crushing  
palm oil

**51 MW**

of energy generation  
capacity

**32 million**

liters/year of palm oil  
biodiesel produced

**R\$ 1.5 billion**

in sustainable assets

# 01

# Who We Are



# Brasil BioFuels (BBF)

GRI 2-1, 2-6

Brasil BioFuels, or the BBF Group, a 100% Brazilian company, was founded in 2008, with the aim of **changing the energy grid** of the Northern Region of the country, creating jobs, generating income, and reducing the cost of electricity for the population. Through a verticalized 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. With the palm oil, we develop 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, to the 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 are 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 68,000 hectares planted in the states of Pará and Roraima. All of our plantations respect the Agroecological Zoning of the Palm Oil Crop (ZAE), 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 of a shareholder control in the palm oil producer Biopalma Amazô-

nia, located in the north of Pará state, in 2020, we moved forward with the expansion of our agribusiness plans, employing a total workforce 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 the Isolated Systems, with a generation capacity of 51 MW and 24 thermoelectric power plants in operation serving the needs of more than 110,000 clients. By the end of 2022, our first hybrid power plant, combining biofuel and biomass for energy generation, will be inaugurated in São João da Baliza, in the state of Roraima. By 2024, we will have incorporated another **14 thermoelectric power plants**, increasing our generating capacity to **178 MW**.

We have been producing biodiesel in the state of Rondônia since 2009. More than **32 million liters** are produced from palm oil 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 2025, 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

**From the earth to life. Our portfolio of products and solutions positions us as the world's only integrated player, with activities ranging from farming to the portfolio of products.**

## Our Directive

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

# Agroecological Zoning (ZAE) for farming

Decree N°. 7,172, dated May 7, 2010

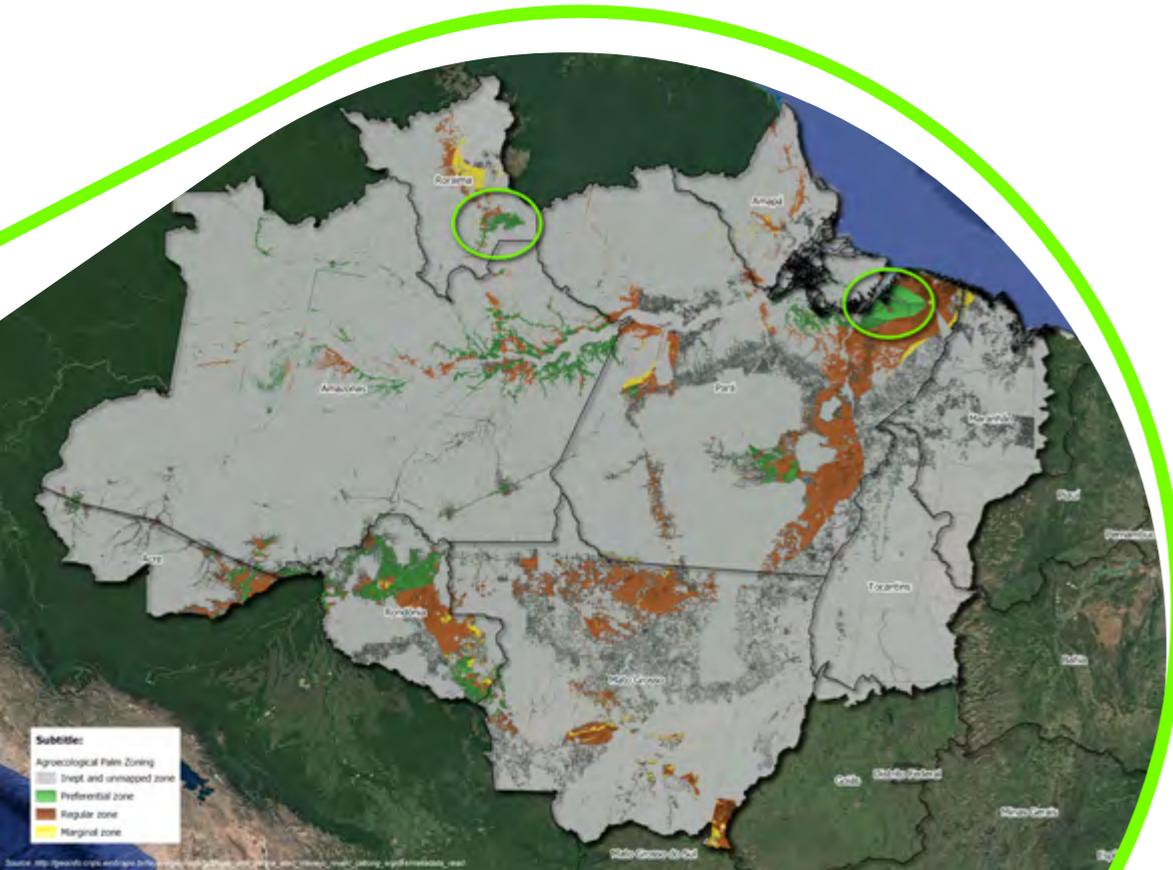
## DEFORESTED AREAS AUTHORIZED FOR FARMING

### Pará

Preferential: 2,327,674 ha  
Regular: 10,448,374 ha

### Roraima

Preferential: 187,409 ha  
Regular: 218,712 ha

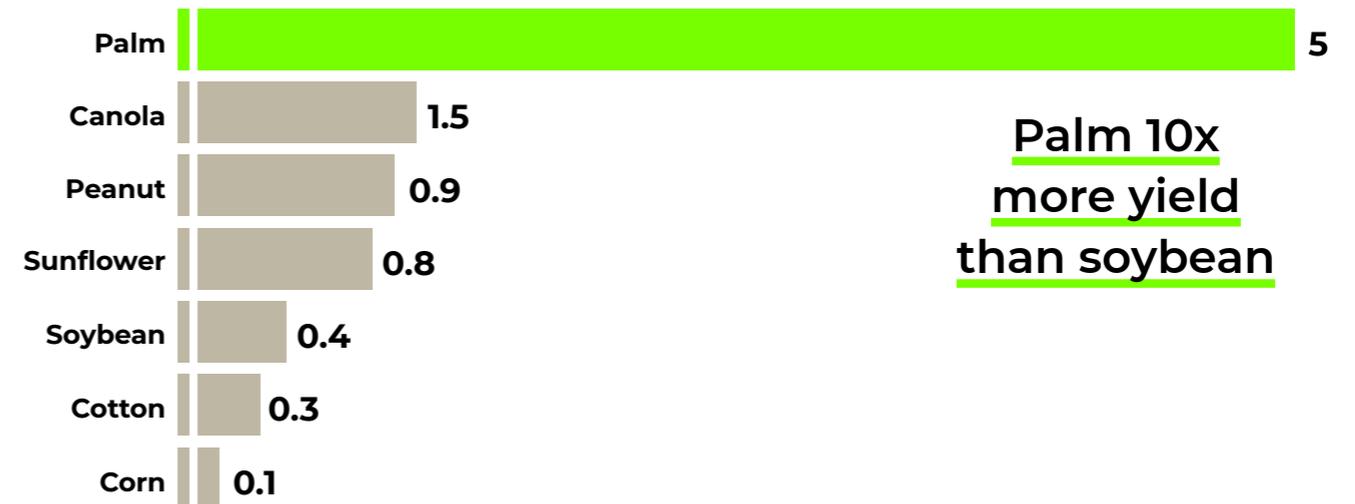


## THE REGION'S POTENTIAL

- > 31 million hectares suitable for farming
- > Low seasonality for harvesting
- > High oil yield per hectare
- > A perennial and robust crop: 35+ years in production
- > Non-mechanizable harvesting: Securing of man to the field

