

Sustainability
Report
2015



**Agricultura
é a nossa vida**



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MESSAGE

from the President Director

G4-1, G4-2

In 50 years of history, completed in 2015, IHARA has grown, developed and conquered an outstanding position in the agribusiness market. Having the mission of “contributing to progress and agriculture competitiveness”, the company has found, through the union of Japanese and Brazilian technologies, the necessary tools to discover more efficient solutions for rural men and more sustainable ones for the environment. Consequently, we could expand our actions for society as a whole and for local communities. We minimized waste and effluents production, to guarantee an even greater involvement of our employees and shareholders.

In IHARA’s 50th anniversary we also had challenges to face. The unstable economy in the country, which had a notable slowdown, affected the agricultural sector. It wasn’t an easy year. Despite the obstacles, IHARA had important achievements. We increased our capital stock and could implement the expansion projects and improvement of processes, keeping our leadership. In an unusual year we found opportunities for renewal and, more than that, for optimization of our processes, correction of possible failures and finding innovative ways to do our job with excellence.

In this process we reinforce the vision of the concept of sustainability as a chance to reinvent ourselves, as a way to get closer to producers and to the population. That’s why we use the celebrations season to expand our projects in all tripods related to this term – acting in socioenvironmental and cultural fronts. In our day-by-day we already have many actions with this purpose, but we want more.

Besides our constant work close to our stakeholders, some projects must be highlighted, such as the delivery of 50 drilled and installed wells in areas of Bahia (Juazeiro and Sobradinho), Pernambuco (Cabrobó) and Rio Grande do Norte (Mossoró and Messias Targino) to provide them clear water, an essential basic need to survival to these regions. We hope this action doesn’t stop there. Apart from the continuation we want to encourage other companies to do the same as IHARA. We stimulate culture, a legacy, that helping is possible. It is possible and necessary to do your part to change and improve the country.

We couldn’t neglect the art field. The musical project Concertos IHARA (IHARA Concerts) took place in five cities – from Rio Grande do Sul to Bahia – mixing local attractions to famous artists, as Zezé Di Camargo & Luciano and Sá &



Júlio Borges Garcia

PRESIDENT DIRECTOR OF IHARA

Guarabyra. We also encourage theatre, with sponsorship and participation in scripts for the play Irmãos, Irmãos... Negócios à Parte (Brothers are Brothers...Business is Business), a play related to the day-by-day of rural men.

We also sponsored the fourth phase of Circuito Correr e Caminhar (Running and Walking Circuit) in Sorocaba (SP), which brought together hundreds of professional and amateur athletes, including our employees. It's an action that shows our concern with sports and encourages the regular practice of physical activities, highlighting their health benefits. Taking care of one's health, either our employees or members of the communities we act in, has always been one of our main mottos, by the way. Among the diverse work we do in this area, emphasize Cultivida, a program that started in 2012 and offers guidance to farmers and their families, besides qualifying professionals of Sistema Único de Saúde (SUS) – (Brazil's Unified Public Health System) to implement the Health Monitoring Program to People Exposed to Agricultural Pesticides. Since it started, Cultivida has benefited around 8 thousand people, 300 of them in 2015.

These many projects and actions can't and will not stop. Our growth targets always involve initiatives

and investments that promote more productivity, with more safety and less environmental impact. For 2016 we have very challenging goals.

Considering the market turmoil we are facing, we will continue managing the resources and monitoring costs to guarantee the business sustainability. We are taking action to have more modern industrial plants, a more qualified staff and a more prepared management structure, which will allow us to increase productivity in the next years. These facts, combined with the increasing incorporation of sustainability in our processes, will allow IHARA to generate and distribute value with time.

We will keep investing in research for new products in order to broaden our portfolio and contribute to the growth of our field. Besides, we will increase our market share by using a strategy that involves working with more Speed, Commitment and Innovation.

We know we still have a lot to do, but we trust the way we are going. I thank each and every one that has contributed to this path and I repeat: If we stay together, we will have more success in the next years.



About the **REPORT**

G4-28, G4-29, G4-30, G4-33

Since 2009 IHARA has reported its sustainability data, according to the Global Reporting Initiative (GRI) methodology. In this Sustainability Report, the seventh published one, the company adopts for the first time the new version of the guidelines to GRI, the G4, under the option “essential”.

This document is based on information about the year 2015, and it's an annual issue. IHARA has chosen not to have its external review.



MATERIALITY

Matrix

G4-18, G4-19, G4-20, G4-21, G4-23, G4-24, G4-25, G4-26, G4-27

In 2015 IHARA had the first inquiry process with the stakeholders in order to elaborate its Materiality Matrix, being then able to know the issues – and respective GRI index – of more significance to its Sustainability Report.

TOOL FOR COMMITMENT

Having the objective of mapping the relevant issues to IHARA and its stakeholders, the company has elaborated and applied a questionnaire on materiality on-line, using the following sources as a basis: the GRI guidelines, its 2014 Sustainability Report, and its strategic businesses and concepts.

The questionnaire approached three main topics – Environment, Economy/Products and Value Chain, each one comprehending seven issues to be rated from most significant (1) to least significant (7). Thus, the research resulted in the analysis of IHARA's opinion and its stakeholders' opinions on 21 different issues.

DEFINITION OF STAKEHOLDERS

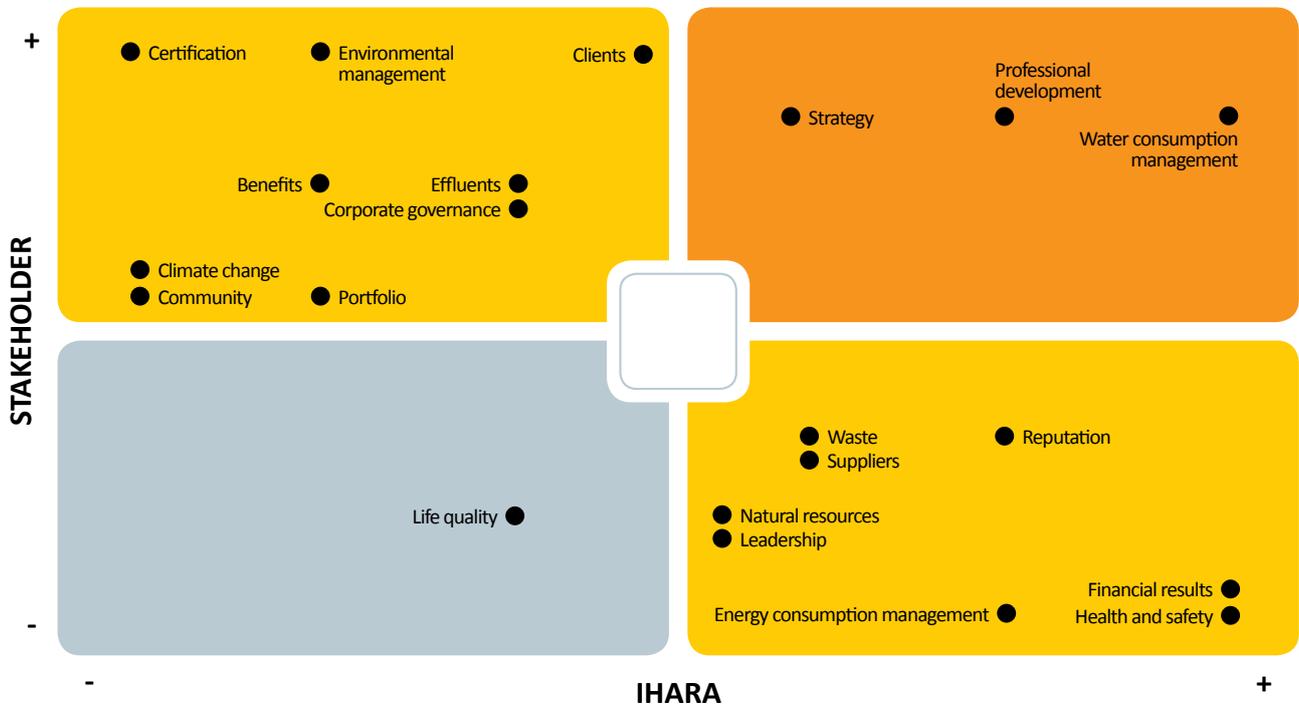
Three groups of main interest were selected for the commitment and construction of IHARA's Materiality Matrix: internal public, suppliers and clients. The choice of these groups was based in the fact that the activities, products and services of the company, as well as its expectations, interests and capacity may impact them.

