



**Agriculture
is our life**



2018

**SUSTAINABILITY
REPORT**



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MESSAGE FROM THE CEO

GRI 102-14, GRI 102-15

We are pleased to present the tenth IHARA Sustainability Report, sharing with our public the achievements and challenges that were part of our daily life in 2018. This is the ideal moment to thank all that we have experienced during the year and also to reflect on each of our steps and how we can go further.

And in a period when our country undergoes transformations, with the arrival of the new government, we also renew ourselves.

2018 will be marked in Brazil by polarity, but the new government sets the course for the coming years, which we believe will be positive, with advances in the economy, for companies and for workers.

For the agricultural pesticides market, 2018 was a resumption of growth, as a result of more adjusted stocks in the field, the growth of large-crop cultivation areas, and the greater adoption of technology to improve productivity.

For IHARA, 2018 was also positive with a growth of more than 15% in sales measured in dollars, driven by the modernization of our portfolio.

Despite the growth, we faced great challenges, among which we highlight the devaluation of the Real, which brought volatility to the economy and business, and consequences such as credit restriction and great concern in the management of financial resources.

However, the restriction of raw materials was what affected us the most, preventing further growth and demanding an additional effort of all the employees and clients.

Despite this adverse and challenging environment, Brazilian farmers, continued to develop and invest, once again harvesting the highest crop of our history.

At IHARA we highlight the good acceptance of the 15 products launched in 2017, but we

are still working hard with the authorities to obtain the registration of new strategic products.

Thanks to the sales growth, to a good protection strategy implemented by the treasury, an austere management of costs and expenses and a good control of the credit risks, we were able to achieve a good result.

Regarding our environmental indicators of water consumption and waste generation, we achieved reductions of 37% and 10%, respectively, as a result of investments made during the year and improvements implemented in our production processes.

We invested in a relevant way, believing in the future of our agriculture. Strengthened our development process and invested in the training of our field team.

I also highlight the investment made in hiring professionals in strategic positions, and I am sure that this will help us take our IHARA to a new level.

We have also taken new steps in the development of our management system and received the following acknowledgments: for the third time we were recognized as the best Agrochemical company in Brazil in the "As Melhores do Agronegócio" (Best of Agribusiness), awards of Globo Rural magazine, for the sixth consecutive year;

we also won first place in the "Fertilizantes e Agroquímicos" (Fertilizer and Agrochemicals) category, and for the third consecutive year, we won "A Melhor Gestão Financeira" (Best Financial Management).

We are once again in the yearbook of Valor Econômico newspaper, among the 1000 largest companies in Brazil, and we were among the top 50 agribusiness companies in Brazil by Forbes 2018.

Especially this year, the Ministério da Agricultura (Ministry of Agriculture) promoted the Selo Agro + Integridade and only eleven companies met the level of Compliance required. Among them, only two companies in the agrochemical sector. IHARA is one of them.

In 2019 we will continue to invest in strategic issues that will sustain the company's development.

We stand firm and passionate about what we do!

Good reading!

Julio Borges Garcia
CEO of IHARA

Thanks to the sales growth, to a good protection strategy implemented by the treasury, an austere management of costs and expenses and a good control of the credit risks, we were able to achieve a good result in 2018.



About **IHARA**

IHARA invests permanently in research and development, in order to always launch new products that meet the complex needs of agriculture, with productivity and sustainability.

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

For 53 years IHARA works with Brazilian farmers to protect their crops against pests, diseases and weeds. Under the Japanese culture of quality management, the company maintains strict production standards and a highly technical sales team, offering more than 60 pesticides, including fungicides, herbicides, insecticides and specialty products.

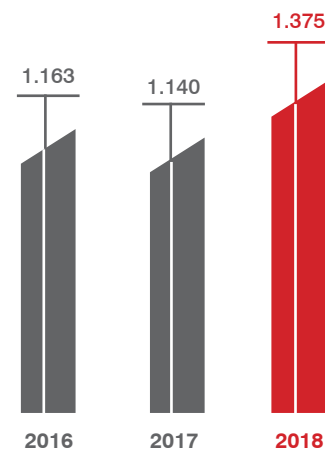
Delivering solutions is only part of IHARA's work, which invests permanently in research and development, in order to always launch new products that meet the complex needs of agriculture, with productivity and sustainability.

IHARABRAS S/A Indústrias Químicas is a national corporation with closed capital, which has Japanese capital and operates all over Brazil. The company has a production plant located in the city of Sorocaba, State of São Paulo, and five distribution centers, located in the states of Bahia, Goiás, Mato Grosso, Paraná and Rio Grande do Sul. In 2018 the company employed 655 own employees and 28 outsourced ones.

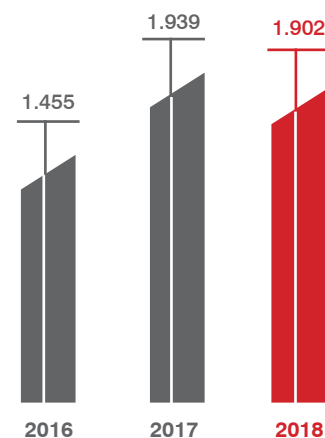
COMPANY SIZE

GRI 102-7

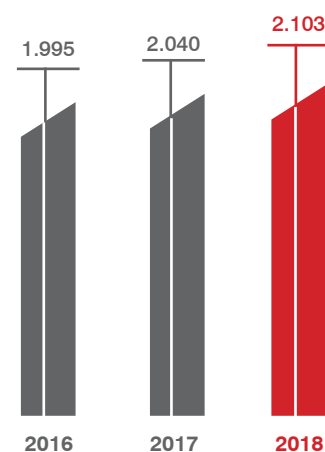
NET SALES – R\$ billion



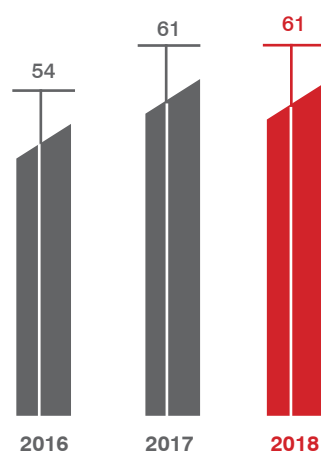
TOTAL CAPITALIZATION BROKEN DOWN IN TERMS OF DEBT AND EQUITY (considering the amounts of suppliers, financing, accounts payable and provisions, and shareholders' equity) – R\$ billion



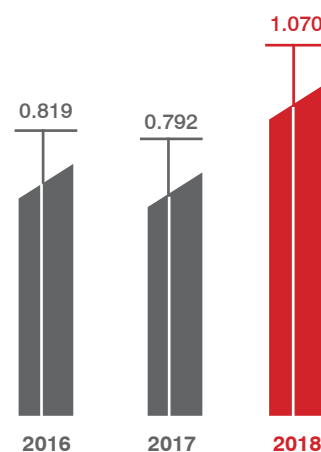
TOTAL ASSETS – R\$ billion



QUANTITY OF PRODUCTS



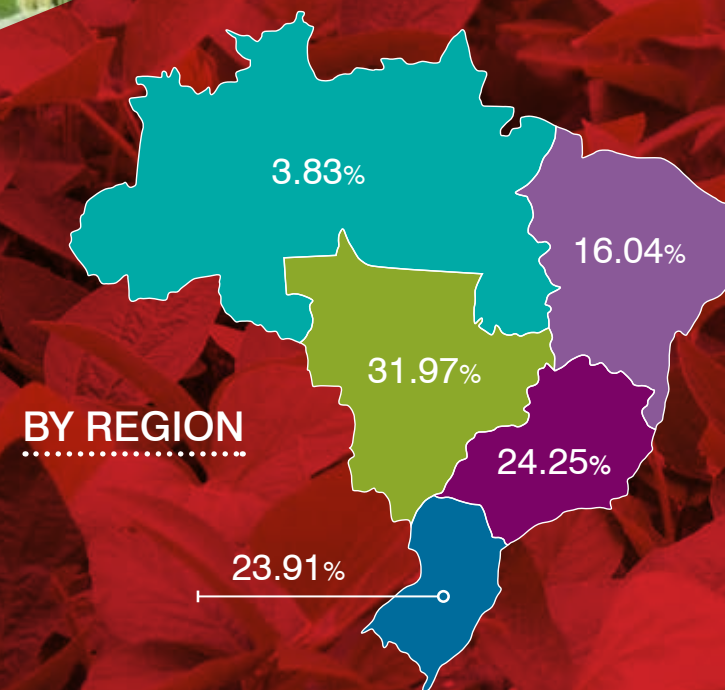
COSTS – R\$ billion



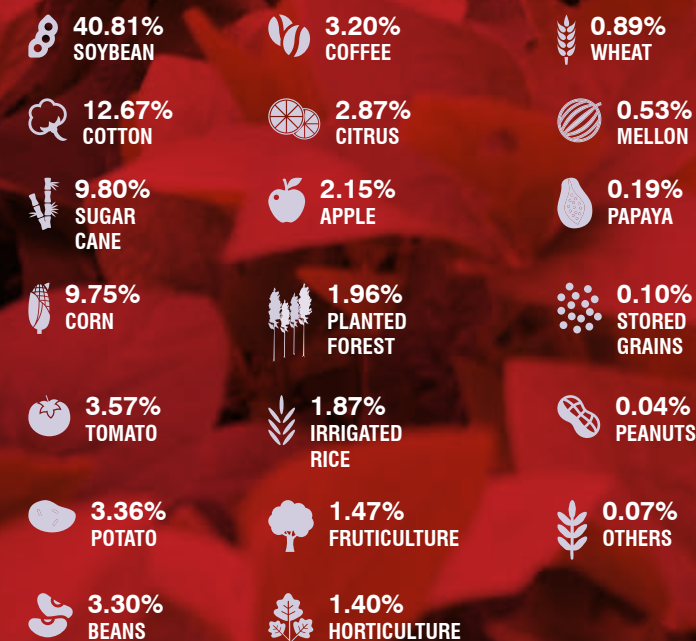
MARKETS SERVED

GRI 102-6

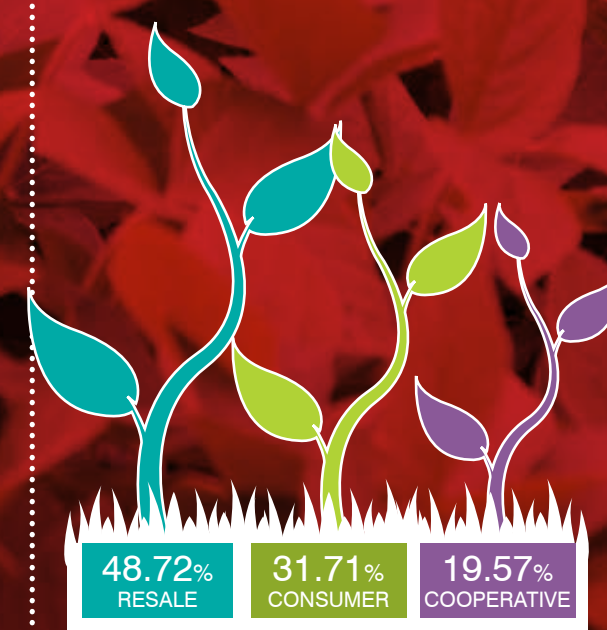
By bringing products and services to farmers, IHARA contributes significantly to the progress and competitiveness of the Brazilian agriculture.



BY CROP



BY CLIENTS OR BENEFICIARIES



TIMELINE

1965

IHARA is founded in the State of São Paulo, with the name Mitsui IHARA S/A Chemical Industries (70% of Mitsui Co. and 30% of IHARA Agroch. Kumiai). Located in the district of Jaguaré, the company is the result of the purchase of Agropecuária e Comercial Maracanã S/A.

1970 - 1989

The company's factory is officially inaugurated in Osasco (State of São Paulo).

After the sale of all shares of Mitsui Co. to Kumiai Chemical, the company adopts the name IHARABRAS S/A Indústrias Químicas.

IHARA inaugurates its Industrial Park in Sorocaba (State of São Paulo), with the formulation units, facilities and packing warehouses.

With the sale of its shares to Agroinvest Kayatani S/A, IHARA makes Brazilian its majority capital, reinforcing respect and trust for the national soil.

The management of the São Paulo office is transferred to the industrial park in Sorocaba, unifying the company's activities.