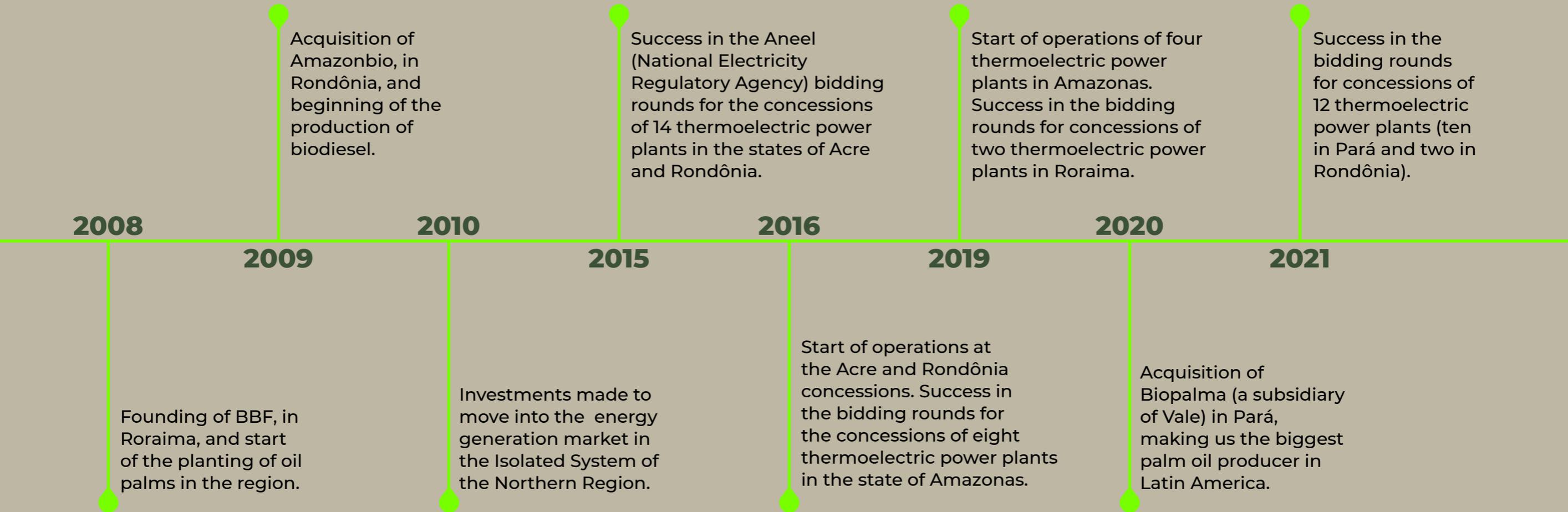
In 2010, by means of the ZAE, the federal government recognized the expansion of the oil palm crop in already deforested areas of the Legal Amazon region, as an alternative for the production of oil for food and energy needs.

## YIELD IN TONS (per hectare/year)



**Palm 10x more yield than soybean**

# Timeline



# Our Business

By means of an integrated and verticalized business model, we operate across the entire production chain, ensuring the practical application of our objective of being an integrated player and our directive of driving the 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 the biodiesel is produced 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 commodities prices

### Investments in technology and patents

Through until the end of 2023, we will have 20 registered patents.

### Long-term contracts

Cash flow stability 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

## 1. Crude Palm Oil

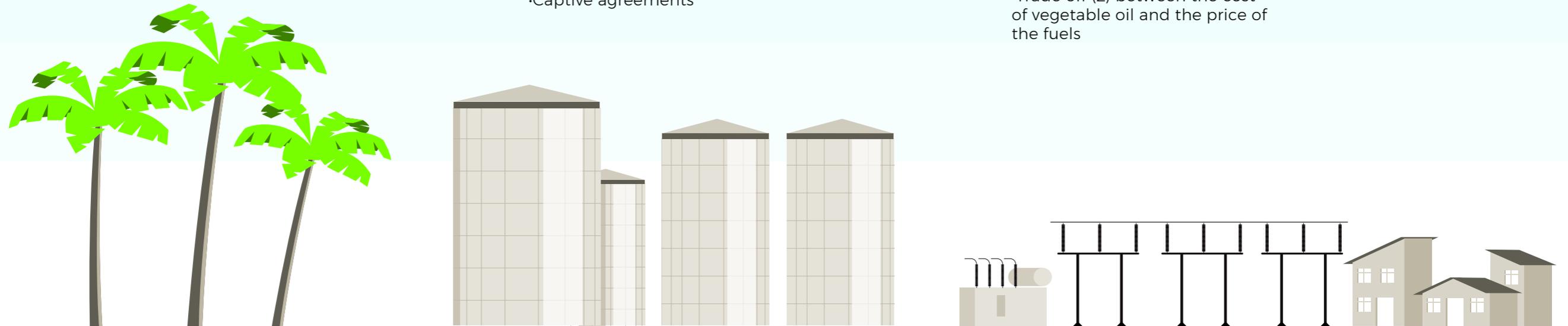
- Production of biofuels
- Vegetable oil as a fuel
- Sale of the commodity
- Input for biochemistry

## 2 - Biofuels

- Allocation to the TPPs
- Biodiesel sales
- Captive agreements

## 3 - Renewable Electricity

- Trade off (1) between the cost of production of the biodiesel and the diesel sold in the region
- Trade off (2) between the cost of vegetable oil and the price of the fuels



## 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. The entire sum of the production, which in 2021 reached 147,100 tons, is processed at our own extractor plants, with the majority of the oil being directed to the production of biodiesel. The palm oil is used around the world for 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, following the indicators 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 may 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, macaúba palm and corn markets.

# 68,700 hectares

hectares of total farmed land

## 8,300

hectares in São João da Baliza (RR)

## 60,400

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





## BBF Biofuels

With an installed capacity of 32 million liters/year, in Ji-Paraná (RO), since 2009, we produce biodiesel holding the RenovaBio certification, issued by the National Oil, Natural Gas and Biofuels Agency (ANP), and the Social Biofuel seal, issued by the Ministry of Agriculture, Livestock and Supply (MAPA).

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

As well as sebum, a waste product used as a raw-material, the green fuel is produced with palm oil.

## BBF Energy

We supply around 110,000 clients in the Northern Region, with 24 biodiesel and biomass-powered thermoelectric plants in operation, generating 51 MW. BBF is currently the only company that operates with B100 biodiesel, rather than fossil diesel, on a commercial scale in isolated systems.

In 2021, we won another round of bidding to supply the Isolated Systems from two projects in Rondônia, with operations beginning in January 2022, and ten in Pará, with the start of operations forecast for 2023. We are also in the process of constructing another two sustainable power plants, which will use oil palm bagasse to supply part of the state of Roraima. Once all of these plants have moved into operation, we will hit a total generation capacity of 204.5 MW.