MATERIALITY MATRIX

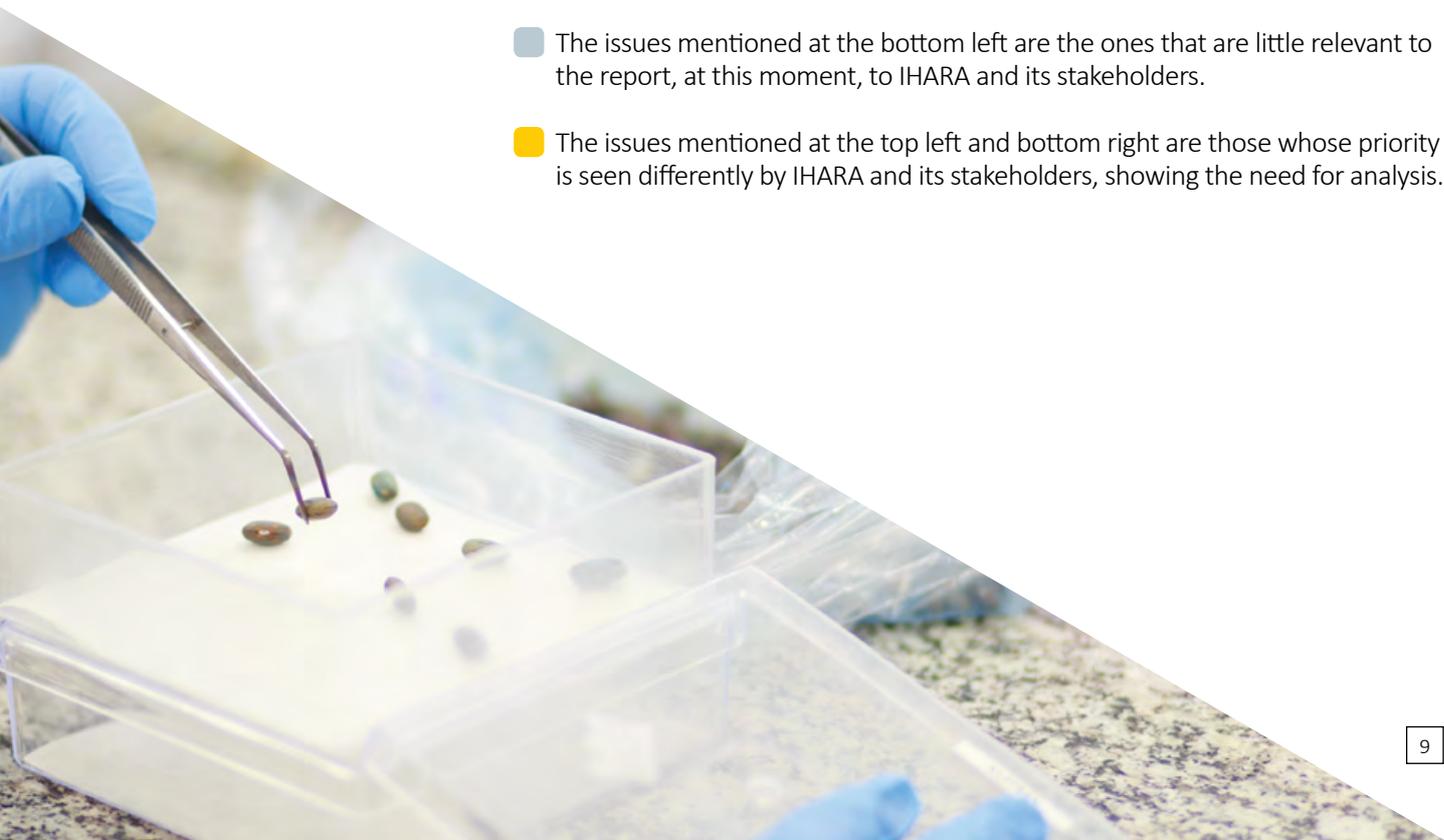
The preparation process of the Materiality Matrix resulted in a graphic that shows the three issues that are considered the most significant ones by the stakeholders, and are distributed according to the three main topics approached: management of water consumption (Environment), professional development (Value Chain) and strategy (Economy/Products).

After the preparation of the Materiality Matrix, we collected the data of all the GRI index related to the identified material aspects, as well as the definition of the indicators showing IHARA takes as important to its business – that's how a set of index was established and reported here.





- The issues mentioned at the top right area are the most relevant ones to IHARA and its stakeholders.
- The issues mentioned in the center are of medium relevance to IHARA and its stakeholders.
- The issues mentioned at the bottom left are the ones that are little relevant to the report, at this moment, to IHARA and its stakeholders.
- The issues mentioned at the top left and bottom right are those whose priority is seen differently by IHARA and its stakeholders, showing the need for analysis.







4.

About **IHARA**

G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9



IHARABRÁS S/A Chemical Industries is a national company, of Japanese capital, in Sorocaba city. It has 661 employees, 626 of their own and 35 outsourced ones.

A limited liability company and privately held, today IHARA is known in many markets (regions and cultures) for its contribution to the Brazilian agriculture, as a supplier of fungicides, herbicides, insecticides and special products (plant growth regulators and adjuvants).

Among the 69 products in its portfolio, for the most diverse crops and pests control of economic importance, we can highlight: Staple, Mos-pilan, Nominee, Cercobin, Certeza, Trifmine, Sirius, Incrível, Milbeknock, Safety, Cerconil, Ripper, Pottente

Company size

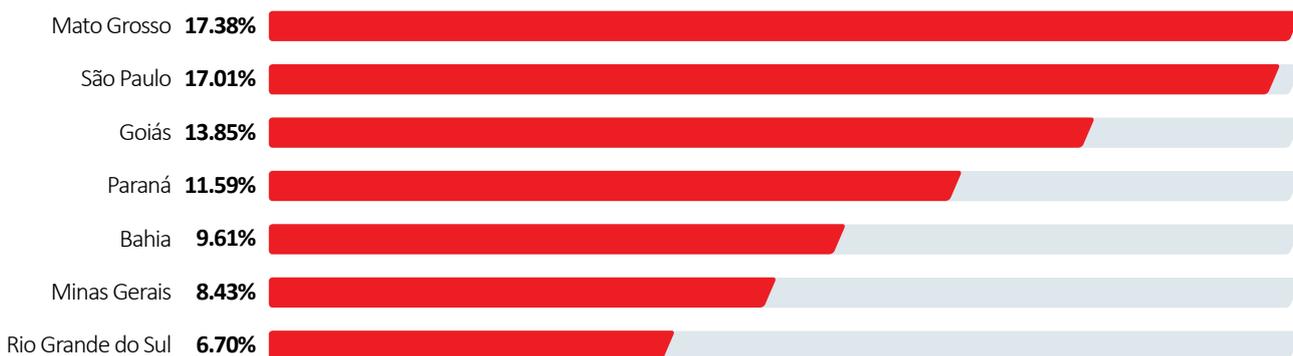
Net sales	R\$ 1,154,467,327.37
Total capitalization discriminated according to debts and net equity	R\$ 1,281,166,050.10
Total assets	R\$ 1,732,903,280.99
Costs	-R\$ 813,653,967.39

markets served by region



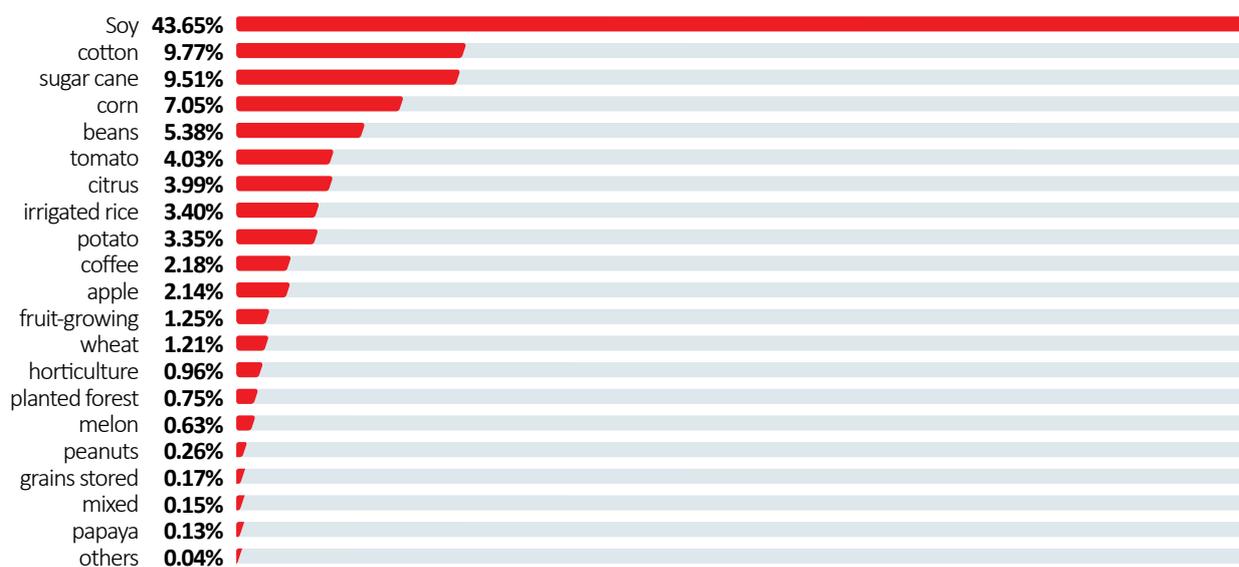
markets served by State

The others are distributed in the states of Alagoas, Ceará, Distrito Federal, Espírito Santo, Maranhão, Mato Grosso do Sul, Paraná, Paraíba, Pernambuco, Piauí, Rio de Janeiro, Rio Grande do Norte, Rondônia, Roraima, Santa Catarina, Sergipe e Tocantins.





