

2020 SUSTAINABILITY REPORT



HIGHLIGHTS

2020

 2.700

blades produced throughout the year — 42.1% higher in volume than 2019

 27%

of the total waste generated was sent to recycling plants

 5.700

direct employees at the end of the year, a growth of 56.6%

 R\$113.2 mi

of net profit, an increase of 27.6% compared to the previous year

 R\$296.2 mi

invested in increasing production capacity and improving processes

 17

employees participating in the Diversity Committee, representing different ethnicities, backgrounds, generations, and LGBTQI+ and disabled people (PWDS) groups



Acquisition of Renewable Energy Certificate (I-REC) for consumption relative to 2020, attesting that the electricity consumed by the Company originates from renewable sources, without greenhouse gas emissions

 200.000

hours of training at Aeris University, an easy-to-access online platform for Employee Development launched in 2020

Achievement of the Authorized Economic Operator (AEO) certification, issued by the Federal Revenue Service of Brazil

 R\$981.9 mi

million raised with the B3 public listing on the New Market (IGC-NM)

 R\$2.2 bi

of net operating income, a growth of 164.8% when compared to 2019

 912

wind turbines equipped with the blades produced by Aeris in the year, an increase of 56.4% compared to 2019, reaching a total of 3GW of power

Inauguration of Aeris Pecém II, a new industrial unit, and the beginning of the sixth expansion phase, with the construction of a distribution center and a manufacturing plant

MESSAGE

FROM MANAGEMENT

GRI 102-14

As we headed into 2020, everyone here at Aeris was sure that the following months would be highly challenging, given the moment the Company was going through and which it had planned for. Our efforts were focused on expanding production capacity until mid-March, which was necessary to meet new commercial contracts signed with major players in our sector. The changes scheduled for the year were impactful: expansion of the factory facilities, hiring and training of thousands of professionals, new lines starting operation, and, to boost all this growth, the raising of capital, which would lead us to the public listing.

With this transformational journey underway, we were caught by surprise, along with the entire global community, by the Covid-19 pandemic, an unprecedented health crisis. As a chain-link of the energy sector, responsible for delivering an essential service to society, we have continued our work while focused on ensuring safe conditions for our employees and strictly adopting the protocols recommended by the health authorities, as well as numerous additional measures in order to stand by our team and their families in a period that required everyone to summon their courage and resilience.

And it was the dedication of our people — not surprisingly called protagonists within the Company — that supported our evolution throughout the year, amid a series of adaptations, learning, and achievements. Together, we overcome the challenges that have been imposed, firmly in the purpose of contributing to the generation of renewable energy, fundamental to sustainable development and, therefore, to the future of society. Thus, we followed through with the expansion of the wind power chain, which has accelerated exponentially throughout the world and especially in Brazil.

In this scenario, the Company consolidated its position as the largest producer of wind turbine blades in Latin America, delivering to the market a volume sufficient to equip 912 wind turbine power generators with a capacity of 3GW – an increase of 95% compared to the previous year. In addition, our production process profile underwent an intense transition throughout the year: We ended 2020 with 14 active production lines, most of them dedicated to the manufacture of blades over 70 meters in length designed to compose equipment with capacity greater than 4.0MW.

This work is the result of a decade of operational development, marked by strategic expansion of the client portfolio, supported by effective internal processes and controls, such as the Aeris Excellence Program.

Given the importance of ramping-up for our business, in 2020 we structured a department dedicated to this process coordinated by the Board of Technology, with a team focused on the development of tools and management methods that, in addition to ensuring the results of current projects, produce knowledge to improve the indicators of new cycles, and thus generate value for our clients.

We have gained important business partners and moved forward in relevant negotiations. Standing out among them is a new contract with the Brazilian WEG and welcoming SiemensGamesa as a client, the second largest producer of wind turbines in the world, in an agreement in the order of R\$ 3 billion for the production of wind turbine blades until 2025. The conclusion of this last contract, effective as of February 2021, reflects the strategy of business expansion and diversification of our commercial portfolio, with the Company's

stronghold in the international market.

In financial terms, we achieved R\$ 2.2 billion in net operating income and R\$ 243.2 million in EBITDA, an increase of 164.8% and 45.4%, respectively, compared to the previous year. Net profit, in turn, reached the mark of R\$ 113.2 million — even before a large number of non-ramped production lines, where full production capacity has not yet been reached.

In order to support the new contracts, we have consistently invested in expanding production with the acquisition and inauguration of a new industrial plant, Aeris Pecém II, neighboring the Company's first industrial park, thus reinforcing our commitment to the development of the region where we are located. With this expansion, we reached the end of the year with an installed capacity of 6 GW of power, almost three times greater than that recorded in the previous year. We also developed in 2020, a new master plan for our industrial park, based on the principles of lean manufacturing, with the aim of structuring production of turbine blades of more than 100 meters in length. We ended the year with two important projects of the plan under construction: a new distribution center of 35 thousand m² and a new factory expansion, which will add 51 thousand m² to our premises.

To this end, in 2020 Aeris has invested R\$ 296.2 million. These contributions were made possible

with the Company's successful B3 open capital public listing held in November 2020, a major milestone in our trajectory. We made our debut in the New Market, a listing segment of the stock exchange composed of companies with governance practices superior to conventional ones. To support the public offering, we have made a series of improvements in our policies and processes, with emphasis on risk management, compliance, and socio-environmental aspects.

This whole movement reinforced our commitment to sustainability, present in our DNA, not only because of the sector in which we operate but also as a genuine concern of the founders of the Company and of all the people who work here. For Aeris, prosperity is only valid when it is shared, providing fulfilled lives in harmony with nature. We have no doubt that the engagement of our investors in relation to environmental and social causes will drive us towards best practices and effective contribution to the goals of the 2030 Agenda, proposed by the United Nations (UN).

In this Agenda, which lists the challenges of our society at a global level, we contribute directly to Sustainable Development Goal 7, which ensures reliable and sustainable access to energy — with the goal of substantially increasing the participation of renewables in the global energy matrix by 2030 — SDG 13 which stipulates the need to take urgent measures to combat climate change and its impacts. This engagement, inherent to the

business, underpins our work, but we know that it is possible to go even further.

Aeris' environmental performance in 2020 reflects this potential. In full productive expansion and despite the adversities brought on by the pandemic, we managed to achieve important goals, such as a 6% reduction in water consumption and a tripling of the volume of waste destined for co-processing — which allowed us to reach the mark of 10% of non-recyclables diverted from landfills. The search for continuous improvement, the basis of our culture, prompts us to seek increasingly environmentally friendly processes and solutions,

*In 2020 Aeris has invested
R\$ 296.2 million.*

which includes maximum elimination of material waste, rationalization of the consumption of Natural Resources, and the reduction of greenhouse gas (GHG) emissions, accompanying the transition that our sector is leading towards a low carbon economy.

To lead these and other advances, we have a special team, which at the end of 2020 totaled 5,642 direct employees, of which 2,678 were hired throughout the year — an encouragement to the community amid the crisis in the Brazilian labor market. Aware that these people are responsible for the success of the business, as well as for all the positive impact that we generate, we spare no effort to provide a safe, healthy, and pleasant working environment, where everyone is able to dream and evolve. That is why we invest in their well-being and development.

In 2020, we most proudly inaugurated our own healthcare center, facilitating access to the integral healthcare of our employees/protagonists, as well as the Aeris University, a platform for continuing education, focused on the technical and managerial improvement of our team. On another front, we conducted our first diversity census in order to identify the different profiles of our employees and strengthen our diversity and inclusion policies for the coming years, combating all types of discrimination and offering equal opportunities. As a result of these and other initiatives, we celebrate the achievement of the Great Place to Work Award, as the third best Company to work in Ceará and the

71st best in Brazil – a recognition that motivates us to continuously move in this direction.

Our concern for human development goes beyond the Company's borders and extends to the community in which we are inserted. In 2020, as part of our planned social actions, initiatives were set in motion to cope with the pandemic, which included the donation of basic food baskets and other basic necessities such as drinking water, protective masks, and personal hygiene products. In all, about 16 thousand people of a more immediate character benefited from these actions. Aware that our responsibility extends further beyond, we set up our Social Intelligence Department, dedicated to diagnosing community demands and designing programs for an even more effective contribution with long-term social impact.

We are convinced that the path to a post-pandemic recovery is through sustainable business and relationships, led by people who share a genuine desire to build a better future for society and the planet. As this report shows, Aeris is part of this transformation and gives thanks to all the individuals and institutions that accompany us on this journey – especially our employees, clients, suppliers, and now our investors. The trust placed in our Company serves as the propellant of obstinacy for doing more and better, with full force. May the new times come – Aeris is ready.

Happy reading!

Alexandre Funari Negrão

Chairman of the Board of Directors

Alexandre Negrão

CEO-President 2020

Bruno Vilela Cunha

CEO-President 2021

SUMMARY

SUMMARY



2

3

7

8

11

13

15

16



18

19

23

24

27



28

29

31

33

34

36



43

44

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AERIS

SUSTAINABILITY IN OUR DNA

CORPORATE PROFILE

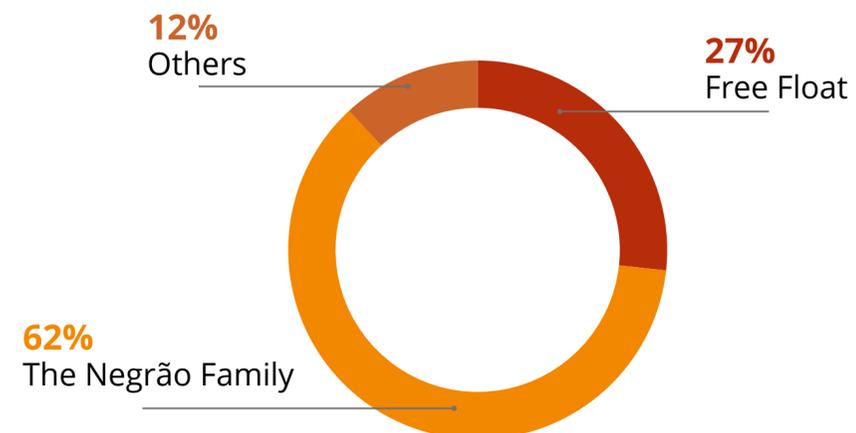
GRI 102-1, 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-6, GRI 102-7

Based in Caucaia, in the Metropolitan Region of Fortaleza (CE), Aeris Indústria e Comércio de Equipamentos para Geração de Energia S.A figures as the largest manufacturer of wind turbine blades in Latin America. It thus acts as a fundamental agent of the renewable energy chain, focused on serving the wind industry with excellence, contributing to the transition of a global society with a low-carbon economy.

Upon completing 10 years of operation, in 2020, the Company recorded transformational milestones in its trajectory, such as the public listing in the B3 New Market, the inauguration of an additional industrial plant – Pecém II — and the conclusion of new commercial contracts, with large players of the sector. These and other achievements of the period reaffirm Aeris' commitment to sustainable business expansion, in order to create and share value for and with its stakeholders.

The solid relationship with clients and suppliers gained through partnerships based on ethics and cooperation is among the main competitive differentials of the Company, along with the strong organizational culture, effective processes, a highly qualified staff, and modern industrial facilities – strategically located in the Northeast region, which concentrates about 70% of the wind potential installed in Brazil. Aeris factories are part of the Pecém Industrial and Port Complex (CIPP), which makes it easy both to receive inputs and to send the blades produced for other regions of the country and the world.

Ownership structure (on 12/31/2020)



At the end of the year, the Company's share capital amounted to R\$ 816,047 million, with a total of 766,213,456 ordinary shares traded regularly on B3, under ticker AERI3. More information about the public listing process of Aeris can be found in the chapter **Corporate Governance**.

*Free float refers to the shares of the Company that can be publicly traded and are not restricted.

Core Values

GRI 102-16



Always work as a team



Flexibility



Social responsibility



Transparency



Quick and assertive responses



Resilience



Ethics



Results oriented, but not at any cost

Aeris 2020

 **5,700**
direct collaborators

 **14**
production lines with active molds

 **2,700**
blades produced

 **R\$2.2 bi**
of revenue

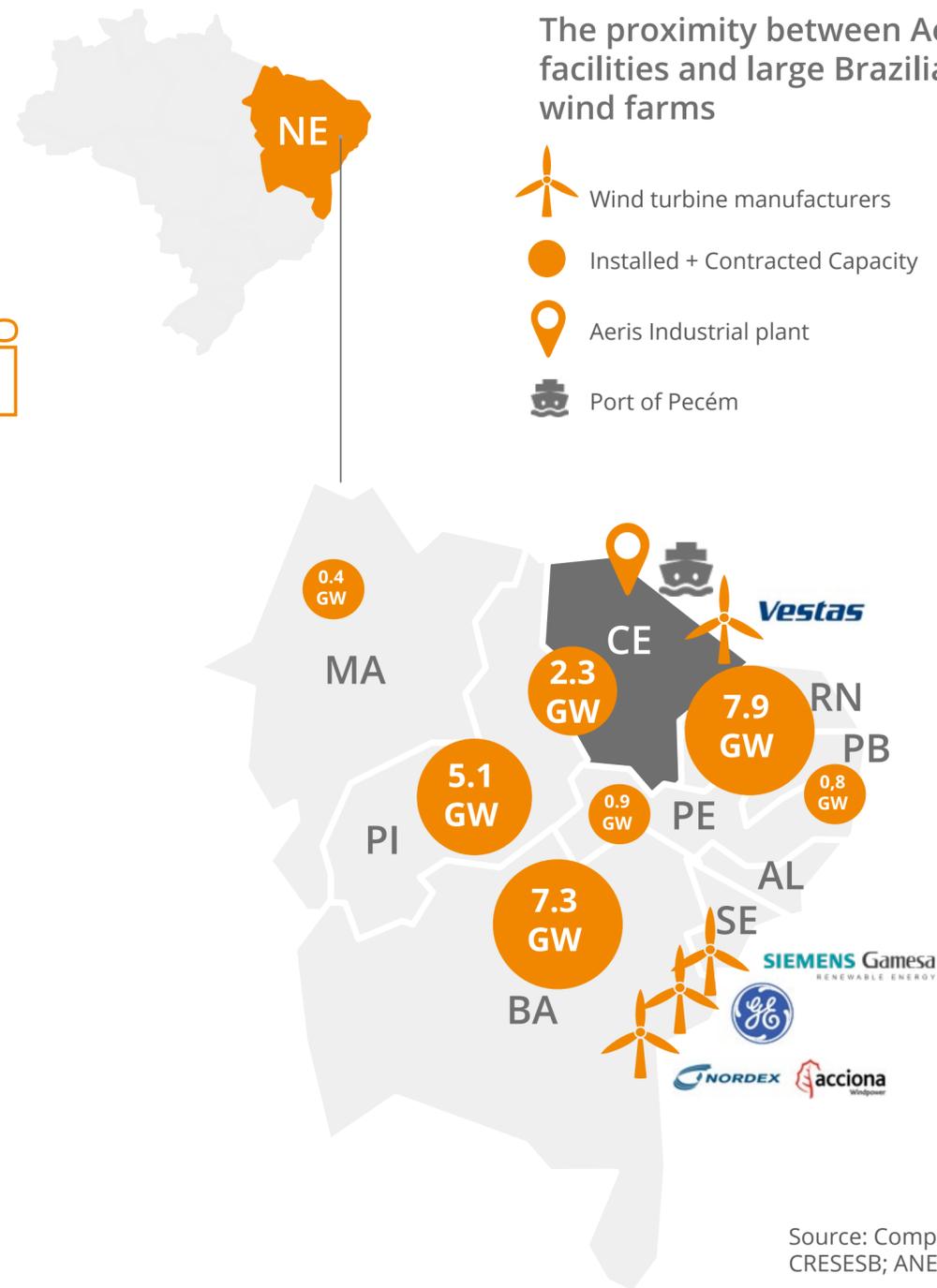
 Production of **3 GW**
of power*

68%
of the power produced for the domestic market

Strategic Location

The proximity between Aeris facilities and large Brazilian wind farms

-  Wind turbine manufacturers
-  Installed + Contracted Capacity
-  Aeris Industrial plant
-  Port of Pecém



Source: Companhias; CRESEB; ANEEL; ABEEólica

*Considers the center of the rated power range of wind turbines equipped with the blades manufactured by the Company.



AERIS SERVICE

The Company controls 100% of the capital of Aeris Service, a division of specialized services for wind turbines, focusing on inspection, maintenance, and repairs for the most diverse types of wind blades, fiber components, and towers. Among the services offered are painting, cleaning, preventive, and corrective maintenance, as well as photographic inspections.

With a strong presence in Brazil – and a branch in the United States — the Company has as one of the main competitive advantages the qualification of its team, maintaining its own specialized training center, dedicated to the training and development of the technical team.

Among the services offered are painting, cleaning, preventive and corrective maintenance, as well as photographic inspections.

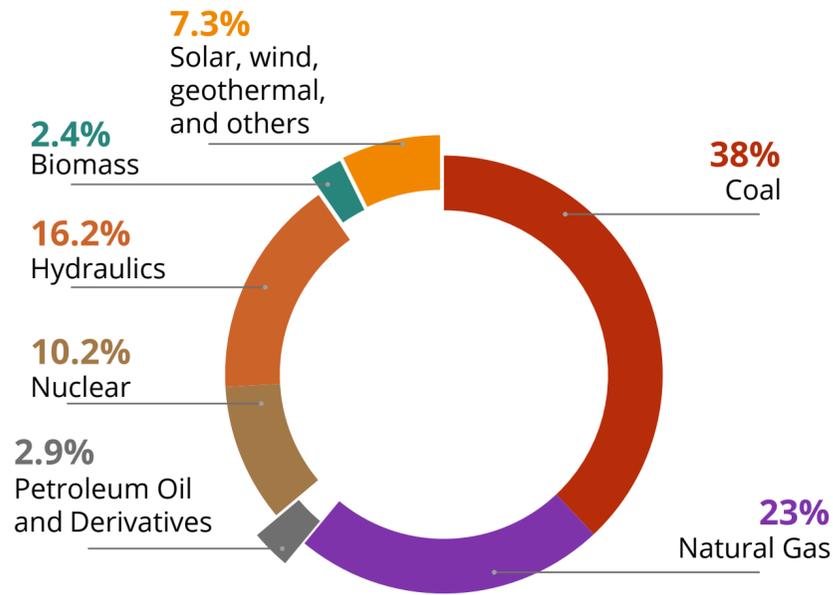
MARKET PRESENCE

GRI 102-6

Wind energy generation plays a key role in the denominated energy transition, which aims to reduce carbon dioxide (CO₂) emissions released into the atmosphere – and thus contribute to curb climate change and its negative developments on the economy, the environment, and society. This movement calls for replacing non-renewable and polluting energy sources, such as oil, coal, and oil shale, with renewables – wind, solar, biomass and waste, geothermal and hydroelectric energy.

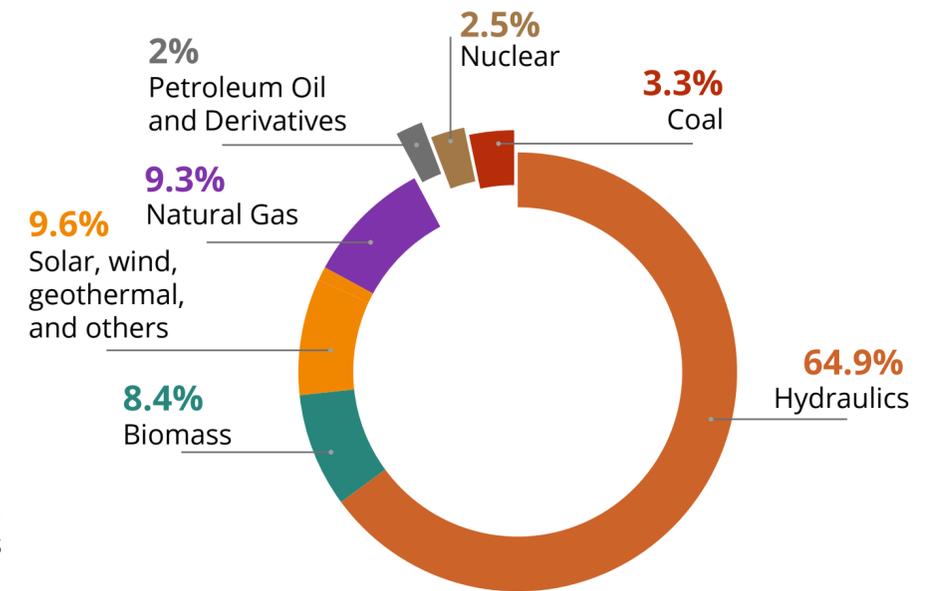
The urgency of decarbonization mobilizes governments and companies around the world and places Brazil in a prominent position in the transition, given the country's potential in renewable energy generation. According to the National Energy Balance, published in 2020 by the Energy Research Company (EPE), 83% of the electricity generated in the country comes from clean and renewable sources – while globally this index is 25% on average.

Global electrical Matrix (2018)



Source: EPE/ BEN, 2020

Brazilian electrical Matrix (2019)



Source: EPE/ BEN, 2020

In this context, in 2020 the world reached the mark of 743 GW¹ installed wind power, up 14% compared to the previous year, following the accelerated expansion of this segment (learn more about this development in the chapter **Operations and Performance**). Brazil follows this movement, having increased its installed wind capacity by 10.4%, compared to 2019, reaching 17 GW. In Brazil one of the factors that contributes to this evolution is the growth, in the order of 20% per year² in the Free Energy Market-business, an environment where generators, marketers, and

¹ Cumulative global capacity, according to the Global Wind Report 2021, published by the Global Wind Energy Council.