### **110,000 clients**

supplied by means of our 24 thermoelectric power plants powered by biodiesel and biomass



# Group BBF operations in the Northern Region

2 oil palm plantations  
**68,000+ hectares**

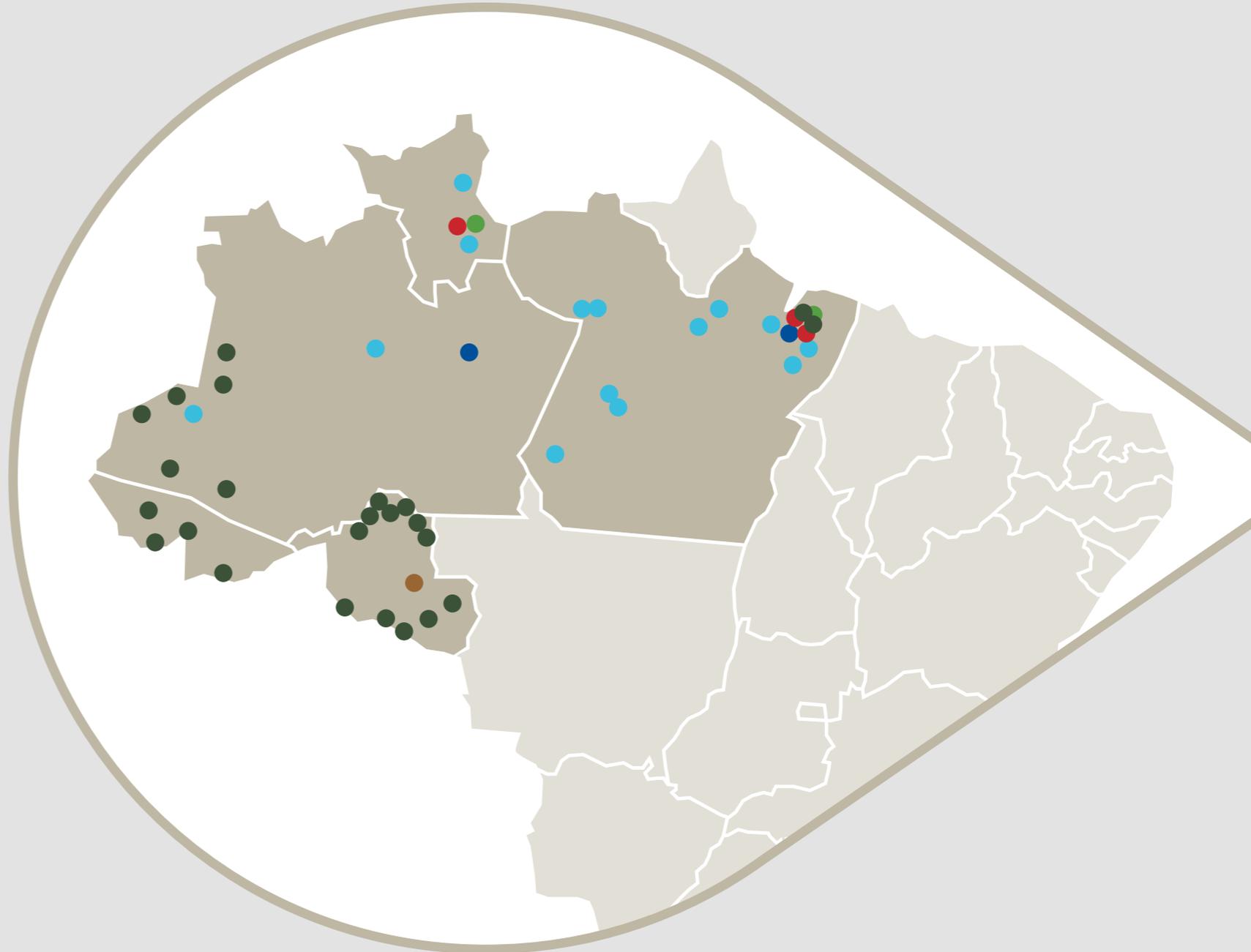
 **14 electricity power plants**  
under construction

 3 oil palm crushers  
**825 tons/hour**

 **1 biodiesel** unit

 **24 electricity power plants**  
in operation

 **2 biodiesel** units in the pre-implementation phase



# Corporate Governance GRI 2-9

Our management model is focused on the continued improvement of the engagement of our employees in achieving the company's strategic objectives. Amongst the methodologies applied are the monthly meetings 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.

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

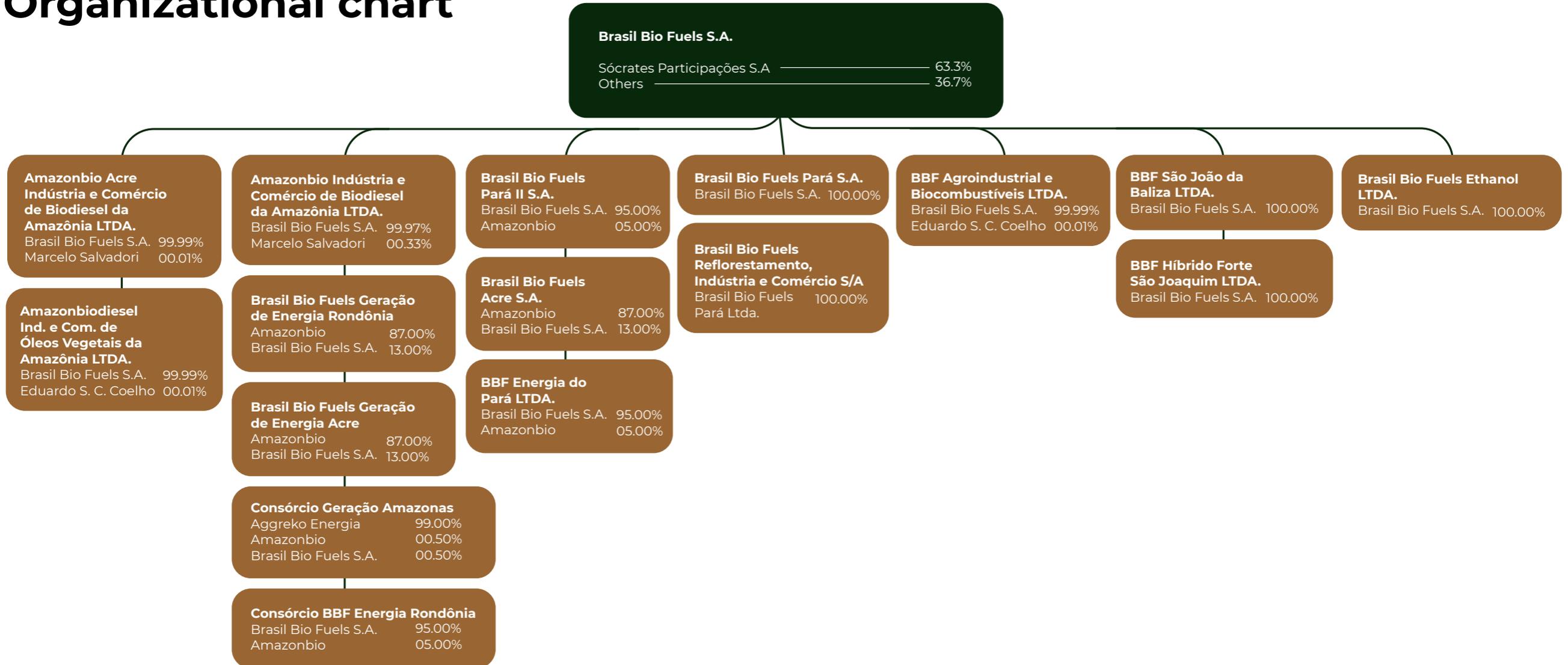
Shareholders	Share
Sócrates Participações S. A	63.3%
Others	36.7%