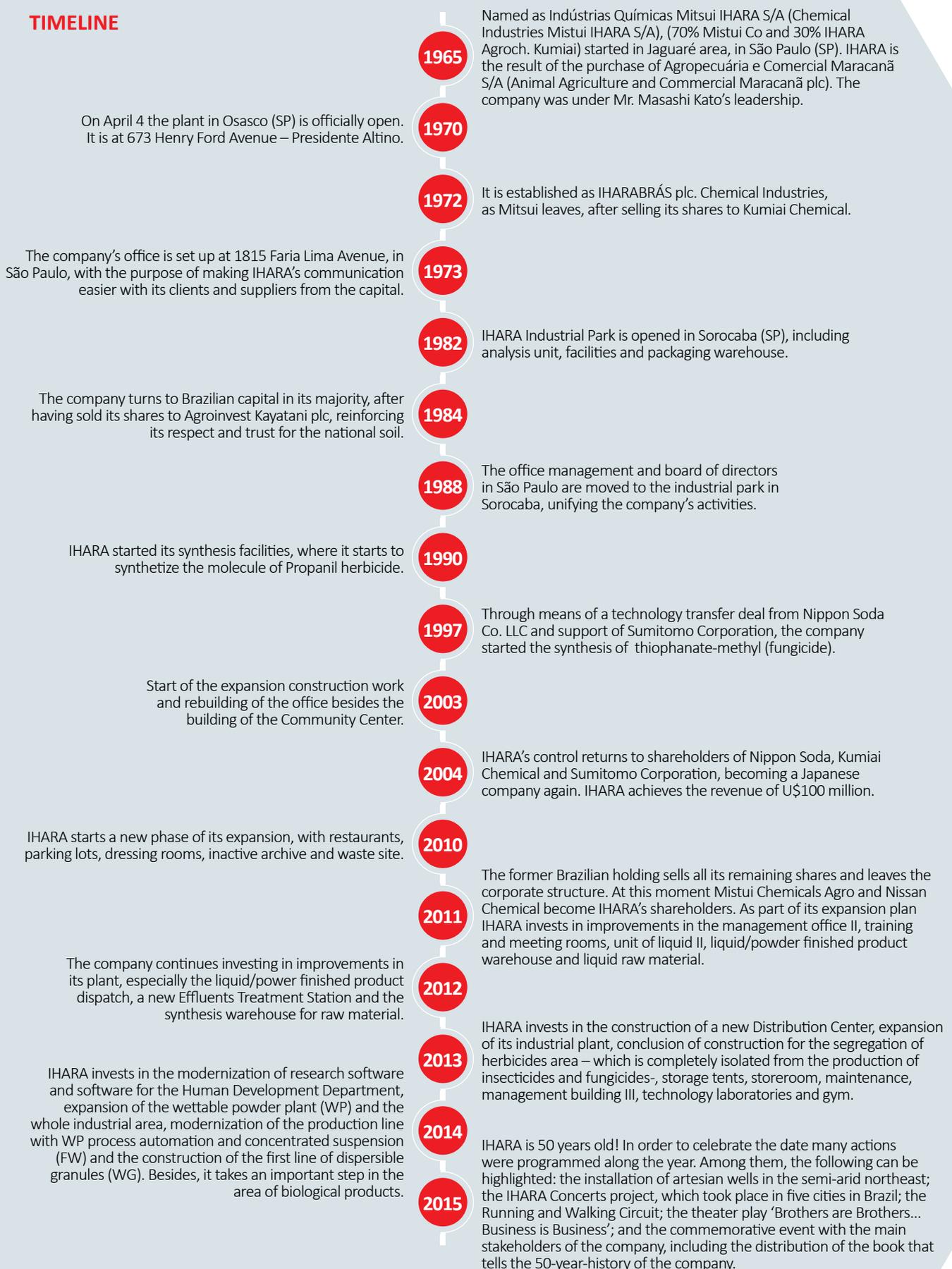
markets served
by crop



markets served
clients and beneficiaries



TIMELINE



MISSION, VISION, BELIEFS AND VALUES

G4-56

Mission

Contribute for the progress and competitiveness of Brazilian agriculture.

Vision

Using creativity and pioneer spirit, we'll make Brazil the biggest agricultural country in the world. Staying always united and fighting for the same objectives, let's make IHARA a first line company.

Using trust and cooperation, let's help each other to improve our lives and make them more stable.

Beliefs and Values

Our Beliefs and Values support our strategies and decisions, guiding our behavior.

We are alert, open to changes and we'll make necessary changes, always following the noblest way.

We exist for a reason. Our Beliefs and Values have high dimensions that express our wish to serve our clients with excellence: Our Planet, Our Country, Our Company and Our People.

Code of Conduct

IHARA counts on a Code of Conduct made by the Human Development Department and managers from other areas of the company. It was validated by the Executive Board. When new employees are included the document is presented and all receive it and sign a term stating its awareness. The company also offers e-learning in order to reinforce the understanding of the code of conduct.

ASSOCIATIONS OR ORGANIZATIONS THE COMPANY PARTICIPATES IN

G4-16

- Associação de Defesa Vegetal (ANDEF) (Vegetal Defense Association)
- Grupo Brasileiro de Consultores de Algodão (GBCA) (Brazilian Group of Cotton Consultants)
- Instituto Nacional de Processamento de Embalagens Vazias (INPEV) (National Institute for Empty Packaging Processing)
- Sindicato Nacional da Indústria de Produtos para Defesa Vegetal (SINDIVEG) (National Union for the Industry of Products for Vegetal Defense)
- Herbicide Resistance Action Committee (HRAC)
- Insecticide Resistance Action Committee (IRAC)
- Fungicide Resistance Action Committee (FRAC)
- Associação Brasileira de Normas Técnicas (ABNT) (Brazilian Association for Technical Standards)
- Centro das Indústrias do Estado de São Paulo (CIESP-SP) (Center of Industries in the State of São Paulo)
- Conselho Superior do Agronegócio (COSAG) da Federação das Indústrias do Estado de São Paulo (FIESP) (Superior Counsel of Agrobusiness from Industry Federation of the State of São Paulo)
- Fundação Nacional da Qualidade (FNQ) (National Foundation for Quality)
- International Life Science Institute (ILSI)
- Associação Brasileira das Empresas de Controle Biológico (ABC-Bio) (Brazilian Association of Companies of Biological Control)
- Associação Brasileira de Bataticultores (ABBA) (Brazilian Association of Potato Cultivators)
- Associação Brasileira de Recursos Humanos (ABRH) (Brazilian Association of Human Resources)
- Associação dos Profissionais de Recursos Humanos de Sorocaba (APRH) (Association for the Human Resources Professionals in Sorocaba)

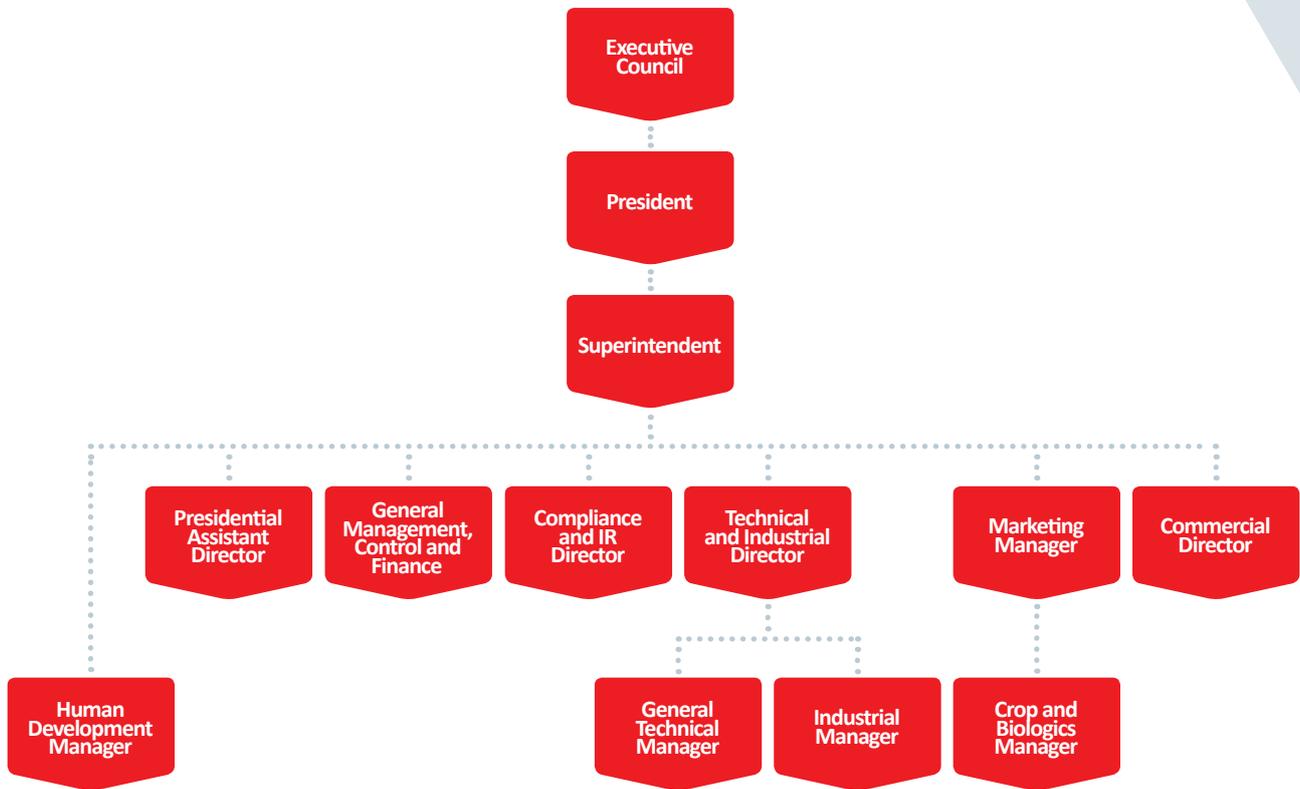




Corporate
GOVERNANCE

ORGANIZATIONAL STRUCTURE

G4-34



IHARA's governance structure is made of General Assembly, Board of Directors, Executive Board, and it is supported by strategic committees. They are formed by the company's directors and main managers, who follow the most important actions and decisions to support IHARA's strategy. Every two years there are elections during the meetings, in order to compose the Board of Directors and the Executive Board.

The General Assembly happens annually to keep associates and society informed. The Board of Directors meets monthly to follow the results. At the end of each year the results of the company are prepared and announced through the annual Economic Balance, and so are all the financial statements that are audited by an outside company.



STRATEGIC COMMITTEES

Strategic Committees:

STRATEGIC PLANNING COMMITTEE: Composed by IHARA directors and managers. Its purpose is to define the strategy to be implemented in order to reach the established goals.

Risk Management Committee:

Integrated by the company's directors and managers. Its objective is to reduce the company's exposure to risks, by identifying and evaluating these risks, as well as defining and taking actions.

Portfolio Management Committee:

Composed by technical directors and managers. It works on the evaluation of future market needs, analysis of the present portfolio and the determination of the products to be developed.

Credit Management Committee:

Integrated by Financial and Credit directors and managers. It aims the decrease of probable clients' default, through the evaluation of the clients' financial standing in order to decide credit availability.

Sustainability Committee:

Formed by directors and managers from different departments in IHARA. Its main objective is to de-

termine, manage the implementation and results of projects and sustainable processes via short, medium and long term actions, considering economic, social and environmental contexts.

Legal Assistance Committee:

Composed by the executive director and managers. Its role is to evaluate the level and quality of the company's assistance to the legislation applying to the business, as well as defining actions and priorities for the full assistance of legal requirements.

Internal Prevention of Work-Related Accidents and Environment Week (SIPATMA) Committee:

Formed by the members of the Internal Accident Prevention Committee (CIPA), employees of the Environment area and other employees referred by IHARA. This committee evaluates and defines the necessary actions to improve the working environment.