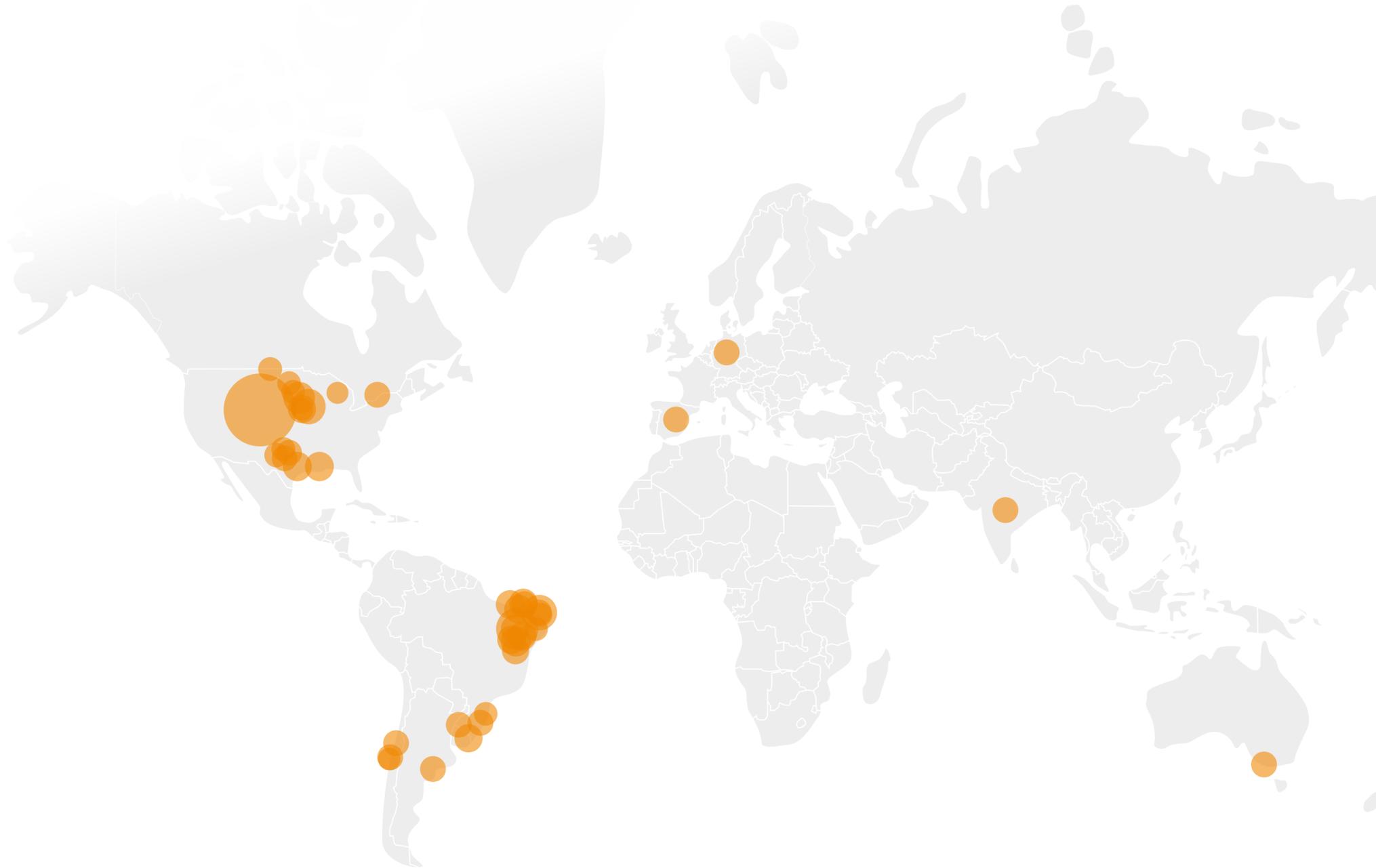
² According to the Brazilian Association of Energy Traders (Abraceel).

consumer companies negotiate directly with each other, based on the regulation of the sector – which encourages the implementation of renewable energy projects in the country through specific contracting modalities.

The current scenario and the prospects regarding the energy transition, in Brazil and in the world, insert the wind energy production chain, which Aeris is part of, at the base of the global economic transformation by promoting a resilient and highly competitive energy source in terms of financial viability. Thus, the Company's client portfolio includes the leading manufacturers of wind turbines in the world, as per the build-to-spec model. This production model is tailored to the technical specificities of each project developed by the client, with adequate production processes to achieve the expected results with excellence.

Aeris had 19 active lines throughout 2020 and 14 lines in full operation by the end of the year, which produced 2.7 thousand units — a volume 42.1% higher than in 2019 and sufficient for the assembly of 912 wind turbines, mostly with the average power range above 4MW. Of the total 3GW of power generated by wind turbines equipped by Aeris, 68% were destined for the domestic market and 32% for the foreign market.

Destination of the wind turbine blades produced since 2013



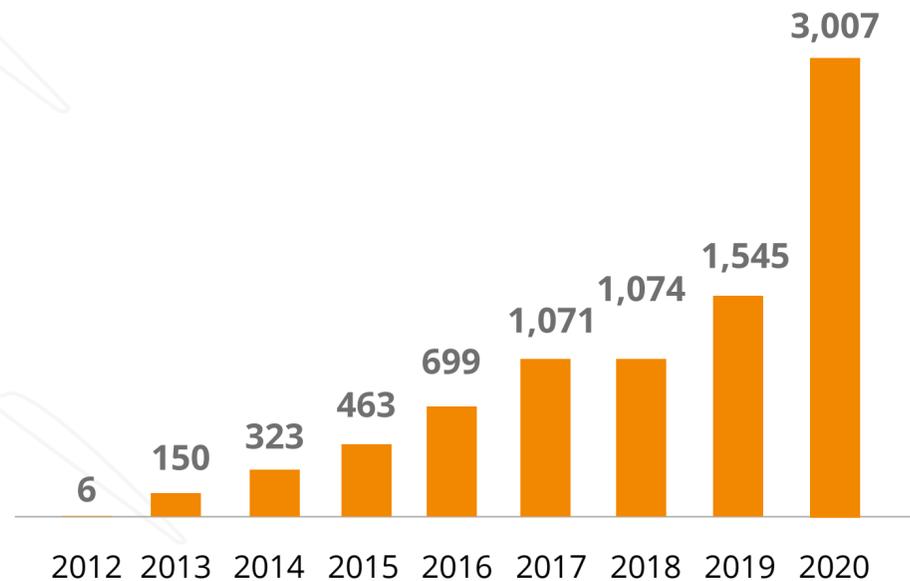
SUSTAINABLE

EXPANSION

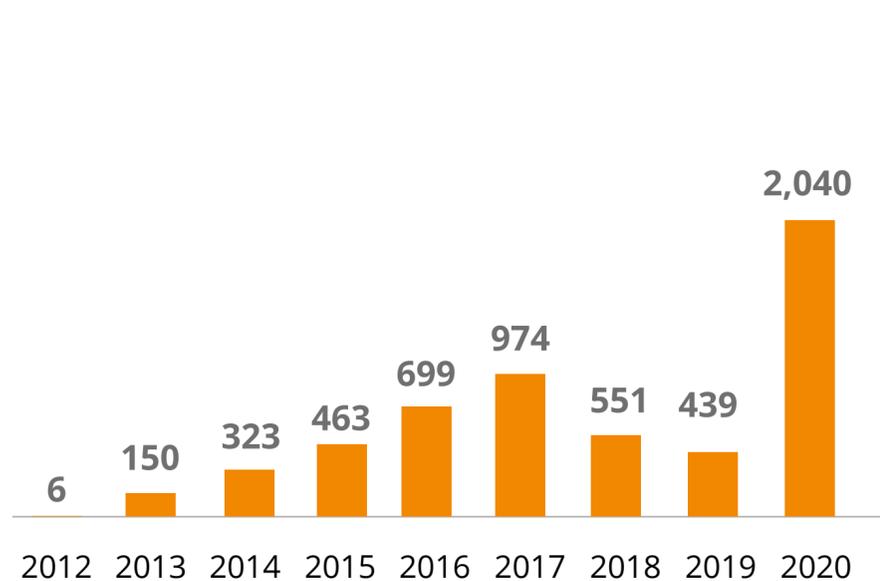
The business strategy of Aeris has in the expansion of operations one of the essential axes to the competitiveness of the Company in the long term. Based on this premise, management is oriented to sustainable growth from the combination of structural investments, expansion of market share, raising productivity, and creating value for shareholders.

The year 2020 marked the beginning of the sixth phase of expansion of Aeris since the start of operations, with significant increases in production: 3.0 thousand MW in total capacity were delivered to the market, almost double that recorded in the previous year. Of this total, 2.0 thousand MW were provided to Brazil - a volume four times higher than in 2019, and twice higher than the record reached in 2017 of 974 MW.

Evolution of total capacity delivered by Aeris - Global
(in MW)



Evolution of total capacity delivered by Aeris - Brazil
(in MW)



NEW CERTIFICATIONS

Certifications are an important part of Aeris' management system, contributing to the continuous improvement of policies, processes, and practices. In 2020, in addition to maintaining ISO 9001 (quality) and ISO 14001 (environment), the Company was certified according to ISO 45001, regarding occupational health and safety – replacing OSHAS 18001, obtained in 2013.

Another important achievement of the year was the certification granted by the IRS as an Authorized Economic Operator (AEO), recognizing the ethical and transparent conduct of the Company reflected in levels of solvency and low risk applicable to operations in foreign trade. Thus, it attests that Aeris carries out two activities in accordance with the best practices of the international market, ensuring reliability and agility to the results, both in relation to the integrity of the cargoes and the fulfillment of customs obligations.



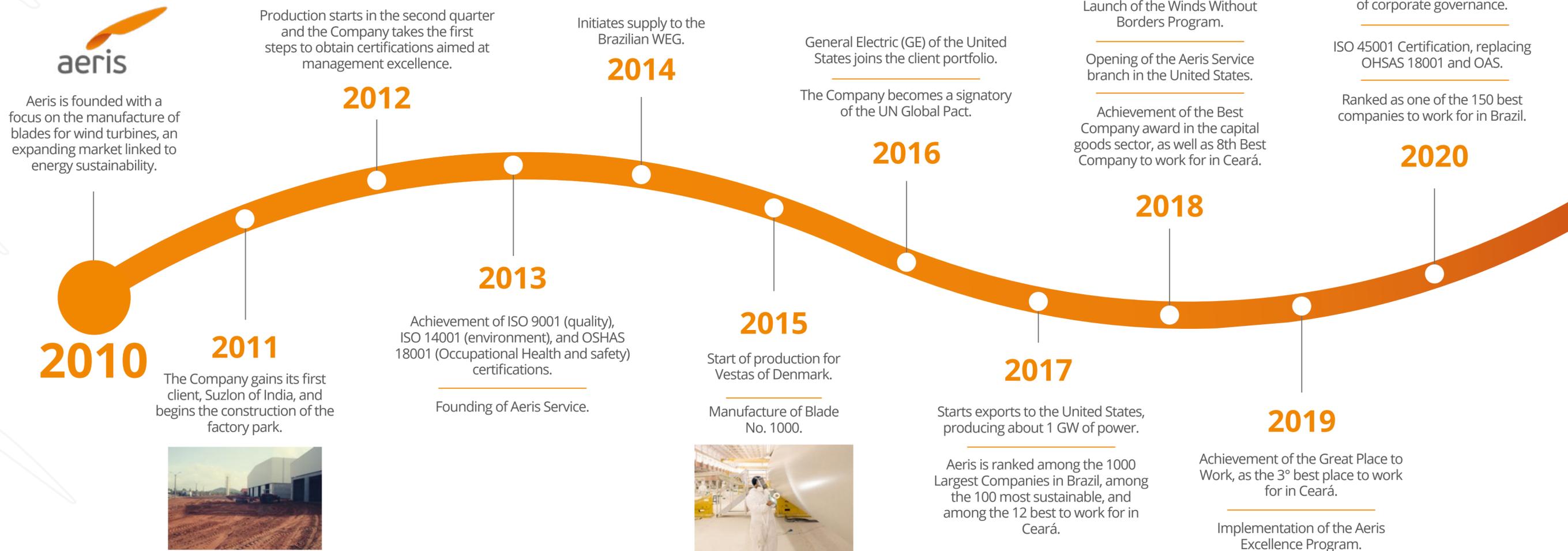
To cope with the growth, in 2020 Aeris invested R\$ 296.2 million in the expansion of production units, as well as in the improvement of processes. Resources correspond to 52.5%, the main applications being the acquisition of new land, the construction of basic infrastructure, and the deployment of production lines prepared for blades of over 100 meters in length.

In addition to a new distribution center, with 35 thousand square meters, 51 thousand square meters were added to factory facilities, which will allow us to safely meet the contracts entered into, and exponentially increasing production in the coming years. Aeris also inaugurated a new unit with the acquisition of a factory park in June 2020 in the Pecém Industrial and Port Complex. With a structure similar to the headquarters, the plant was quickly adapted to better accommodate employees and operations, which officially began in August.

HISTORY:

A DECADE ON THE MOVE

In 10 years of history, the Aeris team has worked to gain major clients, create value for shareholders, and contribute to the energy transition, towards the sustainable development of society. Check out some milestones of the Company's trajectory below.



CONNECTING TO THE FUTURE

Anchored in its values, reflected daily in the corporate culture, Aeris' growth strategy is materialized through the Winds Without Borders Program, which defines the Company's long-term vision to ensure business continuity and value generation. Launched in 2018, the program established Aeris' strategic objectives to be achieved by 2023, which cover all units and formalize business priorities as well as the governance and management model.

To guide the implementation, the program was structured in three pillars: operational efficiency, protagonism, and sustainability. In order to enable the achievement of the objectives, in 2020 about 900 goals related to these pillars were developed in all areas of the Company.



1 Be a Company with a global presence

Seek excellence in all processes and create an environment conducive to innovation and continuous improvement in order to provide products and services with the required quality, within the agreed time frame, and at the lowest possible cost.



2 Be one of the 5 most profitable capital goods companies in Brazil

Have qualified, honest, and ethical people who act with a sense of ownership and are transformative agents in strengthening the values and pillars of the Company.



3 Be one of the 50 Best Companies to work for in Brazil

Work to always be in a prominent position in the markets in which it operates, seek new businesses that have synergy with the Company's culture, and be prepared for new challenges.

As an essential part of the Wind Without Borders Program, Aeris develops its Excellence Program, which focuses on the continuous improvement of management and manufacturing processes, creating a unique management model, consolidating Aeris' mode of operation so that the organizational culture is strengthened. Supported by six towers that represent the prioritized aspects, the program indicates what should be done and in what form.

Throughout 2020, three internal audits were carried out to identify the level of adherence to the initiatives planned in the towers to the degree that they were implemented. The program set the goal of reaching 70% compliance by the end of the year. Despite all the challenges imposed, such as coping with the pandemic, the start of a new production unit, and the entry of 2.6 thousand employees, the Company ended 2020 with an adherence level of 82.9%. For 2021, in addition to the continuity of the planned actions, the Maintenance Tower Program must be aggregated, focusing on ensuring the availability of our equipment, so that our production line operates efficiently and perennially.



Worker security and health.



Guarantee ISO 9001 licensing to ensure that all company workers perform their duties in accordance.



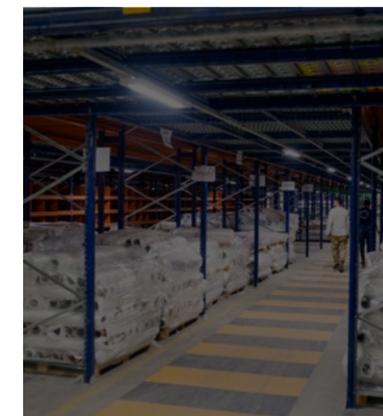
Employees, performance assessment, hiring practices, professional training and development.



Respect and manage environmental concerns in accordance with ISO 14001.



Methodologies such as 5s, business description, PDCA practices, outcome management.



Supply chain management.



aeris



CORPORATE GOVERNANCE



GOVERNANCE

STRUCTURE

GRI 102-18, 102-19

Ethics, transparency and accountability underpin Aeris' conduct in relation to corporate governance, an area strengthened by the Company's public listing process which took place in 2020 (see box), given that the Company has joined the Novo Mercado, a B3 listing segment composed of companies with stricter corporate rules that ensures minority investor rights. Committed to the continuous evolution of its practices in this area, Aeris guides its structure and management guidelines with a focus on assertiveness in decision making.

Throughout the year, some of the pillars of corporate governance were reinforced, such as:

- The availability of varied communication channels in order to provide relevant and up-to-date information to shareholders and the wider market in a transparent manner;
- Shareholders having access to management, whether through general meetings, public meetings, or interaction with the Investor Relations team;
- The participation of deliberative and advisory bodies, such as the Audit Committee and other thematic committees.
- The application of strict compliance mechanisms in order to ensure the dissemination of ethical precepts among employees and other stakeholders.



PUBLIC LISTING

GRI 102-10

Founded as a privately held Company, Aeris strategically decided to change its corporate structure in 2020 in order to accelerate its investment plan – which includes expanding and modernizing factories to leverage productive capacity.

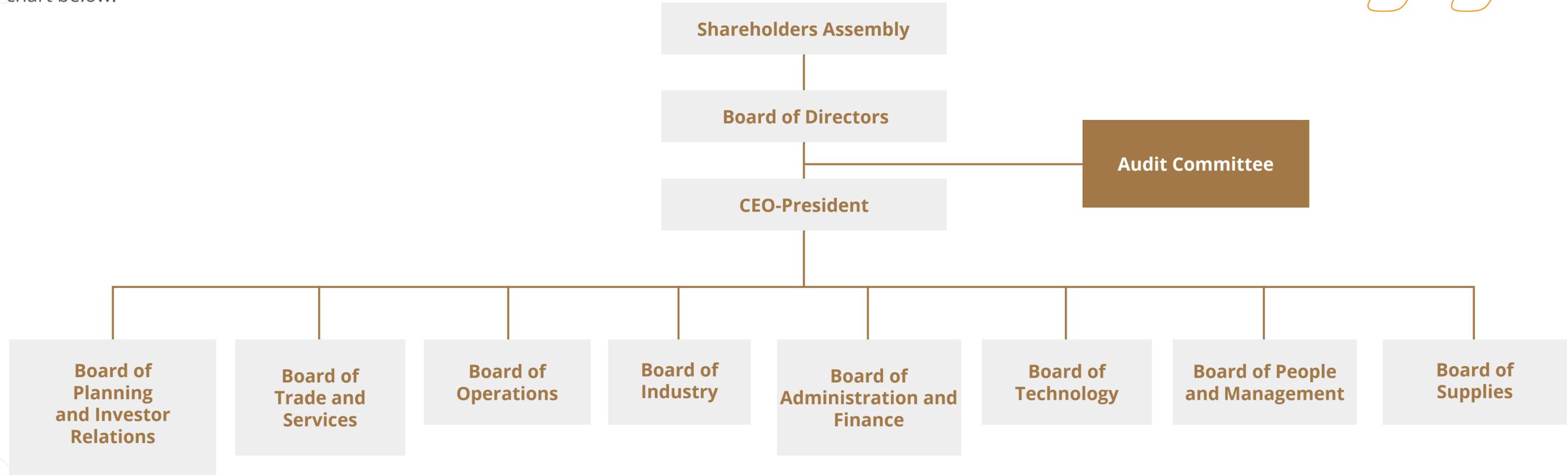
Thus, November 11, 2020, represented a milestone in the Company's history, with the beginning of negotiations for AERI3 on B3.

The public listing was made pursuant to ICVM 400 and moved R\$981.9 million.

Established in August 2020, through the update of the Company's bylaws, The Ordinary General Meeting became the highest decision-making body of Aeris. On a mandatory basis, it takes place annually and allows the participation of all shareholders³. The governance structure is complemented by the performance of the Board of Directors and the Executive Board, advised by the Audit Committee – as detailed in the organization chart below.

The governance structure is complemented by the performance of the Board of Directors and the Executive Board, advised by the Audit Committee.

Administrative organization chart
(on 12/31/2020)



³The first AGO was scheduled for the first half of 2021.

BOARD OF DIRECTORS

Aligned with The Novo Mercado regulation, Aeris' Board of Directors is composed of at least five and, at most, ten effective members — shareholders and non-shareholders — all elected and dismissible via general meeting. With a unified term of one year, with re-election allowed, the board members are responsible for defining long-term strategies, assessing relevant risks and opportunities, which includes economic, social, and environmental aspects. Thus, they have the function of protecting and valuing the Company's assets, in accordance with the provisions of the bylaws, representing the interests of shareholders and other stakeholders.

It is also the body responsible for the election and dismissal of directors, as well as for establishing the duties of executives. Ordinary meetings are held four times a year and also extraordinarily, whenever necessary.

Composition of the Board of Directors (on 12/31/2020)

Alexandre Funari Negrão
President

Luiz Henrique Del Cistia Thonon
Advisor

Gisela Sarnes Negrão
Advisor

Edison Ticle de Andrade Melo Souza Filho
Independent Adviser

Solange Mendes Geraldo Ragazi David
Independent Adviser

In 2020, the Board of Directors began to rely the support of the Statutory Audit Committee, which aims to advise the directors on the monitoring and control of financial statements, as well as risk management and in strengthening compliance mechanisms and internal and external audits. At the end of the year, the committee was composed of three members: Edison Ticle de Andrade Melo and Souza Filho (coordinator), Eduardo Luiz Rota, and Fabrício La Gamba.

GUARANTEED INCLUSION

The scope of **gender equity** as envisioned by the Fifth Sustainable Development Goal of the 2030 Agenda requires the full and effective participation of women at all levels of decision-making in society — which includes corporate governance structures.

In Brazil, according to data from the Ethos Institute, in 2020 women occupied only 8.6% of the positions on corporate boards of directors. Determined to do its part to transform this scenario, in 2020 Aeris retained two directors, the equivalent of 40% of the members that make up the body.

In addition to the board, equal opportunities between men and women is one of the premises of the Company's diversity policy.

EXECUTIVE BOARD

The Executive Board of Aeris is responsible for executing the Company's strategy, guided by the Board of Directors, in addition to ensuring compliance with organizational policies and guidelines, especially those focused on sustainability and integrity, as well as safeguarding the bylaws and legal provisions applicable to the business. At the end of 2020, the Company had seven statutory boards and two complementary boards, essential to the conduct of business.

Composition of the Management Board (on 12/31/2020)

Alexandre Negrão
Chief Executive Officer

Bruno Vilela Cunha
Commercial Director

Bruno Lolli
Director of Planning and Investor Relations

Cássio Cancela Penna
Director of Operations

Daniel Henrique da Costa Mello
Industrial Director

Vitor Santos
Chief Technology Officer

Marcio José Marzola
Chief Financial Officer

Gianna Cunha
Director of People and Management*

Érica Cordeiro
Director of Supplies*

Both the Executive Board and the Board of Directors may be supported by thematic committees on a permanent or temporary basis. These committees are made up of employees from different areas and functional categories, including leaders, who are dedicated to the analysis and proposition of referrals for strategic issues. At the end of 2020, the integrity and Sustainability Committees were consolidated, while one group was structured to deal with Social Intelligence, Diversity and Strategy.

In addition to structures aimed at debate and decision-making on issues related to sustainable development, in 2020 Aeris implemented individual targets for all leadership issues related to environmental, social, and governance aspects, with the aim of continuously improving the governance of these themes (see more on the topic in the chapter on People, Performance Evaluation).

At the end of 2020, the Company had seven statutory boards and two complementary boards, essential to the conduct of business.

SHARED GUIDELINES

The sharing of corporate values, as well as the premises of conduct and established relationships is a commitment of Aeris to the different publics with which it relates. Thus, the Company publishes on its website the following policies and guidelines, which it considers relevant to the knowledge of its value chain:

Risk Management Policy

Establishes guidelines and responsibilities related to the monitoring, prevention, mitigation, contingency, and transfer of risks related to the business and industry of Aeris.

Policy for Transactions with Related Parties

Lists rules, procedures, and guidelines that help to ensure that transactions with related parties involving the Company are conducted in everyone's best interest.

Securities Trading Policy

Developed with the intention of prohibiting the misuse of inside information, as well as establishing the rules and guidelines to be observed by persons involved with securities trading.

Fact Disclosure Policy

Presents rules, procedures, and guidelines to be observed regarding the use and disclosure of relevant information as well as addresses the maintenance of the secrecy of inside information.

Referral Policy

Provides the criteria to be observed in determining composition and process of appointing members of the Board of Directors, the Board of Officers, and committees of the Company.

Remuneration Policy

Provides the remuneration strategy attributed to the members of the statutory and non-statutory boards, the Board of Directors, and the advisory committees to the Board of Directors. The policy provides for the promotion of attractive and meritocratic remuneration practices, with a focus on retaining professionals and creating long-term value.

AERIS

INTEGRITY PROGRAM

GRI 102-15; 102-16; 102-17; 103-1; 103-2; 103-3; 205-2; 205-3

The Company is committed to maintaining an ethical culture as the basis for an environment in which respect and integrity are central. In this sense, in 2020 we implemented the Aeris Integrity Program, composed of a set of internal mechanisms and procedures dedicated to combating inappropriate compliance practices. Seen here:

CODE OF CONDUCT

Revised in August 2020, the document, **published on the Company's website**, guides behaviors and conduct of all Aeris employees, including those of advisors and managers. It also guides the relationship with other stakeholders, like suppliers, unions, and communities, and addresses issues related to information disclosure, privacy and security, conflict of interest, mutual respect, and diversity.