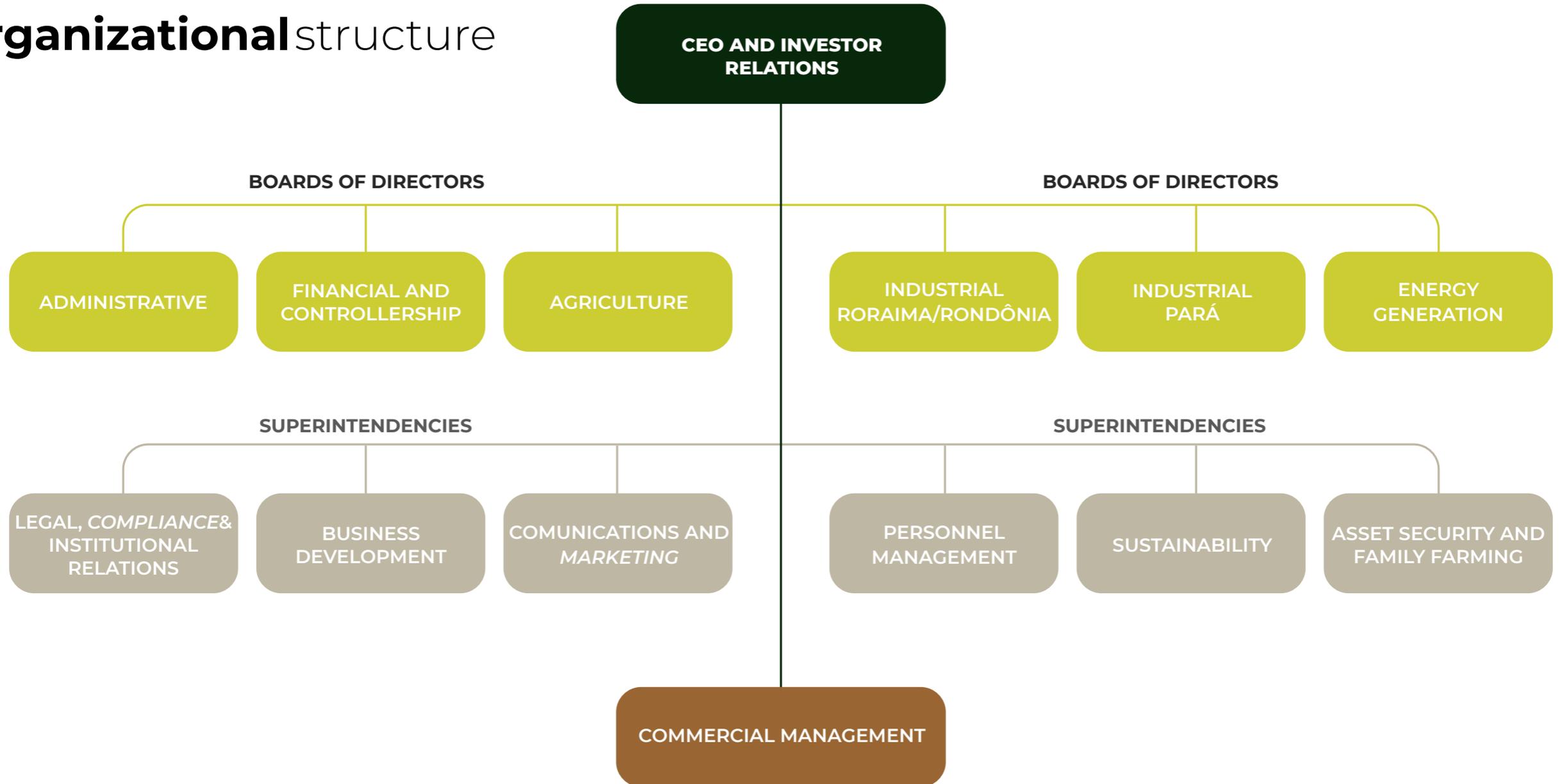
## Management **innovation**

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 departments, allowing state-of-the-art management at the business units, and strengthening the governance and technological intelligence throughout our chain.

# BBF Group Organizational chart



# 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 verticalized business, depends upon our 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 updates to the Administrative Council, whenever necessary.

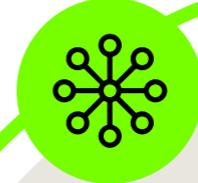
Our anti-corruption policy ensures compliance with anti-bribery and anti-corruption laws in the various jurisdictions where we operate. Amongst the good practices regulations established are the performance of anti-corruption due diligence throughout a supplier's contracted period, and the reporting 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 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, thereby 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 those 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

**02**

# Structural growth



In 2021, we started the process of expanding and diversifying our business to establish ourselves as an electricity generation company based upon different clean and renewable sources. The strategy reflects our aim of investing in the expansion of our vegetable oils portfolio, with a view to a transition of the energy grid through the production of biodiesel and green diesel (HVO).

Forming part of this new phase in the history of the BBF Group are the installation of new co-generation units at the oil palm crushing plants in Roraima, the construction of two corn ethanol production units, and the development of Green Diesel (HVO).

## **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 in the country to combine vegetable oil and biomass with inputs obtained from the processing of palm oil. The operation will contribute to avoiding the burning of around 43 million liters of fossil fuels per year in the Amazon Region. The substitution of fossil diesel will benefit the population and the environment due to the reduction of around 99,000 tons of carbon emissions into the atmosphere.

With operations due to start 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, part of the waste from the operation, into electricity.

## **SOYBEAN EXTRUDER (PA)**

In 2021, we announced our first investment in soybean oil extraction, with the installation of an extruder plant in Paragominas, in Pará, the first of its kind in the state. The new plant supports local producers, who can use the installations to extract soybean oil and bran for commercial purposes. The inauguration of the plant is scheduled for the second half of 2022.

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

In 2021, we signed a loan agreement with the Banco da Amazônia (BASA) for the Forte de São Joaquim Hybrid Thermoelectric Power Station, with head offices in Boa Vista (RR). With inauguration planned for 2023, an installed capacity of 56.2 MW and investment budgeted at R\$ 336 million, the plant will be supplied by the renewable energy sources of biomass and vegetable oil.