Internal Newsletter Committee:

IHARA's main areas representatives attend a meeting bimonthly, where they define the relevant agenda and issues to be published at 'IHARA em Notícia' newsletter. An online version is published for the outside employees and a printed one for the internal employees. The director-president and the superintendent director are part of this committee.





ECONOMIC

Performance

G4-EC1, G4-EC2

The year 2015 was quite peculiar, due to the delicate moment the country was going through, including political and economic speculations and tensions besides the real (Brazilian currency) devaluation when compared to the dollar. Trying to face this unusual scenario in an efficient way, IHARA searched for alternatives that allowed managing costs and keeping the revenue.

This is the Bamboo Project direction. It started after a long study made by different areas with the objective of achieving sustainable result – key word for the company’s business – it generated a list of opportunities in many areas, allowing IHARA to reduce the planned expenditures of the program. Having a strong belief in improvements always being possible, the project will be continued in 2016.

ECONOMIC DIRECT VALUE – GENERATED AND DISTRIBUTED

IHARA uses the demonstration of added value as a management tool. An evaluation index of the wealth generation performance is considered when measuring the company’s efficiency in the production factors usage, by comparing the values of the ins and outs. An evaluation index of the social performance is also considered, as it shows the participation of the employees, the government, financial agents and shareholders, in the distribution of generated wealth.

The added value index shows the effective contribution of IHARA, according to a global vision of performance, for the generation of wealth in the economy it is inserted, as a result of the effort of all its production factors.

The management of IHARA’s index is done periodically, by the senior management. It is done in a timely, always aiming at sustainable results.

Added value statement (%)

Shareholders	10.64
Employees (employees’ payment and benefits)	22.23
Government	23.49
Retained profit	25.25
Interests and rents (operational costs)	18.40

Summary of added value statement (R\$)

Revenue	1,182,910,161.45
Inputs acquired from third parts	857,939,878.86
Gross added value	324,970,282.59
Withholdings	15,858,358.72
Net added value grown by the organization	309,111,923.87
Added value received in transfer	65,492,890.81
Total added value to be distributed	374,604,814.68



Added Value Statement (R\$)

REVENUE	1,182,910,161.45
Sales of goods, products and services	1,186,485,759.84
Provision for doubtful debts	-3,575,598.39
INPUTS ACQUIRED BY THIRD PARTS	857,939,878.86
Used raw material	556,262,811.72
Costs of sold goods and services	196,954,656.11
Materials, energy, outsourced services and others	104,722,411.03
GROSS ADDED VALUE	324,970,282.59
RETENTIONS	15,858,358.72
Depreciation, amortization and depletion	15,858,358.72
NET ADDED VALUE GROWN BY THE ORGANIZATION	309,111,923.87
ADDED VALUE RECEIVED IN TRANSFER	65,492,890.81
Financial revenues	65,492,890.81
TOTAL ADDED VALUE TO BE DISTRIBUTED	374,604,814.68
DISTRIBUTION OF THE ADDED VALUE	374,604,814.68
Personal and charges	83,265,996.85
Taxes, fees and contributions	87,980,225.28
Interests and rents	68,911,818.37
Interest on equity and dividends	39,874,203.48
Retained profits/accounting period loss	94,572,570.70

RISKS AND OPPORTUNITIES CAUSED BY CLIMATE CHANGES

During the last years the main climate risk factor faced by IHARA has been the draught in different regions of the country, associated to credit restriction. Many things had a negative impact on the company's businesses in 2015, such as: the compromise of productivity due to lack of rain, the impact on cash flow of producers, clients' high indebtedness, and credit restriction by some of the banks and suppliers.

As this situation raises the risk of failure to pay, IHARA adopted methods in order to manage this risk, such as credit analysis; evaluation of loss history by region; using of rating to classify every client and establish their credit limits; incentive for barter restructured operations; and farming monitoring.

The increase of the risk may involve more visits to clients, higher costs with traveling and accommodation, hiring more specialized companies for farming monitoring jobs, as well as more expenses with legal fees.





SOCIAL

Performance

INTERNAL PUBLIC

G4-10, G4-EC5, G4-LA1

In 2015 IHARA was once again recognized as one of the best 150 companies to work at in Brazil, as there was an increase in the happiness index at work by its employees – going from 71 to 76.7 last year. This recognition came from People Management Study Program by FIA (Management Institute) and was published by the magazine *Você S/A*.

The company finished 2015 having 662 employees, being 626 of them its own and 36 outsourced. In the first group 598 had a permanent contract to work full time, 2 of them a permanent contract for part-time and 26 of them a temporary contract for a part-time job. In the second group 1 of them had a temporary contract for full time and 35 of them a permanent contract for a full time job.

Among its own employees there are 501 men and 125 women, from 26 to 35 years old, in the Southeast area. They occupy the positions of salespeople, analysts, consultants, technicians, researchers and operational positions.

Employees working hours

Working hours		Men	Women		Total
Full time	own	486	112		598
	outsourced	23	13		36
					662
Part time	own	15	13		28
	outsourced	0	0		0

Employees work contract

Work contract		Men	Women		Total
Permanent	own	486	114		600
	outsourced	23	13		36
					662
Temporary	own	15	11		26
	outsourced	0	0		0

Employees by age group

Full Time		
Own	Permanent Contract	Temporary Contract
Up to 25 years old	42	0
From 26 to 35 years old	367	0
From 36 to 45 years old	143	0
Older than 45 years old	46	0
Total	598	0
Outsourced		
Own	Permanent Contract	Temporary Contract
Up to 25 years old	2	0
From 26 to 35 years old	32	1
From 36 to 45 years old	0	0
Older than 45 years old	1	0
Total	35	1
Part-Time		
Own	Permanent Contract	Temporary Contract
Up to 25 years old	0	17
From 26 to 35 years old	1	8
From 36 to 45 years old	1	1
Older than 45 years old	0	0
Total	2	26

Employees by area

Full Time		
Own	Permanent Contract	Temporary Contract
South	47	0
Southeast	481	0
Northeast	24	0
Central-West	43	0
North	3	0
Total	598	0
Outsourced *		
Own	Permanent Contract	Temporary Contract
Southeast	35	1
Total	35	1
Part time		
Own	Permanent Contract	Temporary Contract
Southeast	2	26
Total	2	26

* Regardless of where they live, the outsourced employees are contracted by the headquarters, in Sorocaba (SP).

Own Employees by work category

Full Time	
Directors	6
Salespeople/analysts/consultants/ technicians/researchers	248
Managers/supervisors	91
Operational	281
Total	626

About turn over - IHARA hired 167 employees in 2015 (136 men and 31 women), most of them from 26 to 35 years old, and 139 were dismissed (112 men and 27 women).



Employees contracted by genre, age group, area and type of contract

	Permanent contract		Fixed term contract	
	Quantity of hired people	Participation (%)	Quantity of hired people	Participation (%)
GENRE				
Masculine	109	81.65	27	71.05
Feminine	20	18.35	11	28.95
Total	129	100.00	38	100.00
AGE GROUP				
Younger than 25 years old	21	16.28	25	65.79
From 26 to 35 years old	76	58.91	11	28.95
From 36 to 45 years old	26	20.16	2	5.26
Older than 45 years old	6	4.65	0	0.00
Total	129	100.00	38	100.00
AREA				
Southeast (Sorocaba – SP)	129	100.00	38	100.00
Total	129	100.00	38	100.00

Employees dismissed – by genre, age group, area and type of contract

	Permanent contract		Fixed-term contract	
	Quantity of dismissed people	Participation (%)	Quantity of dismissed people	Participation (%)
GENRE				
Masculine	105	83.00	7	58.00
Feminine	22	17.00	5	42.00
Total	127	100.00	12	100.00
AGE GROUP				
Younger than 25 years old	12	9.45	11	91.67
From 26 to 35 years old	85	66.93	1	8.33
From 36 to 45 years old	18	14.17	0	0.00
Older than 45 years old	12	9.45	0	0.00
Total	127	100.00	12	100.00
AREA				
Southeast (Sorocaba – SP)	127	100.00	12	100.00
Total	127	100.00	12	100.00

DIVERSITY

G4-LA12

Diversity is an essential topic for IHARA, who respects differences and aims to reduce inequality – being this topic in its Code of Conduct. Besides making available job opportunities in an equitable way, the company makes an effort in order to integrate employees with special needs, respecting their limitations, but not treating them differently from the other employees.

With this perspective in mind, IHARA keeps the PCD program (People with Special Needs), an action of inclusion for professionals with special needs. It started in 2014 and was built in phases – it is still under development. The first phase trained managers and employees to work with people with special needs, and then areas and positions at work were identified so as to be occupied by those people.

It was noticed that there was the need of skilled labor in this segment, so IHARA established partnership with SENAI (a national industrial learning center) to make these people able to work. The first group had 20 students with special needs and they started their studies to be Storeroom Technicians at the beginning of 2015, lasting 18 months. All the classes and activities had a psych pedagogic follow-up and a sign language interpreter. The students had the opportunity to visit IHARA's plant and its Distribution Center, where they watched presentations about logistics and storeroom, their theories and practices. The project is on-going and having success.

Among the groups responsible for the governance of the company, 52.63% of the employees are above 50 years old and 47.37% between 30 and 50 years old. As for the genre, 94.74% of the employees of this group are men, and 5.26% are women.