INTEGRITY COMMISSION

Responsible for examining and investigating complaints received via the Complaints Channel (see below), collecting the necessary evidence to ascertain the origin or non-compliance of the statements received, in order to issue opinions to the Integrity Committee. In order to ensure impartiality, it is composed of employees of recognized reputability from the most diverse areas and appointed by the Integrity Committee based on their complete track history in the Company, not including any member of Management or subordinates of the Integrity Committee.



COMMUNICATION AND TRAINING

For Aeris employees to stay engaged in the **Integrity Program**, in 2020, a far-ranging communication campaign was developed to reinforce the precepts of the Code of Conduct and disseminate the Complaints Channel as well as the attributions of both the Integrity Commission and the Integrity Committee.

A training program on the Integrity Program was also launched at Aeris University. By the end of the year, about 1.7 thousand employees had attended 2 hours of lessons focused on the Code of Conduct.

COMPLIANCE POLICIES

A set of policies approved by the Board of Directors in August 2020 to define the Company's conduct in relation to three themes: (i) Anti-corruption and Public Administration Relations, (ii) Fraud, Collusion, and Coercion Prevention, and (iii) Competitive and Antitrust Practices.

INTEGRITY COMMITTEE

Restructured in 2020, its main function is to promote the legitimacy, respect, compliance and improvement of the ethical behavior and professional conduct of AERIS employees. At the end of the year, it was formed by the presidency, Legal Management Department, and the Boards of Operations, Administrative-Financial, People and Management, Industrial and Commercial.

COMPLAINTS CHANNEL

Dedicated to the public with whom AERIS interacts, it is managed by an independent Company. It receives inquiries and reports of cases that may characterize violations of the Code of Conduct or current legislation. The reported situations are kept in absolute secrecy, ensuring that the reporting party does not suffer any kind of reprisal or retaliation. An investigation is conducted confidentially by the Integrity Commission and the Integrity Committee.



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0800-882-0611

The reported situations are kept in absolute secrecy, ensuring that the reporting party does not suffer any kind of reprisal or retaliation.

In 2020 the AERIS Complaints Channel registered 49 complaints, of which nine were deemed valid — none were related to corruption or discrimination.

Based on these mechanisms and practices, AERIS upholds in its culture the principle of zero tolerance to unethical conduct. Any employee who engages in violations of the law, AERIS policies, or the Code of conduct is subject to appropriate disciplinary measures, which can range from a warning to the termination of the employment contract.

RISK AND OPPORTUNITY MANAGEMENT

Aeris understands that the proper management of risks and opportunities that covers aspects that range beyond economic and financial impacts is a fundamental factor to the sustainability of the business in the long term. Thus, staying up to date on the best practices of the market, in 2020 the Company defined its organizational structure for managing this theme. Coordinated by the departments of Internal Control, Risk Management and Compliance, this structure has the direct involvement of the Board of Directors, the Audit Committee, and the Executive Board, and receives support from the Internal Audit Department, with certain activities carried out by specialized third-party companies.

Also in 2020, the Company's Risk Management Policy was issued, which aims to establish guidelines and responsibilities in the actions related to the monitoring, prevention, mitigation, contingency and transfer of risks to be observed by management. The risks from which the policy seeks protection are classified according to the categories presented in the infographic below.

Categories of monitored risks and opportunities



STRATEGIC



COMPLIANCE



FINANCIAL



OPERATIONAL



REGULATORY



CYBER



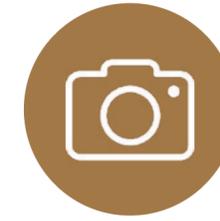
CREDIT



LIQUIDITY



MARKET



IMAGE



SOCIO-ENVIRONMENTAL



PRODUCT

The Board of Directors carries out the supervision and periodic assessment of risks, in addition to defining the level and degree of exposure that Aeris is willing to accept in the implementation of its business strategies and in the performance of activities. Based on these definitions, in 2021 the Company intends to develop its risks and opportunities matrix in order to adopt preventive actions and establish mitigation guidelines for each identified threat.

DATA PROTECTION

Aeris got started in 2020 on meeting all the requirements of the Brazilian General Data Protection Law (LGPD).

The first step was a diagnosis conducted by an outside consulting firm in order to determine the strengths and sensitive points of the Company in relation to the subject.

Based on the result of this initial evaluation, policies and procedures were created to reinforce the careful handling of information security. The Privacy Policy was then published on the Aeris website, which addresses topics such as data collection of the Company's job candidates and client and supplier data.

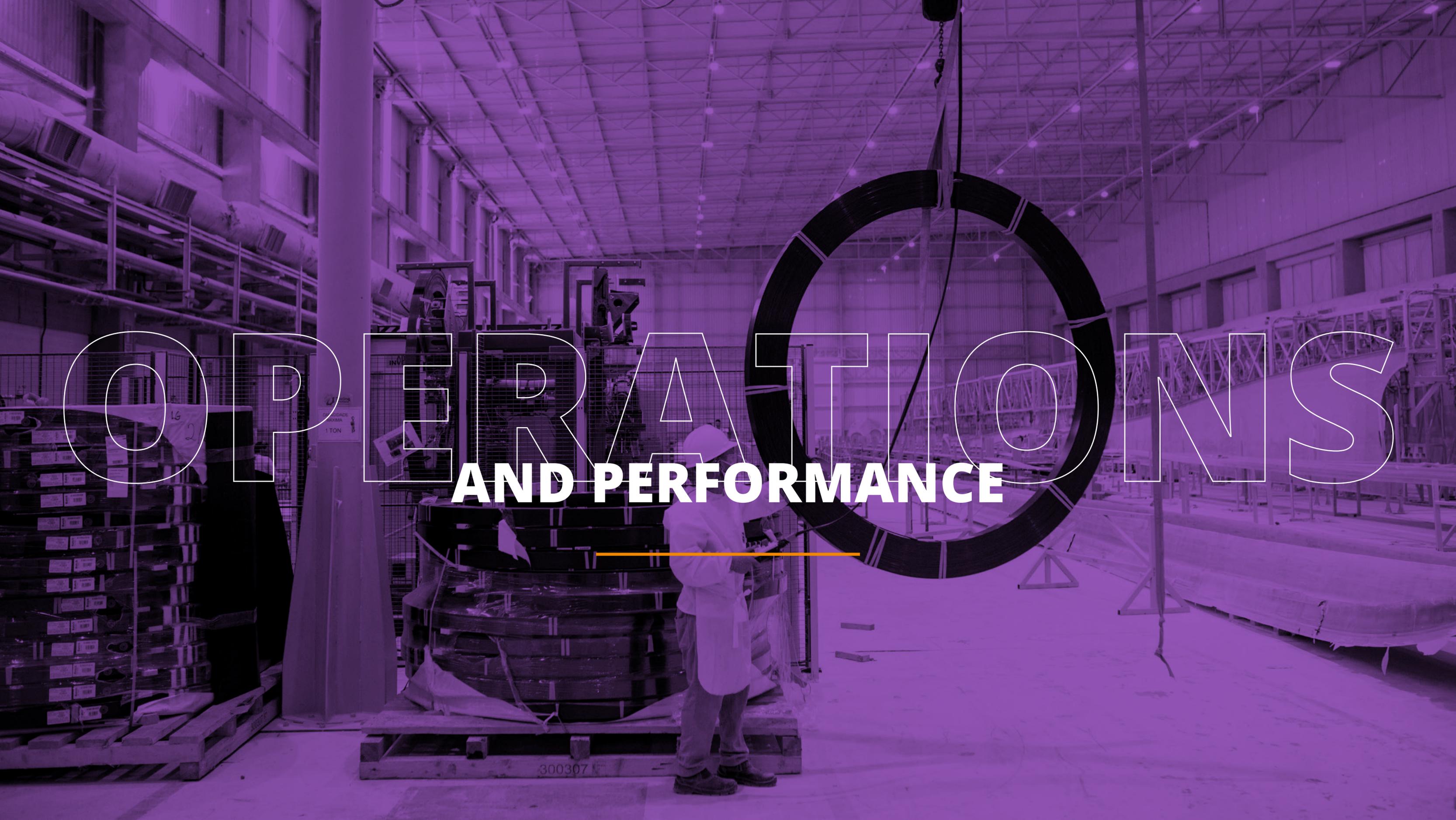
To ensure the correct application of the policy by the internal staff, a training program was carried out with specific groups of employees, which will be extended to the entire team of analysts throughout 2021. A communication campaign was also set into place with weekly correspondence focused on the maintenance of care and precautions.

Improvements were also made to systems and access points, with the implementation of new control and protection tools such as new firewalls and a new data backup platform with storage and anti-spam technology. Access to devices such as computers, mobile phones, and emails are thus performed with two-step authentication to ensure access security.

Currently, this topic at Aeris is under the direct management of the Department of Information and Legal Security. The Legal Manager of the Company is centrally responsible for the protection of information of the Company (DPO/in charge) and can be contacted through the e-mail faleconosco@aerisenergy.com.br.



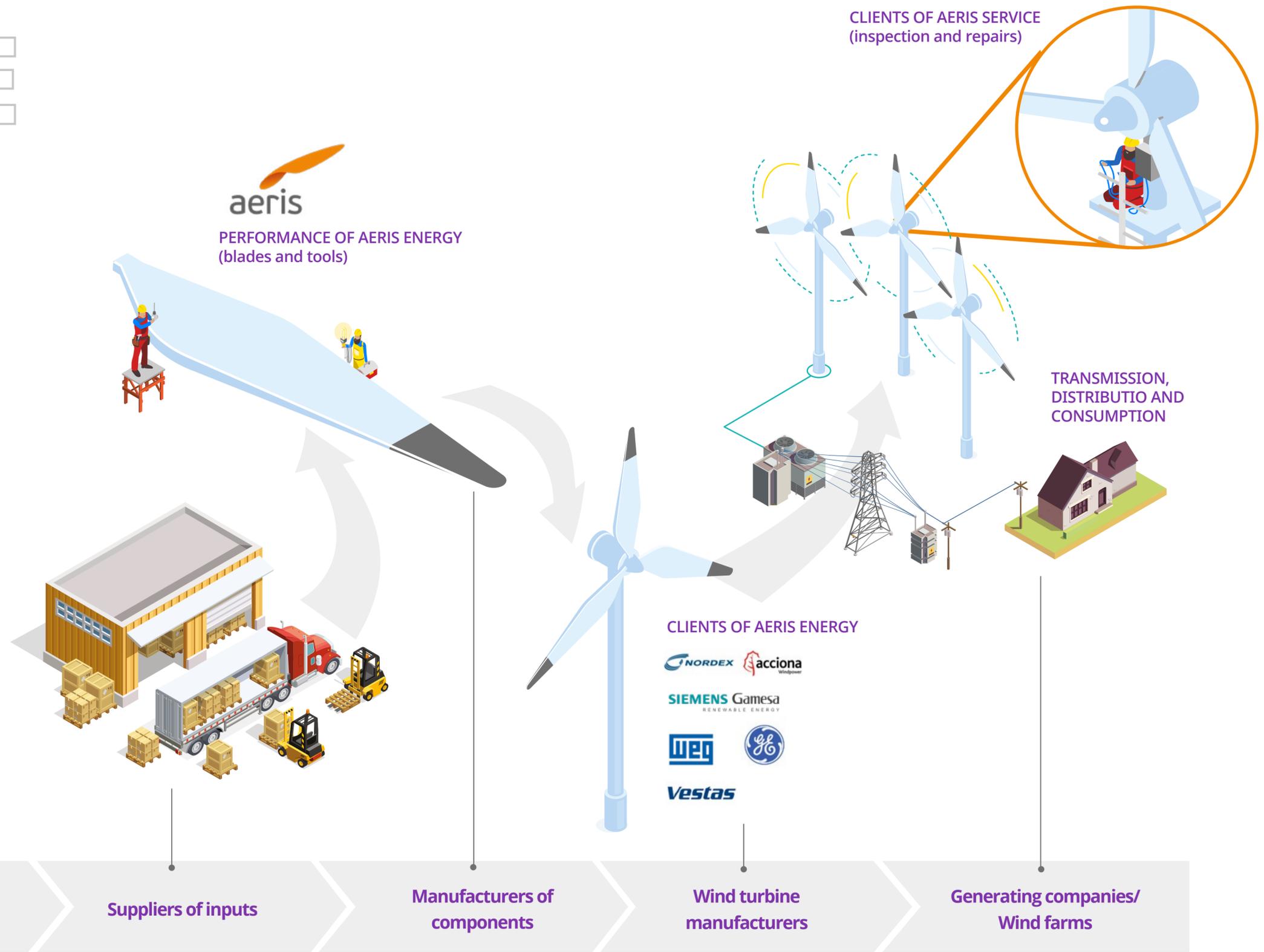
OPERATIONS AND PERFORMANCE



300307

VALUE CHAIN

Aeris is positioned in the manufacturing industry to service the energy chain, integrating a major global movement towards decarbonization and electrification. By working to increase wind power generation, the Company contributes directly to sustainable development, aligned with the Sustainable Development Goals (SDGs) related to this theme, as proposed by the United Nations (UN), namely SDG 7, referring to the adoption of renewable energy, and SDG 13, which fights climate change.



SUSTAINABLE DEVELOPMENT GOALS AND THE AERIS BUSINESS

In 2020, Aeris developed a project that took into account the SDG Implementation Guide and the B Lab evaluation to select priority SDGs aligned with the business, establishing internal actions and goals to be worked on from 2021. Seven SDGs were listed:

SDGS LINKED TO THE BUSINESS MODEL



PRIORITY SDGS



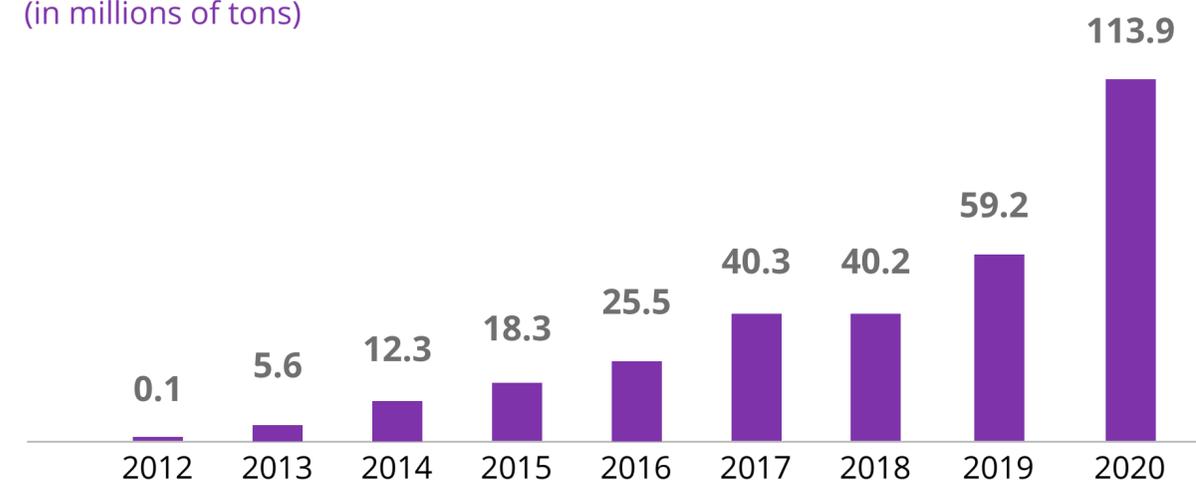
CONTRIBUTING TO A LOW CARBON ECONOMY

As a way to measure the business' contribution to the reduction of greenhouse gas (GHG) emissions and, consequently, the fight against global warming, Aeris started to monitor the total CO₂ that is no longer emitted due to the wind turbine blades it delivers to the market. Thus, it is possible to gain a perspective of the positive impact of their production on the clean energy supply chain.

Since the beginning of operations, 315.4 million tons of CO₂ have been avoided, of which 36.12% of the total refers only to production in 2020. In this way, the Company reinforces its commitment to SDG 13, which advocates the fight against climate change.

Carbon gas emissions avoided*

Total CO₂ reduced by the end of service-life of the wind turbine blades produced
(in millions of tons)



* Units of blades produced x stratified power per blade in MW x service life in hours per blade X average capacity factor (ABEEólica) [%] x CO₂ Emission Factor/kWh [kg] (IEA) x (1000)/(1000x1000000).

THE PRODUCT

GRI 103-1; 103-2; 103-3

The blades produced by Aeris constitute one of the three main components of a wind turbine, together with towers and the nacelle — where the transmission box and the generator are housed. Designed to harness the kinetic energy of the wind, the blade rotates in a movement that generates electric energy.

COMPONENTS OF THE BLADES*

Spar flange and web

robust structural components that keep the shells apart.

Sparcap

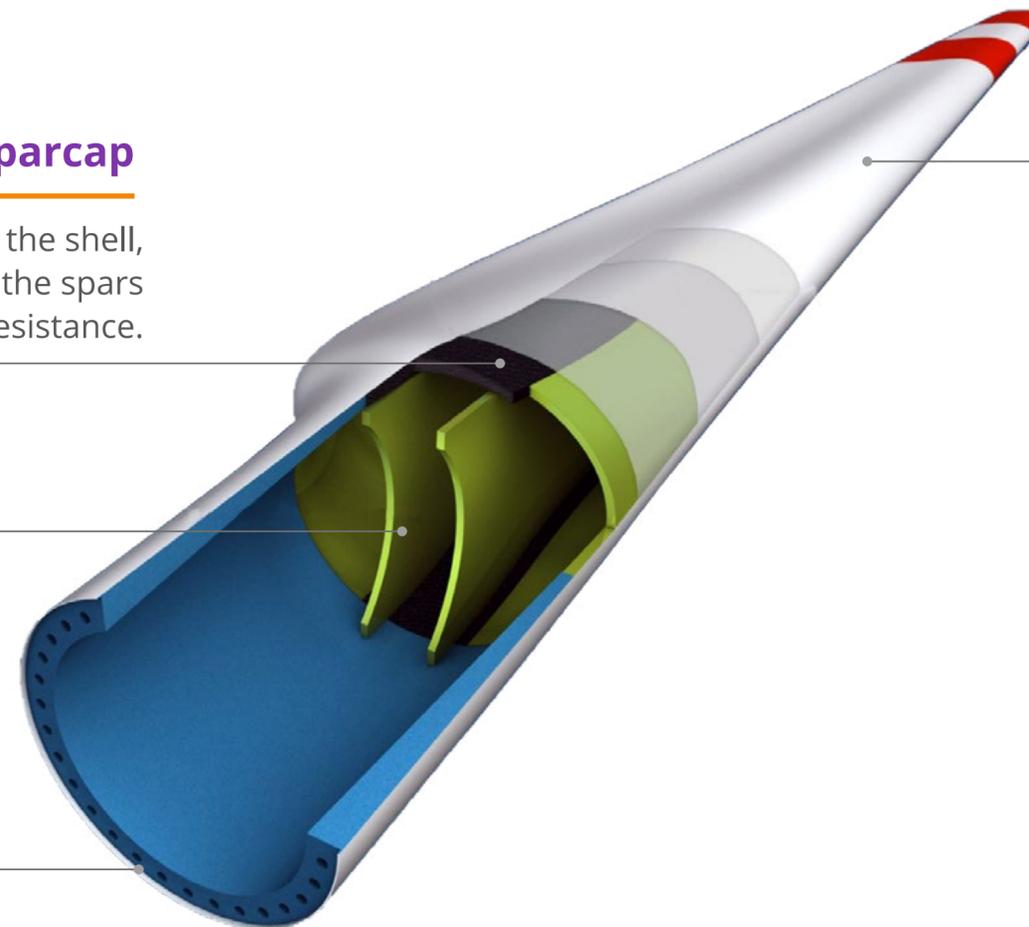
structures infused inside the shell, which serve to support the spars and create buckling resistance.

Core

part of the blade that connects to the wind turbine

Shells

the outer layer of the blade with aerodynamic shape.



PRODUCTION PROCESS

Aeris plants manufacture blades with Vacuum Assisted Resin Transfer Molding technology (VARTM). The two shells and the main core elements are prepared in separate processes, being subsequently coupled. See the main productive steps below:



1 Preparation and cleaning of the mold and laying of several layers of fiberglass (inner layers).



2 Assembly of core positioning, placement of spar cap, which can be of fiberglass or pultruded carbon fiber.



3 The insertion of further layers of fiberglass (on the outer surface area).



4 A vacuum bag is produced with the infusion of epoxy resin that goes through a chemical process for hardening called curing.



5 The spar flange and web are inserted and glued, so that one shell is separate from the other.



6 A curing process of the glue mass is performed so that the structure is especially resistant.



7 The blades go from the molds directly through quality inspection, which includes the use of ultrasound technology. Particularly, all bindings are evaluated.



8 Finally, the blade is painted, balanced, and after final assembly is completed, packed.

THE CLIENTS

GRI 103-1; 103-2; 103-3

Aeris clients are global companies that design and produce wind turbines installed in wind farms where electricity is generated. For strategic reasons, these companies outsource the production of blades, which involves highly complex manufacturing processes due to the technical specifications and physical characteristics of the material such as dimensions, for example. Thus, the Company receives from clients the molds, referrals of pre-approved main suppliers of raw materials, as well as all the guidelines and the follow-up flow for the production of the blades.

The Company ended 2020 meeting the demands of the main global producers — with the exception of the Chinese market — from existing contracts with Vestas, GE, Nordex Acciona and Brazil's Weg⁴. Fulfilling orders both for the national and international market on a client-to-client basis, Aeris is recognized by the market as a global manufacturer, due to the degree of quality and efficiency of its production process, meeting specific requirements and international standards.

Also in 2020, the Company improved its internal

processes with the creation of new corporate structures. This amendment aims to ensure the exchange of experiences, create unified procedures, and follow the methodologies and requirements applicable to the sector at a global level. Linked to quality assurance, the areas of Reliable Engineering and Clients' Voices (VOC) have been improved to ensure compliance with the requirements of contracting parties.

The main function of Reliability Engineering is to improve Aeris' productive performance by adding strategies, tools, and technologies that support the operation. As such, in 2020, the association was made with the international institution APQP 4Wind, which, by sharing specific methodology, helps companies in the sector to reduce risks and production costs. The relevant application of these methods in all production lines of the Company will be carried out in 2021. The VOC area, in turn, will strengthen the relationship with clients and record their inputs, evaluate warranty data, monitor audits, and guide residents — clients who follow and report to Aeris' headquarters on the production process of their blades.



⁴With the exception of the Chinese market, the largest global wind turbine manufacturers are, in order of relevance, Denmark's Vestas, Spain's SiemensGamesa, The United States of America's General Electric and Germany's Nordex Acciona. In 2020, Aeris served all but SiemensGamesa. On February 23, 2021, due to events subsequent to the period covered by this report, the Company entered into a contract with SiemensGamesa for the supply of wind blades with capacity equivalent to 3.8 Gigawatts of power, for a total value estimated at R\$ 3.0 billion. The contract is set to be in effect until 2025.

SUPPLIERS

GRI 102-9, 103-1; 103-2; 103-3; 204-1; 308-1; 414-1

Aeris suppliers are fundamental agents for business success. As such, the Company seeks to establish long-term partnerships, guided by ethics, cooperation and shared growth. Composed of organizations of different sizes, sectors, and regions of the country and the world, the Company's supply chain included at the end of 2020 approximately 1,480 contracting parties, divided into two large groups: direct and indirect materials.