1990 - 1997

With the inauguration of new facilities, IHARA begins to synthesize the molecule of the herbicide Propanil and initiates the synthesis of the fungicide Thiophanate-methyl, by means of a technology transfer agreement of Nippon Soda Co. Ltda. and support from Sumitomo Corporation.

2003 - 2004

IHARA invests in its facilities, carrying out works of expansion and renovation of the office and the construction of the Center of Coexistence, and is once again a Japanese company under Nippon Soda shareholding control, Kumiai Chemical and Sumitomo Corporation. Its revenue reaches US\$100 million.

2010 - 2011

The project of modernization of the factory is initiated for new formulations and acceleration of the projects in development. IHARA's former Brazilian controlling company sells all its shares and Mitsui Chemicals Agro and Nissan Chemical enter as shareholders of the company.

2012 - 2014

The company continues to invest in improvements, the new powder plants start being delivered, installation of a new Effluent Treatment Station with an innovative concept of reuse of treated effluents. New projects are being developed as new molecules arrive from Japan. New investments are made in the Research Center and external bases, contributing to an advance in the capacity of installation of field tests.

Between 2013 and 2014 IHARA also invests in the construction of a new Distribution Center and expansion of the plant to segregate the area of herbicides at its headquarters in Sorocaba. Besides that, the company takes an important step in the field of organic products.

2015 - 2016

In 2015 IHARA has completed 50 years of history! To celebrate this milestone, the company prepared various social and cultural actions, such as the installation of artesian wells in the northeastern semi-arid and musical and theatrical projects. In 2016 IHARA begins to reap the rewards of investments with the approval of new products.

2017 - 2018

With the launch of approximately 20 products on the market between 2017 and 2018, IHARA undertakes a significant renovation of its portfolio, guided by the constant search for more effective that bring more productivity and safety to the producer.

AWARDS 2018



AS MELHORES DO DINHEIRO RURAL 2018 –DINHEIRO RURAL MAGAZINE

The Best in indirect agribusiness

The Best financial management in indirect agribusiness

1st place in fertilizers and agrochemicals for the 6th consecutive year



SPECIAL ON AGROBUSINESS – FORBES BRASIL MAGAZINE

IHARA among the **top 50** agribusinesses



MELHORES DO AGRONEGÓCIO - GLOBO RURAL MAGAZINE

1st place in Fertilizers and Agrochemicals

3rd consecutive year in the **first category**



MELHORES E MAIORES – EXAME MAGAZINE

5th place in Fertilizers and Defensives



AGRO + INTEGRITY SEAL 2018-2019 (2018-2019 AGRO + INTEGRITY SEAL)

Good practices of governance and compliance

MISSION, VISION, IHARA'S BELIEFS AND VALUES

GRI 102-16

MISSION

Contribute to the progress and competitiveness of the Brazilian Agriculture.

VISION

With creativity and pioneering spirit, we will make Brazil the largest agricultural country in the world.

Always united by the same goals, let us make Iharabras a first-rate company.

With confidence and cooperation, let us help each other to improve and make life stable for everyone.

BELIEFS AND VALUES¹

Our beliefs and values underpin strategies and decisions, guiding our behavior.

We are attentive and open to change and we will always make necessary changes with the nobler senses.

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

OUR PLANET

The world will need more and more food. We will always respect natural resources in pursuit of productivity. Everything is interconnected: Earth, Water and Air are the greatest assets of mankind.

We will have the utmost responsibility in how to treat them. Feeding the world by preserving these assets is true sustainability.

OUR COUNTRY

We are “owners” of this country. We believe that Brazil is the most viable alternative to feed the world. We use all our energy for this noble mission.

We promote creativity and innovation. We believe that science and technology can solve Brazil's productivity challenges.

OUR COMPANY

We believe that through ethical conduct, humble and committed we can surpass and surprise the expectations of the interested parties.

Great accomplishments do not occur overnight, result of the sum of small achievements made step by step, with determination and courage. What matters is sustainable results.

We share and celebrate our accomplishments by strengthening relationships and immediately seek new challenges.

We develop solutions for agriculture. We work to serve the farmers, because they are the reason for our existence.

We are a Research and Development company. Innovation and strategic alliances cooperate with these goals.

We are united as one family and we live each one for all. Our strategic movements are concerned with the collective.

We prefer to respect the knowledge acquired by experience to theoretical knowledge, although these can not be despised.

In any matter our decisions are based on: loyalty, justice, courage, love and humility, in this order. We are responsible for our company, our brand and our image. We are proud of our ‘IHARA Way of Being’.

OUR PEOPLE

We are IHARA because we choose to be! We cultivate the spirit of business owner in every employee. We are responsible for our choices. Our people are our greatest asset. Excellent people with great results and willingness to grow are rewarded appropriately.

We dream big. We believe that human capacity is unlimited and we always challenge ourselves.

We believe in leadership by example. Select and train people to be better than us. We evaluate our leaders for quality, altruism and engagement of their teams.

Trust is the foundation of our relationships. Our people deliver results by acting with integrity, loyalty and justice, respecting laws and moral principles.

We have humility as principle. We value the ability to know how to listen, diverge and express respectfully.

We value respect. We respect people, the Society, the laws, the environment, diversity, that is, life in all its forms.

We seek people with initiative and creativity and cultivate them as high value.

We are enthusiastic. We dedicate ourselves to work with energy and passion, finding satisfaction and pleasure. When working is pleasure, responsibilities are naturally fulfilled.

Our people have a passion for challenges. We have the spirit of business owners, which is reflected in our actions.

We are committed to our goals and we face challenges with courage and joy. Given mission is accomplished mission.

INSTITUTIONAL RELATIONSHIPS

GRI 102-13

IHARA has institutional relationships with several organizations, among which we cite:

- Associação Brasileira das Empresas de Controle Biológico – ABC-BIO (Brazilian Association of Biological Control Companies - ABC-BIO)
- Associação Brasileira de Bataticultores - ABBA (Brazilian Association of Bataticultores - ABBA)
- Associação Brasileira de Normas Técnicas – ABNT (Brazilian Association of Technical Standards - ABNT)
- Associação Brasileira de Recursos Humanos – ABRH (Brazilian Association of Human Resources - ABRH)
- Associação de Defesa Vegetal - Andef (Association of Plant Protection - ANDEF)
- Associação dos Profissionais de Recursos Humanos de Sorocaba – APhR (Sorocaba Association of Human Resource Professionals - APRH)
- Centro das Indústrias do Estado de São Paulo – CIESP-SP (Center of Industries of the State of São Paulo - CIESP-SP)
- Conselho Superior do Agronegócio - Cosag (Superior Council of Agribusiness - Cosag) - linked to the Federação das Indústrias do Estado de São Paulo – FIESP (Federation of Industries of the State of São Paulo - FIESP)
- Fungicide Resistance Action Committee (FRAC)
- Grupo Brasileiro de Consultores de Algodão - GBCA (Brazilian Cotton Consultants Group - GBCA)
- Herbicide Resistance Action Committee (HRAC)
- Hortifruti Saber & Saúde (Knowledge & Health Fruits and Vegetables)
- Insecticide Resistance Action Committee (IRAC)
- Instituto Nacional de Processamento de Embalagens Vazias - inpEV (National Institute for the Processing of Empty Packaging - inpEV)
- Instituto Prohuma de Estudos Científicos – PROHUMA (Prohuma Institute for Scientific Studies - PROHUMA)
- International Life Science Institute (ILSI)
- Sindicato Nacional da Indústria de Produtos para Defesa Vegetal – SINDIVEG (National Union of the Industry of Products for Plant Protection - SINDIVEG)

1. Mr. Inamori's successful story and the philosophy of Kyocera were the basis for the development of IHARA's Beliefs and Values.



IHARA PORTFOLIO

IHARA portfolio is focused on product quality and offers more than 60 agricultural pesticides, for more than 70 crops, adequate to the climate and the reality of Brazil.



PRODUCT LINE

GRI 102-2

IHARA seeks to innovate in the development of products that are truly capable of contributing to the progress and competitiveness of Brazilian agriculture, working to present increasingly effective and safe options. IHARA's portfolio is focused on product quality and offers differentials beyond what is required by current legislation.

IHARA's portfolio is focused on increasing productivity with high quality and in a sustainable way, which demands great investment in technology and research. For this purpose, the company maintains the Centro de Pesquisas da IHARA (IHARA's Research Center), with 330.524m² of area for cultivation, trials and testing of products, thus allowing the development of new molecules with the highest standards and compliance.

IHARA is a company of Research and Development solutions for agriculture. Currently offers more than 60 agricultural pesticides (fungicides, insecticides, herbicides, biological defenses and special products) for more than 70 crops, adequate to the climate and the reality of Brazil. Our product line reaches farmers through cooperatives, resales and direct sales of the commercial team.

Thinking of producing quality products in a sustainable way, IHARA maintains, since 2010, focus on the process of the 3 Rs, Reduce, Reuse and Recycle, concept applied to all plants.

With the mission of having a complete portfolio and active presence for all crop, between 2017 and 2018 approximately 20 new products were launched, being 5 herbicides, 6 fungicides, 3 insecticides, 2 biological, 1 acaricide and 3 special products, among others. In 2019, seven new products are planned.

Providing ever safer products is one of IHARA's biggest goals. So, in 2016 the company began producing formulations in water-dis-

persible granules, which allow safer application. In 2017 a new product with this type of formulation was launched, doubling the volume produced by IHARA in relation to 2016. In 2018 the company launched two more products with these characteristics, increasing the farmer's safety in its handling.

The organic agriculture segment is also among IHARA's areas of expertise, which was possible due to the certification of IBD releasing the fungicide ECO-SHOT for application in crops with these characteristics. The market for organic crops tends to occupy a gradually more relevant position in food production, due to their safety concerned to food and to the environment, which is in line with IHARA values.

REGISTRATION OF NEW PRODUCTS

GRI 416-1, GRI 416-2

In the product development process, IHARA takes into account the impacts on human health and the environment to select only those compounds that are safer to use. The sales team is qualified to answer technical questions and provide guidance on the correct and safe use of all products marketed by IHARA.

In 2018 IHARA carried out registration submissions of 5 new products (among them 4 herbicides and 1 insecticide) and submission of package leaflet extension for 9 products (fungicides, herbicides and insecticides) in various crops. All these products underwent technical evaluation for pest control, weeds and diseases, and its formulations were developed by the IHARA team itself and tested to have a lesser impact on the previously mentioned aspect, human health and the environment.

Besides that, in 2018 IHARA obtained new registration approvals, among them 2 new for-

mulated products, 2 equivalent technical products and 7 approved package leaflets. These products received investments for toxicity reductions and also for their technical efficiency, guaranteeing security for the rural producer.

For management of any impact related to health and safety and to maintain compliance, IHARA has the SOGI tool, of the Sistema de Gestão Integrada (Integrated Management System), which allows analyzing the causes of eventual nonconformities and elaborating action plans and verifying their effectiveness. This important improvement of the Sistema de Gestão Integrada (Integrated Management System) contributed significantly to IHARA reaching the end of 2018 with no non-compliance warning or a fine considered appropriate, in the aspects of Product Registration.

MEASURES TO ENSURE THE HEALTH AND SAFETY OF THE USE OF PRODUCTS

GRI 416-1

IHARA products require special care because they are high technology products. With awareness of the risks to the health of the producers, IHARA treats the issue with professionalism, encouraging farmers to protect themselves in the correct use and quantity of application. It also broadens its sales force for a correct present attendance, recommending only what is needed, at the right time and appropriate doses. In addition to complying with legal requirements, makes the best efforts to move Society, distributors and the chemical industry to follow the examples of education in the field.

IHARA develops and maintains several projects aimed for disseminating good practices in this area among farmers, such as Cultivida and the Programa IHARA de Sustentabilidade (IHARA Sustainability Program), detailed on 19, 20 and 21 pages.

CULTIVIDA

In 2012 IHARA launched the Cultivida Project, an initiative that supports the adoption of good practices in the use of pesticides. The project carries out actions to disseminate the correct use of the products and to enable the public health agents to identify and treat eventual cases of intoxication by these compounds, as well as to evaluate the health conditions of the rural population. Thus, the initiative collaborates to reduce the cases of intoxication and occupational accidents related to these products in Brazil.