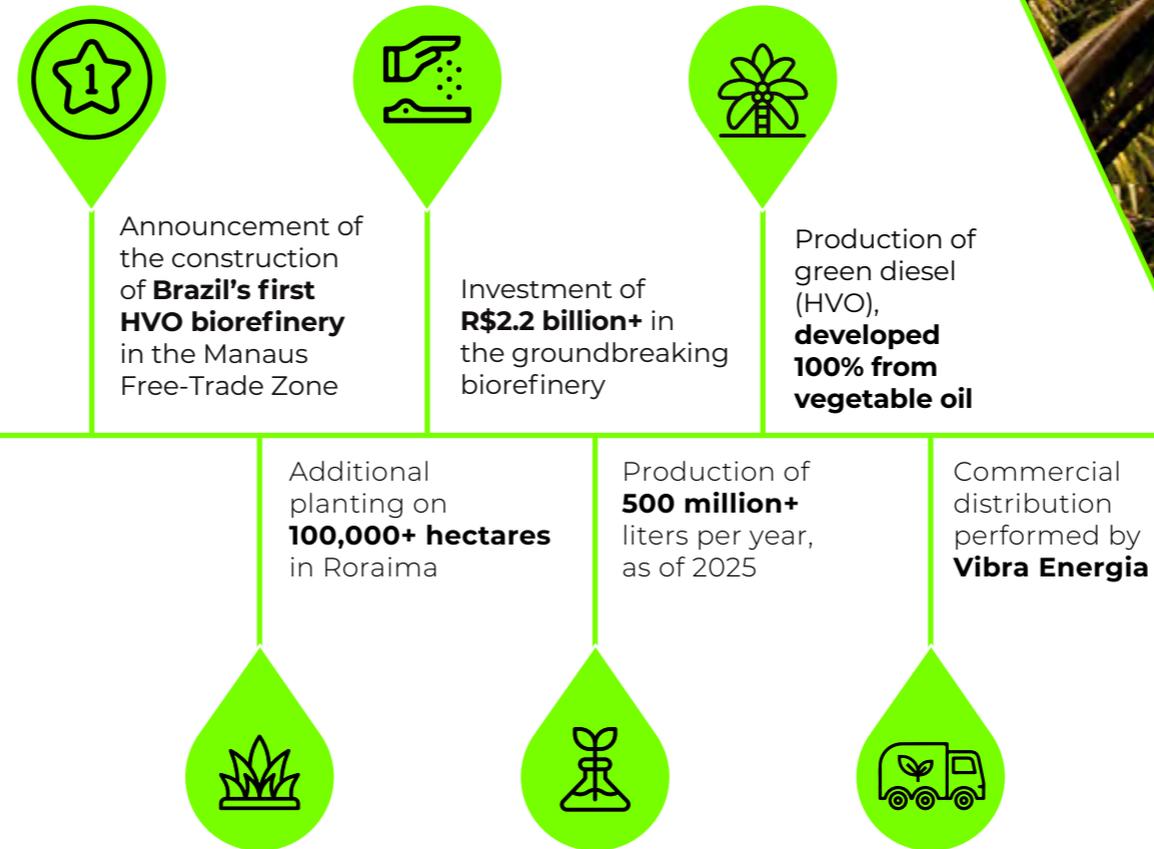
### **CORN ETHANOL PRODUCTION (RO)**

In 2021, in a pioneering initiative in the north of the country, we began investing in the production of corn ethanol, which is set to become the region's most accessible biofuel. As of 2025, around 170,000 tons of corn will be processed and more than 70 million liters of ethanol will be produced every year, all of which will be distributed solely around the Northern Region.

In partnership with companies that are global benchmarks in this segment, we will be making use of 100% of the corn's raw-material, including the production of corn oil and bran, with zero waste at the industrial plant. With investment of more than R\$ 1 billion, the new plant is to be constructed in Vilhena, Rondônia, with more than 300 direct jobs being generated in the region.



# First HVO biorefinery project



One of the highlights of 2021 was the announcement of investment in the construction of the first Green Diesel (HVO) biorefinery.

More information on the **Structural Growth of BBF** can be found on **page 22**.



# Technology and innovation

GRI 2-9

Our present stage of maturity and solid standing, achieved over the course of recent years, has led us to a moment of never-before-seen innovation in vegetable oil transformation technology. 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 verticalized 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 soil, the crop and the climate, we can precisely determine the nutritional needs 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,

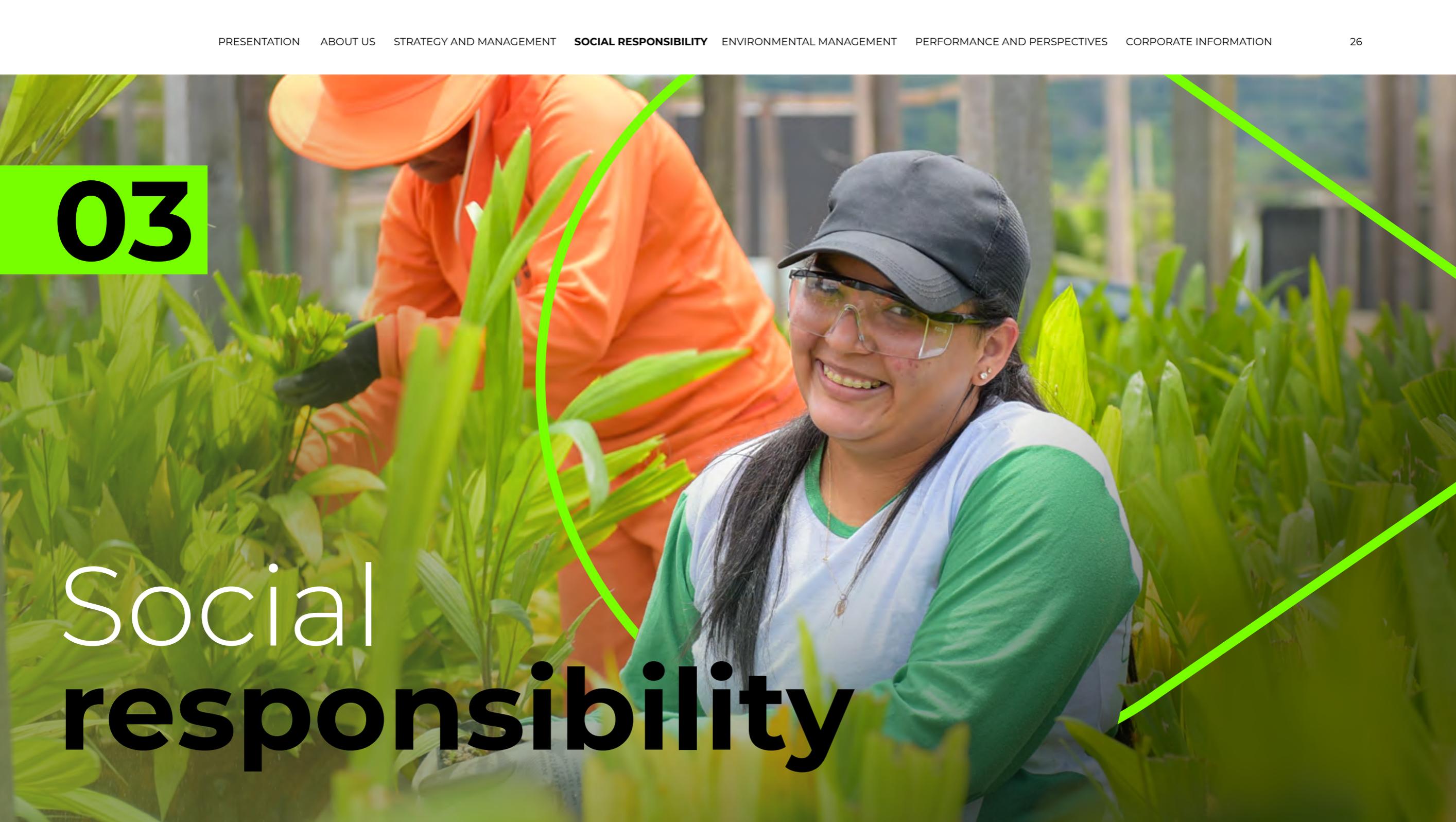
as well as detect diseases and pests and make productivity estimates. The use of drones for monitoring allows us to identify the presence of pests and nutritional deficiencies, and also map out the Permanent Conservation Areas (PCAs) and the focal points of wildfires.



## Monitoring the soil, crops and climate ensures production quality control

**03**

# Social responsibility



Our sustainable production of palm oil and its derivatives generates value for the businesses 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 allying sustainability with an increase in productivity in our operations, we are collaborating to achieve social inclusion, the use of efficient and clean technologies, the recovery of damaged areas, and environmental conservation.