In the category of direct materials are the suppliers of raw materials used in the production of the blades such as carbon fiber, resin, and fabrics, among others, which in the vast majority are approved by the end client, after a rigorous technical evaluation process. Throughout 2020, Aeris hired about 280 companies in this category. They are generally large global producers of raw materials located in Europe, Asia, the United States, and Brazil. About 21% of the total resources paid by the Company to this category of suppliers were destined to companies in Brazil⁵.

To perform efficient management of these suppliers, Aeris established in 2020 a strategic as well as operational approach with the aim of managing

in an even more systematic way commercial issues, delivery times, and quality standards, among other aspects to guarantee inputs of raw materials in their entirety for the production process. There are also recurring meetings between the top management of companies to follow up on strategic issues. It should be noted that for some suppliers of direct inputs of raw materials, prices are negotiated directly between the Aeris client and the contractor.

Classified as indirect suppliers are those who deliver essential auxiliary materials to the production process as well as those for services. Mostly national suppliers-representing 89.1% of indirect payments in 2020, these contractors also underwent improvements in management, with the formalization of long-term contracts to reduce risks, especially relating to compliance, for both parties. One of the new clauses is the obligation to submit monthly documents proving the tax and labor regularity of companies that provide services to Aeris-ancillary obligations. To extend supply chain security, Aeris' leading suppliers undergo a qualification process, via due diligence, which analyzes financial and compliance aspects, among other relevant topics.

⁵ About 40% of payments for direct materials went to European suppliers and 32.6% to US companies.



In order to encourage companies from Ceará and boost the region's economy, Aeris develops and contracts local suppliers, which represented at the end of 2020 7% of the value of procurement.

Suppliers 2020 (on 12/31/2020)

 **1,464**
contracted suppliers

281
of direct materials

1,183
indirect materials and services

On the global values paid to suppliers in 2020:

88.8%
went to direct materials

28.7%
of the total went to Brazilian suppliers

7%
paid to commercial partners located in Ceará

Given the relevance of these partners, Aeris has structured from 2020 a board dedicated to the supply chain, covering the areas of supplies and logistics. In addition to the restructuring of the team, the challenges of this department are the continuous improvement of processes and procedures, focusing on the monitoring of the price of the main inputs of raw materials used, among other aspects that directly impact production costs.

IMPACTS OF THE PANDEMIC ON THE SUPPLY CHAIN AND LOGISTICS

With the social and economic impacts caused by the Covid-19 pandemic, Aeris has faced some difficulties in supplying its plants throughout 2020 with resins and other direct materials. However, the situation was quickly circumvented through the action of the Company's Crisis Committee, as well as the support of clients to guarantee the delivery of raw materials. The mitigating actions included the decision to extend the average inventory deadlines in order to avoid the shortage of inputs, and also the hiring of teams to assess the quality of materials in the suppliers' facilities, reducing the risk of receiving products that do not meet the necessary requirements and require more time for correction.

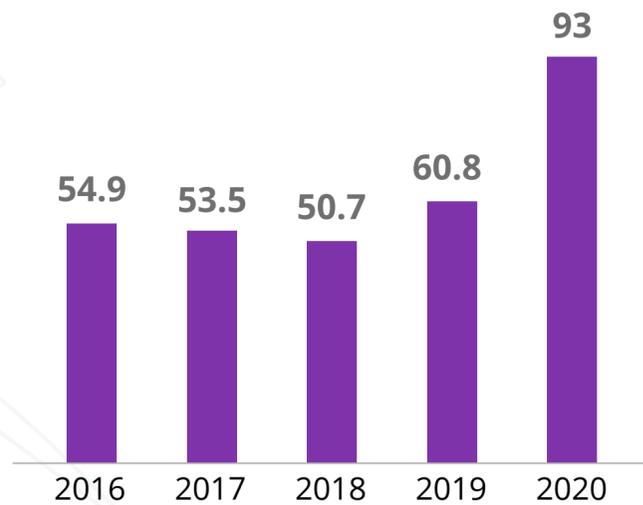
PERFORMANCE

GRI 103-1; 103-2; 103-3

SECTOR SCENARIO

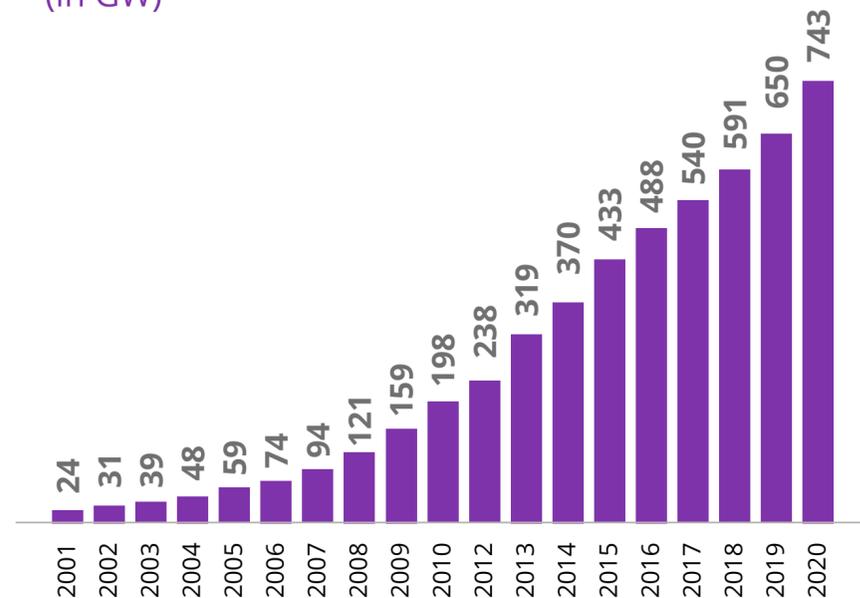
Accelerating the global energy transition towards decarbonization, in 2020 the wind segment recorded a record year with the installation of 93 GW of wind power — a growth of 53% in capacity, according to data from the Global Wind Report 2021, published by the Global Wind Energy Council. Thus, the world reached the mark of 743 GW⁶ installed wind power, a 14% increase compared to 2019. Over the past five years, the sector has recorded annual growth of about 11%.

New wind installations and their capabilities - World
(in GW)



Source: Global Wind Report 2021

Accumulated wind capacity -World
(in GW)



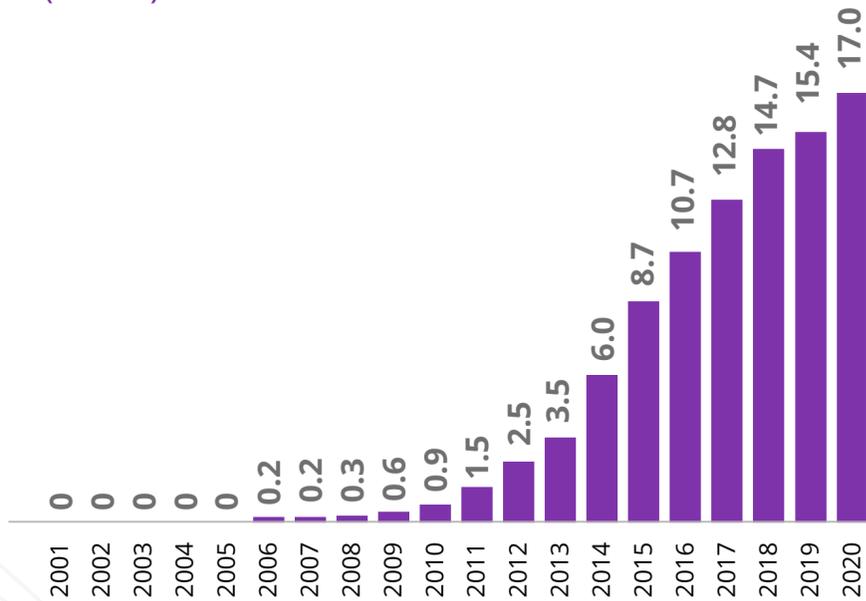
Source: Global Wind Report 2021

Over the past five years, the sector has recorded annual growth of about 11%.

⁶ Cumulative global capacity.

By keeping up with the global movement and leveraging its own natural potential, Brazil began to invest more in wind power from 2010 — the year in which Aeris was founded. At the end of 2020, Brazil had 17 GW of accumulated wind capacity, up 10.4% compared to the previous year. According to the Energy Research Company (EPE), wind energy represented 8.6% of the Brazilian electricity matrix in 2019, behind only hydroelectric (64.9%) and natural gas (8.6%) – see infographic on page 11.

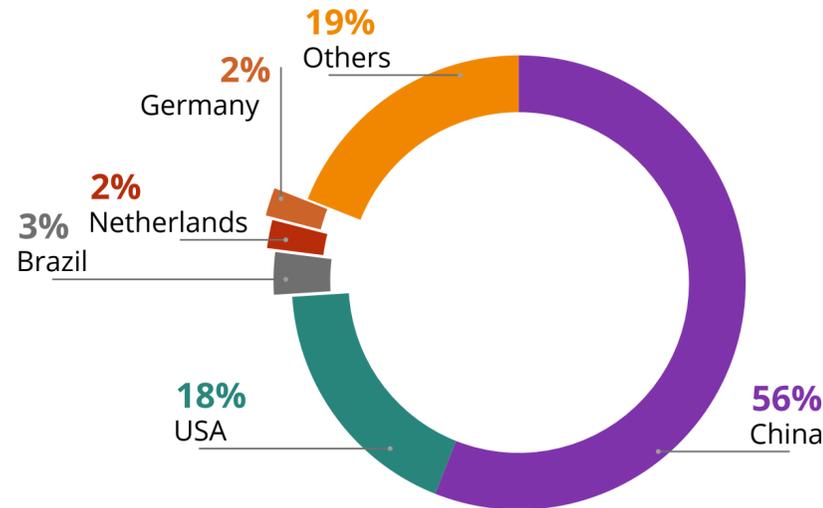
Cumulative wind capacity – Brazil
(in GW)



Source: Global Wind Report 2021

In 2020, among the five markets with the most wind power installation, Brazil ranked third, accounting for 3% of the total — behind only China and the United States, followed by the Netherlands and Germany. Combined, the five largest markets accounted for 80.6% of new facilities in 2020.

Countries with the highest growth in new wind power installations



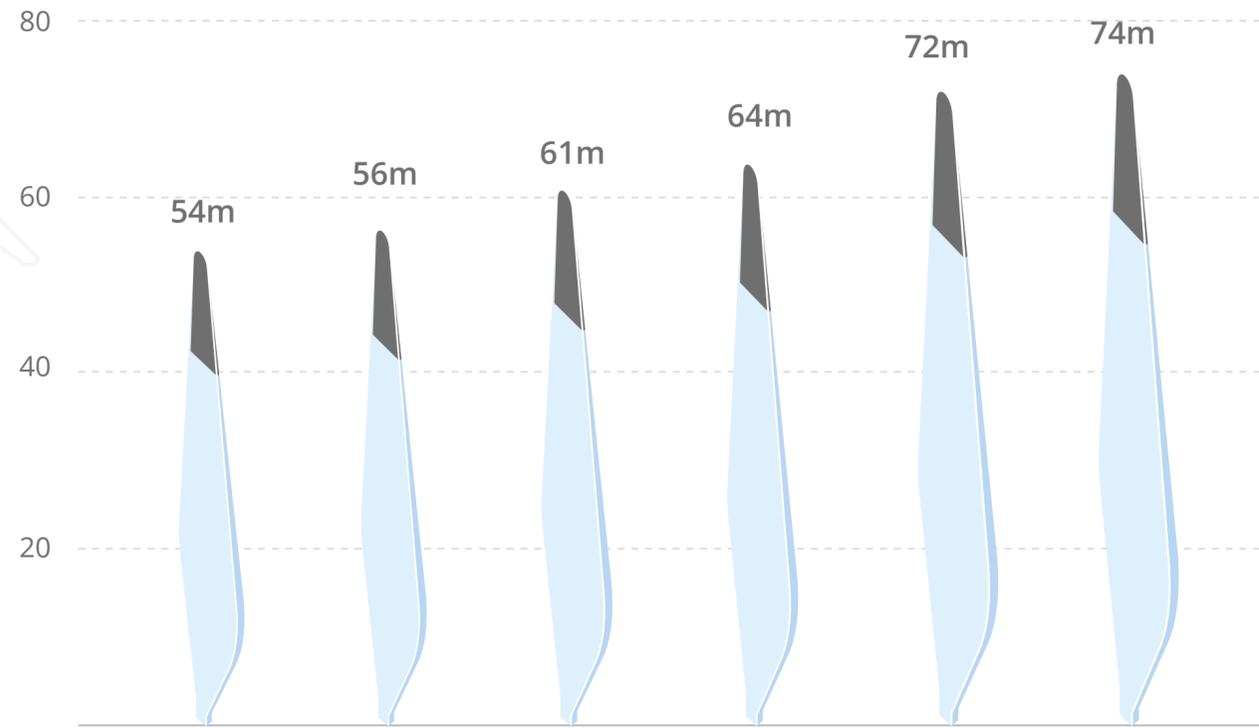
Source: Global Wind Report 2021

OPERATIONAL PERFORMANCE

In a year marked by several economic and social challenges due to the Covid-19 pandemic, Aeris' production process underwent an intense transition: the Company ended the period with more than 75% of the production lines dedicated to the manufacture of blades of more than 70 meters in length intended to compose wind turbines with power greater than 4.0 MW. The result of a decade of operational evolution, this transformation reflects the growth of the client portfolio, supported by effective internal processes and controls, now consolidated in the Aeris Excellence Program, which is based on the principles of lean manufacturing.

Among the new lines in production are those destined to the client Vestas Wind System, for the manufacture of the 73.7-meter blade, which equips the V150 wind turbine, of 4.2 MW, and those of Nordex Acciona, for the N -149/4.0 wind turbine of 4.5 MW. In addition, in the third quarter, a long-term contract was signed for the supply of blades for wind turbines of the AGW147/4.2 model from WEG, a line that will enter full capacity in the third quarter of 2021.

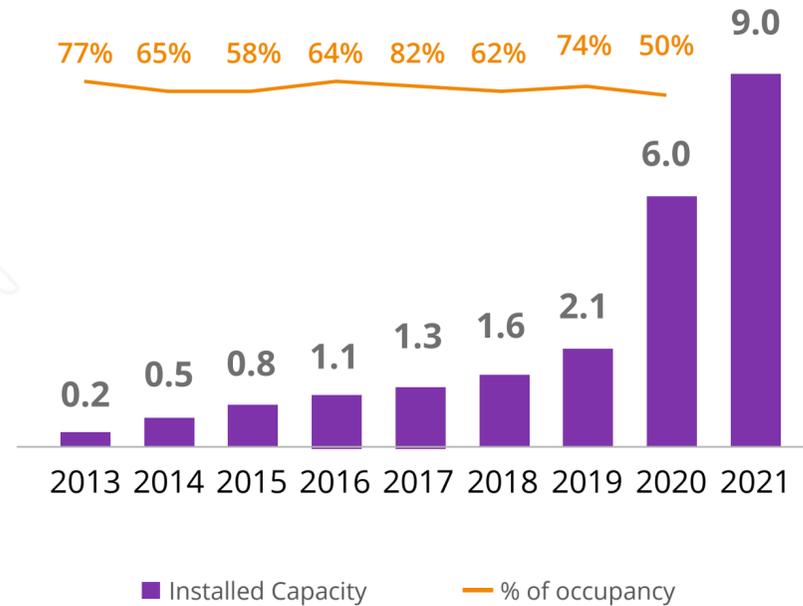
Dimensions of the wind turbine blades manufactured in 2020



To keep up with this trend, Aeris increased its facilities and inaugurated the new manufacturing unit, Aeris Pecém II, tripling its installed capacity which was 2.1 GW at the end of 2019 to 6 GW in 2020. In the cumulative year, Aeris produced a total of 3 GW of power, an increase of 95% compared to 2019.



Year-end installed capacity (in GW) and % of occupancy



By the end of 2020, the Company had 14 active production lines, with eight mature lines and six maturing lines — in operation for less than a year. These lines produced a total of 2.7 thousand blades, enough to equip 912 wind turbines — since each wind turbine uses a set of three blades, complementary and balanced with each other. Aware of how relevant the period of ramp-up is for the business, Aeris has structured a department dedicated exclusively to this process, with a team focused on the development of tools and management methods that, in addition to ensuring the results of ongoing projects, generate knowledge for future applications.

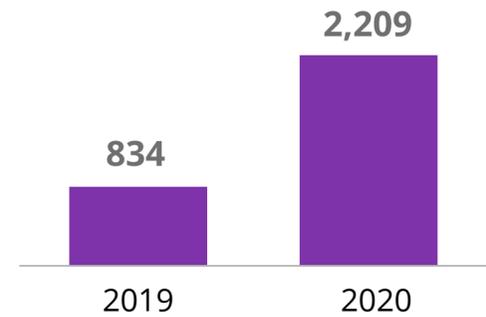
FINANCIAL PERFORMANCE

GRI 201-1

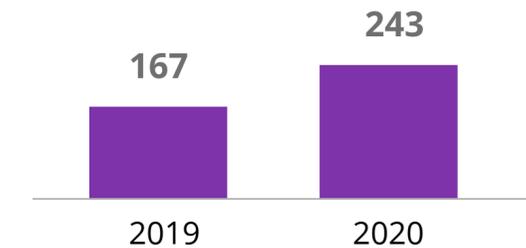
NET OPERATING INCOME AND EBITDA

Despite the large number of immature production lines — in which full production capacity has not yet been reached, net operating income showed a growth of 164.8% when compared to 2019, reaching R\$ 2.2 billion – 2.8% of which was generated from Aeris Service. EBITDA reached R\$ 243.2 million, an increase of 45.4% compared to 2019.

Net revenue (in R\$ million)



EBITDA (in R\$ million)



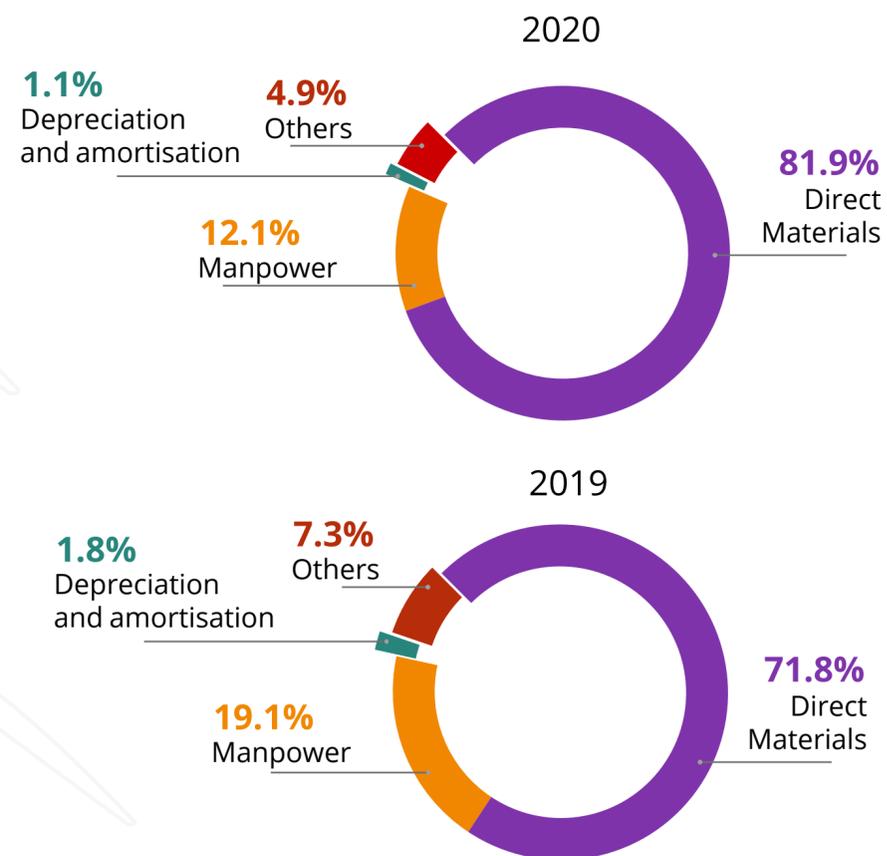
COSTS OF PRODUCTS SOLD AND GROSS MARGIN

Gross margin went from 17.8% in 2019 to 11.1% in 2020, a drop of 6.6 percentage points, with due consideration to the new production lines, a move that prepares the Company for another jump in growth in 2021 and associated with the discontinuity of other product lines.

(in R\$ million)	2020	2019	Var.
Net Revenue	2,208.702	834.259	164.8%
Cost of product sold	1,962.843	686,132	186.1%
Gross Margin	11.1%	17.8%	-6.6pp

Direct material costs totaled R\$ 1.6 million in 2020, representing the cost of products sold at 81.8%. Among the factors that impacted this result is the devaluation of the Brazilian Real and the increase in sales to the domestic market, which translates to added costs for the Company from import taxes of direct materials, which are exempt when sales subject to the foreign market — tax drawback rules.

Sales costs



GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER NET INCOME

In 2020, general and administrative expenses totaled R\$ 75.6 million, a variation of +51.1%. The adjustments of the Company's administrative processes due to sales growth and the fulfillment of all the obligations necessary for public listing on the B3 New Market impacted this item. Notwithstanding their increase in absolute terms, expenses were reduced in relation to net operating income, from 6.0% in 2019 to 3.4% in 2020.

In 2020, other net operating income composed of revenues associated with the commencement of contracts for the supply of blades totaled R\$ 35.2 million, 5.6% lower than in 2019.

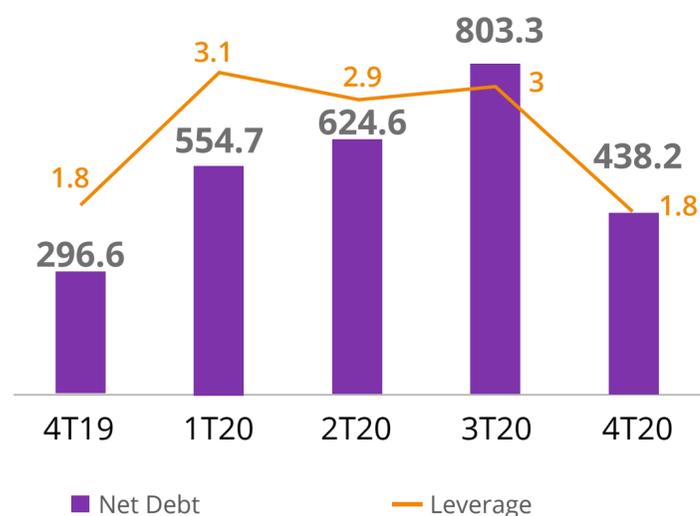
(in R\$ million)	2020	2019	Var.
General and administrative expenditures⁷	-75,609	-50,037	51.1%
%ROL	3.4%	6%	-
Other Operating Income - Net	35,206	37,304	-5.6%
%ROL	1.6%	4.5%	-

FINANCIAL RESULT, DEBT AND NET PROFIT

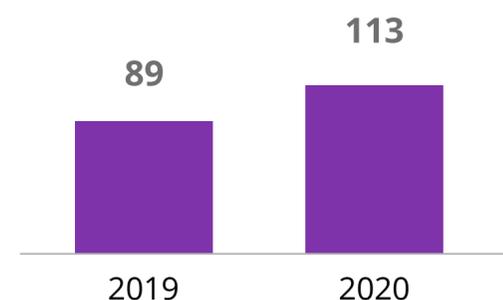
The Company's cash position at the end of 2020 was R\$ 684.6 million. At the end of the year, net debt totaled R\$ 438.2 million and net leverage, measured by the net debt/EBITDA indicator, reached the mark of 1.8 times. Net profit reached R\$113.2 million, an increase of 27.6% compared to the previous year.