Between 2012 and 2016 Cultivida traveled through 20 municipalities in 13 states, benefiting more than 8 thousand people among health workers and smallholder farmers and their families. The focus was on regions of small properties, in which the family itself is responsible for the application of agrochemicals, because it understands that this population is the most exposed and lacking in information on the agricultural defenses. This public received information related to good agricultural practices, such as the use of personal protective equipment (EPIs), application technology, disposal of empty packaging, use of pesticides and other family health issues, such as women's health. Besides lectures, educational and recreational activities were used to sensitize as many people as possible.

Through a partnership with the Universidade Estadual de Campinas - Unicamp (State University of Campinas - Unicamp), Cultivida also involved the qualification of the health professionals of the Sistema Único de Saúde – SUS (Unified Health System - SUS) of the regions. Altogether, 1,738

health workers were trained in the five years of the Project, aiming to enable them to implement the Programa de Monitoramento da Saúde de Populações Expostas a Defensivos Agrícolas (Health Monitoring Program for Populations Exposed to Agricultural Defenses), carried out by health professionals with experience in Clinical and Analytical Toxicology.

Although during this period the project did not identify cases of intoxication caused by the use of our pesticides, the visits to the field and the reports of interviewees allowed to verify several cases of inappropriate use of EPIs in their handling and application.

Faced with this reality, in 2017 IHARA decided to continue the Cultivida Project, focusing on the free distribution of EPIs to small farmers, which primarily use manual product applications and are in regions where the exposure was higher and the level of information lower. Thus, the company developed suppliers in Brazil and abroad, registering with the Ministério do Trabalho e Emprego (Ministry of Labor and Employment) to import and market this equipment. Then, distributed more than 110 thousand EPIs to producers, through resales and partner cooperatives. The equipment is accompanied by alerts that seek to make users aware of the importance of protection.

Considering the work fronts discussed above, IHARA's investment in the Cultivida project exceeds the R\$2.5 million mark, without including the costs of the hours of dozens of company professionals involved in the definition and execution of the actions.

Keeping the same focus of 2017, the project was continued in 2018, in which 130 thousand EPIs were distributed to fruit and vegetable products, mainly in the Northeast region. Annually a new evaluation is carried out to increase equipment delivery and project continuity.

LABELING AND PRODUCT INFORMATION

GRI 417-1

IHARA produces labels and package leaflets for all its products, in accordance with legal requirements, offering information on the correct use, its composition and active ingredients, besides the indication of environmental danger and toxicity to health, all in accordance with Decree No. 4,074, dated January 4, 2002, Article 49. Such information also discusses the approval of the Agência Nacional de Vigilância Sanitária - ANVISA (National Agency for Sanitary Surveillance - ANVISA), the Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis - IBAMA (Brazilian Institute of Environment and Renewable Natural Resources - IBAMA) and the Ministério da Agricultura, Pecuária e Abastecimento - MAPA (Ministry of Agriculture, Livestock and Supply - MAPA), as provided for in Articles 43 and 50 of the same decree. IHARA is responsible for the registration of the labels and package leaflets, while the third-party products are the registrant's responsibility.

Process management involving packaging and labeling according to state and federal requirements occurs through periodic internal meetings called "Controle de Artes" (Arts Control), in which the changes, deadlines and implementations are discussed in several areas such as Production Control Planning, Quality Control, Technology, Sales Department, Marketing, Logistics and Registration.

RECYCLING OF PACKAGING

According to your philosophy principles and values, IHARA is responsible for all the steps involved in its production chain, therefore, it

seeks sustainable solutions compatible with each of its activities.

One of the concerns refers to the environmentally appropriate disposal of post-consumer pesticide packaging, reason why the company has given great support to inpEV (<http://inpev.org.br/index>), entity formed by more than 100 manufacturing companies and 9 representative entities of the agricultural sector. Since 2001 inpEV represents the agrochemical manufacturer sector, facilitating joint articulation and proposing viable and efficient solutions to the specific issues of the system as a whole, through the operational management of all reverse logistics of packaging and the promotion of awareness and education actions, in partnership with the other members of the system.

Coordinated by inpEV, the Sistema Campo Limpo – SCL (Campo Limpo System - SCL) specializes in the disposal of agrochemical and chemical packaging, due to its scope and quality, became a world reference in this regard, taking Brazil to be the leader of this type of treatment since 2005, ahead of countries like Germany; Canada; Japan; France; Spain and the United States.

Considering the whole network of manufacturing companies that commercialize their products through more than 5 thousand distributors and cooperatives or directly to the rural producers of all the country, 94% of the primary packaging of agricultural pesticides are managed by SCL, who receives and properly routes such materials. The result of this work withdrew, between 2002 and 2018, more than 500 thousand tons of empty packaging of pesticides.



In order to measure the quality of the SCL intervention, in 2017 InpEV commissioned a specialized consultancy to study comparatively environmental results with and without the performance of the System in the period between 2002 and 2017. It was not only the final residue of the chain, but all its steps since the extraction of raw materials. Thereby, it was possible to understand

that the System allowed a reduction in the consumption of energy that would supply approximately 2.5 million houses in a year; avoided the emission of 625 thousand tons of CO₂ equivalent; avoided the extraction of 1.4 million barrels of oil and stopped generating a volume of solid waste equivalent to what would be generated in 11 years by a city of 500 thousand inhabitants, evidencing the high level of eco-efficiency of SCL.

In addition to the appropriate packaging treatment, the Sistema Campo Limpo (Cam-

po Limpo System) focuses on environmental awareness through guidance to agrochemical companies and also through social intervention with the Programa de Educação Ambiental Campo Limpo (Campo Limpo Environmental Education Program), carried out in partnership with the municipal and state education secretariats, teaching nucleus and schools, in order to complement the curriculum of students in the 4th and 5th years of Elementary School, with contents related to the environment and the National Policy on Solid Waste, following the recommendations of the Política Nacional de Resíduos Sólidos - PCN (National Policy on Solid Waste - PCN). In 2018 the Program covered 22 Brazilian states, counting on more than 2,460 schools enrolled and reaching about 230 thousand students.

The Sistema Campo Limpo (Campo Limpo System) also generates more than 1,500 direct Jobs, increasing environmental and social gains.

In addition to purchasing the packaging and lids, contributing to the reduction of CO₂

emissions in the atmosphere and the consumption of non-renewable inputs, such as oil, IHARA's participation in this context is of the utmost importance since it is composed of the InpEV Board of Directors and is a shareholder of Campo Limpo Reciclagem e Transformação de Plásticos Ltda., which is part of its Board of Directors.

IHARA SUSTAINABILITY PROGRAM

IHARA Sustainability Program aims to engage its clients in the sustainability theme, by means of the elaboration of projects capable of bringing economic advances, reduce negative impacts on the environment and increase positive impacts on society.

In the last year the company chosed not to carry out the program, thinking of improving the resource's destination, in order to engage customers in the use of PPE in the areas and crop that most need it.



CORPORATE GOVERNANCE

The Comitê de Investimentos da IHARA (IHARA Investment Committee), restructured in 2018, evaluates and defines the methodology for selection, approval, management and monitoring of the Company's investment projects.

GRI 102-18

IHARA's governance structure is composed of a General Meeting, Board of Directors and Executive Board, being supported by strategic committees, such as Strategic Planning, Risk Management, Committees: of Portfolio, of Credit, of Sustainability, of Internal Audit, of Multidisciplinary Ethics and Ethics Council.

The General Meeting is held annually to account for the shareholders and the Board of Directors meets every month to monitor the results. At the end of each year IHARA an-

nounces its results and main achievements through the Annual Economic Balance, and publishes all of its financial statements, which are audited by a large external audit firm.

The strategic committees are formed by Directors and main Managers of the company, which accompany the most important actions and decisions that support IHARA's strategy.

STRATEGIC COMMITTEES AND ETHICS BOARD

INTERNAL AUDIT COMMITTEE

The committee seeks to work on preventing financial misconduct, frauds, risk management and also acts in the economic, social and environmental pillars.

CORPORATE RISK MANAGEMENT COMMITTEE

GRI 201-2

Formed by IHARA's directors and managers, this committee is in charge of reducing the company's exposure to the main risks, through the identification and evaluation of risks and the definition and implementation of actions.

IHARA Risk Management Committee works on the mapping of the main corporate risks and controls for its mitigation. The measures of risk or opportunity management were the development of flows that contemplated the main corporate risks and validation of their respective controls, with the objective of mitigating them in a structured way.

ENVIRONMENTAL RISKS

GRI 102-11

To manage the potential risks, aspects and impacts, IHARA maps all major risks and establishes controls and mitigation actions.

Seeking to avoid negative environmental impacts, IHARA has been working with implementation of projects for several years, always focusing on reducing water and energy consumption, besides the reduction of industrial waste generation, such as the Projeto de Descontaminação das Plantas de Líquidos (Liquid Plants Decontamination Project), whose objective is to reduce the generation of effluents and, with this, the cost of treatment and final destination. The project of improvements in the system of compressed air, in its turn, aims to increase system efficiency and reduce energy consumption. The Projeto Iluminação LED (LED Lighting Project) intend to reduce the energy consumption represented by conventional lighting.

RISKS ASSOCIATED WITH CLIMATE CHANGE

GRI 201-2

The risks and opportunities identified by IHARA in this area can be classified as arising from the effects of climate change (such as floods, droughts and heat illnesses); changes in the regulatory scenario; and others, such as the availability of new Technologies, products or services.

In the last years, the main factor of climatic risk for the company has been the occurrence of droughts in several regions of the country. The high levels of leverage of a portion of our customers, associated with low productivity due to long and / or unexpected droughts, have led some of these clients to default.

To identify and evaluate risks arising from climate change, IHARA acts with several mitigation tools, making detailed analyzes for credit determination and constant customer's monitoring.

RISKS RELATED TO CORRUPTION

GRI 205-1

IHARA has a headquarters in Sorocaba and five Distribution Centers. All units are subject to risk assessments related to corruption, following procedures:

1 - Process: Relation with government / regulatory bodies - 100% of transactions with public agencies undergo this procedure.

• Risk: Unethical behavior in relation to regulatory bodies in the product registration process, obtaining licenses, permission and others.

2 - Process: Approval of new suppliers - 100% of transactions for new suppliers undergo the homologation process.

• Risk: Unfair competition, no exemption from those responsible for contracting some supplier, receiving tips and others.

All identified corruption risks were classified as low risk, considering that: IHARA does not conduct business with the government, only receives inspections from government agencies; it has established controls in the company, and no case has been identified on this subject.

To reinforce all these measures, IHARA was one of the 11 companies in the agricultural sector selected to receive the Agro + Integrity seal, granted by the Ministério da Agricultura, Pecuária e Abastecimento – MAPA (Ministry of Agriculture, Livestock and Supply - MAPA), in its first edition. The award recognizes companies that adopt good governance and management practices, able to avoid misconduct and enforce legislation, in particular the Anti-Corruption Law, in addition to acting effectively with social and environmental responsibility. Integrity is a very important value for Japanese culture, which is reflected in the way we work. The success of this work is due to all our employees, customers and partners who, sharing our culture, allow us to continue doing business successfully for 53 years.

It is important to note that only two companies were considered in the agrochemical sector, and IHARA is among them.

PORTFOLIO MANAGEMENT COMMITTEE

This committee has the task of evaluating the future needs of the market, analyze the company's current portfolio and define the products to be developed.

CREDIT MANAGEMENT COMMITTEE

The committee aims to establish adequate credit limits for each client, by assessing their financial capacity. Moreover, it has the responsibility to deliberate on mitigating actions in relation to possible cases of customer delinquency.

LEGAL ASSISTANCE COMMITTEE

This committee assesses the level and quality of the company's compliance with applicable business laws, defining actions and priorities for the full compliance with the legal requirements pertinent to its activity.

SUSTAINABILITY COMMITTEE

The main objective of this committee is the reduction of the use of natural resources by IHARA, by means of short medium and long-term actions, in the economic, social and environmental scopes, prioritizing the evaluation and approval of projects and investments that aim at economic returns associated with the reduction of: (i) water use; (ii) energy consumption; and (iii) waste generation.

SIPATMA COMMITTEE

This committee evaluates and defines the actions needed to improve the work environment, in particular related to safety and the quality of the work environment for our employees.

INVESTMENT COMMITTEE

Restructured in 2018, the Investment Committee evaluates and defines methodology for selection, approval, management and monitoring of IHARA investment projects.

The committee is charged with evaluating and directing its investments, seeking the best balance between risk, liquidity and return.