Employees part of the corporate governance, by age group and genre

	Board of Directors	Directors	General Management	Management	Total	Participation (%)
Quantity of employees	9	6	2	2	19	100.00
AGE GROUP						
Under 30 years old	0	0	0	0	0	0.00
Between 30 and 50 years old	2	3	2	2	9	47.37
Over 50 years old	7	3	0	0	10	52.63
GENRE						
Masculine	9	6	2	1	18	94.74
Feminine	0	0	0	1	1	5.26

Diversity Index, by work category

Work Category	Directors	Board	Managers	Supervisors, coordinators and officers	Analysts	Operational	Total	Participation (%)
Quantity of employees	6	9	45	46	53	467	626	100.00
AGE GROUP								
Over 50 years old	3	9	6	3	0	32	53	8.00
Between 30 and 50 years old	3	0	24	23	17	82	149	24.00
Under 30 years old	0	0	15	20	36	353	424	68.00
GENRE								
Masculine	6	9	39	34	33	383	504	80.00
Feminine	0	0	6	12	20	84	122	20.00
BLACK								
Masculine	0	0	0	0	0	8	8	1.00
Feminine	0	0	0	0	0	2	2	0.30
PEOPLE WITH SPECIAL NEEDS								
Masculine	0	0	0	1	0	13	14	2.00
Feminine	0	0	0	0	0	11	11	2.00

All IHARA's employees have their work contract according to the CLT system (Consolidated Labor Laws). The lowest salary in proportion to the minimum wage is 1.54, for both men and women.

Proportion between minimum wage and the minimum salary offered by the company

Minimum salary offered by the company, for both genres	R\$ 1,250.00
Minimum salary in local currency established by the government on December 31	R\$ 810.00
Proportion between the minimum salary offered by the company, for both genres, and the minimum salary	1.54

CAREER TRAINING AND DEVELOPMENT

G4-LA9, G4-LA11

All IHARA's employees are trained – since basic training to perform their function, up to technical ability and necessary behavior to reach the organizational targets and professional development. Thus, together with mandatory trainings on regulatory norms, courses are offered – on communication, management and leadership, coaching services and qualification in interpersonal behavior.

In 2015 the company directed its Annual Training Plan (PAT) to the technical training of its employees and leadership development. For sales force the focus were the technical trainings, and for operational teams, mandatory trainings and technical training in industrial automation were offered. The main points of the year were the technical programs on sales, organizational excellence, internal customer service, assertive leadership, quality tools, HSM Management, HSM Strategic Management for Sales Forum, HSM Negotiation Forum, HSM Leadership Management Forum, realistic feedbacks, cultures, media training and statistics applied to agricultural tests. IHARA also has an online platform exclusive for employees, in which it offers seven courses, three of which started last year.

The highlight of the 2015 trainings was the participation of seven IHARA employees, including leaders, in courses at Sumitomo Corporation, in Japan. This way those responsible for the Human Development Department, the Registration Office and Controllershship could improve on techniques and contents, besides learning new ideas to improve the company processes and projects.

Of all the trainings accomplished last year, 75% were about technical qualification; 17% were aimed at leadership and behavioral training; 5% were mandatory trainings; and 3% were aimed at language learning and graduation and post-graduation degrees. IHARA's investment in trainings, in 2015, was around R\$ 1 million.

Trained employees and training work load, by work category

Work Category	Trained employees	Training work load	Average of training hours for each employee
Directors	6	334.50	55.75
Managers	52	5,477.50	105.34
Executives	331	31,125.00	94.03
Operational	269	19,782.00	73.54
Interns	59	753.00	12.76
Apprentices	33	52.50	1.59
Total	750 *	57,524.50	343.01

* The total number of employees exceeds the one informed in G4-10 index, because here the trainings along the year were considered, thus the quantity of employees may vary in this period due to dismissals and hires.

Trained employees and training work load, by genre

Genre	Trained employees	Training work load	Average of training workload for each employee
Masculine	626	47,015.00	75.10
Feminine	143	113,890.00	796.43
Total	769 *	160,905.00	871.53

* The total number of employees exceeds the one informed in G4-10 index, because here the trainings along the year were considered, thus the quantity of employees may vary in this period due to dismissals and hires.

In order to subsidize their career development, all IHARA's employees receive regular development analysis, by a process created and designed by the Human Development Department. Consequently, all have IHARA Development Evaluation (ADI) and receive feedback reports and processes made by their managers, including essential and specific competences evaluation. After this procedure, the Human Development Department studies them to identify the main diversions, up or down, as for the competences expected by the organization.

in the Human Development Department, the Benefits area has periodic market analysis and comparisons to guarantee benefits aligned to the market, or even to the greater ones.

For employees who are about to retire, trusting the company and the working relations quality are improved by the awareness that they will have support during this transition. IHARA keeps a retirement policy that, besides guaranteeing earned benefits, as health insurance and/or medical assistance, it contemplates others, such as legal assistance and coaching. The company also offers a private pension plan which is very attractive and today anticipates retirement at 55 years old, age lower than required by the Social Security National Institute (INSS). The company offers a communication channel as well as support to employees who are over 48 years old, so they can be prepared for their retirement with a well-structured financial plan.

BENEFITS

G4-LA2, G4-LA10

IHARA keeps a benefits policy that includes a retention plan and market differential, aiming to attend the employees and their dependents needs. Inserted

Benefits offered, by type of contract and workload

Benefits	Full time employees	Temporary or part-time employees
Life insurance	✓	✓
Medical Assistance	✓	✓
Disability insurance and disability coverage	✓	✓
Parental leave	✓	✓
Pension plans	✓	x
Health insurance	✓	x
Dental Assistance	✓	✓
Dental Care Grant	✓	✓
Funeral allowance	✓	✓
Daycare assistance	✓	✓

HEALTH AND SAFETY

G4-LA6

IHARA values the guarantee of health and safety to the employees while performing their activities. For that it invests continuously with the purpose of improving the identification and monitoring of risk mechanisms. It also makes employees aware of them, which results in a better working environment.

This way, in 2015 the company has not had any register of occupational disease nor death. It has noticed a considerable decrease in accident rates – which went from 10.48 (2014) to 2.40 – for severity rate – reduced from 155.41 (2014) to 32.02; and in absenteeism – which went from 2.3 (2014) to 1.24.

Health and Safety rate

	Full Time	
	2014	2015
Accident rate	10.48	2.40
Occupational diseases	0.00	0.00
Severity rate	155.41	32.02
Absenteeism	2.30	1.24
Death	0.00	0.00

1200 MILES FOR SAFETY PROGRAM

Aiming at establishing a pro-active prevention culture among all IHARA's employees, the 1200 Miles for Safety Program mobilizes concepts from the Performance Matrix, related to health, safety and environment in a healthy and exciting competition, that goes on for 12 months. The performance measured is transformed in miles for the program, and at the end of the campaign there is a review of the criteria used, focusing on continuous improvement, and proposing new challenges. Every quarter a champion team is polled, and they are awarded during a special event. This program has already allowed the introduction of relevant tools for accident prevention at the company.

The 1200 Miles for Safety program has seven preventive tools, with the objective of guaranteeing continuous improvement in health, safety and environment. One of them is the Safety Dialogue, which is a brief daily meeting, at the start of the shift, with the whole team, aiming at calling attention of the employees to start the day in a safe way. Another one is 'Lesson From To': a document made by the team, showing the wrong way and the right way of a certain task. There is also the 5S Program, which establishes the five senses (use, organization, cleansing, health and self-discipline) to keep a safe attitude, having trainings and monthly auditing, which result in a plan of action for the detected diversions.



The Near-Accident Management also works this way, with entries, at the point out forms, events that don't result in lesions or loss, but must be analyzed in order to avoid reoccurrence or loss. The Cross-Inspection is a systematic inspection done by visits of the team leader in another area. During these visits they observe the employees' behavior, the usage of safety device, the filling out of the check-list of the equipment, availability of procedures in the area, etc. At the end they create a plan of action for the diversions and grade the area.

Finally, the Pointing Out Management allows the follow-up of a number of risk situations. It starts with the filling out of a form, a specific tool for the safety area that allows all the company to register

situations that represent risk and must be treated in order to avoid accidents. The form is validated by the manager of the area in which the situation is presented and then sent to the Occupational Safety area. This area registers the situation in a specific sheet and manages it with the responsible, following up the actions taken within a deadline established according to priority levels. For high priority situations immediate mitigation measures must be taken. The area manager is the responsible for the measures taken, and it counts on the support of other areas. The process is finished with a monthly presentation of the results, in which representatives of the Board, Management, Supervisors and CIPA (Internal Accident Prevention Committee) members participate.

HEALTH AND SAFETY CAMPAIGNS

In 2015 IHARA had four campaigns focused on its employees' health:

- **HEALTH CAMPAIGN**

During the Internal Preventions of Accidents and Work and to the Environment Week (SIPATMA), the employees watched a presentation by Unimed on Medline – a tool in medical assistance via toll free calls which offers guidance in order to avoid hospital travel with no need. The service is done by nurses, doctors and specialists, according to severity. Besides that, the employees receive a gift, explanatory e-mail marketing, as well as a comic book that shows how to use Medline.

- **VACCINATION CAMPAIGN**

As in previous years, in 2015 IHARA promoted a vaccination campaign against cold, offering free vaccination to employees and their dependents at cost price. This initiative shows how concerned the company is with the well-being of its employees and their families. At total 500 people were vaccinated.

- **ERGONOMICS CAMPAIGN**

Focused on improving posture and ergonomics of the employees during their work, the campaign included sectorial lectures and distribution of educational material for the prevention and treatment of musculoskeletal diseases. There were adhesives teaching about posture glued in all the desks and fliers with stretching, joint mobilization and strengthening instructions distributed. For the outsourced workers they sent an informative e-mail about how to keep a good posture when driving, besides working, made by IHARA's physiotherapist.

- **CAMPAIGN STEP TO HEALTH**

An action that involved materials in walls, e-mail marketing and messages sent by cell phones to the employees – all about tips and quick orientation on medicine, physiotherapy and nutrition. The campaign included more than seven thousand SMS sent on Fridays at 11 o'clock. They were about physical activity and avoiding excess of foods and drinks on weekends.

SUPPLIERS

G4-12, G4-HR5, G4-HR6, G4-HR10, G4-EN32

Having 1,926 suppliers working, in 2015 IHARA invested more than R\$500 million with this public.

The company's purchasing policy forbids acquiring products or services from suppliers who make use of child labor or inhumane conditions. Respecting human rights is a vital part of the company's beliefs and values, so IHARA includes a standard clause about these situations in its supply agreements. If it is proved that a supplier is involved in any of them, the relationship with the company is broken. In 2015 no operation or supplier was found as a relevant risk considering child labor, enforced or similar to slave labor.