⁷ Total de despesas comerciais, gerais e administrativas + despesas tributárias

Net Debt (in R\$ million) vs Leverage



Net profit (in R\$ million)



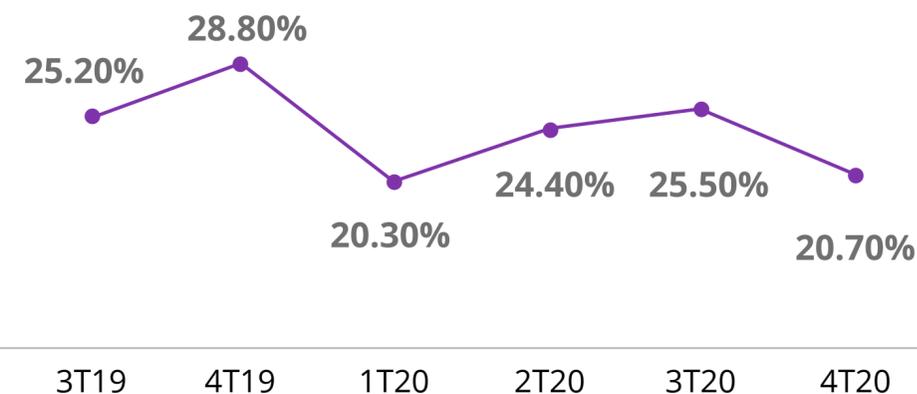
INVESTMENT

Aeris investments reached R\$ 296.2 million in 2020, out of a total of R\$ 473 million planned to expand production capacity by the end of 2021.

RETURNS ON INVESTED CAPITAL

In 2020, the return on invested capital (ROIC) was 20.7%, a reduction of 8.1 percentage points compared to 2019, due to the 133.0% increase in average invested capital. Among the factors that contributed to this performance is the preparation for the increase of the productive capacity necessary to fulfill the contracts of supply of blades already entered into with clients for the coming years. NOPAT⁸, in turn, grew 67.1%, from R\$ 115.9 million in 2019 to R\$ 193.7 million in 2020.

Return on Invested capital (ROIC)



67%

NOPAT⁸ 2020
R\$ 193.7 MM

133%

Average Invested Capital²
R\$ 937.6 MM

TOTAL LIABILITIES AND NET EQUITY

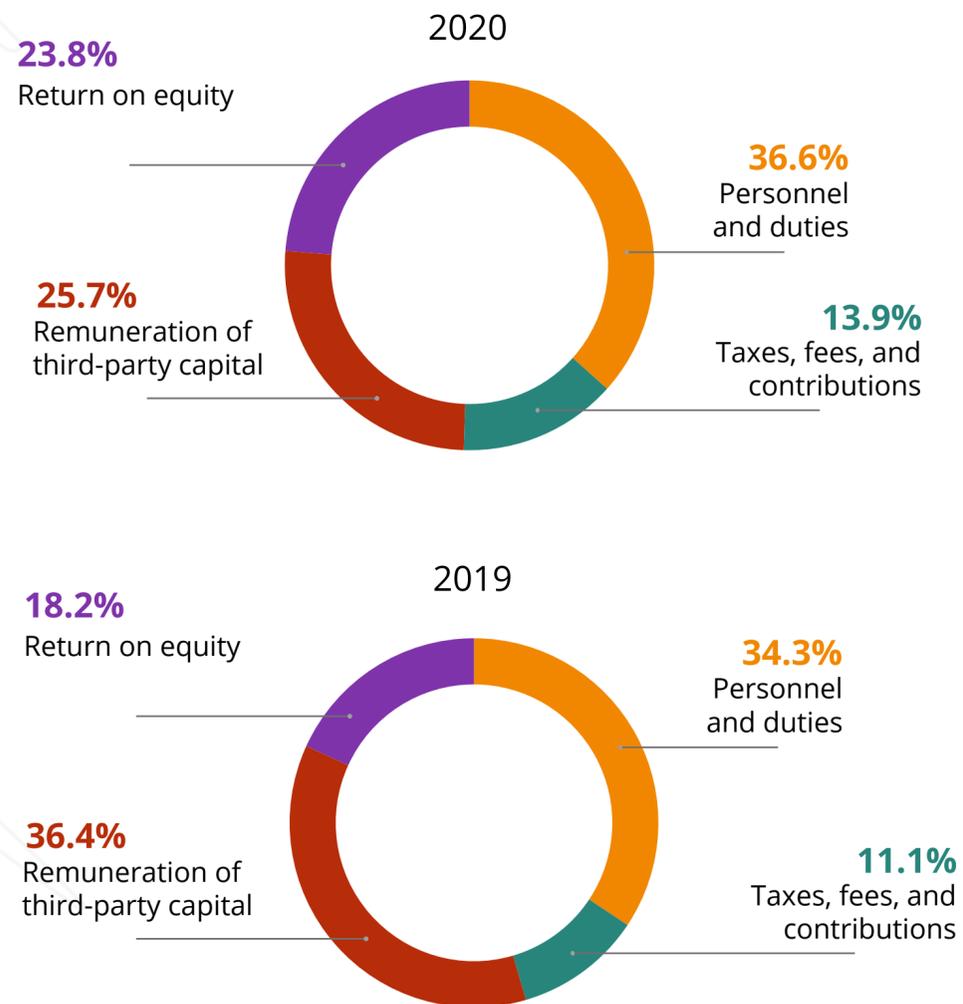
Aeris ended 2020 with R\$1,403,032 million in total liabilities, R\$ 941,034 million in current liabilities, and R\$ 966,252 million in net equity.

⁸ NOPAT (net operating profit after taxes)

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Of the total value added by Aeris in 2020, which resulted in R\$ 633.3 million, 36% was intended for third-party capital remuneration, and 34% for personnel and duties. See the detailed distribution below.

Distribuição do valor econômico adicionado



For more detailed information on financial results, please visit our 2020 Financial Statements Report.

A woman wearing a white hard hat and a white face mask stands with her arms crossed in front of a large, light-colored building. The building has the word "aeris" written on its side. The scene is bathed in a warm, orange-red light, suggesting a sunset or sunrise. There are some palm-like plants in the foreground and background.

PEOPLE

BUILDING THE FUTURE

VALUABLE

CONNECTIONS

Conscientious of the role it plays in society, over the past decade, Aeris has sought to develop social relationships that contribute to ensuring prosperous and fulfilled lives in harmony with nature — as advocated by the 2030 Agenda for Sustainable Development. To this end, the Company pays special attention to the people who help it build the future, in particular its employees, shareholders, clients, and suppliers, as well as the community where it is inserted. In the following pages, we highlight policies and practices that reflect this commitment, highlighting actions carried out in 2020, an especially challenging year due to coping with the pandemic.

With the aim of attracting the highest quality professionals and keeping them engaged in the values and business model of Aeris, the Winds Without Borders Program has been a central priority.

EMPLOYEES

GRI 102-8; 401-1; 405-1

With the aim of attracting the highest quality professionals and keeping them engaged in the values and business model of Aeris, the Winds Without Borders Program has been a central priority, which places human development as a fundamental pillar. Coordinated by the Directorate of People and Management, several initiatives have developed that aim to strengthen the organizational culture, anchored in ethics, diversity, and inclusion, as well as the promotion of health and well-being of professionals — a central aspect in the face of the health crisis experienced in 2020.

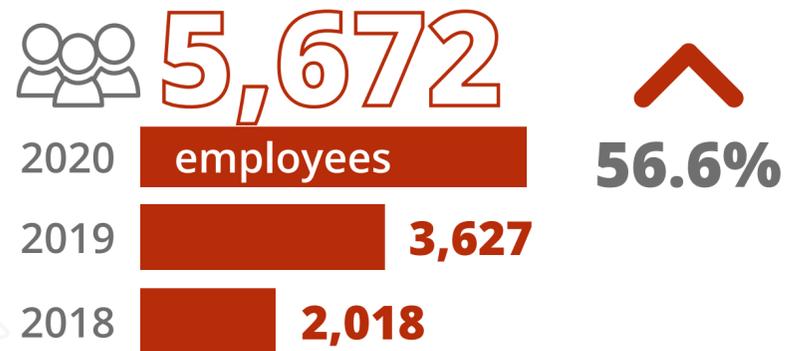
At the end of the year, Aeris had 5,442 permanent employees, 230 temporary employees — 170 apprentices and 60 interns, as well as 1,308 outsourced professionals who worked in supporting activities and civil construction projects. Of the total direct employees⁹, 85% were men and 99% were allocated in the Northeast Region. All employees enjoy the right to free association and, in 2020, 100% of the functional framework was covered by collective bargaining agreements.

⁹ Direct and tenured employees, as well as interns, including Aeris Service professionals, totaling 5,672 people, were the target of those initiatives. The members of the Board of Directors were not counted.



Team profile

(on 12/31/2020)



Number of employees, by gender

	4,797	875
Board members	6	2
Management	37	5
Coordination	106	16
Technicians	280	17
Administrative	239	154
Operational staff	3,982	598
Interns	33	27
Apprentices	114	56

Employees by region



Employees by age group

18 to 25 years	2,106
26 to 35 years	2,443
36 to 45 years	959
46 to 55 years	150
over 55 years	14

In 2020, Aeris sailed against the wind of the job crisis experienced by the Brazilian labor market, creating about two thousand new jobs. Over the course of the year, 2,678 people were hired, while 626 had their contracts terminated — a turnover rate of 11.5%. Most of the movements (98%) occurred in northeastern Brazil, where the Company's manufacturing units are located.

2,678

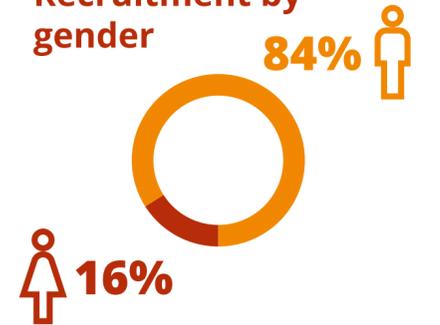
hirings

Hiring rate, by age group*

18 to 25 years	20.3%
26 to 35 years	18.2%
36 to 45 years	7.5%
46 to 55 years	1%
over 55 years	0.1%

* Number of employees admitted/total number of employees

Recruitment by gender



Hiring rate, by gender*

Male	46.7%
Female	50.2%

626

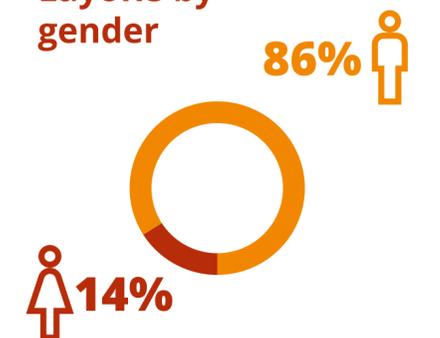
layoffs

Turnover rate by age group*

18 to 25 years	4.9%
26 to 35 years	4.0%
36 to 45 years	1.9%
46 to 55 years	0.2%
over 55 years	0.02%

* Number of employees dismissed / total number of employees.

Layoffs by gender



Turnover rate, by gender*

Male	11.5%
Female	11.2%

MODERNIZED EMPLOYEE CANDIDATE SELECTION PROCESS

In order to recruit and select new employees faster and in a more inclusive way, in 2020 Aeris adopted an online tool that uses advanced artificial technology. The tool allows the Company, through profile and cultural tests, to gain a perspective of which candidates are closest to our Aeris Way of Being. It is an intuitive tool, which clearly demonstrates to candidates and managers all the steps of the process.

With the tool, 90% of the selective stages of tests have been carried out virtually. With this strategy it is possible to optimize the quality of the job candidate selection process, adding greater flexibility, convenience, and economy for both the candidate and the Company. The use of the system optimizes the process, presenting the best candidates for the recruitment stages, and it also facilitates delivering personalized responses to candidates, ensuring feedback for all those involved in the process, thus strengthening Aeris' employment identity.

ORGANIZATIONAL CLIMATE

As a way to evaluate employee management practices, Aeris participates annually in the Great Place to Work Brazil study (GPTW Brasil), recording the perceptions of its professionals regarding the work environment. The results of this poll, combined with other management tools, are used as the basis

of plans for the continuous improvement of relations with the internal public.

In 2020, the Company generated reports on around 100 cultural practices, especially those focused on employee care, involving benefits, occupational health and safety, and initiatives with the community. Regarding the polls directed to employees, 72% participated, and 93% of respondents said they were proud to work at Aeris. The overall average of the questions reached 88% favorability — a result in line with the average of the 150 best companies to work for in 2020, which was also 88%.



**Great
Place
To
Work®**

GPTW Brasil

In 2020, the Company held the 71st position for Brazil. The goal, as envisioned in the Winds Without Borders Program, is to reach 50th place by 2023.

GPTW Ceará

In 2020, Aeris ranked third among the best companies to work for in the state — a ranking obtained for the second consecutive year.

GPTW Indústria

The Company got 25th place in the annual ranking for large industries to work for in Brazil.

DIVERSITY AND INCLUSION

GRI 103-1; 103-2; 103-3; 405-1

Aeris believes that a diverse and inclusive environment, made up of people from different backgrounds, ethnicities, gender, and beliefs, among other individual characteristics, enhances creativity, innovation, and cooperation, and is therefore conducive to boosting a dynamic and well-rounded business. Anchored in the premise of non-discrimination, established and disseminated in its Code of Conduct, the Company strives to ensure fairness of opportunity and treatment to all people in its team equally and without distinction.

To reinforce this practice, the first diversity census of Aeris was conducted in 2020, dedicated to broadening the understanding of the profile of employees. Based on the results, the Diversity Committee was formed composed of 17 employees representing different ethnicities, educations, generations, as well as LGBTQI+ groups and disabled persons (PWDS). All were trained with the support of specialized consulting firms to promote a deeper understanding of the topic and the development of policies and action plans focused on promoting an increasingly diverse and inclusive environment.

As a reflection of the actions developed in 2020, the Company decided to focus efforts in the coming years on expanding the number of women

in management positions and also the hiring of black people. To provide continuity of the learning experience on the subject, leadership training programs were initiated, some of which relate to unconscious biases in decision-making.

144 were integrated as part of the Company's functional framework, in 2020
PWDS

Management positions¹⁰ - 2020

86.6%
men

13.4%
women

¹⁰ The positions of the Board of Directors, Management, and Coordination were considered.

PATERNITY AND MATERNITY LEAVE

GRI 401-3

Committed to the quality of life of its employees, Aeris seeks to promote the reconciliation between career and dedication to family life. In 2020, 189 employees took maternity and paternity leave, with a return-to-work rate of 100%. The retention rate, which considers employees who remained in the Company for 12 months after returning from leave, is 100%.

JOB BENEFITS

GRI 102-41; 401-2

Aeris provides its employees with fair wages, consistent with the remuneration practices of the sector and the region where it is located. It also provides benefits additional to those provided for in the labor legislation, which keeps it competitive in attracting and retaining employees. The benefits offered are provided for in the collective agreement covering 95.7%¹¹ of the Company's employees. Seen here:

- Profit sharing (PLR)
- Medical and dental care
- Life insurance including coverage for death, disability, and funeral services
- Chartered transport
- Meals provided in the Company's restaurant
- Meal voucher
- Nursery aid paid up to six months of age for infants
- School material aid



Due to the pandemic, the Company implemented home office policies for the positions in which this adaptation was possible. An increment was added to the meal voucher, paid according to the number of days in which the employee performed their activities from home. Also, for the purposes of adapting their home environments, employees received an additional R\$ 300.00 when they began to work remotely.

For non-statutory board members, executive managers, and managers, in 2020 Aeris adopted a program called the Flexible Benefit, an innovative format that provides greater autonomy for users, who can choose between the benefits that best suit their individual or family needs.

In this way, managers receive a number of points to use distributedly among the available benefits — health and dental care plans, fuel aid, gym pass, and school fund, among others — which was considered a more satisfactory use of resources while also raising awareness regarding the cost of such benefits to the Company.

¹¹ Managers, interns, and apprentices are not covered by collective agreements due to the contractual modality being linked to specific internal laws and policies.

DEVELOPMENT

GRI 103-1; 103-2; 103-3; 404-1

The Company is unwavering in its dedication to the personal and professional development of its protagonists — a way of referring to Aeris employees — reflected in the promotion of educational and training programs, focused both on activities essential to professional development as well as complimentary themes for personal growth. In 2020, R\$ 2.4 million was invested in this area.

As a result of the restrictions imposed by the Covid-19 pandemic, the training plan was changed, prioritizing training programs arising from legal and regulatory requirements, adapted, whenever possible, to the online format, to ensure social distancing practices¹². That year, 202.4 thousand hours of training was conducted — an average of 35.7 hours per employee — an increase of 97.3% compared to the previous year.

Average number of training hours per functional category

Functional category	Men	Women	Total
Board members	24.0	24.0	24.0
Management	31.4	14.1	29.4
Coordination	55.7	71.6	57.8
Technicians	46.9	59.1	47.6
Administrative	211.7	102.2	168.8
Operational staff	24.1	27.8	24.6
Interns	13.3	5.2	9.7
Apprentices	1.7	4.1	2.5
Total	34.9	40.0	35.7

GROWING TOGETHER

Providing professional growth opportunities to employees while promoting new challenges is a characteristic strategy of Aeris that contributes strongly to the development of the business, as it also expresses recognition of the team.

Thus, in 2020 — a year marked by the pandemic and production records — the Company promoted 74% of its employees who had worked at the company over one year with an average pay raise of 14%.

Also, as a form of recognition, internal recruitment is prioritizing filling new job positions. In this way, job vacancies are announced simultaneously internally and externally. In 2020, 337 employees were approved in internal selection processes.

¹² Throughout 2020, only mandatory training programs that could not be taught through an online format were carried out in person, respecting all health protocols.

PERFORMANCE ASSESSMENT

GRI 404-3

Each year, Aeris conducts the individual performance assessment of employees in order to verify the alignment of each professional with organizational skills and corporate culture, as well as to identify opportunities for development and potential career advancement. The leadership has goals that consider five dimensions – People, Productivity, Quality, Safety, and Environment — thus ensuring alignment with the Company’s strategic objectives.

In 2020, 100% of employees went through this process, which results in the elaboration of Individual Development Plans (IDP), dedicated to guide the employee’s learning journey. By the end of the year, about 75% of the IDPs had been fully executed. The performance evaluation also targets actions related to promotion, dismissal, and succession plans, among other initiatives.

AERIS UNIVERSITY

Aeris believes in the transformative power of education. To improve training and encourage the continuous educational development of its employees, in 2020 it implemented Aeris University, which develops the Company’s training and development processes. Focusing on the Company’s values and their practical application to the business, it offers free courses on an easy-to-access online platform, which contributes to the continuous professional development of the Aeris team in the midst of the pandemic.

Aeris University includes a classroom equipped with computers so that employees without access to the internet at home can complete their professional development training at the Company. In 2020, a series of health protocols were added to this space in order to combat Covid-19.

Among the many training programs carried out by Aeris University is functional certification, which involves the basic training required for the position to ensure that a given employee is apt to perform their job activities. The leadership training programs held in 2020 are a stand-out, aimed at improving and aligning the conduct of managers, as well as promoting the conscious self-development of their role in preparing, engaging, and retaining talent (see more below).





+1,800

courses registered

on the Aeris University online platform, offering technical and behavioral education



+36h

on average per employee in 2020



+5,600

trained employees

+280

leaders trained

in leadership development programs



225

learning courses

available for the development of our employees in a structured way



+40h

of training

per leader in development programs

+200,000

hours of training in 2020

Knowledge Workshop

with a collection of books available to employees to promote reading habits

LEADER DEVELOPMENT

In operation since 2016, Aeris' Leader Development Program offers transformative learning experiences, supporting the sustainable professional growth of managers in order to boost delivery and ensure team engagement.

In 2020, the program activities were developed in a hybrid online and face-to-face format with activities supported by the Aeris University platform, focusing on exponential leadership, trust relationships, and team empowerment. About 280 leaders participated in the training program.

In addition, in order to reinforce Aeris' commitment to welcoming the new team of leaders and coordinators — whether hired or promoted — the Academy of Leaders program was created in 2020. Throughout the year, four classes were formed in a formative immersion model also in hybrid format, which each lasted one week. In the Academy, leaders are trained on appropriate behaviors and in the management model, ensuring their performance based on our three pillars: protagonism, sustainability, and operational efficiency. In 2020, 102 protagonists graduated, totaling 35 hours of individual training at the Academy.

AERIS SCHOOL

Developed in partnership with the Social Service of Industry (SESI), the Aeris school aims to provide employees with the opportunity to complete elementary and high School via the Youth and Adult Education (EJA) modality, intended for those who did not have access to schooling at the conventional age.

In previous years, classes were held within the Company after working hours. In 2020, due to the pandemic, classes moved to the online format to respect social distancing rules.

As part of its social initiatives, the Company began offering classes to residents of the surrounding areas of the factory. In 2020, there were 46 new students, 36 of whom were residents of four neighboring communities.

Despite the challenges imposed by the pandemic, 14 students completed their studies throughout the year. Since its founding, more than 190 people have graduated from the school.

At the end of 2020, Aeris had 170 apprentices, and another 115 became part of the Company's staff throughout the year.

GENERATION AERIS

Concerned with empowering people and preparing future generations of professionals, Aeris created the Generation Aeris program focused on two main groups: interns and apprentices. The internship program selects students from different universities in Ceará to join the Company while still completing their higher education, providing opportunities for learning in a dynamic and promising sector. At the end of the year, the Company added 70 interns, and throughout 2020, 18 were hired for internal positions that require higher education diplomas, thus reinforcing the importance given to the program. The rest continued their internship. The average effective rate of the group is 80%.

The Generation Aeris – Apprentice program, in turn, is aimed at young adults up to 24 years of age who are high-school graduates and live in the Metropolitan Region of Fortaleza. By experiencing the work environment in an international company such as Aeris, these young adults can gain a better understanding of career possibilities. The Company has a partnership with the Portal Education Institute (IEP), which carries out daily training classes with youths in order to contribute to professional training and deliveries in the Company. In addition, the youths engage in social causes as volunteers. At the end of 2020, Aeris had 170 apprentices, and another 115 became part of the Company's staff throughout the year.



OCCUPATIONAL HEALTH AND SAFETY

GRI 103-1; 103-2; 103-3; 403-1, 403-2, 403-3, 403-4, 403-5, 403-6; 403-8, 403-9

Aeris aims to provide a healthy and safe working environment for its own and outsourced employees as well as visitors. Therefore, it maintains a health and safety management system structured according to legal guidelines and international standards, such as ISO 45001 — referring to Occupational Health and safety — in which it is certified.

The measures adopted to prevent, investigate, and mitigate accidents, incidents, and occupational diseases are the focus of a specialized team in the area, formed by doctors, nursing professionals, engineers, and technicians in occupational safety. In addition to preventive actions and health care, these professionals are responsible for applying various training programs related to the topic¹³. To strengthen health and safety parameters, in addition to periodic professional development training, active communication on the topic is promoted, with emphasis on the Health, Safety and Environment Culture Development Program (PDCSSMA) and the Health, Safety and Environment Dialogues - DDSSMA.