CAMPAIGN COMMITTEE

This Committee aims at the interdepartmental alignment for the approval of commercial conditions for the conditions of sales campaigns to be launched or that are active (strategy, pricing, interest, exchange, maturities, crops).

DISTRIBUTION COMMITTEE

Directs the commercial area to prospect new clients by crop and region.

COUNCIL AND ETHICS COMMITTEE

Formed by a team of IHARA's Senior Management, the Ethics Council was implemented in 2017 and has the objective of disseminating and perpetuating concepts of business ethics, cooperate with the public administration in any investigation and clear complaints received by the company's Ombudsman.

In 2018 the members of the Ethics Board committed themselves to disseminating the content of the Code of Conduct and Ethics to the company's suppliers, seeking to disclose and clarify the IHARA way of doing business. Such information was standardized as contract clauses and purchase orders.

In addition, educational lectures were given on Compliance and Ethics for all employees of the company.

It is the task of the Ethics Committee to have an educational agenda to stimulate, disseminating and perpetuating among employees the culture of business ethics and knowledge of the Code of Conduct and Ethics at various company events. The committee has the role of disseminating in the company the work defined in the Ethics Board.

Channels of communication available:

- Totens in the main IHARA's gatehouses;
- Telephone channel: (55 15) 3235-7777;
- E-mail: ouvidoria@ihara.com.br;
- Site: <http://www.ihara.com.br/fale-conosco> (click on "Ombudsman")

CODE OF CONDUCT AND ETHICS

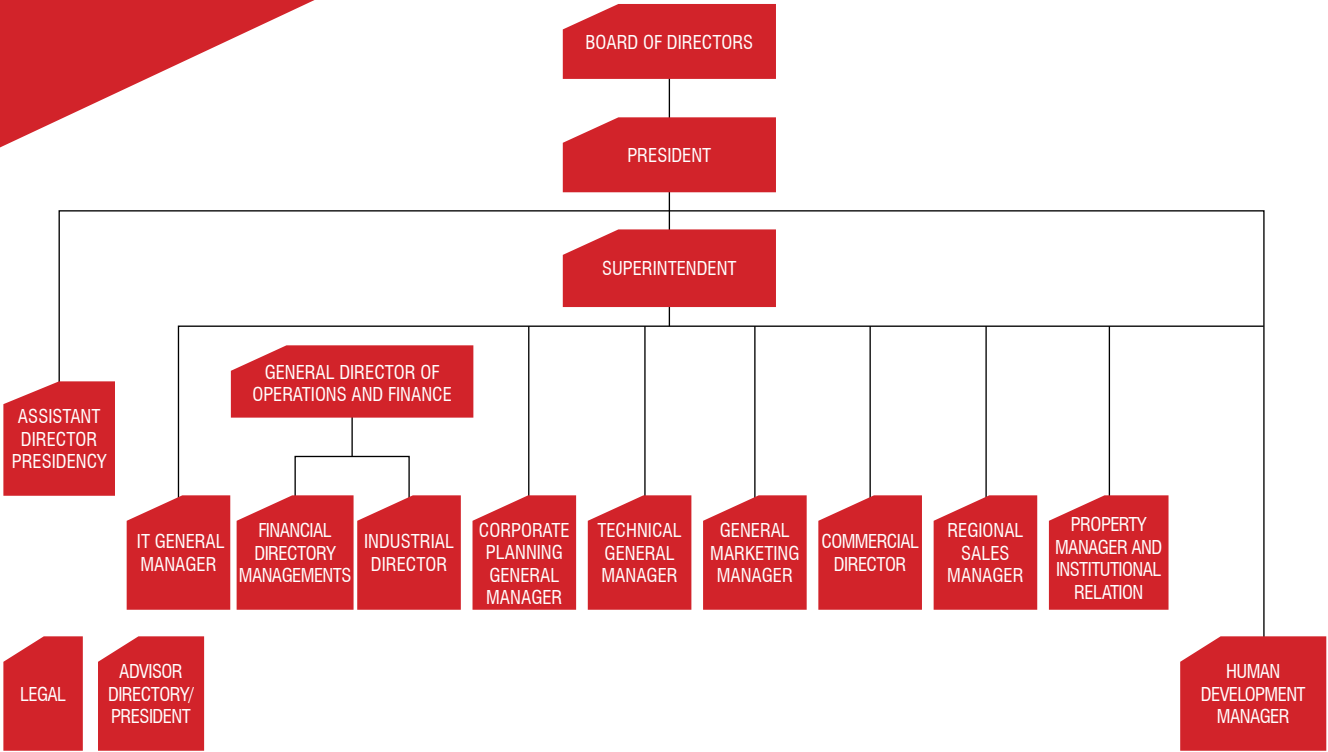
GRI 102-16

In order to clearly guide the behaviors, actions and decisions expected of IHARA employees, the company has a Code of Conduct and Ethics prepared by an internal multidisciplinary committee and approved by the company's Executive Board, being reviewed periodically by the Ethics Committee and Board, seeking the transparency of business.

IHARA Code of Conduct and Ethics is based on our Beliefs and Values. Presented and delivered to each employee at the time of their integration, its provisions are strengthened through training and available on Intranet. On delivery of the document, the employee reads and signs evidence of knowledge of the Code of Conduct and Ethics.



ORGANIZATIONAL STRUCTURE



Base: december 2018

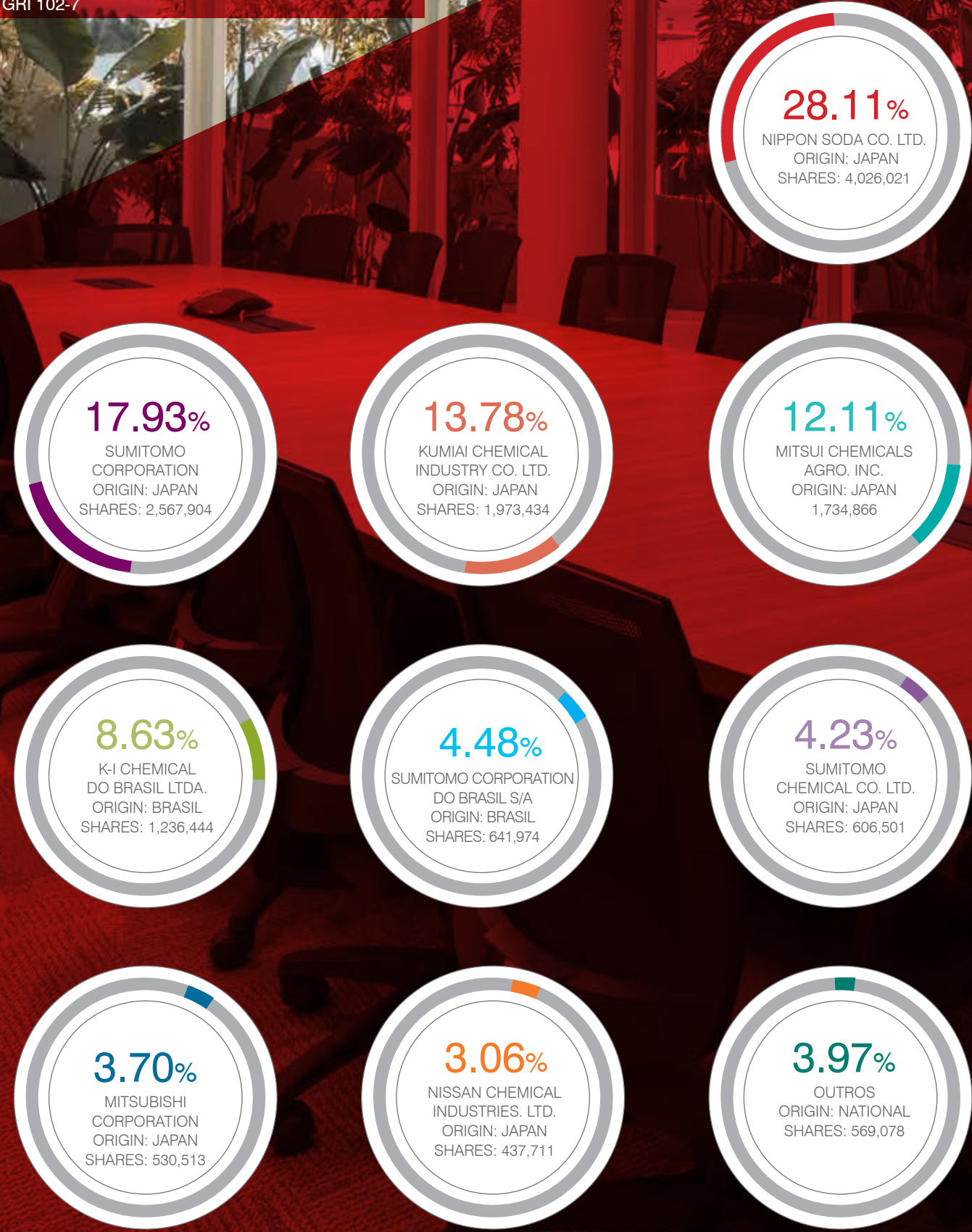
In 2018, in the main bodies responsible for IHARA's corporate governance, 100% of the members were men, mostly belonging to the age group over 46 years.

MEMBERS OF THE GOVERNANCE BODIES, BY AGE GROUP AND GENDER GRI 405-1

Functional Category	Board of Directors	Executive Board	General Manager	Total	Percentage (%)
Age group					
Above 46 years old	5	7	1	13	68.42
From 36 to 45 years old	2	0	3	5	26.32
From 26 to 35 years old	1	0	0	1	5.26
Gender					
Male	8	7	4	19	100.00
Female	0	0	0	0	0.00

SHAREHOLDING COMPOSITION

GRI 102-7





ECONOMIC AND FINANCIAL PERFORMANCE

IHARA contributes effectively to the wealth generation of the economy in which the company is inserted, in a global vision of performance.

Customers suppliers and partners, as well as IHARA, feel proud to contribute to the country and the society through our company.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1

This indicator points to IHARA's effective contribution to the wealth generation of the economy in which the company is inserted, in a global vision of performance, since it results from the combined effort of all its factors of production.

	2016	2017	2018
Added value statement (in%)			
Shareholders	16.78	15.86	16.21
Employees (compensation and benefits for employees)	25.82	24.66	25.57
Government	31.71	26.62	27.15
Retained earnings	40.09	37.97	38.84
Interest and rents (operating costs)	-14.40	-5.11	-7.77

	2016	2017	2018
Added value statement - summary (R\$ million)			
Revenue	1,178.13	1,161.03	1,568.53
Inputs acquired from third parties	872.70	845.97	1,148.95
Gross added value	305.42	315.05	419.58
Withholdings	17.44	13.54	-11.23
Net added value produced by the organization	287.99	301.51	408.35
Added value received in transfer	101.81	91.26	53.03
Total added value to be distributed	389.80	392.77	461.38
Added value statement (R\$ million)			
REVENUE	1,178.13	1,161.03	1,568.53
Sales of goods, products and services	1,198.43	1,167.83	1,580.28
Provision for doubtful debtors - Reversal / Constitution	-20.30	-6.80	-11.76
INPUTS ACQUIRED FROM THIRD PARTIES (includes ICMS and IPI)	872.70	845.97	1,148.95
Raw materials consumed	616.34	624.15	902.73
Costs of goods and services sold	140.25	108.42	110.68
Materials, energy, third-party services and others	116.11	113.40	135.54
GROSS ADDED VALUE	305.42	315.05	419.58
WITHHOLDINGS	17.44	13.54	-11.23
Depreciation, amortization and exhaustion	17.44	13.54	-11.23
NET ADDED VALUE PRODUCED BY THE ORGANIZATION	287.99	301.51	408.35
ADDED VALUE RECEIVED ON TRANSFER	101.81	91.26	53.03
Financial income	101.81	91.26	53.03
TOTAL ADDED VALUE TO BE DISTRIBUTED	389.80	91.26	461.38
DISTRIBUTION OF ADDED VALUE	389.80	392.77	461.38
Staff and charges	100.63	96.84	117.99
Taxes, fees and contributions	123.60	104.57	125.27
Interest and rents	-56.11	-20.08	-35.87
Interest on shareholders' equity and dividends	65.40	62.28	74.81
Retained earnings / financial loss for the year	156.27	149.15	179.18

Note: The Added Value Received in Transfer not published in the 2016 Sustainability Report has been corrected in this version.