The purchase order – a formal agreement between IHARA and its suppliers – includes a clause on legal regulations applied to the services execution, especially those arising by the Ministry of Labor, state and municipal offices, as well as each and every regulation on labor and safety, and on labor medicine.

IHARA also has audits on environment, health, safety and quality, performed in its suppliers. In 2015 the approval procedure was expanded, reaching suppliers other than those of raw material and packaging – the ones considered vital to the company. So, 25 suppliers already working with the company and 6 new ones went through this procedure, even if some of the new ones weren't certified because the procedure wasn't finished in the same year. The system for input suppliers includes a test on material, submission of documents and auditing. All the ones approved in this test, answer a questionnaire to the Integrated Management System at IHARA-IMP-370, which is about topics related to the approval procedure for suppliers, with submission of documents and, finally, on-site audit.

ACTIONS WITH CLIENTS AND SOCIETY

G4-S01

In 2015 IHARA did many projects with its stakeholders, especially for clients and society. Such projects show its corporate responsibility when working with relevant matters to society, such as water consumption, effluent generation, intoxication by agricultural pesticides and deforestation.

Installation of artesian wells

The project for the installation of artesian wells in the semi-arid northeast happened when celebrating IHARA 50th anniversary. Its aim was to bring benefits to communities who had extreme lack of water.

In order to choose the areas to have the benefit, IHARA considered data such as the amount of tank trucks sent, substantial pasture (common area for pasture in the community), amount of residences and absence of a near well. It is about communities whose main income is subsistence agriculture and farming small herds.

The project delivered 50 new wells – drilled and installed – in 2015, in areas of Bahia (Juazeiro and Sobradinho), Pernambuco (Cabrobó, Afrânio and Petrolina) and Rio Grande do Norte (Messias Targino). It reached its main goal by benefiting 313 families in the semi-arid area of the northeast, who have been facing lack of rain for four years.

IHARA Concerts

The project IHARA Concerts was made to take great musical shows to the countryside of the country, value the Brazilian culture and celebrate the company's 50th anniversary. It took place in five cities of the country – Campo Mourão (PR), Santa Maria (RS), Três Pontas (MG), Sorriso (MT) and Luiz Eduardo Magalhães (BA). It mixed local attractions and famous artists as Zezé Di Camargo & Luciano and Sá & Guarabyra, having concerts open to the public.

Theater Shows

The comedy 'Brothers are Brothers...Business is Business' was sponsored by IHARA through Rouanet Law. The story focused on the differences between the country and the city, using a good humored language. São Paulo, Ribeirão Preto (SP), Varginha (MG) and Atibaia (SP) were the chosen places for the presentations. The final figures of this initiative were quite positive, as 6,220 people saw this play – including clients, paying audience and half-price admissions, in a total of 27 presentations, having an average of 230 people in the audience in each one (a high number for theater).

Running and Walking Circuit

In 2015 IHARA sponsored the fourth phase of the Running and Walking Circuit, which took place in Sorocaba. This sports event gathered hundreds of professional and amateur athletes – including the company's employees, who were in the walking (3km) and running (5 km and 10 km). This action shows the importance IHARA gives to sports and the practice of physical activities, which bring lots of health benefits.



Cultivada

The program called Cultivada is dedicated to spread the correct usage of agricultural pesticides. Its aim is to reduce and eliminate the intoxication cases and occupational accidents related to these products in Brazil.

It started in 2012 and every year it chooses areas to act on, in the national territory, considering those that are needier of information on the topic. Besides guiding farmers in the chosen areas, for the correct usage of agricultural pesticides (appropriate dosage, protection equipment usage, etc), the program promotes, together with UNICAMP (State University in Campinas), the qualification for professionals from SUS (public health system) – locally, regionally and in the state, for the implementation of the Health Monitoring Program for Populations Exposed to Agricultural Pesticides. Those who help are professionals with experience in clinical and analytical toxicology.

Program 7

IHARA also has the Program 7, that has the following objectives:

- 1 - Qualify the team;
- 2 - Build the portfolio in a sustainable way
- 3 - Promote the obtained results;
- 4 - Ensure profitability;
- 5 - Enable short term goals;
- 6 - Build IHARA's product value;
- 7 - Create foundations for the 7% of IHARA's market share in 2020.

Through Program 7, the sales technical team at IHARA shows the efficiency of its products, focusing on the appropriate technical usage and sustainable growth of the portfolio.

Agreement with the Planet

Agreement with the Planet takes place annually during commercial events. Its aim is to engage farmers in the compensation of the impacts caused by their habits and emissions, through planting trees, besides promoting environmental education. IHARA calculates the emissions and distributes seedlings or seeds to be planted.

This project allows the engagement of clients in recovering and conserving areas that must be preserved, besides improving environmental conditions in search of better productivity.

Regions where the Cultivada Program took place



IHARA's Sustainability Program

IHARA's Sustainability Program is customer-oriented and aims at engaging this public in the adoption of sustainable projects (environmentally, socially or economically speaking), by offering an award to those who are more aligned to the model of making business the company follows.

In 2015 IHARA focused the program in a specific clients sector, aiming more engagement. The awards for the winning projects were given during Taiô Event. There they introduced sustainability concepts and some of

the company's internal projects, highlighting the benefits they can bring to organizations.

The winning projects in 2015 were:

- 1st place: Bioenergy Project, Coopercitrus;
- 2nd place: Innovating to Win – Organization of areas for the production of sugar cane, Cooperativa dos Plantadores de Cana do Estado de São Paulo (Cooperative of Sugar Cane Planters in the State of São Paulo);
- 3rd place: Application of Pulverizers Technology Project, Agro Amazônia.

Projects supported by incentive laws

Incentive Law	Organization	Project	Description
Federal Law of Incentive to Culture	Marolo Produções	IHARA Concerts	Musical Project that took place in 5 cities in the countryside of Brazil
	(Campo Mourão, Santa Maria, Três Pontas, Sorriso e Luis Eduardo Magalhães)	Projeto Anual da Suábio-Brasileira	Promoção de ações socioculturais com o objetivo de promover de preservar a história da imigração.
	Swabian-Brazilian Cultural Foundation-Guarapuava (PR)	Swabian-Brazilian Annual Project	Development of sociocultural actions aiming at promoting the preservation of the history of immigration.
	Association of Residents in Castrolanda - Castro (PR)	Castrolanda Cultural Center Annual Plan	Acquisition of equipment for the History Museum of Castrolanda.
National Program to Support Health Assistance to People with Special Needs	Pro-Sports- Ribeirão Preto (SP)	Overcoming	Offer of sports activities for people with special needs as a way to promote social inclusion.
	Association of Parents and Friends of People with Intellectual Disability (APAE)- Três Pontas (MG)	Looking at the Future	Modernization of the service area, including equipment, information system and materials.
	APAE- Pará de Minas (MG)	Technological Innovation for Services	Acquisition of new equipment for training and multidisciplinary activities.
Dental Assistance National Program	Cancer Hospital- Cascavel (PR)	Innovation of the Surgical Center	Acquisition of equipment for surgery when treating cancer.
	Cancer Institute – Londrina (PR)	Humanization of the Cancer Hospital in Londrina – HCL 50th Anniversary	Qualification of employees, including trainings focused on humanization of care of patients who have cancer.
	Santa Casa de Misericórdia- Campo Mourão (PR)	Innovation of the Surgical Center	Acquisition of equipment for surgeries in cancer treatment.
Elder Law	Food Bank- Porto Alegre (RS)	Life Quality through Nutrition	Health support for the elderly through a broad nutritional diagnosis.
	Associação Cultural e Beneficente Nova Lourdes (Cultural and Beneficent Home for the Elderly)- Maringá (PR)	Active Life for the Sheltered Elderly	Insertion of life quality for the elderly sheltered in the institution, through physical and recreational activities, aiming the development of cognitive functions.
Municipal Foundation for Children and Teens	APAE- Silvéria (GO)	Acquisition of Chairs	Purchase of chairs and tables to have activities at APAE.
	Cultural Center Ilo José Webber -Coxilha (RS)	Living Project	Maintaining the activities of the foundation which takes care of children and teens.
	Association for Rehabilitation in the North of Paraná (ANPR)- Maringá (PR)	Plan of Activities ANPR	Maintaining activities of the foundation which takes care of children and teens with special needs.
	Association of Friends of People with Special Needs (AMDE)- Sorocaba (SP)	Citizens with Autism Disorder	Specialized services for children and teens with autism spectrum disorder(ASD).
Sports Incentive Law	Cooperative Work Society for Sports Athletes and Professionals	Night Run Twist- Sorocaba	Street race in Sorocaba (SP), March 2016.





ENVIRONMENTAL

Performance

G4-14, G4-22, G4-EN12

For years IHARA has been working in the establishment of new projects focused on the environment protection, reduction of the consumption of natural resources and mitigation in environmental impacts.

At the end of 2012 the company opened a new Effluent and Rainwater Treatment Station for reuse of 100% of the treated effluents. Since then IHARA hasn't discarded effluents in hydric bodies and the treatment procedures have been improved.

In order to mitigate environmental impacts which are bad for the fauna and flora of the region and caused by the absence of protection in the nature areas, the company keeps its own 46.6 ha of Legal Reserve and 24.8 ha of Permanent Protection Area (PPA), guaranteeing the protection of many species of the nature fauna and flora.

In 2015 IHARA improved the methods of measures of its Environment and Sustainability department which were supervised by the Corporate Planning department. They established targets for the reduction of water consumption, energy consumption, waste generation, and implementation of new projects aimed at sustainability.

ENERGY

G4-22, G4-EN3

IHARA has invested in the optimization of the energy usage in its activities. Thus, in 2015 the company revised all the electrical connectors in its facilities and invested in the installation of consumption meter. In 2016 this will allow the measurement of energy consumption in each sector, the identification of the greatest consumers and the creation of a plan of action, especially projects for the reduction of consumption in areas of the plant where they may be more relevant.

The energy consumed at IHARA comes from electricity and non-renewable sources – such as the burning of diesel oil and natural gas. The company's consumption in 2015 was 6 thousand liters of diesel oil, 358,657.00 m³ of natural gas and 7,230.93 MWh of electricity.