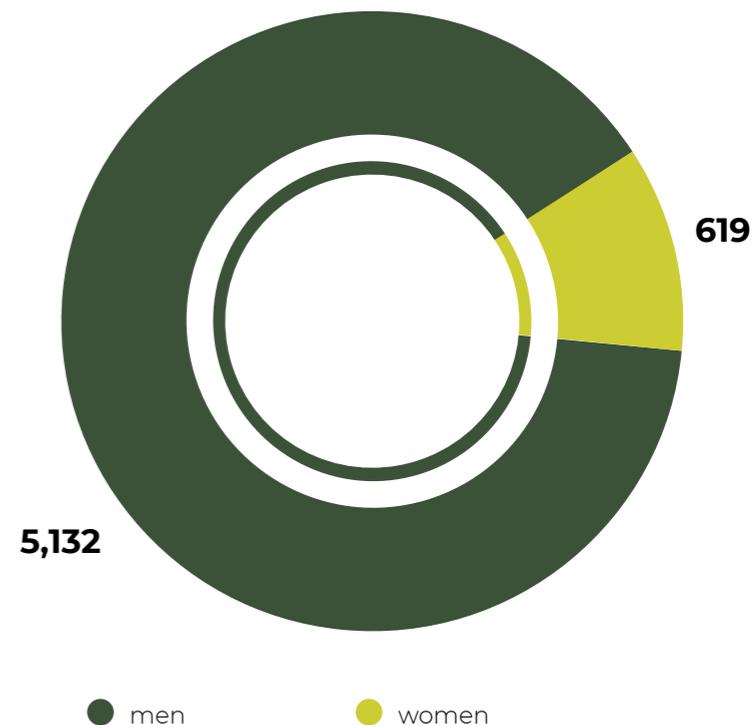
# Our people

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' ability, 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

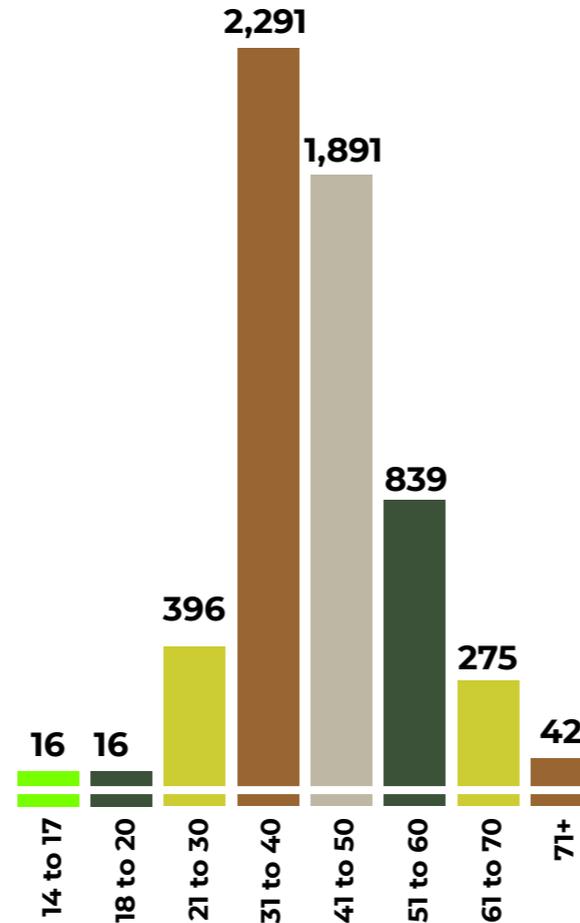


**6,000+ employees:**  
5,132 men, 619 women

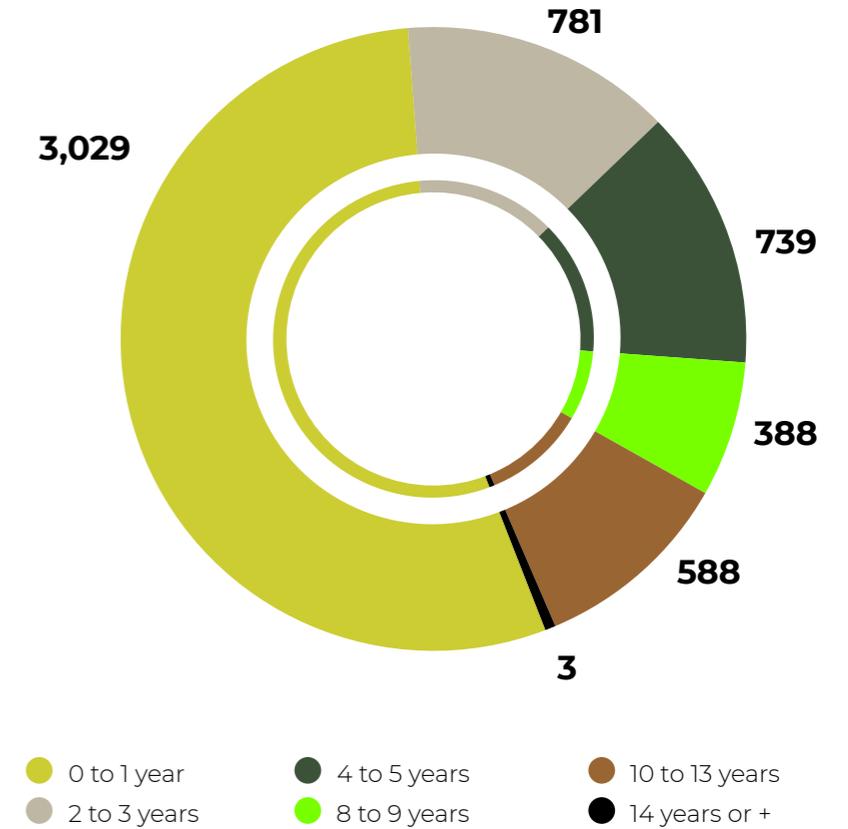
**PROFILE OF EMPLOYEES**

Education	
Graduated high school	2,394
5 <sup>th</sup> to 8 <sup>th</sup> grades, incomplete	966
Graduated elementary school	681
High school, incomplete	534
4 <sup>th</sup> grade, incomplete	502
Graduated 4 <sup>th</sup> grade	320
Higher education complete	317
Illiterate	138
Higher education incomplete	70
Technical course	64
Post-graduate	64
MBA	5
Masters Degree	5
Doctorate	1

**Age group**



**Length of time with the company**



## HIRING AND TRAINING

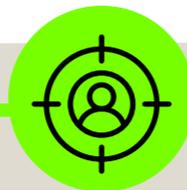
In 2021, we invested in the hiring, training and upgrading of leaders to meet the management demands arising from the Company's new phase of modernization (*read more on page 14*). Through the Leadership Development Program, we began a process of recycling at management level, offering courses and training which will be implemented into other leadership levels as of 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 partnership with Senar (National Service for Rural Learning) and Senai (National Service for Industrial Learning). Another measure 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 2021 with 6,000 employees, 4,500 of whom were rural workers, compared to 2,869 the previous year. We are already the biggest employer in the Northern Region of the country, and the rapid growth of the BFF Group means we expect to have a workforce of 27,000 employees by 2027.

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

The company's Human Resources department is responsible for the collective bargaining and relationship with the unions. We have established a close and transparent dialog with the Rural Workers' Union and with the Food Industries Workers' Union in the States of Pará and Amapá. Our managers keep our employees informed about each round of negotiations. Meetings are also held in the field, to check results and settle any doubts. To identify potential improvements, our Labor Relations department from time to time holds discussion groups with the operational workers.