SOCIAL PERFORMANCE

IHARA develops projects and initiatives for its employees, suppliers, customers and society.

INTERNAL AUDIENCE

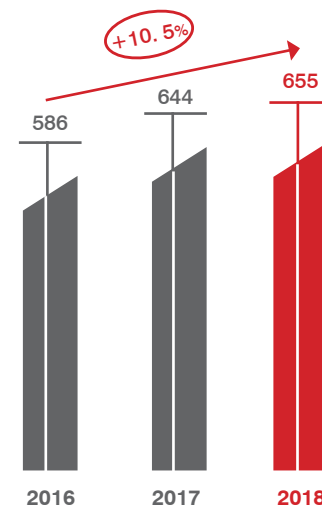
GRI 102-8, GRI 102-41, GRI 202-2, GRI 401-1, GRI 405-1

In 2018 IHARA increased its staff by 2% compared to 2017, finalizing the year with 655 employees: 627 own and 28 outsourced. This increase in staff demonstrates IHARA's great resilience in times of crisis in the national market.

The company's own employees are divided into 81% men and 19% women, mostly in the age group of 26 to 35 years and concentrated in the Southeast region.

At IHARA 99% of employees, own and outsourced, are covered by collective bargaining agreements. Those not covered by the agreements are only the statutory directors.

TOTAL EMPLOYEES



EMPLOYEES BY TYPE OF CONTRACT AND GENDER – GRI 102-8

2016			2017		2018	
Own						
	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract
Male	453	2	473	15	489	16
Female	100	5	110	7	118	4
Total	553	7	583	22	607	20
Outsourced						
	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract
Male	0	24	0	30	21	0
Female	0	2	0	9	7	0
Total	0	26	0	39	28	0

Note: Employees with temporary contracts are employees who work in a specific period of the year, for demonstration of products focused on demand generation.

EMPLOYEES BY TYPE OF WORKDAY AND GENDER - GRI 102-8

2016			2017		2018	
Own						
	Full-time	Part time	Full-time	Part time	Full-time	Part time
Male	453	2	480	8	489	16
Female	100	5	110	7	118	4
Total	553	7	590	15	607	20
Outsourced						
	Full-time	Part time	Full-time	Part time	Full-time	Part time
Male	24	0	30	0	21	0
Female	2	0	9	0	7	0
Total	26	0	39	0	28	0

EMPLOYEES BY TYPE OF CONTRACT AND REGION - GRI 102-8

Own			
Region	Permanent contract	Temporary contract	Total
South	75	5	80
Southeast	492	11	503
Northeast	12	1	13
Midwest	22	3	25
North	6	0	6
Outsourced			
Region	Permanent contract	Temporary contract	Total
Sudeste	28	0	28

PERCENTAGE OF EMPLOYEES BY AGE GROUP AND GENDER - GRI 405-1

	Board of Directors	Management and Supervisors	Managers and Supervisors, Sales, Analysts, Consultants, Coordinators and Technicians	Operational
Gender				
Male	100.00%	81.01%	79.67%	80.93%
Female	0.00%	18.99%	20.33%	19.07%
Age Group				
Up to 25 years	0.00%	0.00%	8.20%	11.86%
From 26 to 35	0.00%	18.99%	57.05%	40.25%
From 36 to 45	0.00%	63.29%	27.86%	37.30%
Above 46 years	100.00%	17.72%	6.89%	10.59%
People with disabilities (PCD)				
	0.00%	0.00%	0.00%	4.00%

In 2018 the company hired a total of 163 employees (men and women), mostly located in the age group between 29 and 35 years, in the Southeast region. That same year, 141 employees were dismissed (120 men and 21 women).

IHARA, when opening an opportunity or vacancy, prioritizes the hiring of candidates from the cities of Sorocaba, Votorantim or nearby regions. If no professionals are found

compatible with the profiles required for existing vacancies, it is evaluated the candidate's mobility for the change, thinking about the well-being and the long-term relationship.

In 2018 about 0.32% of senior executives (Directorate and General Management), contracted by the company were from the local community (residents of Sorocaba, Votorantim or neighboring cities).

OWN EMPLOYEES HIRED BY GENDER, AGE GROUP AND REGION – GRI 401-1

	Total number of contractors	Rate of new hires (%)	Total number of dismissed	Rate of turnover (%)
Gender				
Male	137	84.00%	120	85.00%
Female	26	16.00%	21	15.00%
Age Group				
Up to 25 years	19	11.66%	20	14.00%
Between 25 and 28 years	33	20.25%	16	11.00%
Between 29 and 35 years	51	31.29%	48	34.00%
Between 36 and 45 years	49	30.06%	47	33.00%
Over 45 years	11	6.74%	10	8.00%
Region				
Southeast	121	74.23%	111	79.00%
South	29	17.80%	24	17.00%
Midwest	10	6.10%	6	4.00%
Northeast	2	1.20%	0	0.00%
North	1	0.67%	0	0.00%

TRAINING AND CAREER DEVELOPMENT

GRI 404-1, GRI 404-2

The company's internal regiment policy guides the strategies of action in several areas. It could not be different concerning the demands related to the formation of your target audiences, which is why IHARA seeks, through its Annual Training Plan, to foster the technical training of employees according to their professional specificities.

There is also constant training regarding regulatory standards so that all employees understand and contribute to the context of which they are part. Generally, the capacities are related to different topics ranging from behavioral development and economic education to specific techniques per activity, such as operational or sales.

Among the capacities that occurred in 2018, it is important to highlight the investment made in training leaders, both those who already perform this function and those who are mapped out to assume it in the future. For this, the company had renowned institutions, through the Leadership Development Program (PDL), trained more than 70 IHARA professionals in thematic modules.

In addition to the training provided by the company, IHARA also offers a series of subsidies for the improvement of employees, whether through undergraduate and graduate or language courses. In 2018 more than 40 professionals were able to improve

the English language through the company's help, and for Japanese language the company participates in the HIDA program, in Japan, through 6-month exchange programs for Japanese language improvement.

On the last year IHARA carried out a total of 34,503 hours of training. The variation of hours of training in relation to the previous year (2017: 16,583 hours), refers to the large amount of retraining and mandatory training (NRs) for the operational public, in addition to the Leaders Development Program for managers (where each module had approximately 70 hours) and training for commercial staff.

AVERAGE HOURS OF TRAINING, BY GENDER – GRI 404-1

Gender	Number of employees	Number of hours	Average per employee
Male	505	28,571.00	56.58
Female	122	5,932.00	48.62
Total	627	34,503.00	55.03

AVERAGE HOURS OF TRAINING, BY FUNCTIONAL CATEGORY – GRI 404-1

Functional Category	Number of employees	Number of hours	Average per employee
Board of Directors	7	441.00	63.00
Management / Supervision	79	9,319.00	117.96
Sales/analysts/technicians/consultants/ coordinators	305	17,262.00	56.60
Operational	236	7,481.00	31.70
Total	627	34,503.00	55.03

IHARA, by means of its Retirement Policy, establishes that any employee who has been in the company for more than 5 years and two years away from retirement (INSS) must have stability. Besides that, IHARA has the Retirement Support Program, directed to employees who are at least 2 years away from retirement by IHARA Pension Plan.

IHARA Retirement Preparation Program offers 3 phases, described below:

1 st Phase (Initiation)	Sensitization Meeting.
	Support for understanding the legal requirements.
2 nd Phase (Adaptation)	Assessment of the need for psychological counseling or coaching.
	Assessment of the need for legal and / or financial advice.
	Support for the development of a personal plan (life plan after retirement).
Phase 3 (Application)	Transition Plan (definition of successor, transfer of activities and knowledge).
	Plan of Shutdown (dates, tributes and memories).

PERFORMANCE EVALUATIONS

GRI 404-3

At IHARA all effective employees, who are more than 3 months in the company, perform the Individual Performance Assessment (ADI) and receive their reports and feedback from their respective managers. Within the ADI process, the essential and specific competencies of each position are evaluated.

After the completion of this process, there is continuity of follow-up by the DDH area and its managers, to monitor the evolution of employees' competences through the PDI (Individual Development Plan).

PERCENTAGE OF EMPLOYEES
RECEIVING PERFORMANCE APPRAISALS - GRI 404-3

	Number of own employees evaluated	Total of own employees	Percentage of employees evaluated (%)
Functional Category			
Board of Directors	7	7	100.00%
Managers/Supervisors	79	79	100.00%
Operational	216	236	92.00%
Sales, Analysts, Consultants, Coordinators and Technicians	305	305	100.00%
Gender			
Male	488	505	97.00%
Female	119	122	98.00%

REMUNERATION AND BENEFITS

GRI 202-1, GRI 401-2

IHARA aims to have a fair remuneration and benefits compatible with the market. Therefore, the company makes constant use of market research aimed at comparing our model with our employees. Besides that, offers a profit-sharing plan that, together with the remuneration, sharing in an extraordinary way so that the employees participate in the differentiated results of the company.

IHARA benefits policy seeks to understand and meet the main needs raised by employees, through the work of the Benefits area. Periodically, the company makes comparative market analyzes of the benefits offered.

BENEFITS OFFERED BY TYPE OF CONTRACT

	Full-time	Temporary or part-time scheme
Funeral assistance	yes	no
Dental care	yes	no
Medical-hospital care	yes	yes
Childcare assistance	yes	no
Marriage aid	yes	no
Family aid	yes	no
Birth aid	yes	no
Exceptional Child Aid	yes	no
IHARA Gym	yes	yes
Electronic food card (internal only)	yes	no
School material agreement	yes	no
Pharmacy agreement	yes	no
Optical agreement	yes	no
SESI agreement	yes	no
Payroll loan	yes	no
Work Gymnastics (internal only)	yes	yes
Parental leave	yes	yes
Birth book	yes	no
Stock Ownership Plan	yes	no
Private pension	yes	no
IHARA mother program	yes	no
Own restaurant at headquarters (internal only)	yes	yes
Health insurance	yes	no
Life insurance	yes	yes
Disability insurance and disability coverage	yes	yes
Dental grant	yes	no
Language grant	yes	no
Chartered transportation (internal only)	yes	yes

Offering remunerations higher than the minimum wage (R\$ 954.00), IHARA had, in 2018, its lower salary for men and women in the amount of R\$1,436.00 (own employees) - a proportion of 1.5 in relation to the national minimum wage.

Over the years, the average wage has been above the market (as shown in the table below).

COMPARATIVE SALARY TABLE - 2013 TO 2018

Topics	2013	2014	2015	2016	2017	2018
INPC - National Consumer Price Index	5.60%	6.30%	10.30%	8.50%	1.80%	4.00%
IPCA – Extended National Consumer Price Index	5.80%	6.60%	9.90%	7.90%	2.70%	4.53%
Chemicals Trade Union Collective Bargaining Agreement (November)	7.50%	7.50%	10.30%	8.50%	1.80%	4.00%
Metalworkers Trade Union Collective Agreement (September)	8.00%	7.90%	9.80%	9.60%	1.80%	5.00%
Chemicals Trade Union Salary Floor	R\$ 1,160.00	R\$ 1,258.00	R\$ 1,388.00	R\$ 1,506.00	R\$ 1,535.00	R\$ 1,596.00
Chemicals Trade Union % Adjustment on Salary Floor	8.00%	8.40%	10.30%	8.50%	1.90%	4.00%
IHARA Wage Level (Lowest Salary Base)	R\$ 1,334.00	R\$ 1,447.00	R\$ 1,596.00	R\$ 1,732.00	R\$ 1,764.00	R\$ 1,836.00
% IHARA's Level X Chemicals Trade Union's Level	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
IHARA Average Increase - 12-Month Variation	16.20%	17.30%	13.20%	11.30%	7.60%	7.50%
Real Increase = IHARA X Collective Agreement	8.70%	9.80%	2.90%	2.80%	5.80%	3.50%
PLR	2013	2014	2015	2016	2017	2018
TRADE UNION (ANNUAL)	R\$ 930.00	R\$ 1,030.00	R\$ 1,030.00	R\$ 1,030.00	R\$ 1,049.00	R\$ 1,110.00
IHARA PLR - Number of salaries distributed (before Control Items)	1,110.00	3.16 wages	1 wage	5 wages + 1 trust deposit	5 wages + 1 trust deposit	4,5 wages + 1,5 trust deposit

HEALTH AND SAFETY

GRI 403-2

At IHARA the employees' health is seen as a priority issue and the company undertakes several actions in this regard. One of them is the daily performance of work gymnastics in all areas of the company, always with accompaniment of a physiotherapist. To ensure the well-being of employees, the company also offers a room equipped for physiotherapy sessions, accompanied by professionals of the area, as well as offering massage sessions once a month to staff.