All Aeris units have an internal Committee for Accident Prevention (CIPA) responsible for identifying risks in the work environment and developing action plans to handle them, as well as supporting occupational health and safety teams who help raise employee awareness. In 2020, two committees formed by 62 members acted in several awareness campaigns, focusing on the use of personal protective equipment (PPE), the fight against Covid-19, and care when handling chemicals, among other relevant topics.



¹³ Training programs related to NRs are carried out by outsourced entities.

There is also an Emergency Brigade, composed of about 10% of the company employees trained and equipped to fight fires, carry out first aid, attend to emergencies involving chemicals, and lead the evacuation of the area, if necessary. The brigade is supported by a team of five professional civil firefighters per shift who possess the equipment and structure necessary for the development of the activities provided for in the Emergency Response Plan (ERP), including two fire trucks and two ambulances — one mobile ICU, and one standard — as well as dedicated personnel of emergency rescue first responders and nurses, who stay 24 hours within the grounds of the operating units of the Company.

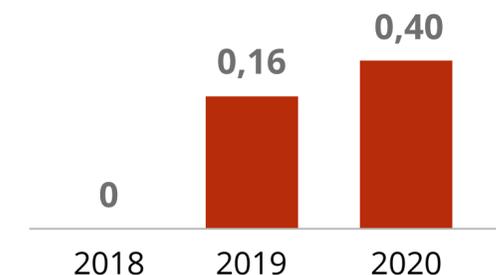
MONITORING

The rates of accidents and the severity of incidents in company operations is monitored by the Occupational Health and Safety team, which, based on the analysis of data from specialized systems, identifies possible deviations for immediate correction, as well as opportunities for improvement. All indicators related to the topic are consolidated and monitored monthly by the business units and deployed to all hierarchical levels, in order to share responsibilities and challenges.

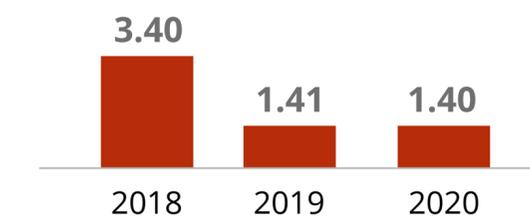
In 2020, the Company recorded 18 work accidents, all typical (occurring on the Company's premises). Of these, 14 of them did not require the temporary leave of the employee from work activities. Thus, the frequency rate of accidents¹⁴ with leave showed an increase, from 0.16 in 2019 to 0.40 in 2020, while the frequency rate for accidents without leave registered a slight decrease (see graphs below). The accident trend curve demonstrated a significant reduction in frequency rates, the result of efforts focused on culture and risk mitigation in all areas.

The main occurrences of injuries recorded were small cuts, sprains, and mild trauma.

**Occurrence rate
Accidents with leave of absence**



**Occurrence rate
Accidents without leave of absence**



The Company monitors work-related risks categorized as possible causes of health and physical integrity hazards, such as physical, chemical, biological, ergonomic agents, and accidents. In 2020, no cases of occupational diseases were recorded.

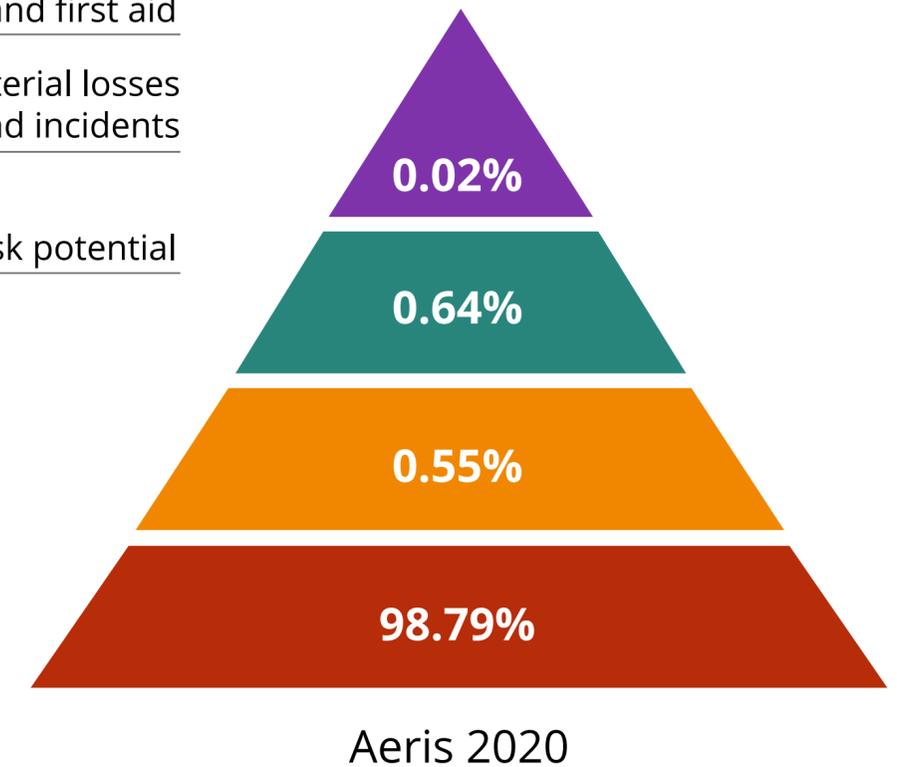
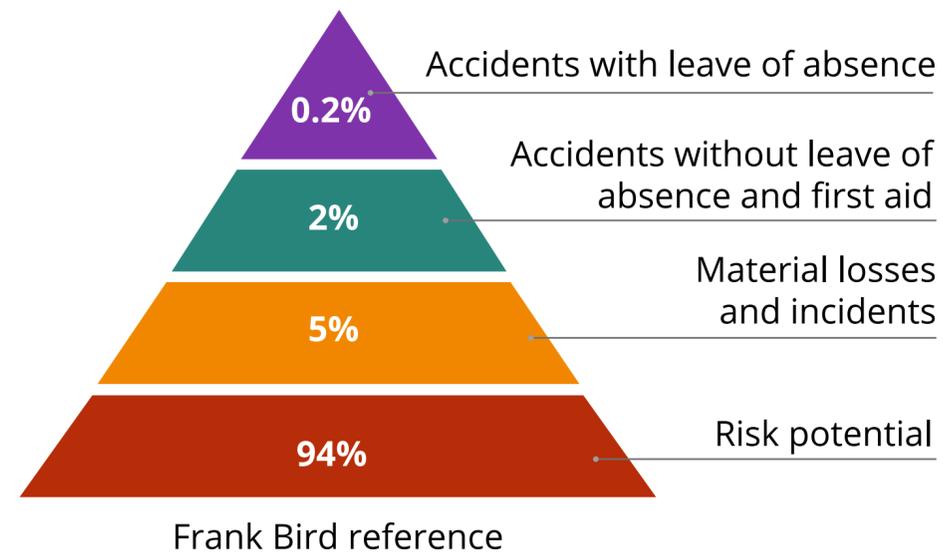
¹⁴ TFrequency rate = number of accidents x 1,000,000 / man hours worked (HHT).

The evolution of the Excellence Program in 2020, more specifically the Occupational Health and Safety Tower (OHS), mobilized surveillance and discussion on the topic, strengthening preventive and corrective practices throughout all areas of the Company. As a way to call everyone's attention to preventive conduct, the "five golden rules" are systematically disseminated, in order to sensitize employees to factors and behaviors associated with risk.

In addition, several programs focused on health and safety are applied to support the results obtained, such as the Risk Potential — a tool used to identify and eliminate substandard conditions — in 2020, there were 7,652 risks identified and treated — as well as the Practiced Safety Index (PSI). The latter includes specific audits for each work environment, stimulating the identification of risks and behaviors incompatible with proper standards. In all, 3,394 ISPs were carried out in the productive areas and 491 ISPs in the administrative areas throughout the year. In

order to strengthen the development of leadership in relation to this topic, the Standardized Health and Safety Protocols (TPSSO) stands out, a set of routines carried out by managers to supervise the culture of safety as well as the correction of non-conformities on a daily basis.

The Company evaluates the potential risks through the tool known as "Bird Pyramid", which allows the detection of factors capable of generating incidents or accidents (see infographic below).



Several programs focused on health and safety are applied to support the results obtained, such as the Risk Potential.

COMPREHENSIVE HEALTH CARE

At a time when primary health care hospitals have been overwhelmed due to the pandemic, Aeris inaugurated its new Healthcare Center, which offers a series of services to employees, facilitating access to comprehensive healthcare for its protagonists. In 2020, more than 17 thousand medical consultations were provided.

In addition to offices and qualified medical and nursing staff, the facility has several special healthcare services, such as:

- Dentistry
- Psychology
- Procedure and observation room
- Exams such as electrocardiogram, spirometry, visual acuity, and audiometry
- Physiotherapy and Pilates
- Laboratory of clinical analysis
- Weaning room

Together with specialized partners, Aeris began to offer comprehensive health care programs to employees in 2020, according to the evaluation of the indicators and health profile carried out corporately. Among the main initiatives in this regard are periodic preventive healthcare examinations and awareness campaigns on healthy habits, in addition to psychological, nutritional and physiotherapeutic follow-up appointments. A program dedicated to gestational healthcare is also offered.



HEALTHCARE CONSULTATIONS 2020

Physician

 17,000

consultations

Psychology

 58

employees receiving therapy

Physiotherapy

 3,000

consultations/sessions

Nutrition

 384

consultations

Gestation

 34

consultations

FIGHTING

THE PANDEMIC

The Covid-19 pandemic brought additional challenges to the management of people at Aeris, which underwent extensive expansions in operations and, consequently, of the functional framework. To address the health crisis and coordinate strategic actions, in March, when the first cases were diagnosed in Brazil, Aeris formed a crisis committee to address the issue, as well as engage the entire Board of Directors and managers from all areas of the company. With the health of employees and the continuity of operations as their top priority, on a daily basis, the committee analyzed the development of the pandemic scenario and its impacts on company activities, evaluating data on absenteeism and preventive measures.

Thus, classified as an essential activity, Aeris stayed in operation and encouraged employees to continue operating, adopting all the health protocols recommended by the health authorities. In parallel, an internal committee was created specifically to tend to employees with initial symptoms of Covid-19 and support senior management in decision-making alongside the aid of doctors, nurses, psychologists, and social workers.

In March, when the first cases were diagnosed in Brazil, Aeris formed a crisis committee to address the issue.

COPING MEASURES

Leave of absence for risk groups

Employees with pre-existing diseases, classified as a risk group, were given leave of absence from their activities.

Home office

Implementation of work-from-home policies for employees in the administrative area, with the swift adoption of compatible technology and updating of equipment to support teleworking.

Temperature measurement

All employees and third parties had their temperatures checked upon arrival at their work shifts.

Testing

All employees suspected of Covid-19 infection were tested by the Company, which initially bought rapid tests before adopting the RT-PCR COVID19, a test considered “gold standard” for the diagnosis of the disease. About six a thousand tests were carried out in 2020 at the laboratory installed on company premises. Confirmed cases were dismissed immediately and colleagues with whom they had contact were also subjected to the test. All people with positive test results were monitored daily by the health team, which monitored the symptoms and general condition of the patient.

Masks

All employees received individual protective masks, since the start of the pandemic.

Cancellation of trips

All business trips were immediately canceled, except in cases of absolute necessity, as assessed by the Crisis Committee.

H1N1 vaccine

A wide vaccination campaign against H1N1 was carried out, offering vaccination for everyone.

Adequacy and sanitation of environments

Industrial units, offices, restaurants and living spaces were sanitized thoroughly and daily, following the guidelines of the health authorities to prevent the spread of the virus.

Transportation

Expansion of the fleet to ensure greater spacing between people in each vehicle, intensification of procedures for cleaning seats and other surfaces; maintenance of natural ventilation.



Cafeteria

The cafeteria was adapted to comply with social distancing guidelines, with greater spacing between tables and seats, in addition to the insertion of acrylic plates to separate employees more fully in order to avoid contagion. Several awareness campaigns were also carried out in order to promote safe and responsible behavior.

COMMUNITY

GRI 102-12; 103-1; 103-2; 103-3; 413-1

Willing to act as a promoter of local development, Aeris focuses its corporate social responsibility practices in supporting the communities where it is inserted, in the municipalities of Caucaia, São Gonçalo do Amarante and Fortaleza (CE). To guide the development of activities, between 2019 and 2020 the Company promoted a diagnosis of the main demands of these communities, especially those required by public schools in the region. In all, 104 technical visits were carried out in the three municipalities, between schools, organizations and civil society bodies (CSOs) and other community entities.

As a result of this work, in 2020 Aeris created a Social Intelligence Committee composed of employees from various departments and educational backgrounds to rethink, propose, and assist the Social Intelligence Department in the implementation of its programs and actions. The committee's activities are monitored by the Board and are aligned with the United Nations Sustainable Development Goals (SDGs) and the Global Compact — of which the Company is a signatory — as well as ISO 26.000, which provides social responsibility guidelines.

SOCIAL IMPACT 2020



people benefited from Aeris community projects from 2017 to 2020



benefited in 2020 alone



community projects realized in the year



communities benefited from the municipalities of Caucaia, São Gonçalo do Amarante, and Fortaleza



allocated to community projects



in sponsored projects



in general donations

FIGHTING COVID-19

In 2020, faced with a pandemic scenario in which the basic needs of the population came to a forefront, Aeris stood as a pillar of solidarity and promoted charitable actions to mitigate the impact on communities in situations of social vulnerability as well as in support of their employees.

The Company donated hygiene kits, drinking water, personal protection items, and other materials to the surrounding communities, as well as promoting an internal campaign called ArrecadAeris to acquire/receive basic food baskets and deliver them to the local population. For every real donated by employees, Aeris contributed the same amount. Approximately R\$ 70 thousand were raised among employees, and Aeris doubled that amount, which allowed for the distribution of about a thousand basic food baskets.

AERIS PAY IT FORWARD

+16,000

people impacted

31,000

EPIs donated to the
Health Departments
of Caucaia and São
Gonçalo do Amarante

44 tons

of food for 3.1 thousand
employees

+17 tons

of food for communities

FEATURED PROJECTS

Adote um Sorriso

Adote um Sorriso encourages employees to promote activities allusive to Children's Day. The actions are philanthropic and aim to mitigate a given basic needs problem previously listed on the social diagnosis issued by the Social Intelligence Sector. Each collaborator donates a toy, accompanied by a pair of shoes or clothing. In 2020, even in the face of the pandemic, more than a thousand employees participated, benefiting 1.4 thousand children from 14 communities.

Winds of Solidarity

It offers a range of essential, integrated, and free services in the areas of health, leisure, education, and community. It is carried out in partnership with volunteer employees, suppliers, and public bodies serving communities in conditions of social vulnerability. In 2020, it was not possible to hold the event due to the pandemic, so efforts were directed to donations of basic food baskets, protective masks, drinking water, and hygiene kits.

Gente que Faz na Comunidade

Gente que Faz na Comunidade involves employees in the development of lectures, courses, and workshops that contribute to the professional and personal training of young people from the surrounding region of the plants in themed events carried out with the community. Among the topics raised are recycling, 5S, environmental care, labor market guidelines, basic health care, and entrepreneurship. Since the beginning of the program, six courses have already been promoted, involving 200 people from the community. Due to the pandemic, the project was adapted to online format, which allowed, in 2020 alone, to provide training to more than 100 youths on the topic of employability.



VOLUNTARY LEADERSHIP

The corporate volunteering program encourages employees and partners to develop activities that have positive impacts on the community surrounding the Company and strengthen the engagement and protagonism of employees. The program develops three projects: Gente que Faz na Comunidade, Adote um Sorriso, and Winds of Solidarity. In 2020, there were about 350 hours dedicated to volunteering – of which 276 were free, outside employee's working hours at the Company.

INCENTIVIZED PROJECTS

More than a sponsor, Aeris acts in the development and supervision of the projects it supports through fiscal incentive mechanisms, always seeking to connect the available resources to demands identified within the communities. In 2020, the Company allocated R\$1.2 million to the following initiatives.

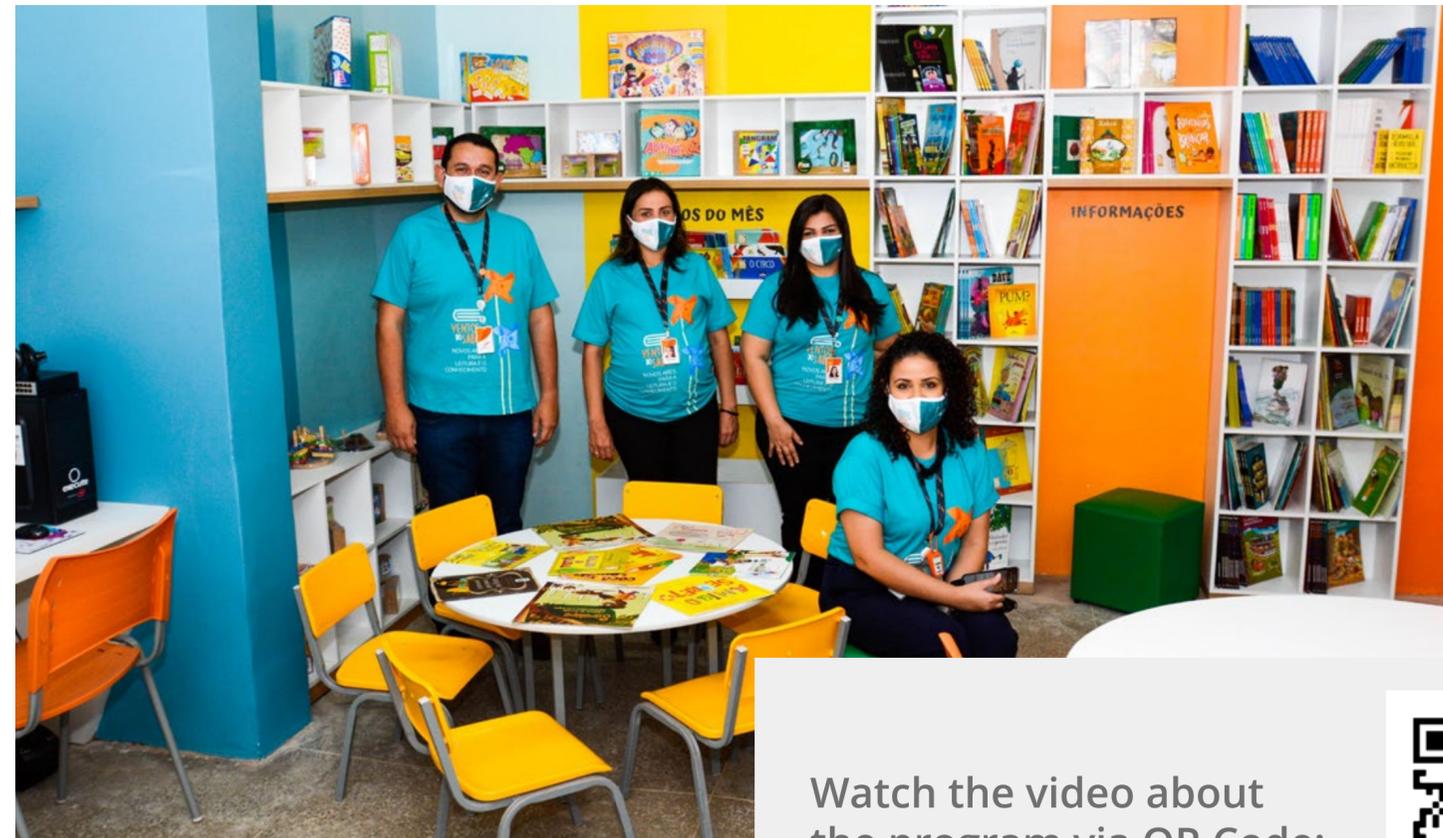
Winds of Knowledge - The Culture Incentive Law

With the intention of encouraging reading in public schools of early childhood and basic education, in 2019 Aeris started the Winds of Knowledge Program, which promotes reforms of the physical space of libraries, with painting, installations of furniture, televisions, and computers. The collection of books, toys, musical instruments and educational games is also brought up to date. With the redesigned physical structure, educational-cultural activities are carried out such as storytelling, literary workshops, and guitar lessons.

In 2020, the institutions included were: Escola Luzia Correia Sales, Escola Antônio Dias Macedo, Escola Domingos Abreu Brasileiro, and Escola Plácido Monteiro Gondim — all in Caucaia (CE), where the headquarters of Aeris is located.

With the pandemic, several training programs were carried out digitally, such as online debates on literary practices and reading tutoring programs. A pedagogical guidance booklet was also launched, called “The School Library We Want” (A Biblioteca Escolar que Queremos), encouraging the use of libraries as a space for transformative and inspiring experiences.

Since 2019, eight schools have had their libraries transformed, directly benefiting 3.4 thousand students. In addition, 130 teachers were offered training on how to make the best use of the new spaces and 2.3 thousand educators participated in training seminars.



Watch the video about the program via QR Code:



Triathlon School – The Sports Incentive Law

In partnership with the school Formando Campeões founded by Olympic champion Juraci Moreira, the Aeris Triathlon School provides 50 children and adolescents between 8 and 17 years old, enrolled in the public school district of the state of Ceará, social inclusion to the practice of sports. In Caucaia, students of the project have swimming, cycling, and running classes from Monday to Friday.

Students get uniforms, bicycles, helmets, and snacks and are mentored by physical education teachers aided by monitors. Formando Campeões started five years ago in Curitiba (PR) and is today a model of sports training in Brazil, involving about 580 children and adolescents in 13 centers spread across Santa Catarina, Paraná, São Paulo, Distrito Federal, and Ceará.



MIAU - The Culture Incentive Law

With the main purpose of democratizing access to and the production of audiovisual content, MIAU promotes film screenings on cinema screens and stop motion animation workshops for students of public schools, which culminate with a short video produced by the children and featured in the screening sessions.

The project presents different short films from Brazil and the world, which address themes related to community, child-youth protagonism, cultural diversity, the environment, and child psychology. The screenings take place in cinemas, as well as in public spaces such as plazas, beaches, and schools.

It was not possible to perform in-person activities in 2020 due to the pandemic, so the workshops and film presentations took place virtually. In two years, more than 7.5 thousand students from public schools and social projects including indigenous people and people with disabilities have benefited.

ADDITIONAL INITIATIVES

Through the childhood and adolescence Fund (FIA), Aeris supports the Instituto de Educação Portal (IEP) which aims to promote economic, social, and cultural inclusion for youths through a continual program of education and vocational training. Each year, the initiative supports over 3.5 thousand youths free of charge, offering professional qualification and opportunities to enter the labor market. The Company also promoted, with funds from the National Fund for the Elderly, community projects for the Santa Casa de Misericórdia de Fortaleza (CE) and Grupo de Educação e Estudos Oncológicos (GEEON) of the Faculty of Medicine of the Federal University of Ceará (UFC).

INVESTORS

AND OTHER STAKEHOLDERS

The public listing of the Company in 2020 created new special relationships between Aeris and the public, more specifically: investors. At the end of the year, the Company's stock base consisted of 36.7 thousand investors, 99% of which were natural persons — following the rise in participation of this group in the Brazilian stock exchange. In accordance with the best corporate governance practices, communication channels have been created dedicated to shareholders through which relevant information about the business is disclosed to support them in decision-making.