## DIVERSITY

**In 2021, we reinforced our process to ensure greater inclusion of women in our operations. The female workforce rose by 16% compared to the previous year. The hirings were concentrated in the work involving pollination of the oil palm, but other 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, housing, personal protective equipment and access to healthy meals.

The Health and Safety Policy expands on our value of “Life first”, setting out seven operating principles and seven Commitments. The senior management’s commitments and results are focused on achieving Excellence in Health and Safety, aligned with our Code of Ethical Conduct. This area of management is trained to inspect and monitor the work in the field, aiming to guide the employees, as well as identify risks and propose preventive actions.

In 2021 (a year in which we registered a 50% reduction in accidents with injuries), national campaigns designed to raise awareness concerning the prevention of illness and health care led to a number of discussions. During online meetings, doctors and specialists invited by the company addressed different issues, such as prostate cancer (Blue November) and sexually transmitted diseases (Red December).



## 7 Commitments to excellence in H&S

- 1. Everyone is responsible for Health and Safety;**
- 2. Valuing Health and Safety means valuing people;**
- 3. The focus on Health and Safety is aimed at “Zero Loss”;**
- 4. We want to always and constantly improve;**
- 5. The solution to Health and Safety risks lies in their Identification and Management;**
- 6. The management of Health and Safety is extensive;**
- 7. The management of Health and Safety takes into account all relationships.**

## 7 Operating Principles relating to the H&S Commitments

- 1. Identify and manage risks associated to the activities, processes, installations, products and services;**
- 2. Take preventive action in the management of the risks to the Health and Safety of people and the integrity of the installations;**
- 3. Meet the established legal requirements for Health and Safety as well as those assumed voluntarily;**
- 4. Continually improve performance in the area of Health and Safety by means of an effective management system;**
- 5. Contribute positively and proactively to the evolution of the employees’ performance in Health and Safety;**
- 6. Take a preventive approach to understanding and managing the risks to the health of the employees, their families and the neighboring communities;**
- 7. 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 110,000 clients in the Amazon Region. We participate in the socioeconomic development of small settlements through the generation of employment and income, boosting 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 manpower for the farming of the oil palm, we invest in training young people who have the opportunity to work with their families, meaning they do not find themselves forced to move to bigger towns in search of employment. In parallel, the generation of income boosts economic development as it stimulates commerce and other local services.

Our Community Relations Plan, developed in 2020, brings together directives, tools and procedures for the management of our social activities and the company's technical teams in traditional communities and farming families. This is a relationship that is always guided by open dialog and transparency, based upon the following principles: a positive and well-adapted relationship; the traditional communities having a different and unique culture and way of life; and, the traditional communities having specific rights that should be recognized and respected. [GRI 2-29](#)





**Voluntary agreement with the communities:**

formalized by means of the 'Terms of Cooperation and Commitment' (TCC) legal instrument, in which the aims, structuring projects, forms of management of funds and the responsibilities of both the parties are established. The agreement establishes a period of three years, and aims to ensure that the communities are safer and have a clearer vision of the future. We operate in seven municipalities, pursuing partnerships with both traditional and non-traditional communities.

The agreement supports the implementation of structuring projects, which aim to strengthen the economies and improve the quality of life of the communities, whilst also strengthening their representative organizations. The financial resources are allocated annually and distributed in line with the different stages of the development and implementation of the projects, according to regulations agreed upon with the traditional communities and family farmers.

Communities in which **we are active**

**Total: 319**

direct action: 32

**One indigenous land**

(Turé Mariquita I and II)  
11 villages where we work directly

**20 quilombola communities**

9 quilombolas where we work directly

**298 local communities**

12 where we work directly

**AREAS OF ACTIVITY**

**Drinking water:** access to quality water by offering an infrastructure whereby people can receive a water tank and construct an artisan well with the proper piping.

**Food safety:** support for farm production in order to guarantee food, involving fishing, poultry farming, agriculture, agro-forestry systems and farm tools.

**Education and cultural traditions:** support for actions focused on literacy and cultural preservation, through the construction and maintenance of houses or cultural centers; hosting of traditional festivals; encouragement of the local languages; and, provision of materials for handicrafts and an infrastructure for schools.

**Productive systems and supplies:** support for productive systems to enable the generation of income and ensure financial independence.

**Health care:** encouragement for the practicing of sports and for the creation and maintenance of an infrastructure for health care.

**FAMILY FARMING**

Through the Ministry of Agriculture, Livestock and Supply's Family Farming Program, we encourage sustainable farming amongst more than 437 families in the municipalities of Tomé Açu and Acará, in Pará. Our partnerships with local farmers mean there is a collaboration for the socioeconomic development of the Amazon Region, by providing a training program and technical support services.

**Principal initiatives:**

- Incentives to purchase fertilizers;
- Support for the gathering of bunches of fresh fruit;
- phytosanitary control/pest control;
- Community support;
- Technical visits to provide support and assist in recovery.