The company also maintains a modern gym for its employees. In addition to the various equipment aimed at the practice of physical activity, it has specialized professionals to serve all users, who undergo evaluation and receive an individual exercise program.

The company implemented the program 1200 miles in 2015, which seeks to establish a proactive and preventive culture in the company, reviewing the targets annually and seeking continuous improvement of the entire system. This program brings 10 tools that are measured monthly, among them: Cross-inspection, Inspection of 5'S, Security Dialogues, Point to Point Lesson and Point Management. This last one is a formal

manifestation of the employee in finding and recognizing a dangerous condition within the manufacturing environment or a deviation from behavior, facilitating the immediate identification of risk situations. Punctual cases can be signaled by the RIS (Safety Inspection Report). In all cases the managers of the areas are responsible for making the actions feasible, being the closure audited by the occupational safety area.

These indicators are measured monthly and the result of each area is presented. The areas with the best performance in the quarter and year receive an award, such as special coffee, giveaways and dinner for the whole staff.

There are also monthly safety performance presentation meetings with managers, directors and team captains (supervisors), in which each representative is committed to pass on safety results to his team, in order to disseminate to all employees the results achieved and points of improvement.

In 2018, health and safety campaigns were also carried out with all employees, with a focus on home safety, traffic safety, health, among others.

INJURIES, OCCUPATIONAL DISEASES, DAYS LOST, ABSENTEEISM AND WORK-RELATED DEATHS – GRI 403-2

	2016	2017	2018
Accident frequency rate *	0,88	0	1,00
Number of occupational diseases	0	0	0
Gravity rate **	0,88	0	15,00
Absenteeism	0,64	0	0
Number of deaths	0	0	0

* Frequency rate of accidents = injury rate (considered only accidents with work leave, as in previous reports.) The count of days lost is done according to the Regulatory Norm # 4: days lost x 1,000,000h / n° hours / men worked.

** Gravity rate = lost days rate

SUPPLIERS

GRI 102-9, GRI 408-1, GRI 409-1

IHARA has 406 suppliers in its supply chain, having hired 155 of them in 2018. During this period, about US\$41 million was spent on payments to suppliers.

The company's supply chain includes manufacturers and distributors of various chemical products, such as technical materials, inert surfactants, solvents and emulsifiers, as well as distributors and rigid and flexible packaging manufacturers, pallets and adhesive tapes. Raw materials and packaging are purchased throughout the Brazilian territory with the highest concentration in the Southeast (79%).

Through the Purchasing Policy, in accordance with its Beliefs and Values, IHARA does not purchase products or services from suppliers who knowingly exploit child labor or keep workers in inhuman conditions. If involvement with any of these situations has been proven, the company breaks the relationship with the supplier, which is supported by standard clause of all its supply contracts.

A challenge faced in 2018 was in relation to the raw material imported from China, a country that has undergone a transformation in recent years with regard to inspection, control and restrictive policies related to the environment. Faced with this scenario there were many factory closures or limited production capacity, impacting on products imported from China.

SUPPLIERS EVALUATION

GRI 308-1, GRI 414-1

IHARA establishes internal supplier evaluation procedures and, in 2018, it has submitted 100% of its new suppliers to evaluations based on quality criteria, environmental impacts, safety and occupational health and related to human rights.

The input supplier evaluation process includes quality testing of the material, completion of questionnaires on practices adopted in production and an audit performed by IHARA's representatives. Critical vendors, in addition to complying with the homologation process in the first contract, undergo periodic monitoring, in which documents are evaluated, certifications, environmental conditions, controls and monitoring, safety and occupational health, of quality, etc. The evaluation is based on documents that demonstrate suppliers' commitment to social and environmental issues, such as: CADRI (Certificate of Waste Movement); IBAMA Register; Environmental Operation License; PCMSO (Occupational Health Medical Control Program) and PPRA (Environmental Risk Prevention Program).

Thus, IHARA guarantees the hiring of only new suppliers that meet its criteria, as well as the maintenance of the standards of those already homologated.

SOCIETY

GRI 413-1

In 2018 IHARA carried out and supported several projects aimed at Society, in areas of social assistance, culture and health, among others.

LEIS DE INCENTIVO	APORTES 2018	CIDADE
Rouanet Law	IHARA Concerts	Cities of the interior of Brazil
	IMIN 110 Project - Artistic and Cultural Programming – Aliança Cultural Brasil Japão do Paraná (Cultural Alliance Brazil Japan of Paraná)	Maringá (PR)
	Nova Mutum Youth Orchestra - Associação Cultural e Social de Nova Mutum (Nova Mutum Cultural and Social Association) - Projeto Orquestra Mirim Nova Mutum (Nova Mutum Child Orchestra)	Nova Mutum (MT)
Municipal Council for the Rights of Children and Adolescents (CMDCA) / Fund for the protection of children and adolescents (FUNCAD)	Instituto Educacional Duque De Caxias (Duque de Caxias Educational Institute) - Environmental Education Project and Projeto Marcial Guarda Mirim (Martial Child Guard Project)	Ponta Grossa (PR)
	Hospital Pequeno Príncipe - Project "For More 100 Years: Renovation of the HPP Building Structure"	Curitiba (PR)
	APAE - Service of Qualification and Rehabilitation of the Person with Physical Disability	Campo Novo do Parecis (MT)
	CERENE – Nova Esperança Recovery Center (Lapa Unit) - PROJECT "Qualifying care for a drug-free life"	Lapa (PR)
	ADCANP - Association of the Disabled of Campos Novos do Parecis - Young Apprentice Project	Campo Novo do Parecis (MT)
	APAE - Project "Physical Space Improvements"	Silvânia (GO)
	Ilso José Webber Cultural and Social Assistance Center - Living Project "Learning, Knowing, Experiencing for a wise and promising future"	Coxilha (RS)
Law of Sport	Time Magnus Futsal	Sorocaba (SP)
	Eco Environmental and Social Institute - Eco Circuit (Medianeira City Running)	Medianeira (PR)
	Association of Culture and Social Sport Network Access - Running and Walking to Live Well IX (Running Piracicaba)	Piracicaba (SP)
Law of the Elderly	Santa Casa de Piracicaba - More ICU Project "UTI Structuring for the Elderly"	Curitiba (PR)
	Sociedade Hospitalar Angelina Caron - Project "More Health for the Elderly"	Campina Grande do Sul (PR)
	Food bank of Rio Grande do Sul - project steps of longevity second edition	Porto Alegre (RS)
	Associação Hospitalar São José de Jaraguá do Sul - Project "Qualification of Care for the Elderly"	Jaraguá do Sul (SC)
Pronon	Fundação Cristã Evangélica - Hospital do Câncer de Rio Verde (Evangelical Christian Foundation – Rio Verde Hospital of the Cancer) - Expansion Project	Rio Verde (GO)
Donation	APAE	Votorantim (SP)
	Lar São Vicente de Paula (São Vicente de Paula Home)	Sorocaba (SP)
	Instituto das Pequenas Missionárias de Maria Imaculada (Institute of the Little Missionaries of Mary Immaculate)	São José dos Campos (SP)
	Médicos sem Fronteira (Doctors Without Borders)	Brasil todo

A large, oval-shaped sign for 'IHARA' is constructed from horizontal wooden planks. The letters 'I', 'H', 'A', 'R', and 'A' are cut out of the wood and filled with a dense pattern of small, round bamboo or reed sections. The sign is set against a background of lush green trees and a chain-link fence. In the foreground, there are red flowers and a red informational signpost.

ENVIRONMENTAL PERFORMANCE

IHARA has an efficient environmental management, combining productivity and reducing the use of natural resources.

ENERGY

GRI 302-1

IHARA's energy matrix consists of electricity and non-renewable sources, such as the burning of diesel oil and natural gas. In 2018 the company consumed 21,582.51 liters of diesel oil, 260,250.00 m³ of natural gas, 125.48 liters of biodiesel and 8,138.12 MWh of electricity. The consumption of diesel oil increased in 22.06% compared to last year, while natural gas increased 16.18% over 2017.

In 2018 electricity consumption was lower than in 2017, due to improvements in the compressed air system, especially in leak corrections that are actions that significantly reduce consumption. The index calculated by the amount of energy in MWh divided by the total volume of production was 0.16 MWh / t, in line with the target (0.16MWh / t). Another project aimed at reducing consumption is due to the installation of LED lamps throughout the company, which saves energy compared to other types of lamps and reduces maintenance costs because of its long life.

The electric energy used by IHARA is bought in the free market and when not totally con-

sumed, it is sold. In 2018 there was a leftover of more than 38,247 MWh.

In relation to the energy consumption for heating, natural gas is used for boiler feed and steam generation.

Air conditioners and chillers are used for refrigeration and the approximate amount of the different types of gases used in the year 2018 for the equipment was:

ENERGY CONSUMPTION WITHIN THE ORGANIZATION – GRI 302-1

Gas	Consumption (Kg)	
	2017	2018
Refrigerant Gas R-22	30.00	6.50
Refrigerant Gas R-410	38.00	15.50
Refrigerant Gas R-404	18.00	6.50
Refrigerant Gas R-407 C	11.00	63.50
Refrigerant Gas R-134 A	10.00	4.50

There is no monitoring of the amount of steam generated and/or consumed by IHARA and there is no project forecast that allows measurements, due to the costs and the low consumption by the company.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION – GRI 302-1

	2016	2017	2018
NON-RENEWABLE SOURCES			
Diesel oil (l)	17,100.00	16,780.00	21,528.51
Natural gas (m³)	210,392.04	218,144.00	260,250.00
Biodiesel (l)	-	-	125.48
ELECTRICITY			
Electricity (MWh)	7,164.00	6,762.00	8,138.12

Note: The consumption of diesel oil reported in 2017 was only used internally (in stationary equipment). This year, 100% of diesel oil purchased and consumed by IHARA was reported, including vehicles (mobile).

EMISSIONS

GRI 305-1, GRI 305-2, GRI 305-3

Last year IHARA has prepared its inventory of greenhouse gas emissions for the ninth time, which is based on the methodologies of the GHG Protocol and highlights the Brazilian specifications present in it.

In 2018 the company issued 14,827.13 tCO₂e and 2,159.12 tCO₂e for direct emis-

sions (Scope 1) and 650.61 tCO₂e for indirect emissions (Scope 2). The emissions of Scope 3 (other indirect emissions) were 12,017.39 tCO₂e - always considering the CO₂, CH₄, N₂O and HFC gases calculations. Regarding direct and indirect biogenic emissions, the total emissions were 2,239.85 tCO₂e.

DIRECT EMISSIONS OF GREENHOUSE GASES (GEE) – SCOPE 1 – GRI 305-1

	2016	2017	2018
Direct gross greenhouse gas emissions	1,292.80	1,218.20	2,159.12
Biogenic emissions	393.50	314.30	1,108.78

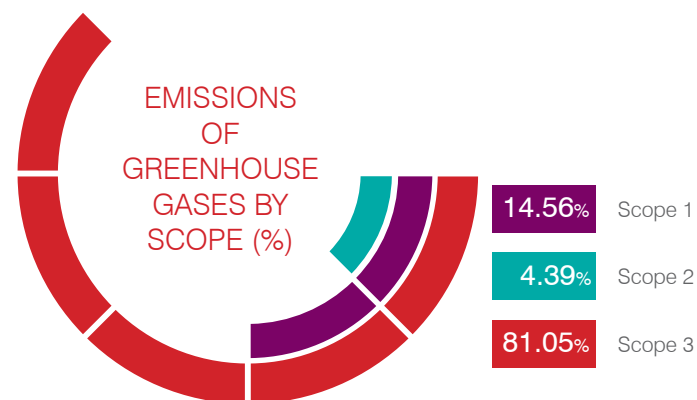
INDIRECT EMISSIONS OF GREENHOUSE GASES (GEE) – SCOPE 2 – GRI 305-2

	2016	2017	2018
Indirect emissions of greenhouse gases	592.90	661.30	650.61

OTHER INDIRECT EMISSIONS OF GREENHOUSE GASES (GEE) – SCOPE 3 – GRI 305-3

	2016	2017	2018
Other Indirect Emissions of Greenhouse Gases	9,090.80	10,572.70	12,017.39
Biogenic emissions	732.60	801.50	1,131.07

Note: In 2018 there was an increase in Scope 1 emissions due to the inclusion in the calculation of gas used in chillers, as well as 16 new vehicles.



