



FS innovates with first BECCS (Bioenergy with Carbon Capture and Storage) project in South America

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Lucas do Rio Verde, June 8, 2021 - FS, the first and largest Brazilian company to produce ethanol, animal nutrition and bioenergy products exclusively from corn, brings innovation with a project to implement a revolutionary system utilizing proven technology: the BECCS - Bioenergy with Carbon Capture and Storage system.

By implementing the BECCS system, the Company will not only reduce its CO₂ emissions into the atmosphere but will also remove CO₂ from the environment. The system consists of capturing, compressing, dehydrating and transporting the CO₂ for deep and safe underground injection and permanent storage. The BECCS system will be installed at FS' Lucas do Rio Verde plant. The carbon injection site will be located within a 5km radius of the plant, to be defined according to geological and geophysical studies, and will be monitored during its use.

By implementing the BECCS system, the Company will be the first biorefinery globally to have a negative carbon footprint. The Company's goal is to reach, by 2030, 32 million CBIOS, referencing tons of CO₂ under the Brazilian RenovaBio program, with the implementation of its expansion plan and this technology in Brazil. Worldwide, there are currently 3 commercial projects using the BECCS system. The project would also be Brazil's first BECCS. The BECCS benefit, in terms of carbon life cycle, have already been certified by the California Air Resources Board (CARB) for other companies in the Low Carbon Fuel Standard (LCFS), California's biofuels program.

"In our tireless pursuit of transforming our industry, we constantly invest in innovative solutions and the BECCS system is an important technology to help achieve carbon neutrality goals to address climate change", stated Rafael Abud, the CEO of FS.

The adoption of the BECCS system is part of a set of actions established by FS in the Company's six long-term commitments ([FS 2030 Sustainability Commitment](#)). These goals are related to the United Nation's Sustainable Development Goals (SDG) and consistent with the Paris Agreement.

Among the six goals, two commitments bring innovation to the industry: (i) the reduction of CO₂ emissions through a carbon capture and storage system; and (ii) the promotion of ongoing improvements and transparency in governance processes, aimed at obtaining the maximum ESG rating with leading agencies in the segment. This score was reached in March 2021 with the assessment carried out by Vigeo Eiris, a Moody's affiliate company.

In addition to these objectives, the Company has also assumed other commitments, such as social and environmental responsibility, water reduction, waste and effluent consumption, education and development of communities, and diversity and inclusion. All these objectives have specific goals for their achievement:

Social and environmental responsibility

- Implement our social and environmental policy to the entire corn and direct and indirect biomass supply chain, as well as all DDG direct sales, ensuring zero legal and illegal deforestation, no use of protected land and no slave-like labor.
- Develop commercial partnerships with intermediaries (trading companies, warehouses, etc.) to create a mapping system in 100% of the indirect supply chain.

Water, waste and effluents

- Reduce water consumption by 5%.
- Reduce the disposal of organic waste in landfills by 80%.
- Use 60% of effluents in fertigation.

Education and development of communities

- Create a technical training program and reach 70% of our industry employees who live in our communities.

Diversity and inclusion

- Reach 40% diversity in leadership positions (women, non-white, LGBTI+ and PWDs).

About FS

FS is the first Brazilian biorefinery to use corn in 100% of its production. The Company is located in Lucas do Rio Verde, Mato Grosso, and its first plant, inaugurated in 2017, has the capacity to produce approximately 550 million liters of anhydrous ethanol per year. Its second plant, located in Sorriso, expanded its production capacity in February 2021, reaching 850 million liters of anhydrous ethanol per year. In addition to ethanol, FS uses cutting edge technology to manufacture animal nutrition, known by the acronym DDG (Dried Distillers Grains), corn oil and bioelectricity products. The Company's plants produce zero effluents, with a continuous water cycle and entirely reusing resources from their closed production cycle. Thus, FS reuses the waste generated by the production process and post-consumer waste and reduces raw material consumption.

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