As such, the Investor Portal on the corporate website presents institutional content, as well as relevant news, notices to shareholders, market communications, and periodic performance reports, among other content. They therefore complement the information made available on official platforms, such as the repositories of B3 and the Securities and Exchange Commission of Brazil (CVM). Additional clarifications about the business and its results can be accessed through the contact "IR services" with the Investor Relations team, available on the website via the following link: <https://www.ri.aerisenergy.com.br/servicos-de-ri/contato/>

In addition to the investors and other public already addressed in this report — employees, communities, clients and suppliers — Aeris maintains relationships with several other groups of stakeholders. Representative entities of the industry sector, universities, representatives of the government in all its spheres, the press, non-profit organizations, among others, are all part of the broad map of stakeholders of the Company. The Company strives to establish open and productive dialogue with all, guided by ethics and cooperation.

In accordance with the best corporate governance practices, communication channels have been created dedicated to shareholders.

PARTICIPATION IN ASSOCIATIONS

GRI 102-13

In addition to its association with APQP 4WIND, a global entity, Aeris is a member of the Brazilian Association of Wind Energy (ABEEÓLICA), the Association of Companies in the Industrial and Port Complex of Pecém (AECIPP), the Federation of Industries of the State of Ceará (Fiec) and the Brazilian Association of Machinery and Equipment (Abimaq).



PLANET

RESPECTFULNESS AND CONSERVATION

KEY COMMITMENTS

GRI 102-11; 103-1; 103-2; 103-3

Connected to an industry chain that has sustainability as a central pillar, through the generation of renewable energy, Aeris centers its actions on environmental balance, identifying and mitigating negative impacts of its operations on the ecosystem wherever it is inserted. This conduct is reflected in full compliance with current respective legislation, both in units in full operation as well as in projects undergoing implementation as part of the expansion phase for the Company in 2020.

Thus, the environmental guidelines of Aeris are based on the National Environmental Policy (Federal Law No. 6.938/81), NBR ISO 14001, in which it is certified, and the policies of the Environmental Management System Policy of Brazil itself.

AERIS ENVIRONMENTAL GUIDELINES



Reduce waste generation as well as recycle and reuse



Consciously reduce the use of natural resources (water and energy)



Protecting our biodiversity - Flora and Fauna



Develop socio-environmental culture among stakeholders



Track the environmental aspects and impacts, defining plans for reduction

Performance monitoring in relation to these commitments is carried out according to the Environmental Performance Index (IDA), composed of sub-indicators that monitor the main environmental aspects of the Company such as compliance with legal requirements applicable to the environment, the index of environmental occurrences recorded at the factory, the quantity of environmental awareness measures involving employees and surrounding communities, the waste recycling index, and co-processing of non-recyclable waste. Next, we highlight the main topics related to this area.

BIODIVERSITY

GRI 304-1; 304-3; 304-4

In order to reduce the impacts of its operations on the biodiversity of the region where it operates, Aeris adopts monitoring and control measures based on studies carried out for each cycle of the operational units. By the end of 2020 there were 110 km² of built area, with the prospect of an increase of another 87 km² with the execution of the expansion project started in the same year, with completion projected for 2021.

In the environmental licensing process of the expansion project, the Company developed an environmental feasibility study in the area of influence, which included a local floristic survey that recorded the existing fauna species and identified main environmental impacts, as well as ways of mitigation or compensation. Based on the results, the implementation license was granted by the official environmental body. As a measure of environmental compensation for the expansion works, Aeris carried out the supervision of civil construction activities by delineating areas of permanent preservation, as well as the areas authorized for intervention. Additionally, the survey of environmental aspects and impacts related to the expansion activities was carried out, premised upon the environmental awareness and the importance of biodiversity preservation with the third parties involved in the execution of the project. The Company also committed to executing a forest enrichment project of an



area equivalent to 20.6 hectares for the planting of 23 thousand seedlings of native tree species in addition to the creation of Areas of Permanent Preservation included in the project, in view of the water resources located on the site. Thus, AERIS hopes to contribute to the preservation of the local flora, maintaining all care and precautions regarding the clearing of the planting area, replacement of seedlings (when necessary), irrigation, and maintenance of the space.

PROTECTED AREAS

The Company contributes directly to the protection of habitats through actions carried out in the Areas of Permanent Preservation (APP) and its interaction with official environmental bodies and experts in the area. These areas are identified with indicative plaques and constantly reminded to employees through dialogues on the environment. Environmental events such as “Carnaúba Day” were held in 2020 in order to sensitize the internal public about the need to protect and care for local biodiversity. During the evaluation phase of the Torres de Excelência program, integrated to the Environmental Tower, part of the audit included the analysis of the degree of understanding and maturity regarding the existence of biodiversity in the vicinity of AERIS and the Company’s main practices for environmental protection, as well as strictly prohibited activities, such as unauthorized suppression, inadequate disposal of waste, and hunting or capture of animals.

To ensure the preservation of the applications adjacent to AERIS’ facilities, periodic inspections are carried out, in addition to supervising the actions carried out in the vicinity, and intensive dissemination among employees as to the natural wealth of these areas, emphasizing the importance of environmental conservation.

Preserved Area	Area in km ²
APP	0.148
APP 2	0.030
Reforested Area	0.206

Note: the area set aside for the Forest Enrichment and Environmental Preservation of 20.6 ha is four times larger than that delineated for environmental compensation. Also noteworthy is that the area corresponds to an increase of over 100% of AERIS’ existing environmental preservation areas.

PRESERVATION OF LOCAL FAUNA

Due to the conservation of green spaces, AERIS also records the presence of wildlife species in the vicinity of its operating units. When sighted, individuals of these species begin to be monitored. A team of the Civil Fire Department was trained to record such occurrences involving the fauna and the management of animals, also carrying out their capture when necessary for later release in the natural habitat.

The Company maintains an updated mapping system of the species of flora and fauna existing in the region. From the survey and diagnosis of existing species in the adjacencies of areas where AERIS operations exist, no species were identified in the Red List of the International Union for the Conservation of Nature and Natural Resources of Brazil or on any lists of endangered or near-endangered fauna, or those considered vulnerable.

The Company contributes directly to the protection of habitats through actions carried out in the Areas of Permanent Preservation (APP).

WASTE

GRI 306-1; 306-3; 306-4; 306-5

Waste management is among the strategic priorities of Aeris' environmental management. The care with the generation and the destination of materials, as well as their reuse, is part of the daily life of the Company, which considers that the production process only ends when the waste is properly disposed of — a conduct ensured through the hiring of specialized companies duly licensed to perform this activity.

In 2020, the Company recycled 27% of the total waste generated. The sending of these materials to recycling plants provided financial gain that corresponds to approximately, 30% of the costs involved in the total management of waste — including labor, equipment, logistics, treatment expenses, among others. Despite such advances, Aeris faced the challenge of reducing the volume of waste destined for landfill in the midst of the expansion phase — which incurs additional generation due to construction projects.

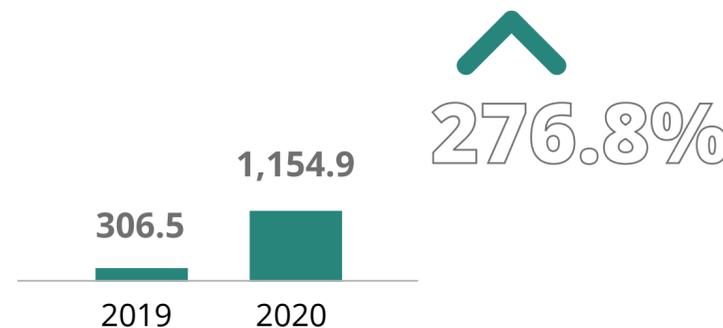
Thus, a project was initiated that aimed to expand the use of non-recyclable materials for co-processing in the cement industry, where they are used as substitutes for fossil fuels. To ensure implementation, the Company invested in waste sorting and preparation practices, as well as increasing storage capacity and optimizing transport

logistics. Thus, throughout the year, Aeris reached the mark of 1,154.9 tons of non-recyclable waste diverted from landfill, representing an increase of 277% of co-processed waste compared to the year 2019. The results obtained by the project, along with the new investments, allowed the Company to set for 2021 the bold goal of the “zero landfill” policy.

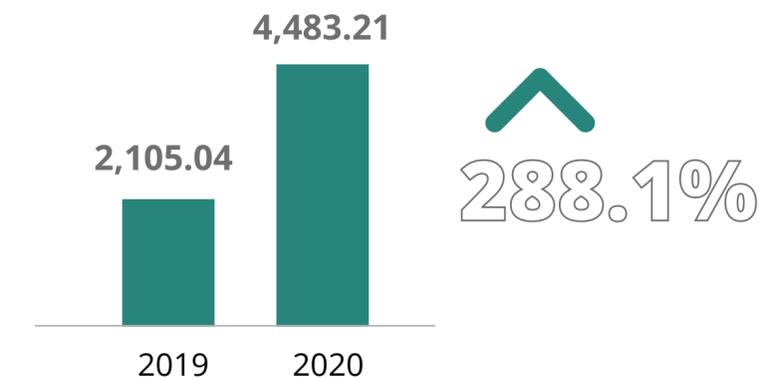
In total, in the cumulative year, the volume of waste produced by Aeris was 16.6 thousand tons, of which 4,541.12 tons were recyclable waste and 11,983.56 tons non-recyclable waste. The generation of hazardous waste was 124.5 tons — mainly represented by uncured epoxy resins and paints or materials contaminated with oils and greases — 100% of these wastes were destined for co-processing, with no disposal in industrial landfills.

Final Destination Comparison

Co-processing (total loads)



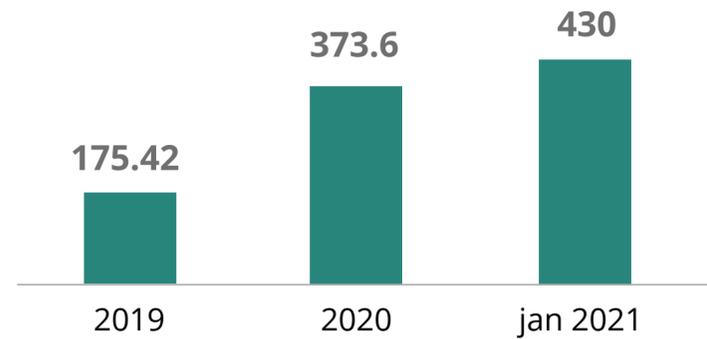
Recycling (total loads)



Co-processing
(t) (average monthly loads)



Recycling
(t) (average monthly loads)



In order to contribute to SDG 12 of the 2030 Agenda regarding responsible consumption and production, the Company aims to intensify the activities of sorting and selecting waste in order for them to be channeled to recycling, with the goal of recycling 30.5% of all waste generated by the year 2021. In this sense, studies will be carried out dedicated to identifying alternatives of better

destination for waste that is currently classified as “non-recyclable”. When the recycling possibilities are exhausted, an internal project should be developed that will make heat treatment via co-processing feasible. The target is for at least 30% of non-recyclable waste to be managed this way in the first quarter of 2021.

Waste not sent to landfills

NON-HAZARDOUS	
Destination	Volume (t)
Preparation for reuse	2,592.8
Recycling	1,787.8
Co-processing	1,454.8

DANGEROUS	
Destination	Volume (t)
Co-processing	124.5

Waste sent to landfills

NON-HAZARDOUS	
Destination	Volume (t)
Landfill	10,700.4

When the recycling possibilities are exhausted, an internal project should be developed that will make heat treatment via co-processing feasible.

WATER AND EFFLUENTS

GRI 303-1; 303-4; 303-5

Reducing water consumption to the maximum, rational use, and eliminating waste is a premise of Aeris' Environmental Policy, also expressed in its fourth Environmental Directive, which guides to consciously reduce the use of natural resources (water and energy). All operating units have supply managed by the Water Resources Management Company (COGERH) of the State of Ceará, which serves the region of the Pecém Industrial and Port Complex (CIPP). Thus, the capture of the water used in the Company's operations is carried out through the Eixão das Águas program¹⁵, which supplies the Metropolitan Region of Fortaleza, classified as an area of water scarcity.

In 2020, the organization achieved a reduction of approximately 4.6% of the volume of water used per blade produced, reaching a used volume of 41.13 m³. Incremental improvements such as the cutting and drilling process was carried out without the use of water, and awareness campaigns carried out throughout the year contributed to this reduction. The total water consumption of the Company was 110.432m³¹⁶ of water, an increase of 25.9% compared to 2019, resulting from the increase in production and the construction projects for expansion of the Company's facilities. Of the total volume consumed by the organization, 11,364 m³ were reused, which represents an increase of 28.8% of the reused volume in the previous year¹⁷.

Consumption of water per blade produced (in m³)



In addition to the consumption reduction measures, the Company uses a water reuse system obtained from the backwash from the filters of the treatment plant, which is stored in water tanks for the purpose of irrigation, washing equipment, and humectation of roads. In 2021, Aeris will begin construction of a new Water Treatment Plant (ETA), which will increase reuse capacity by up to 60%.

	2018	2019	2020
Water consumption (m³)	73,105	87,720	110,432

¹⁵ The Eixão das Águas is a set of water works that transposition water from the Castanhão Dam to the Metropolitan Region of Fortaleza (CE), with an extent of 255 kilometers, thus reinforcing the local water supply, which includes the Industrial and Port Complex of Pecém.

¹⁶ Equivalent to 110.4 megalitres.

¹⁷ After reviewing the data, it was found that the volume of water reused in 2019 was 8,820 m³.

EFFLUENTS

The generation of effluents from the enterprise are treated within the requirements of state ordinances (resolution COEMA 02/2017), which establishes the standards and conditions for release of generated liquid effluents. Aeris does not release them into bodies of water, rather, after treatment, the effluents are directed to green spaces that require irrigation.

In 2020, there was an increase of 52.2% in the total volume of effluents generated, compared to the previous year, due to increased production and staff. All effluents generated were properly treated before release, in accordance with reports submitted to the official environmental bodies within the periodicity determined in the operating license.

Water disposal by activity (in m³)

Activity	2018	2019	2020	Variation
Blade cutting and drilling	2,496	3,099	972.9	-68.6%
Cleaning the filters	53,096	26,316	43,800	66.4%
Total volume discarded	55,592	29,415	44,772.9	52.2%

It should be noted that the significant decrease in the volume of water discarded by the process of cutting and drilling blades is due to the reduction in the use of equipment that required the use of this resource. With this, water consumption fell approximately 68% in this activity.



QUALITY CONTROL

Aeris constantly monitors the quality of the water used in its production processes. This monitoring is carried out daily by the internal team for the maintenance of control equipment from the Water Treatment Plant (ETA) on a monthly basis by a specialized company hired for laboratory analysis. Thus, the Company seeks to ensure the necessary parameters for the safe consumption of this resource, as well as effluent outputs.

ENERGY

GRI 302-1; 302-3

Aeris' energy matrix consists of the use of electricity and fuels from non-renewable sources, such as diesel oil and liquefied petroleum gas (LPG). In 2020, the company consumed 154.4 thousand Giga Joules¹⁸, an increase of 81.2% compared to 2019. The significant increase in energy demand — from all sources — reflects the scenario of expansion of operations undergone in the period, such that the acquisition of new equipment and the increase in production resulted in this variation.

Electricity consumption (in GJ)*

2018	2019	2020	Varição
57,867.0	79,596.0	141,787.2	78.1%

* 2018 and 2019 data have been converted to GJ.

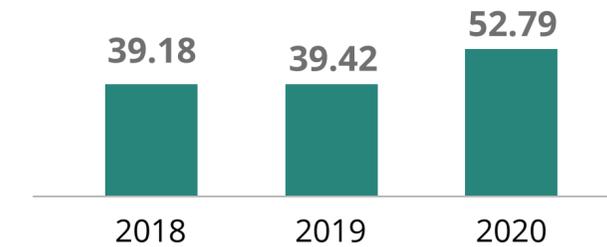
Consumption of non-renewable fuels (in GJ)*

Fuel	2018	2019	2020	Varição
Diesel Fuel	7.6	2,850.4	5,920.6	107.7%
LPG	1,745.6	2,774.50	3,733.3	142.7%

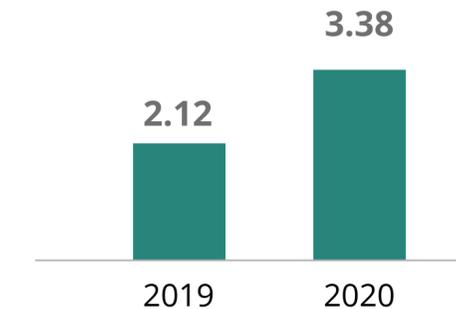
* 2018 and 2019 data have been converted to GJ.

Thus, Aeris's energy intensity rate — calculated based on electricity consumption — followed the peak, ending the year at 52.79 — an increase of 33.9% when compared to 2019.

Energy consumption per blade manufactured (in GJ)



Average power capacity of the wind turbines equipped with the blades produced by Aeris (in MW)



¹⁸ The Company's energy consumption equates to 42,903.1 MWh.

Aeris' energy consumption per blade manufactured in 2020 was impacted by the introduction of new blade models, which require climatization from lamination to completion.

As a result, it was necessary to expand the built-up area with two additional warehouses, both climate-controlled, in addition to increasing cooling systems by 75%.

To meet this new consumption scenario, it was necessary to double the contracted demand for energy. However, the relative impact per shovel was not as expressive, around 30%. Another point to be considered when analyzing the increase in the Company's energy consumption was the acquisition of Aeris Pecém II, which began operating in August 2020.

To meet the requirements of this new scenario, it was necessary to double energy demand. However, the relative impact per blade was not so expressive, as it increased by only about 30%. Another important factor to keep in mind when considering the increase in energy demand of the Company was the acquisition of the Aeris Pecém II, which began operations in August 2020.

Guided by its environmental guidelines, the company is committed to adopting measures to reduce fuel consumption. Standing out among them are the chartered transport, preference for the use of LED in the factory warehouses, the acquisition of certified energy efficient devices, and remaining receptive to ideas suggested by employees on saving natural resources.



In 2020, aiming to achieve reduction in emissions impacts, Aeris exercised preference for the purchase of electricity from renewable sources through I-REC certification. With it, Aeris can show that 39,571 MWh generated for its consumption came from wind energy, which represents more than 90% of energy acquired from renewable sources.

For 2021, the company will continue to assign preference to the acquisition of energy through clean generation. In addition, the company has an interest in carrying out feasibility studies on self-generating electricity.

With regard to the energy contribution gained from the finished product in operation, the organization reached a mark of approximately 8,401 MW of energy generated from the operation of wind farms that use the blades produced by Aeris, compared to the 3,514 MW generated in 2019, which represents an increase of about 139%. As for the average of electricity generated per shovel, Aeris also achieved an increase: 3.4 MW generated per shovel in 2020 while the average in 2019 was 2.1 MW per blade, an increase of 59%.

MATERIALS

GRI 301-1

Attentive to the environmental impacts throughout the production cycle, in 2020 Aeris developed a series of measures aimed at analyzing consumption and alternative sources of inputs in relation to costs. The environmental gains involved were also evaluated, such as the reduction in waste generation, focusing on maintaining the quality of the blades produced.

The following table shows the main materials used in production:

Materiais	2018 (kg)	2019 (kg)	2020 (kg)	Classificação	Variação
Resin	5,297.477	9,618.301	17,691.030	Não renovável	84%
Fiber	8,775.697	13,087.322	23,327.447	Não renovável	78%
PET Foam	214.269	401.645	2,053.148	Não renovável	411%*
PVC Foam	158.987	302.830	114.485	Não renovável	-62%
Balsa	324.788	526.091	361.947	Não renovável	-31%
Metallic components	212.976	446.521	615.985	Não renovável	38%
Paints	388.875	462.652	1,077.286	Não renovável	133%
Vacuum plastic	233.491	264.295	361.624	Não renovável	37%
Pultruders	661.460	954.900	3,944.369	Não renovável	313%*

In 2020 Aeris developed a series of measures aimed at analyzing consumption and alternative sources of inputs in relation to costs.

* The variation in PET and pultruded foam consumption is due to the new models of blades produced in 2020 that use these materials in higher quantities.

After replacing inputs that negatively impact the environment with more sustainable materials, Aeris continues to use coconut fiber blankets in the manufacture of the blades. Plastic ducts are acquired from recycling, but internally generated plastics are used in this process. The plastic waste is sent to recycling and returns in the form of ducts, in a circular economy process.

Volume of recycled materials used
(in meters)

Materials	Material Type	2018	2019	2020
Channels (m)	Plastic	413,798	752,448	1,378,731
Coconut fiber (m)	Organic	601,958	1,096,942	1,539,952
Paper towel (m)	Paper	2,679,844	5,713,750	7,984,697

It is planned to implement an internal project in 2021 that will improve the process of monitoring and categorizing the materials used by the Company.



ATMOSPHERIC

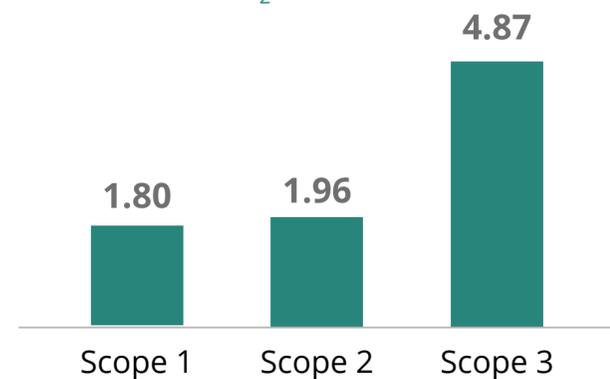
EMISSIONS

GRI 305-1; 305-2; 305-3; 305-4

By working for the generation of renewable energy, Aeris integrates the energy transition movement, of which decarbonization is a fundamental factor in the fight against climate change. In addition to supporting clients and other wind energy chain operators in this process, the Company is committed to the strict control of its own greenhouse gas emissions (GHG) in order to identify the carbon footprint of its activities and develop solutions to reducing it.

Thus, based on the GHG Protocol methodology, Aeris calculated its GHG emissions for the year 2020¹⁹. The Company issued 8,635.3 tCO₂e, distributed among separate scopes, as shown in the following table.

GHG emissions 2020
(in thousands of tCO₂e)



Sources of greenhouse gas emissions (tCO₂)

	2018	2019	2020
Emissions Scope 1			
Stationary combustion	81.6	84.3	128.4
Mobile sources	113.3	370.2	745.33
Solid waste and effluents	84.9	84.9	103.4
Fugitive emissions	1,343	1,563	826.7
TOTAL SCOPE 1	1,622.8	2,102.4	1,803.8
Emissions Scope 2			
Electric Power	1,167	1,771	1,960,8
TOTAL SCOPE 2	1,167	1,771	1,960,8
Emissions Scope 3			
Business trips	31.9	20.5	-
Transportation of employees	4,100	2,707	4,870.6
TOTAL SCOPE 3	4,131.9	2,727.5	4,870.6

¹⁹The calculation basis considers industrial processes, mobile and stationary sources, fugitive emissions, effluents, electricity, and transport, among other aspects. The gases included in the calculations were CO₂; CH₄; N₂O, and HFCs.

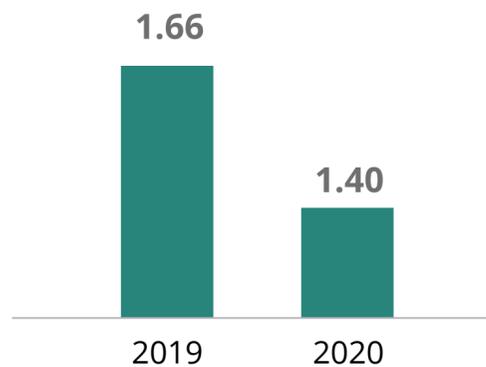
In the cumulative year, as added to the three scopes, the Company recorded an increase of 30% in total GHG emissions compared to the previous year, due to the expansion process, which resulted in the hiring of a greater number of employees and, consequently, the transportation of new professionals. This change impacted scope 3 emissions, which went from 2,727.5 tCO₂e in 2019 to 4,870.6 in 2020 — an increase of 78.5%, which is also due to the increase in the fleet focused on Covid-19 prevention in order to reduce the number of employees per vehicle in use.