Activity in the **Family Farming (Pará)** program

**380+ families**  
supported

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

**34,524+ tons**  
of fruit purchased from supported family farmers

**R\$ 25 million+**  
invested in fruits from family farmers

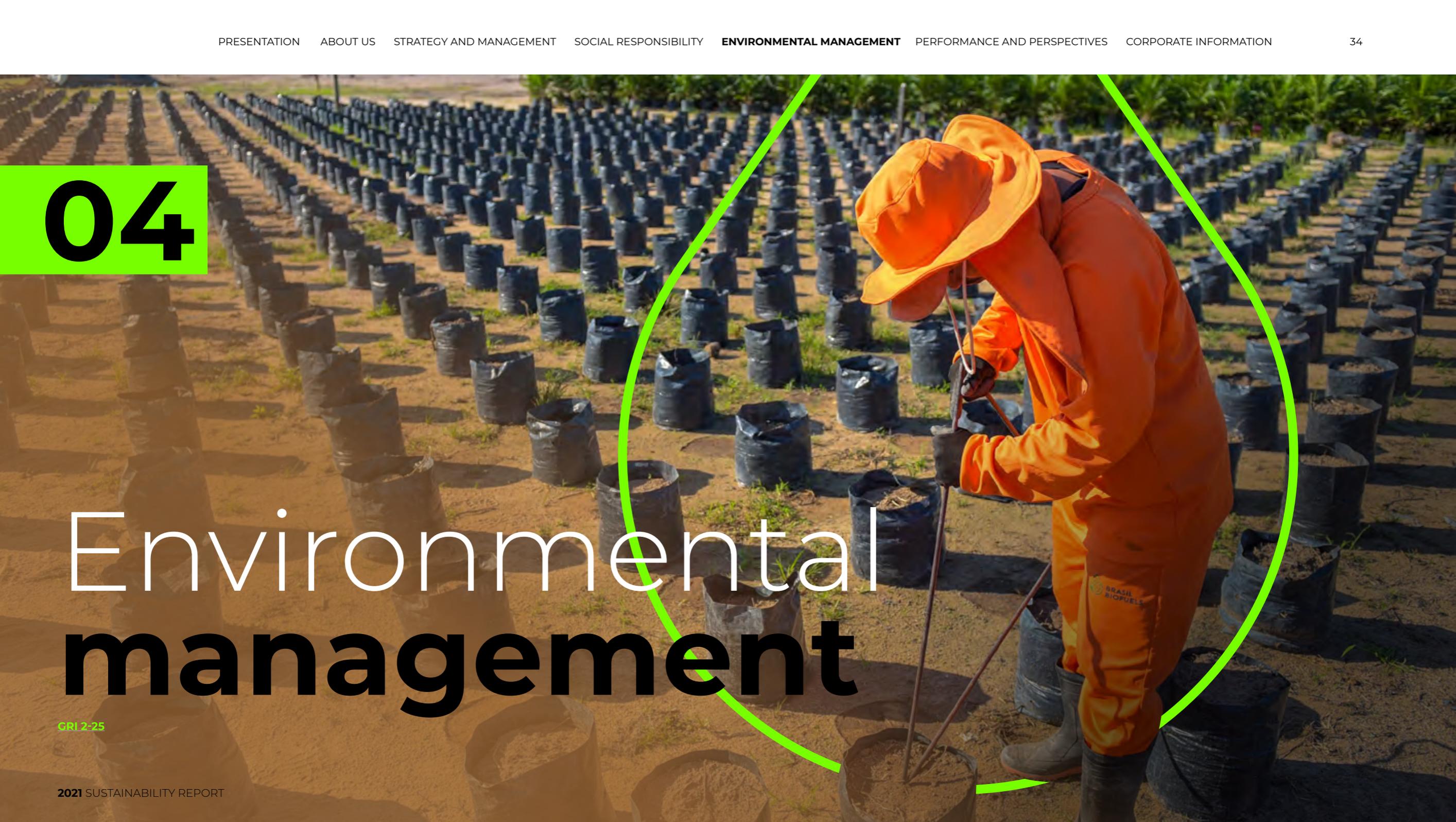
**COMPLIANCE HOTLINE**

We operate a Community Relations Channel, providing a means to receive requests, criticism and suggestions. This initiative aims to support the mitigation and resolution of potential conflicts, providing streamlining and efficiency in the processes.

04

# Environmental management

GRI 2-25



To achieve the aim of effectively participating in the conservation of the biodiversity of the Amazon Region, our actions are guided by a number of pillars: management and conservation of the earth and water; protection of the fauna and flora; management of solid waste; management of industrial and domestic effluents; conservationist agricultural practices; production of biofuels; and generation of renewable energy.



## Programs

**Environmental Education Program:** raising the awareness of employees and communities with an integrated vision of actions relating to socio-environmental issues, with a focus on training the participants in improving their lives and the local environment.

> **2021 achievements** - Environmental Dialogs at the units in Pará; integration of new employees; actions focused on the internal public (campaigns and Environment Week); development of awareness multipliers; promotion of talks on environmental education in schools, communities and the properties of partner farmers.

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

> **2021 Achievements** - Recovery in line with 'PRO 022' (recovery of damaged areas); production and planting of saplings near to forests as a way of raising the awareness of the employees; tree planting in the agro-villages located at the agribusiness units; recovery of areas altered by the overuse of laterite lands; encouragement of partner farmers to make sustainable use of the land, without using fire to clear the area.



**Solid Waste Program:** the Solid Waste Management Plan monitors the operational separation procedures at the source and during the harvesting, storage, transportation and final disposal stages.

> **2021 Achievements** – Implementation of the 'PRO 002' - Procedures for the Disposal of Empty Packaging used for Agriculture Pesticides; 'PRO 006' - Procedure for the Receipt of Waste at the Temporary Waste Storage Facility; CPO 013 - Procedure for Solid Waste Management; PRO 025 - Procedure for Recycling; and PRO 018 - Procedure in the Event of Environmental Non-Compliance.

**Hydro Resources Management Program:** this program meets the requirements of the National Hydro-Resources Policy, in its management and monitoring of water sources and encouragement of conscientious consumption, respecting the limits granted for collection.

> **2021 Achievements** – Implementation of PRO 008 procedures - Procedure for the Monitoring of water consumption, and PRO 021 - Procedure for Monitoring the quality of water for human consumption; employee training; development of technical specifications and assessment of proposals from water monitoring service suppliers; periodical monitoring of surface and underground water and effluents; implementation of systems for the control and treatment of water and effluents for purposes of reporting to the user areas and the competent environmental organ, allowing preventive and corrective measures to be taken; consolidation of hydro-resource management data for reporting of the indicators.

**Atmospheric Monitoring Program:** this program monitors and forecasts possible alterations in the characteristics of the local environment caused by the agribusiness units, based upon environmental legislation.

> **2021 Achievements** – Implementation and monitoring in accordance with the PRO 017 procedures - Atmospheric Emissions; half-yearly collection of samples from the boiler chimneys by a specialist company; half-yearly monitoring of samples of smoke emitted by diesel-driven vehicles.





**Fauna and Flora Monitoring Program:** this provides a diagnosis of the biota of the locations where the company is in operation, with the creation of a database for future management and conservation activities, and establishment of parameters for minimizing potential impacts.

> **2021 Achievements** - Promotion of the self-displacement of the animal species in the service areas; detailing of the form of collection, rescue and release, type of tagging, screening and other procedures adopted for the animals captured or collected, stating the type of individual identification and registration; definition of fauna and flora sample points, according to the specific characteristics of each location; promotion of the preservation of the PCAs (Permanent Conservation Areas) and LRAs (Legal Reserve Areas).

In 2021, **we highlighted six programs** working in alliance for **conservation of the biodiversity** of the Amazon Region



## RECOVERY AND PRESERVATION OF FORESTS

Based upon the premises focused on the preservation of native forest areas and recovery of damaged areas, 95% of BBF lands have been designated to form forest reserves. As such, close attention is paid to the reduction of the use of pesticides through the adoption of the integrated management of pests and the use of proper farming practices, respecting the currently applicable legislation and, principally, the Oil Palm Agroecological Zoning (Palm ZAE).

In 2010, by means of the ZAE, 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, its farming is legally restricted on 96.3% of Brazilian territory.

With the continued view to recovering the damaged areas of the region, in 2021 BBF began a new project that will allow the farming of local species such as cocoa and the macaúba palm. With this project, we intend to move up to a new level in the recovery process of damaged areas, bringing greater economic and environmental diversity to the region.

Also considering the aim of reducing the emissions of polluting gases, we established contact with the Brazilian GHG Protocol Program, which can be used as a tool to calculate the emissions of greenhouse gases. In parallel, we signed the São Paulo Environmental Agreement (CETESB), with the aim of defining targets for the reduction of these gases, based upon a diagnosis, performed by a specialist company, of the emissions arising from the BBF Group's entire range of operations.

**95% of BBF lands**  
are given over to forest reserves

**05**

# Performance and perspectives

# Restructuring for growth

In 2021, the BBF Group recorded cash generation (EBITDA) of R\$ 302 million, and a net revenue of R\$ 1.014 billion, with 85% of this total volume coming from palm oil, 12% from energy and 3% biodiesel. The year was notable for the administrative and financial restructuring required following the acquisition of Biopalma, when we assumed control of an area of 68,000 hectares of oil palm plantation, involving 7,000 belonging to family farmer partners, making us the biggest producer in Latin America.

The strategic plan we have traced out for the coming years includes a planted area covering more than 100,000 hectares, which will meet the needs of the expansion of our verticalized business of farming and processing vegetable oils and the generation of clean energy. In 2021, we prepared ourselves for this growth period with innovative projects in our oils portfolio, with the inclusion of the farming and processing of corn, construction of hybrid power plants, and the development of HVO.

85% of our revenue comes from **palm oil**



# GRI

## content index



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### Declaration of Use

BBF has reported the information cited in this summary of the GRI content for the period from 01-Jan-2021 to 31-Dec-2021 based upon the GRI Norms

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### GRI Universal Standard

GRI 1: 2021 Foundations

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	2-4 Restatements of information	Not applicable.
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# Credits

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