WATER AND EFFLUENTS

WATER

GRI 303-1, GRI 303-2, GRI 303-3

In 2018 IHARA's absolute water consumption was 142,457.39 m³, 17.33% higher than in 2017. Regarding the efficiency of the use of this resource, IHARA obtained a positive result because it consumed 0.31m³ of water per ton produced, versus the target drawn of 0.47m³. The efficiency index excludes the volume of water incorporated in the products. One of the major contributors to achieving the goal was effective weekly con-

trol, in order to minimize the occurrence of leaks, as well as the conclusion of the flowable decontamination project.

The water supply of the company was guaranteed mainly by surface funding (73.88%), followed by groundwater abstraction (22.01%), with a small share of the municipal supply network (4.12%).

WATER WITHDRAWAL BY SOURCE (M³) – GRI 303-1

	2016	2017	2018
Surface water	169,956.59	75,039.75	105,241.19
Underground water	38,952.00	36,208.80	31,349.20
Municipal service supply or other services	5,107.00	6,516.00	5,867.00
Total	214,005.09	117,764.55	142,457.39

Concerned to the reuse and recycling of water in 2018, IHARA reached a level of 2,750.99 m³, an increase of 38.05% over the previous year. One of the reasons for this result was

the achievement of a project to increase the consumption points of reuse water in utilities with water baths and cooling towers.

REUSED WATER - GRI 303-3

	2016	2017	2018
Volume (m ³)	2,230.06	1,704.16	2,750.99
Percentage of total water used (%)	1.04	1.45	1.93

EFFLUENTS

GRI 306-1

IHARA carries out the monitoring of its effluents through readings of water meters and flowmeters, recording the data in control worksheets. In the case of reverse osmosis waste and liquid wastes of low contamination, the control is done by weighing dispatched trucks. Effluents contaminated with solvents and oils, not subject to internal treatment, are sent for coprocessing.

In 2018 the company was able to reduce industrial waste generation by 22.69% and reverse osmosis waste by 8.81%. Low-con-

tamination liquid wastes increased by 64.13% compared to 2017, due to the storage of volumes generated in 2017, destined for the first half of 2018.

Effluents sent for external treatment, as the reverse osmosis waste and low contamination liquid waste are destined as waste, being in conformity with the sectional organs. Internally treated effluents are 100% reused by IHARA, not having the launch in water body, and consequently there is no need to monitor its quality.

EFFLUENTS – GRI 306-1

Destination		2016	2017	2018
Industrial effluent (m³)	Internal treatment	6,609.40	5,877.27	4,543.94
Reverse Osmosis Reject (t)	External treatment	5,113.71	3,104.42	2,830.89
Liquid wastes of low contamination (t)	Coprocessing	234.17	381.75	1,064.33

MATERIALS AND WASTE

IHARA carries out its management of purchases of raw materials and packaging through the system, accompanying the production demand. In 2018 the company consumed 13,121.73 t and 3,706,643 units of non-renewable materials. As regards renewable materials, last year IHARA consumed 4,220,212 units.

IHARA waste management is carried out through control and indicators, being all dispatched by type and destination. IHARA has an annual target of 10% reduction in waste generation in relation to the previous year.

This indicator is linked to the volume of production.

In 2018 the company discarded 7.18t of waste. Although this number was higher than in 2017, the company reached the expected target of 0.14 tons of waste destined per ton of products produced. The main material discarded was the Reverse Osmosis Reject, which generated 2.83t.

Part of the volume destined for coprocessing was generated in 2017 and stocked for the attempt of external treatment. The treatment

was not possible and, therefore, this material was destined for 2018. There were also several works of improvements of gutters and boxes of effluents and the waste destined externally.

RENEWABLE MATERIALS USED – GRI 301-1

Material name	Type of material	2016	2017	2018
		Volume/weight	Volume/weight	Volume/weight
Recycled plastic cylinders (unit)	Recycled packaging/cylinders used in the packaging of finished products	75,920	120,120	240,512
Recycled plastic covers (unit)	Recycled covers used in the closure of cylinders of packaged finished products	1,768,400	3,306,739	3,979,700

NON-RENEWABLE MATERIALS USED - GRI 301-1

Material name	Material type	2016	2017	2018
		Volume/weight	Volume/weight	Volume/weight
Amine ethoxylated grease (t)	Raw material based on non-ionic surfactants, used to manufacture finished products	1,297.18	1,093.02	IHARA no longer uses this raw material, as it was replaced by the KOH solution, which is less aggressive to human health
Mixture of ethoxylated fatty alcohol esters (t)	Raw material	513.32	896.13	1.324.96
Monois propylamine (t)	Raw material for the manufacture of finished herbicide product	1,767.30	1,569.00	IHARA no longer uses this raw material. because it was replaced by the glycoside, which is less aggressive to human health
Mineral oil (t)	Raw material used in the finished product composition	5,638.91	4,724.40	3,611.14
Xylol (t)	Solvent used in the manufacture of finished products	1,066.15	665.40	830.66
KOH-Herb solution (t)	Neutralizing	-	-	5,730.59
Mixture of decyl glucoside in 60%-sol water - Herb (t)	Surfactant	-	-	1,624.38
Bottles and plastic cylinders (unit)	Mono and Coex cylinders of 5 and 20 l; Mono and Coex bottles of 250 ml and 1 l	3,567.688	1,695.197	3,706.643

WASTE GENERATED BY TYPE AND METHOD OF DISPOSAL - GRI 306-2

Type of waste	Disposition method	Quantity (t)		
		2016	2017	2018
Contaminated packaging, asbestos tiles, among others	Class I landfill	344.52	268.46	304.37
Solid waste, household trash and rubble	Class II landfill	161.30	417.62	344.16
Ambulatory waste	Ambulatory waste autoclave	0.01	0.01	0.009
Organic waste	Internal composting of organic waste	0.00	4.61	0.43
Effluent treatment plant sludge, effluents (solvents), complementary packaging and synthetic organic waste (ROS)	Coprocessing	360.62	487.85	1075.44
Hazardous waste and agricultural pesticides	Incineration	55.80	122.66	371.38
Lamps, drums and plastic packaging	Class I Recyclable Waste	468.53	445.73	624.57
Paper, plastics and wood	Class II Recyclable Waste	1,106.58	1,125.12	1,281.14
Rejection of osmosis and effluent / biological sludge	External treatment (effluent treatment plant) Class I	5,462.03	3,271.22	3,235.54
Total		7,959.39	6,143.28	7,237.04

In 2016 Ihara didn't generate organic waste for composting.



BIODIVERSITY

GRI 304-2

In 2018 IHARA's major impacts on biodiversity have remained focused on the potential misuse of pesticides and the non-preservation of protected areas. So, the company applies actions aimed at precaution and prevention of accidents, as well as the preservation of biodiversity.

During the year IHARA started several projects of facilities and re-adaptation of productive plants, aiming at improvements in the productive processes, all still under environmental licensing:

- Construction project of a Synthesis plant for the production of a new product.
- Project to expand several production plants, with the deployment of new equipment, for example the Dispersible Granules (WG).

- Project to expand and adapt Flowable plants for the production of Emulsion Oil in Water products (EW).
- Construction project of a waste house for the herbicide plant.
- Project to build a new plant, called the FLEX plant, in the herbicide plant.

As a way to mitigate these impacts, IHARA carries out a preliminary survey of its environmental aspects and impacts (LAIA), establishing controls so that impacts are minimized.

Besides that, all projects involving new equipment installations, building area, among others, are carried out only after environmental licensing by CETESB, which establishes technical requirements to which the organization must comply and evidence compliance.

SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS AND SERVICES ON BIODIVERSITY AND THE RESPECTIVE SHARES OF THE COMPANY - GRI 304-2

Potential impact	IHARA Actions
Pollution	Incorrect use of pesticides may cause contamination of air and surface and ground water, negatively impacting biodiversity. To deal with these risks, IHARA promotes several actions of an educational nature. Projects such as Cultivida stand out, which in 2018 focused on the free distribution of around 130 thousand EPIs for vegetable growers, mainly in the Northeast region, and 7 Program, in which IHARA's technical sales team carries out demonstration work on the effectiveness of its products with a focus on the adequate technical use and sustainable growth of the portfolio.
Species reduction	Suppression of vegetation can reduce the habitat of wildlife and provide for other complications, such as erosion events and worsening of the quality of water resources. To ensure due care for regional biodiversity, IHARA preserves an area of 46,628 hectares of Legal Reserve and 24.8 hectares of Permanent Preservation Area on its property. Initiatives such as these promote adequate preservation in their area of action and disseminate the importance of caring for the environment.



ABOUT THE REPORT



MATERIAL THEMES

GRI 102-40, GRI 102-42, GRI-102-43, GRI 102-44, GRI 102-46, GRI 102-47

In order to define the content of its Sustainability Report (and respective GRI indicators), in 2015 IHARA carried out a structured process of stakeholder consultation, which culminated in the elaboration of its Matrix of Materiality. Thus, the company was aware of the issues of greatest relevance to the organization and its stakeholders.

The process was initiated by the elaboration and subsequent application of an online materiality questionnaire, addressing three major themes – Environment, Value Chain and Economic / Products - subdivided into seven subjects, to be ordered by respondents from the most relevant to the least relevant theme. Three strategic stakeholders were selected to participate in the process: internal public, suppliers and customers. This choice was based on the impact of the activities, products and services of the company, as well as their expectations, interests and capabilities about these audiences.

After the Matrix of Materiality was elaborated, the company conducted a survey of all GRI indicators related to the material aspects identified, defining the indicators that IHARA understands as important for its business. So, it was established the set of indicators published in this report.

GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56

This is the tenth Sustainability Report published by IHARA, presenting to the public its environmental, social, economic-financial and organizational profile information for the whole year 2018. This report was prepared in accordance with GRI Standards: essential option.

With annual emission cycle, the last report was for the entire year 2017. The company chose not to carry out an external verification of this document.

To define the content of this report, IHARA carried out a consultation with its stakeholders in 2015 and developed a Materiality Matrix, as below.

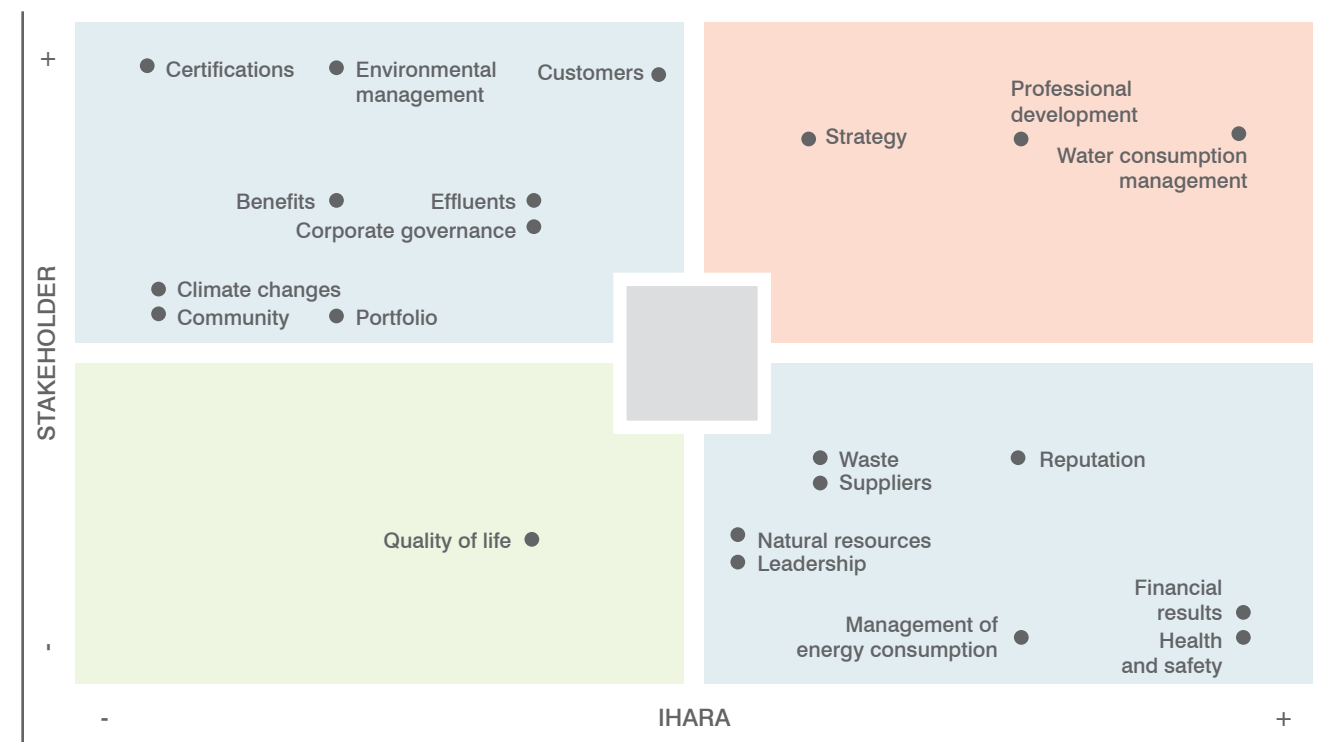
Contacts related to IHARA 2018 Sustainability Report can be made via sustentabilidade@ihara.com.br, our relationship channel. Previous reports are available for viewing or download on the website: <http://www.ihara.com.br/institucional>.