When compared to 2014 IHARA shows a significant reduction in energy consumption in the last year.

Consumed energy, by source

	2014	2015
Non-renewable sources		
Diesel oil(l)	22,800.00	6,000.00
Natural gas (m ³)	684,472.00	358,657.00
Electricity		
Electricity (MWh)	9,230.72	7,230.93

EMISSIONS

G4-EN15, G4-EN16, G4-EN17

In 2015 IHARA compiled its inventory on greenhouse effect gas emissions for the sixth time. It was based on the GHG Protocol approach, emphasizing the Brazilian Specifications in it.

In the search of emission reduction, the company worked hard, in 2015, in its logistics management, doing many internal jobs to optimize the shipping of finished products. Another important action involved the management of residues, which resulted in a significant reduction of waste by IHARA, in almost all categories.

About direct emissions (Scope 1), the company showed the same results in 2014 and 2015, that is, 4,301.20 t CO₂e, distributed in CO₂, CH₄, N₂O and HFCs.

Direct emissions of greenhouse effect gases (Scope 1)

	2014	2015
CO ₂	4,129.97	4,129.97
CH ₄	37.04	37.04
N ₂ O	98.29	98.29
HFCs	35.90	35.90
Total	4,301.20 (t CO₂e)	4,301.20 (t CO₂e)
Biogenic emissions	2,024.83 (t CO₂e)	2,024.83 (t CO₂e)

About indirect emissions (Scope 2) there was a significant reduction last year, going from 2,123.7 t CO₂e to 911.05 t CO₂e – a decrease of about 57%. This result is due to internal work on the reduction of energy consumption and the increase in production of finished products that need less electrical energy consumption in its formulation.

Indirect emissions of greenhouse effect gases (Scope 2)

	2014	2015
CO ₂	2,123.7 (t CO ₂ e)	911.05 (t CO ₂ e)

Finally, other indirect emissions (Scope 3) showed increase, when comparing to data reported in 2014. This occurred because significant data wasn't taken into consideration that year – as the purchase of imported active ingredients. Besides that, the result was impacted by the relevant increase in the number of trips taken by the employees due to the great amount of trainings.

It is important to highlight that IHARA achieved good results in all the other categories – having its emissions reduced by reduction of shipping for finished products and residue management.

Other indirect emissions of greenhouse effect gas (Scope 3)

	2014 (t CO ₂ e)	2015 (t CO ₂ e)
Category 4 Transport of inputs	644.33	526.00
Category 4 Transport of imported inputs	13,147.64	374,418.20
Category 4 Transport of finished products	7,519.85	6,575.60
Category 5 Residues generated during the operation	265.06	180.40
Category 6 Business trips	1,281.54	1,238.00
Category 7 Transport for employees	721.88	716.70
Total	23,580.30	383,655.00

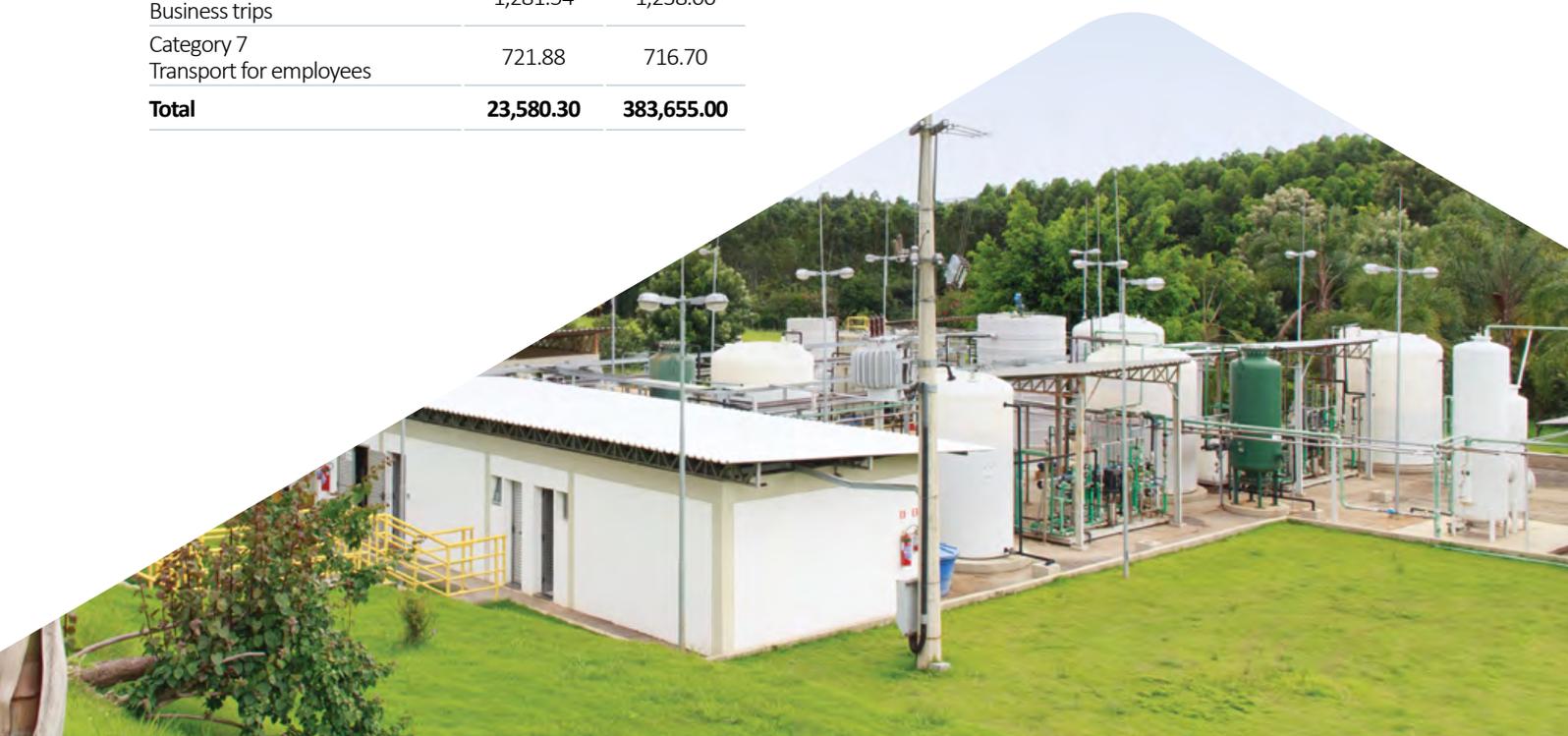
WATER

G4-22, G4-EN8, G4-EN10, G4-EN22

IHARA manages the water consumption, according to the source. Water coming from public network, water from underground source or reuse water, are controlled by weekly water meter reading, which are formally recorded. This allows the identification of consumption increase and investigation of its causes. The surface water consumption is based on a calculation that considers nominal capacity of the water pumps and their operating time.

In 2015 the company improved on the monitoring procedures, in order to identify the increase in water consumption or leaks, faster. Besides, it created and implemented a project on consumption reduction in plants of concentrated suspension products (flowables), applying improvements in the decontamination procedures.

IHARA's highest water consumption is surface water collection, used for irrigation: in 2015 it was around 369,600 m³. Therefore, the company started to invest in reuse water, developing studies on that. One example is the irrigation project at the Research and Gardening Center, with treated sanitary effluent. It implied parameters of adjustment and the need of physical adjustments. The project is in progress and must benefit the company with the production of an average of 35 m³ of reuse water per day.



Water withdrawal by source (m³)

	2014	2015
Surface Water	-	369,600.00
Underground Water*	66,439.44	42,443.49
Municipal supply ** or other water services	7,877.13	5,343.00
Total	74,316.57	417,386.49

* The underground water consumption reported in the 2014 Sustainability Report (50,421.1 m³) is different than what is shown here. This is due to the two months when there was no consumption metering. Instead of estimating a number for this period, the previous report was done as if there hadn't been consumption those months. This year an average consumption was included for the months mentioned.

** The consumption of the water coming from municipal supply reported in the 2014 Sustainability Report (6,784.4 m³) is different than the one here shown. This is because the number reported in 2014, differently than this report, was collected from water internal readings and not from the water bills which bring the official information.

In 2015 the total of the water withdrawn by the company was 417,386.49 m³, a number higher than that registered the previous year. This is due to the surface water consumption not being included in the 2014 Sustainability Report because there was no meter installed in the area. For the report this year we've estimated a consumption of 369,600 m³, from calculation based on the water pumps operation.

Discharged Effluent, by type

Effluent types	Destination	2014	2015
Industrial effluent (m ³) *	Internal Treatment	-	8,594.48
Reverse osmosis reject (t)	External Treatment	5,187.92	5,164.48
Saline solution (t)	External Treatment	3,416.35	1,858.83
Liquid waste of low contamination (t)	Co-processing	1,188.84	906.89
Total		9,793.11	16,524.68

* In 2014 the discharge of industrial effluents wasn't metered. In 2014 the average of 60 m³/day was considered.

¹ Basis for estimated calculation on surface water withdrawal: 2 pumps were taken into consideration: two pumps with capacity of 60m³/h + 1 pump with capacity of 50m³/h + 3 pumps with capacity of 10m³/h, that is, total capacity of 200 m³/h. If we consider the worst scenario (hot and dry), we estimate the use of 7 daily hours of irrigation, generating thus an equation of 200(m³/h) X 7(h) X 22(working days) X 12(months), getting to 369,600m³/year. IHARA has two grants of surface collection, making a total of 1,557,002.4 m³/year.

About water reuse – in 2015, 3,179.99 m³ of water was reused or recycled. This represents 0.76% of total consumption in the year.

Wastewater discharge

IHARA manages water and effluents by water metering, flow meter and monitoring spreadsheets or indicators. In 2015 the company recorded lower generation of all effluents, comparing to 2014.

In this area we highlight a significant reduction of the destiny of industrial effluents (decontamination of plants and liquids) for external treatment. Through improvements in the internal treatment procedure, IHARA expanded the treated volume and it became reuse water for boilers and cooling towers.