On the other hand, there was a performance improvement relative to fugitive emissions, in scope 1, reduced by 14.2% compared to 2019. Another positive highlight was the emissions from waste disposal, which dropped as a result of training programs on the subject, as well as the application of selective waste collection, in addition to the expansion of the volume of materials sent to recycling and co-processing. Despite the increase in total emissions, the Company reported a 2.89% reduction in emissions from scopes 1 and 2, as well as an 18.34% reduction in the intensity of TCO₂ equivalent per piece produced in scopes 1 and 2, compared to 2019.

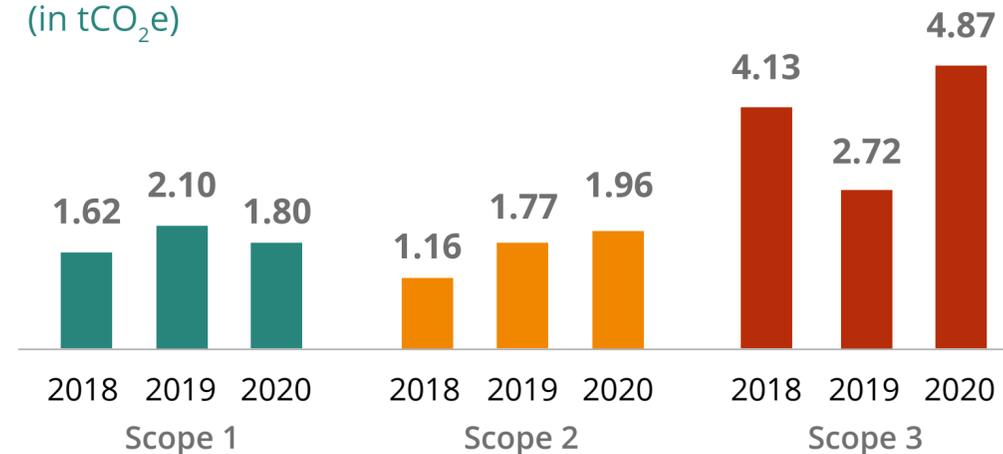
In order to improve its emissions performance, the Company has set for 2021 targets related to waste management such as increasing the recycling rate and co-processing, consequently reducing the volume sent to landfills. On another front, compensation for emissions will be carried out through vegetation recomposition and reforestation equivalent to 20.7 hectares with the planting of 23 thousand seedlings.

It should also be noted that Aeris does not use substances not controlled by the Kyoto Protocol. To ensure that products containing these substances will not be purchased, the Company maintains a list with the description of prohibited products, consulted in all procurement processes for goods or services.

Emission of scope 1 and 2 per unit manufactured



Development of GHG emissions (in tCO₂e)



In order to offset the impact of energy use on air emissions related to operations, Aeris has acquired a renewable energy certificate (I-REC) for consumption relative to 2020. The I-REC is equivalent to a certificate that electricity consumption is from renewable sources, without GHG emissions. These internationally recognized certificates can be used to offset emissions of Scope 2 (purchase of electricity), without an effective reduction of emissions. With I-REC, the Company began to prove that 39,571 MWh generated for its consumption came from wind power, which represents more than 90% of acquired energy (electricity and fuels) from renewable sources.

AIR QUALITY

Despite having a reduced amount of fossil fuel vehicles and equipment, Aeris carries out internal monitoring of the black smoke index, as well as regular inspections.



ABOUT

THE REPORT

REPORT

PROFILE

GRI 102-45; 102-50; 102-52; 102-54

Reporting on economic, environmental, and social performance has been consolidated as a corporate practice of Aeris, aligned with the Company's commitments to transparency. Thus, this is Aeris' fifth Sustainability Report according to the guidelines of the Global Reporting Initiative (GRI), an international network dedicated to guiding reports from public and private organizations around the world.

Based on the standard version of the GRI guidelines, in its essential modality, this edition presents information on the management of the Company and its operational, environmental, social, and economic performance relating to the period between January 1st and December 31st, 2020. The economic and financial indicators presented in this report are based on the financial statements published in March 2021, which were audited by an independent third party (to verify the statements, [click here](#)).

TRANSPARENCY

GRI 102-51; 102-53

The latest edition of the Aeris Sustainability Report was released in 2020, referring to the year 2019, and its online version is available on the Company's website. Questions and suggestions about the content of the reports can be sent by email sustentabilidade@aerisenergy.com.br.

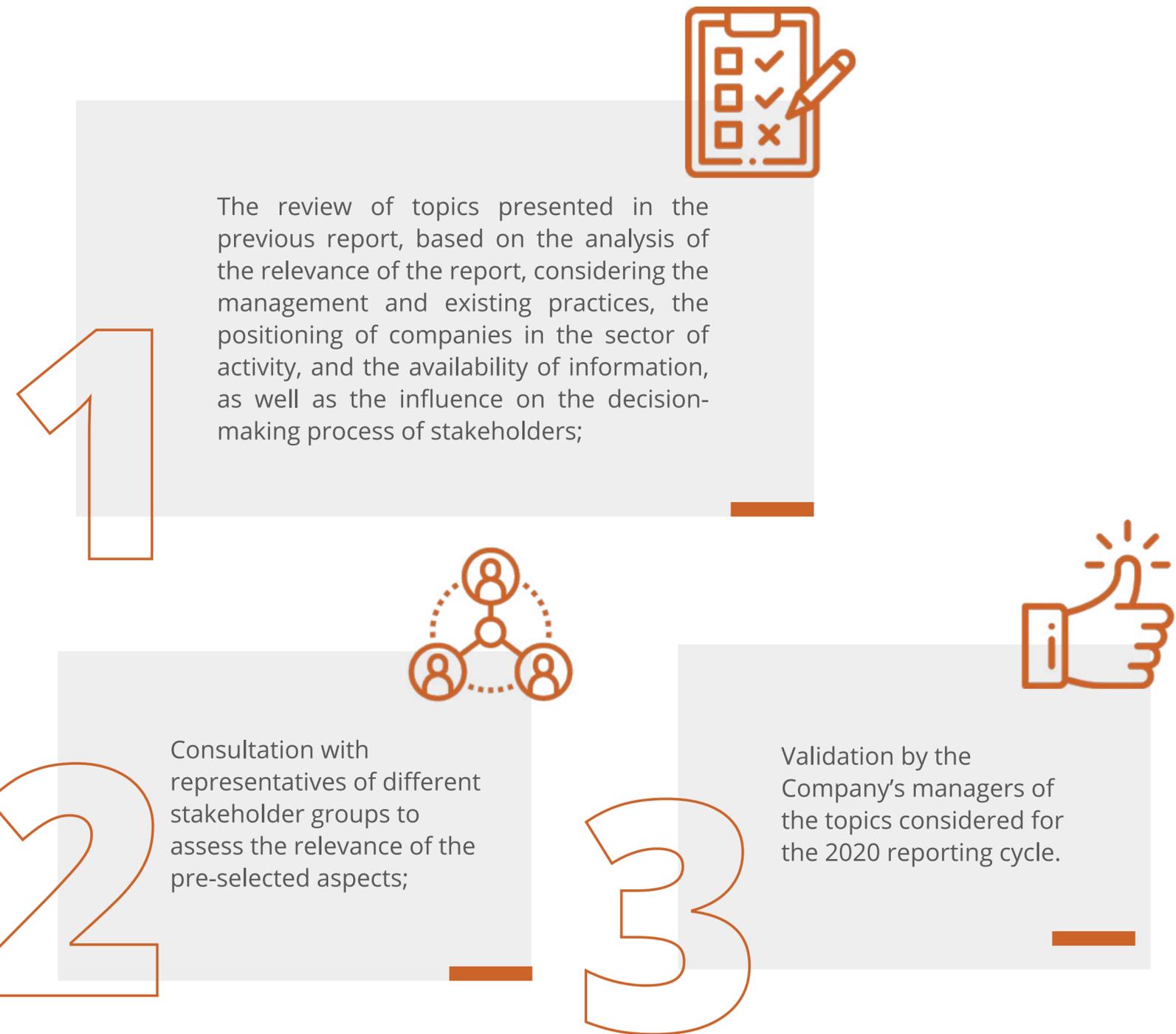


DEFINITION OF RELEVANCE

GRI 102-46

In accordance with the GRI recommendations, Aeris sought to report in this edition sustainability indicators that reflect real impacts and effective management. Thus, the Company's socio-environmental performance was inserted in a broad context in order to identify aspects and impacts common to the industry segment and also to the region where it is inserted.

Thus, the definition of the indicators reported in this report was based on the following processes:



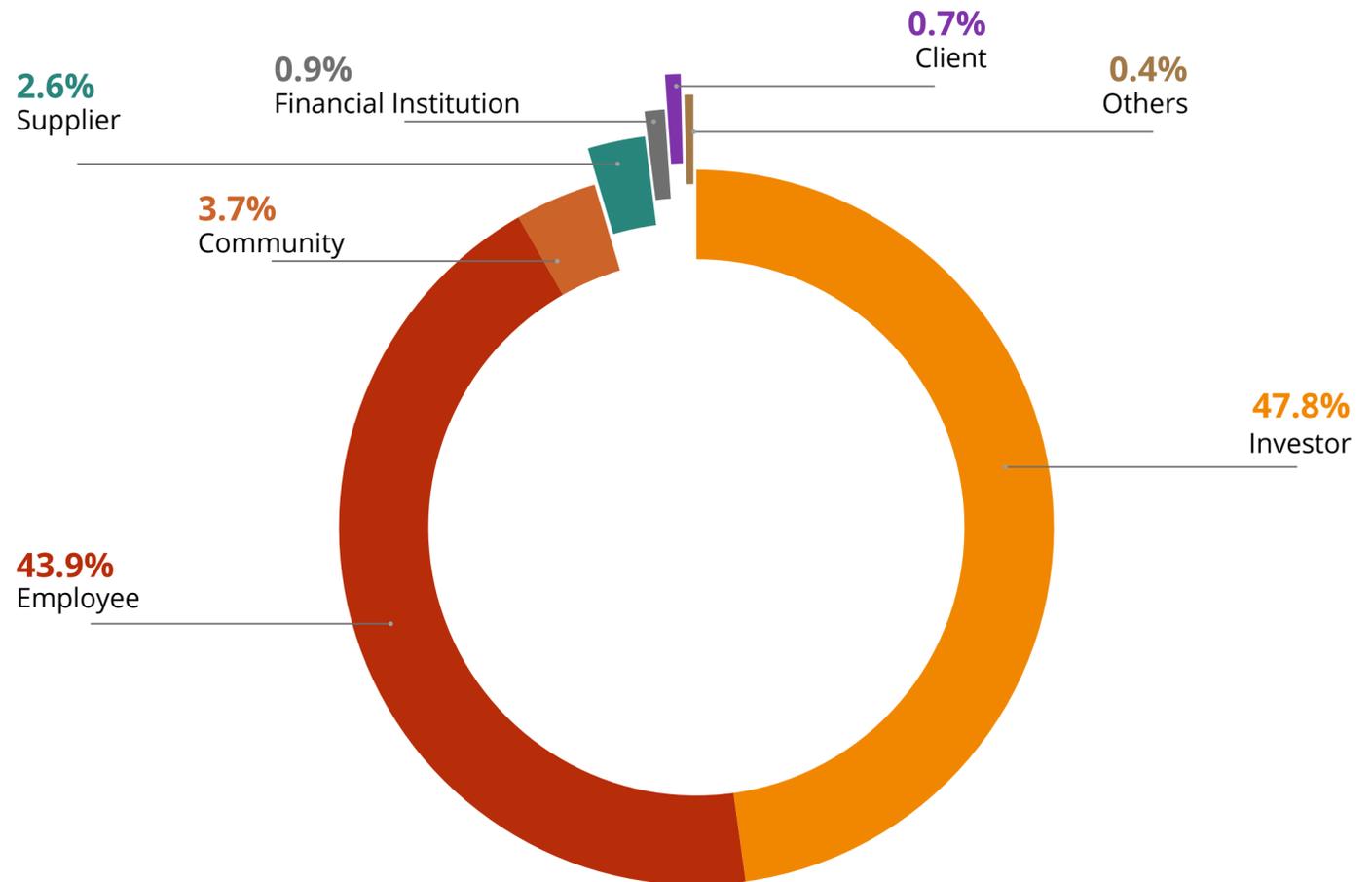
STAKEHOLDER ENGAGEMENT

GRI 102-40; 102-42; 102-43

The 2020 Sustainability Report of Aeris was prepared with the participation of a multidisciplinary team, directly involving about 25 professionals of the Company. In addition, relative publics were consulted in order to identify the information demands of the people and institutions with whom the Company interacts.

Using the criteria adopted by GRI as the basis for the definition of the themes to be addressed in the report, stakeholders were inquired about the issues related to sustainability that they considered most relevant based on the themes pre-established by Aeris. The survey was conducted through an electronic form sent to representatives of each of the publics. In all, 460 people answered the questionnaire.

Distribution of respondents by stakeholder group



DEFINITION OF CONTENT THEMES

GRI 102-46

In order for the topics reported in this report to represent a broad vision of corporate sustainability, Aeris added to the stakeholder responses the analysis of aspects considered priorities externally and internally. At the external level, this analysis was guided by the 2030 Agenda for Sustainable Development as proposed by the United Nations (UN), containing the 17 Sustainable Development Goals (SDGs).

Complementing the assessment of the external environment, the Company assessed its own priorities in relation to the sustainability of the business, based on its corporate policies and the strategic vision of senior management. This process involved weighing the significance of the economic, environmental, and social impacts of each aspect, as well as its influence on the evaluations and decisions of the stakeholders.

In this sense, the relevant impacts both internal and external of the Company and related to all activities, products, services, and social interactions of the organization were considered. From this analysis, the material indicators for the 2020 Report were predefined.



Complementing the assessment of the external environment, the Company assessed its own priorities in relation to the sustainability of the business, based on its corporate policies and the strategic vision of senior management.

RELEVANCE

MATRIX

GRI 102-44; 102-47; 102-49

Based on the criteria described, the relevance matrix of the Aeris 2020 Sustainability Report presents three key axes and 14 priority topics.



CARE OF PEOPLE

- | The health and safety of personnel.
- | Promotion of diversity and inclusion in the work environment.
- | Development opportunities for employees.
- | Support to the communities where Aeris is located.



SUSTAINABLE VALUE GENERATION

- | Ethical conduct, anti-corruption, and legal compliance.
- | Operational and financial results.
- | Product safety and quality.
- | Innovative practices.
- | Positive influence on the value chain.



ENVIRONMENTAL MANAGEMENT

- | Waste and materials
- | Water
- | Energy
- | Atmospheric emissions
- | Biodiversity

1 Axes/themes	GRI	SDGs	Goals agenda 2030
CARE OF PEOPLE			
Health and safety of teams.	403-9	8	8.8
Promotion of diversity and inclusion in the workplace.	405-1	8; 16	8.5; 16.b
Development opportunities for employees.	404-1; 404-3	4	4.3; 4.4
Support to the communities where Aeris is located.	413-1; 204-1	11	11.3

2 SUSTAINABLE VALUE GENERATION			
Ethical conduct, anti-corruption, and legal compliance.	102-17; 205-3; 307-1; 419-1	16	16.5; 16.6
Operational and financial results.	201-1	7; 8	7.2; 8.2; 8.4
Product safety and quality.	416-2		
Innovative practices.	103-1; 103-2; 103-3	8; 9; 12	8.2; 9.4; 9.5; 12.a
Positive influence on the value chain.	308-1; 414-1	8	8.8

3 ENVIRONMENTAL MANAGEMENT			
Waste and materials	306-3; 306-4; 306-5	12	12.4; 12.5
Water	303-5	6	6.3; 6.4
Energy	302-1; 302-3	7	7.3
Atmospheric emissions	305-1; 305-2; 305-3	12	12.4
Biodiversity	304-1; 304-3; 304-4	15	15.1; 15.5; 15.a

RELATED

INDICATORS

Based on the definition of relevant topics, the performance indicators to be monitored and reported by the Company were selected. Next, in the GRI summary, of a remissive character, we present the indicators selected by topic.

GRI SUMMARY

GRI 102-55

GENERAL CONTENTS

GRI Standard	Disclosure	Description	Page	Comments
Organizational Profile				
GRI 102: General Themes 2016	102-1	Name of organization	8	
	102-2	Activities, brands, products and services	8	
	102-3	Location of headquarters	8	
	102-4	Location of operations	8	
	102-5	Ownership and legal nature	8	
	102-6	Markets served	8 and 11	
	102-7	Organization Size	8	
	102-8	Information about employees and other workers	44	
	102-9	Chain of suppliers	34	
	102-10	Significant changes in the organization and supplier chain	19	

GRI Standard	Disclosure	Description	Page	Comments
GRI 102: General Themes 2016	102-11	Adoption of the precautionary approach or principle	66	
	102-12	External initiatives	59	
	102-13	Participation in associations	64	
Strategy				
GRI 102: General Themes 2016	102-14	Statement of the executive with the greatest decision-making power in the organization	3	
	102-15	Key impacts, risks, and opportunities	24	
Ethics and integrity				
GRI 102: General Themes 2016	102-16	Values, principles, standards, and behavioral norms	8 and 24	
Governance				
GRI 102: General Themes 2016	102-18	Governance structure	19	
	102-19	Delegation of authority	19	
Stakeholder engagement				
GRI 102: General Themes 2016	102-40	List of stakeholder groups	82	
	102-41	Employees covered by collective bargaining agreements	48	
	102-42	Identification and selection of stakeholders	82	
	102-43	Approach to engaging stakeholders	82	
	102-44	Themes and concerns raised by stakeholders	84	
Reporting practices				
GRI 102: General Themes 2016	102-45	Entities included in the financial statements	80	
	102-46	Definition of content and limits of material topics	83	
	102-47	List of material topics	84	
	102-48	Reformulations of information	-	There was no reformulation of the information for the reported cycle. Punctual adjustments in data were duly noted.

GRI Standard	Disclosure	Description	Page	Comments
GRI 102: General Themes 2016	102-49	Reporting changes	84	
	102-50	Reporting period	80	
	102-51	Date of most recent report	80	
	102-52	Reporting cycle	80	
	102-53	Contact for questions about the report	80	
	102-54	Reporting premises in accordance with GRI Standards	80	
	102-55	Summary of content of GRI	86	
	102-56	External verification	-	The report was not verified by external audit.

SUSTAINABLE VALUE GENERATION

GRI Standard	Disclosure	Description	Page	Comments
Ethical conduct, anti-corruption, and legal compliance				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	24	
	103-2	Form of management	24	
	103-3	Assessment of the form of management	24	
GRI 102: General Themes 2016	102-17	Counselling mechanisms	24	
GRI 205: The Fight against Corruption 2016	205-2	Communication and training in policies and procedures the fight against corruption	24	
	205-3	Confirmed cases of corruption and measures taken	24	
GRI 307: Compliance Environmental 2016	307-1	Noncompliance with environmental laws and regulations	-	In 2020, no non-conformities related to environmental laws and regulations were identified.

GRI Standard	Disclosure	Description	Page	Comments
GRI 419: Accordance Socio-economic 2016	419-1	Non-compliance with laws and regulations in the socio-economic area	-	In 2020, no non-conformities related to environmental laws and regulations were identified.
Operating and financial results				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	36	
	103-2	Form of management	36	
	103-3	Assessment of the form of management	36	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	39	
Product Safety and quality				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	31	
	103-2	Form of management	31	
	103-3	Assessment of the form of management	31	
GRI 416: Consumer health and safety 2016	416-2	Cases of non-compliance with health impacts and security caused by products and services	-	In 2020, the Company did not identify non-compliance related to product safety.
Innovation practices				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	33	
	103-2	Form of management	33	
	103-3	Assessment of the form of management	33	
Positive influence on the value chain				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	34	
	103-2	Form of management	34	
	103-3	Assessment of the form of management	34	

GRI Standard	Disclosure	Description	Page	Comments
GRI 308: Environmental Assessment of Suppliers 2016	308-1	New suppliers selected based on environmental criteria	34	The Company is improving practices related to its suppliers.
GRI 414: Social Assessment from Suppliers 2016	414-1	New suppliers selected based on social criteria	34	The Company is improving practices related to its suppliers.

CARE OF PEOPLE

GRI Standard	Disclosure	Description	Page	Comments
Team health and safety				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	53	
	103-2	Form of management	53	
	103-3	Assessment of the form of management	53	
GRI 403: Health and Safety of Work 2018	403-1	Occupational health and safety management system	53	
	403-2	Hazard identification, risk assessment, and incident investigation	53	
	403-3	Occupational health services	53	
	403-5	Training of workers in occupational health and safety	53	
	403-6	Promotion of workers' health	53	
	403-8	Workers covered by an occupational health and safety management system	53	
	403-9	Work accidents	53	Partial response. The Company does not monitor the data of third parties.

GRI Standard	Disclosure	Description	Page	Comments
Promoting diversity and inclusion in the workplace				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	47	
	103-2	Form of management	47	
	103-3	Assessment of the form of management	47	
GRI 401: Employment 2016	401-1	New hires and employee turnover	44	
	401-2	Benefits offered	48	
	401-3	Maternity/paternity leave	47	
GRI 405: Diversity and Equality of Opportunity 2016	405-1	Diversity in governance bodies and employees	44 and 47	
Development opportunity for employees				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	49	
	103-2	Form of management	49	
	103-3	Assessment of the form of management	49	
GRI 404: Technical Training and Education 2016	404-1	Average training hours per year per employee	49	
	404-3	Percentage of employees receiving regular evaluations of performance and career development	50	
Support to the communities where Aeris is located.				
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	59	
	103-2	Form of management	59	
	103-3	Assessment of the form of management	59	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending with local suppliers	34	
GRI 413: Local Communities 2016	413-1	Operations with engagement, impact assessments, and development programs aimed at the local community	59	

ENVIRONMENTAL MANAGEMENT

GRI Standard	Disclosure	Description	Page	Comments
GRI 103: Form of Management 2016	103-1	Explanation of the material topic and its limit	66	
	103-2	Form of management	66	
	103-3	Assessment of the form of management	66	
GRI 301: Materials 2016	301-1	Materials used, defined by weight or volume	75	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	73	
	302-3	Energy intensity	73	
GRI 303: Water and Wastewater 2018	303-1	Interactions with water as a shared resource	71	
	303-4	Water disposal	71	
	303-5	Water consumption	71	
GRI 304: Biodiversity 2016	304-1	Operating units within or adjacent to areas of environmental preservation and areas of high biodiversity value	67	
	304-3	Protected or restored habitats	67	
	304-4	Species included in the IUCN Red List and national lists of habitat conservation	67	
GRI 305: Emissions 2016	305-1	Direct emissions (Scope 1)	77	
	305-2	Indirect emissions (Scope 2)	77	
	305-3	Other indirect emissions (Scope 3)	77	
	305-4	Intensity of greenhouse gas (GHG) emissions	77	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	69	
	306-3	Waste generated	69	
	306-4	Waste not destined for final disposal	69	
	306-5	Waste destined for final disposal	69	

AERIS 2020 SUSTAINABILITY REPORT

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