STAKEHOLDER ENGAGEMENT

GRI 102-40, GRI 102-43

In 2018 IHARA carried out some engagement projects (described in this Report) aimed at the internal public, farmers, various customers and consumers - such as the Sustainability Committee and the Cultivated project.

GRI 102-47



- The issues in the upper right area are those of greater relevance to IHARA and its stakeholders.
- The matters allocated at the center are of medium relevance for IHARA and its stakeholders.
- The issues in the lower left quadrant are those not relevant to the report at this time, for IHARA and its stakeholders.
- The issues on the upper left and lower right are those whose priority is seen differently by IHARA and its stakeholders, pointing out the need for an analysis.

Material topics 103-1	Limit: where the impact occurs	Material topic description	GRI Standards Correlation	IHARA's Management approach 103-2	Evaluation of the management approach 103-3
Strategy	Material within the organization.	Know IHARA's growth strategy and its long-term vision.	Strategy: GRI 102-14, GRI 102-15	IHARA's business strategy is to deliver solutions and invest in research and development to constantly launch products that meet the complex needs of agriculture with productivity and sustainability.	Strategic indicators are deployed by area, with periodic monitoring of Senior Management, so that monitoring and intervention is timely when necessary. This control is the driver so that the established goals are achieved.
			Ethics and Integrity: GRI 102-16	Its management tool is the Objectives and Goals Panel, responsibility of the financial area. It contemplates all the indicators deployed of the corporate strategy for the other directorates: Board of the Presidency, Commercial, Marketing, Technical, Industrial and Financial. These indicators are defined once a year, according to the contribution of each area to the achievement of the corporate guideline. Some of them can be highlighted: sales goal, margin, market share, productivity, application	
			Governance: GRI 102-18	profitability, hedge, indebtedness, reduction of expenses, developing new products and obtaining records.	
			Economic performance: GRI 201-1, GRI 201-2	The Objectives and Goals Panel is presented monthly at the Board meeting, being part of the constant monitoring of each area manager.	
Professional development	Material within the organization.	How IHARA values its employee, planning training, strengthening skills and providing a motivating work environment.	Presence in the market: GRI 202-1, GRI 202-2		
			Training and education: GRI 404-1, GRI 404-2, GRI 404-3	The management of people development at IHARA is monitored by the Department of Human Development, which holds periodic meetings with the managers of each area, with the One Page Report (OPR) approach. This approach uses the concept Knowledge, Skill and Attitude (CHA): while the Knowledge and Skill issues are worked out by the Human Development Department, through training, those of Attitude are handled and monitored by managers.	In order to promote the development of its collaborators, the Human Development Department works closely with each manager. Through the Annual Training Plan – PAT, IHARA carries out an annual mapping of the training needs of its various areas, followed by monthly monitoring.
			Diversity and equal opportunities: GRI 405-1, GRI 405-2	IHARA offers training to all its employees, ranging from the basic training required to perform the function to the technical and behavioral training necessary to achieve organizational goals and individual professional development.	
				A highlight of 2018 was PDL - Leaders Development, carried out by renowned institutions, with an investment of approximately R\$500 thousand, which trained 80 employees and totaled 152 hours.	

Material topics 103-1	Limit: where the impact occurs	Material topic description	GRI Standards Correlation	IHARA's Management approach 103-2	Evaluation of the management approach 103-3
Water consumption management	Material within the organization.	IHARA water consumption monitoring actions.	Water: GRI 303-1, GRI 303-2, GRI 303-3	<p>The management of water consumption is a topic widely discussed at IHARA. It is monitored and evaluated weekly by the Environment area, which reports results every month to Senior Management, with definitions of causes and actions for positive and / or negative results.</p> <p>The established target for the reduction of water consumption is 10% in relation to the previous year. This is measured in index, that is, total water abstraction (for use in utilities - consumptions subject to reduction actions) divided by the volume produced. According to the results, the Environment area, in conjunction with the Sustainability Committee, defines improvement projects which are presented to Senior Management to show gains and obtain authorization for deployment.</p>	<p>The management of water consumption indicators is evaluated monthly, by the Senior Management and monitored and discussed every three months, with the Sustainability Committee.</p> <p>Based on periodic measurements, causes and actions are defined for the achievement of established goals and continuous improvement.</p>

GRI CONTENT INDEX

GRI 102-55

GRI Standards	Disclosure	Comments	Report page	Omission
GRI 101: FOUNDATION 2016				
GENERAL DISCLOSURES				
GRI 102: GENERAL DISCLOSURES 2016	ORGANIZATIONAL PROFILE			
	GRI 102-1	Name of the organization.	8	
	GRI 102-2	Activities, brands, products, and services..	8	
	GRI 102-3	Location of headquarters.	8, 69	
	GRI 102-4	Location of operations.	8	
	GRI 102-5	Ownership and legal form.	8	
	GRI 102-6	Markets served.	9	
	GRI 102-7	Scale of the organization.	8, 29	
	GRI 102-8	Information on employees and other workers.	36, 37	
	GRI 102-9	Supply chain.	44	
	GRI 102-10	Significant changes to the organization and its supply chain.	In 2018, a new "Synthesis I" plant was created, in the licensing phase, in the herbicide fabrication structure for molecular synthesis of a new product.	
	GRI 102-11	Precautionary Principle or approach.	24	
	GRI 102-12	External initiatives.	There are no initiatives is this regard.	
	GRI 102-13	Membership of associations.	13	

GRI Standards	Disclosure	Comments	Report page	Omission
STRATEGY				
	GRI 102-14	Statement from senior decision-maker.	4, 60	
	GRI 102-15	Key impacts, risks, and opportunities.	4, 60	
ETHICS AND INTEGRITY				
	GRI 102-16	Values, principles, standards, and norms of behavior.	12, 27, 60	
GOVERNANCE				
	GRI 102-18	Governance structure.	24, 60	
STAKEHOLDER ENGAGEMENT				
	GRI 102-40	List of stakeholder groups.	58, 59	
	GRI 102-41	Collective bargaining agreements.	36	
	GRI 102-42	Identifying and selecting stakeholders.	58	
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-43	Approach to stakeholder engagement.	58, 59	
	GRI 102-44	Key topics and concerns raised.	58	
REPORTING PRACTICE				
	GRI 102-45	Entities included in the consolidated financial statements.	IHARA has no subsidiaries.	
	GRI 102-46	Defining report content and topic Boundaries.	58	
	GRI 102-47	List of material topics.	58, 59	
	GRI 102-48	Restatements of information.	In 2018 there was no reformulation of information.	
	GRI 102-49	Changes in Reporting.	In 2018 there were no changes in the reporting and / or reformulation of information.	
	GRI 102-50	Reporting period.	58	
	GRI 102-51	Date of most recent report.	58	
	GRI 102-52	Reporting cycle.	58	

GRI Standards	Disclosure	Comments	Report page	Omission
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-53	Contact point for questions regarding the report.	58, 69	
	GRI 102-54	Claims of reporting in accordance with the GRI Standards.	58	
	GRI 102-55	GRI content index.	62	
	GRI 102-56	External assurance.	58	
MATERIAL TOPICS				
STRATEGY				
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.	60	
	GRI 103-2	The management approach and its componentes.	60	
	GRI 103-3	Evaluation of the management approach.	60	
GRI 102: STRATEGY 2016	GRI 102-14	Statement from senior decision-maker.	4, 60	
	GRI 102-15	Key impacts, risks, and opportunities.	4, 60	
GRI 102: ETHICS AND INTEGRITY 2016	GRI 102-16	Values, principles, standards, and norms of behavior.	12, 27, 60	
GRI 102: GOVERNANCE 2016	GRI 102-18	Governance structure.	24, 60	
GRI 201: ECONOMIC PERFORMANCE 2016	GRI 201-1	Direct economic value generated and distributed.	32, 33, 60	
	GRI 201-2	Financial implications and other risks and opportunities due to climate change.	24, 25, 60	
GRI 202: MARKET PRESENCE 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage.	41, 60	Not applicable: IHARA does not consider relevant the publication of the information on salaries of its subcontractors. In this sense, only publishes GRI 202-1 information regarding its own employees.
	GRI 202-2	Proportion of senior management hired from the local Community.	36, 60	

GRI Standards	Disclosure	Comments	Report page	Omission
WATER CONSUMPTION MANAGEMENT				
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.	61	
	GRI 103-2	The management approach and its componentes.	61	
	GRI 103-3	Evaluation of the management approach.	61	
GRI 303: WATER 2016	GRI 303-1	Water withdrawal by source.	51, 61	
	GRI 303-2	Water sources significantly affected by withdrawal of water.	51, 61	Information not available: The availability of groundwater from water sources, no database was found to assess its significance.
	GRI 303-3	Water recycled and reused.	51, 61	
PROFESSIONAL DEVELOPMENT				
GRI 103: MANAGEMENT APPROACH 2016	GRI 103-1	Explanation of the material topic and its Boundary.	60	
	GRI 103-2	The management approach and its componentes.	60	
	GRI 103-3	Evaluation of the management approach.	60	
GRI 404: TRAINING AND EDUCATION 2016	GRI 404-1	Average hours of training per year per employee.	38, 39, 60	
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs.	38, 60	
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews.	40, 60	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	GRI 405-1	Diversity of governance bodies and employees.	28, 36, 37, 60	
	GRI 405-2	Ratio of basic salary and remuneration of women to men.		Confidential information: IHARA considers the information requested by the GRI indicator 405-2 to be confidential, thus, as in the previous year the company will not disclose such information.

GRI Standards	Disclosure	Comments	Report page	Omission
TOPIC-SPECIFIC STANDARDS				
ECONOMIC STANDARDS				
GRI 205: ANTI-CORRUPTION 2016	GRI 205-1	Operations assessed for risks related to corruption.	25	
ENVIRONMENTAL STANDARDS				
GRI 301: MATERIALS 2016	GRI 301-1	Materials used by weight or volume.	53, 54	
GRI 304: BIODIVERSITY 2016	GRI 304-2	Significant impacts of activities, products, and services on biodiversity.	55	
	GRI 305-1	Direct (Scope 1) GHG emissions.	50	
GRI 305: EMISSIONS 2016	GRI 305-2	Energy indirect (Scope 2) GHG emissions.	50	
	GRI 305-3	Other indirect (Scope 3) GHG emissions.	50	
GRI 306: EFFLUENTS AND WASTE 2016	GRI 306-1	Water discharge by quality and destination.	52	
	GRI 306-2	Waste by type and disposal method.	54	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	GRI 308-1	New suppliers that were screened using environmental criteria.	44	
SOCIAL STANDARDS				
GRI 401: EMPLOYMENT 2016	GRI 401-1	New employee hires and employee turnover.	36, 38	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	41	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	43	Information not available: IHARA does not have the information of the hours worked by outsourced employees, reason why it is not possible to calculate the equivalent rates.
GRI 408: CHILD LABOR 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor.	44	

GRI Standards	Disclosure	Comments	Report page	Omission
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GRI 413: LOCAL COMMUNITIES 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs.	45	
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CREDITS

GRI 102-3, GRI 102-53

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