MATERIALS AND WASTE MANAGEMENT

G4-EN1, G4-EN23

IHARA purchases raw material and packaging through a system, according to production demand. The company has been working to increase the amount of recycled packaging in the filling process of its finished products.

In 2015 the company consumed 9,722.54 t of non-renewable materials – a decrease of 1,800.05 t comparing to the previous year.

About packaging, in 2015 IHARA also had a decrease in consumption comparing to the previous year: a decrease of 420,041 units of non-renewable packaging and 84,359 renewable units.

IHARA manages waste resulted from control spreadsheets and indicators, having them all issued by type and destination. In 2015 the company discharged 10,946.96 t of waste. The discharge was reduced in all categories, except for the organic waste, inert packaging, domestic waste (bathrooms, restaurants and offices) and dump.

Of all the discharged waste from last year approximately 70% was destined to the physicochemical and biological treatment; 12.1% co-processing (energy recycling); and 10.5% of recycling and recovery of clean waste. The others, less relevant ones, were discharged by the following methods: recycling and recovery of dangerous waste; Class I landfill of outsources; Class II landfill of outsources; incineration; internal composting; and autoclave. The main discharged material was the effluents, representing 7,657.71 t.

Some notes about the different types of discharged effluents in 2015 must be considered. Taking into account that the reverse osmosis reject, waste generated in the effluent treatment procedure, is related to the quantity and quality of the effluents treated internally, in 2015 less effluents were generated than in 2014, and with lower contamination. About the saline solution the lower generation of effluent is due to operational stops at the plant/generating procedure, at the beginning of August of last year. As for the liquid waste of low contamination destined to co-processing – it was lowered thank to improvement work in decontamination procedures. This aims the generation of less effluents and internal treatment for a great quantity of them, which brings to cost reduction and environment benefit, as the effluents treated internally are reused. Finally, about the industrial effluents, we couldn't compare those of the last two years, because in 2014 its generation was not measured as it is now.

Discharged waste, by waste type and disposal method

Waste type	Disposal Method	Quantity (t)	
		2014	2015
Contaminated packaging, asbestos tiles, among others.	Class I landfill of outsources	308.23	216.99
Solid waste, domestic waste and dump	Class II landfill of outsources	116.96	145.19
Ambulatory Waste	Ambulatory waste autoclave	0.02	0.01
Organic Waste	Internal composting of organic waste	3.00	7.31
Sludge from effluents treatment station, effluents (solvents), complementary packaging and synthetic organic waste (ROS)	Co-processing (energy recycling)	1,586.28	1,320.67
Dangerous waste and from agricultural pesticides	Incineration of industrial waste	84.84	22.19
Bulbs, barrels, containers and packaging	Recycling and recovery of dangerous waste	472.51	430.30
Paper, plastic, metal and wood	Recycling and recovery of clean waste	1,477.18	1,146.17
Effluents (rejection of osmosis, saline solution, sanitation)	Physical-chemical and biological treatment	10,244.42	7,657.71
Total		14,293.44	10,946.54





PRODUCTS

and services

G4-EN12, G4-PR1, G4-PR3

IHARA is responsible not only for taking solutions to farmers – its final consumer – but also offering services that will help them to obtain better productivity, having the best quality possible, in a sustainable way. In order to do that it has a portfolio with 69 products, for different agricultural crops and pest control of economic importance – fungicides, herbicides, insecticides, growth regulators for plants and adjuvants.

In 2015 the company submitted 19 new products to register evaluation: 8 insecticides, 4 herbicides, 2 fungicides, 2 adjuvants, 2 biologicals and 1 growth regulator. IHARA's own technology team developed the formulation and all of them were technically evaluated for pest control, weed and diseases, as well as those tested aiming at having less impact on human health and the environment.

All IHARA's products have label and instructions according to legal requirements. They have information on their correct usage and on health protection as well as on environment. They are dully approved by competent authorities of the Ministry of Agriculture, Livestock and Supply; Ministry of Health and Environment, as provided under Decree n. 4.074, from January 4, 2002 (items 43 to 50). The company has an internal committee of packaging that is responsible for changing the labeling to follow the legal requirements.

All the products marketed by the company have in their labels information on active ingredients and their indicators of environmental danger, as well as their toxicity to health, as provided under Decree n. 4.074 (item 49). The labels and instructions of products with IHARA'S registration are under the company's responsibility.

IHARA's products also have in their labels and instructions the procedure for return and final destination of products unfit for use. The final destination of empty packages is managed by the National Institute of Empty Packaging (INPEV), which collects and finds the final destination of packaging that is returned by the farmers at the station or the packaging center, as provided under Decree n. 4074 (section II).





Indicator	Description	Remarks	Report page
STRATEGY AND ANALYSIS			
G4-1	Statement from the most senior decision maker of the organization		4, 5
G4-2	Description of key impacts, risks, and opportunities		4, 5
ORGANIZATIONAL PROFILE			
G4-3	Name of the organization		11
G4-4	Primary brands, products, and/or services		11
G4-5	Location of organization's headquarters		11
G4-6	Number of countries where the organization operates		11
G4-7	Nature of ownership and legal form		11
G4-8	Markets served		11
G4-9	Scale of the reporting organization		11, 19
G4-10	Total number of employees		26
G4-11	Percentage of all employees covered by collective bargaining agreements	627 employees were included in collective negotiation. This number represents a total of 99.2%.	
G4-12	Describe the organization's supply chain		33
G4-13	Significant changes during the reporting period	There was no change of address/location, opening or closing company and/or expansion of operational units. There was adjustment in capital stock (an increase)	
G4-14	Precautionary approach or principle		37
G4-15	Externally developed social charters, principles, or other initiatives to which the organization subscribes or which it endorses	There is no initiative about that.	
G4-16	Memberships of associations and/or organizations		15
MATERIAL ASPECTS AND BOUNDARIES			
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	IHARA does not have entities or subsidiaries.	
G4-18	Process for defining the report content and the Aspect Boundaries		8
G4-19	List all the material Aspects identified in the process for defining report content		8
G4-20	Aspect Boundary within the organization		8
G4-21	Aspect Boundary outside the organization		8
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements		37, 38, 39
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries		8

Indicator	Description	Remarks	Report page
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organization		8
G4-25	Report the basis for identification and selection of stakeholders with whom to engage		8
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.		8
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns		8
REPORT PROFILE			
G4-28	Reporting period		7
G4-29	Date of most recent previous report (if any)		7
G4-30	Reporting cycle		7
G4-31	Provide the contact point for questions regarding the report or its contents		50
G4-32	Table identifying the location of information in the report.		46
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.		7
GOVERNANCE			
G4-34	Report the governance structure of the organization		18
ETHICS AND INTEGRITY			
G4-56	Describe the organization's mission or values, codes of conduct and principles relevant to economic, environmental and social performance, as well as the status of their implementation.		15
ECONOMIC PERFORMANCE			
G4-DMA	Management approach		21
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee wages and benefits, donations and other investments in the community, cumulative profit and payments to providers of capital and governments		21
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		21
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation		26
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Top management for IHARA is about the Board of Directors and General Management. 75% of the employees in the Board of Directors were hired from the local community. The local employees are those who live in Sorocaba (SP) and Votorantim (SP). Shuttle buses from the organization are offered to these employees. When IHARA opens vacancy to hire, it values candidates who are from Sorocaba and that region. In case there are no professionals with the needed profile, that fit the existing job vacancies, the candidate is questioned about the viability of moving there.	

Indicator	Description	Remarks	Report page
ENVIRONMENTAL PERFORMANCE			
G4-DMA	Management approach		37
G4-EN1	Materials used by weight or volume		41
G4-EN3	Energy consumption within the organization		38
G4-EN8	Total water withdrawal by source		39
G4-EN10	Percentage and total volume of water recycled and reused		39
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		43
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		38
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		38
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)		38
G4-EN22	Total water discharge by quality and destination		38
G4-EN23	Total weight of waste by type and disposal method		41
G4-EN32	Percentage of new suppliers that were screened using environmental criteria		33
SOCIAL PERFORMANCE - LABOR PRACTICES AND DECENT WORK			
G4-DMA	Management approach		25
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region		26
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation		30
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender		31
G4-LA9	Average hours of training per year per employee by gender, and by employee category		29
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings		30
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		29
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity		28

Indicator	Description	Remarks	Report page
SOCIAL PERFORMANCE – HUMAN RIGHTS			
G4-DMA	Management approach		25
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		33
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		33
G4-HR10	Percentage of new suppliers that were screened using human rights criteria		33
SOCIAL PERFORMANCE - SOCIETY			
G4-DMA	Management approach		25
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs		33
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<p>IHARA has only one business unit in Sorocaba. It was submitted to evaluation of risks linked to corruption. The following was identified:</p> <ul style="list-style-type: none"> • Process: Relations with government organs/regulatory; • Risk: Unethical behavior in relations with regulatory organs in the process of the product registration. <p>All risks of corruption identified were classified as low ones, especially considering the controls established in the company. There was no case about this identified. Based on the risks, policies on negotiations conduct were created, Code of Conduct for the Manager, based on Act n. 12.846/13, Policy on Conduct with regulatory organs and the government. Besides, rigorous processes of systemic control and payment and supplier approval, were established.</p>	
SOCIAL PERFORMANCE – PRODUCT RESPONSIBILITY			
G4-DMA	Management approach		43
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement		43
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	In 2015 there wasn't the identification of non-conformity, neither a warning or a penalty.	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements		43
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	There was no payment of fines related to the products of the year 2015.	

CREDITS

G4-31

Execution

IHARA

Giovanna Campos

Marcio Lima Engler

Participation

Eliana Tashiro

Ilma Laurindo

Milton Hiramoto

Michele Farah

Photos

Collection IHARA

This publishing is of IHARA's responsibility

Av. Liberdade, n.º 1.701, Cajuru do Sul, Sorocaba (SP) – Brasil – www.ihara.com.br

For information, suggestion, critics or comments, please send an e-mail to: sustentabilidade@ihara.com.br





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é a nossa vida**