



**Agriculture
is our life**

**S U S T A I N A B I L I T Y
R E P O R T
2 0 2 0**





04	MESSAGE FROM THE CEO
06	ABOUT IHARA
18	CORPORATE GOVERNANCE
22	POSITIONING AGAINST THE COVID-19 PANDEMIC
26	IHARA PORTFOLIO
32	ECONOMIC AND FINANCIAL PERFORMANCE
36	ENVIRONMENTAL PERFORMANCE
44	SOCIAL PERFORMANCE
52	ABOUT THE REPORT
56	GRI CONTENT SUMMARY
62	CREDITS

MESSAGE FROM THE CEO

GRI 102-14, GRI 102-15

Dear all,

We hereby share with you the 12th IHARA Sustainability Report, where we will be showing several innovations and accomplishments achieved in 2020.

Particularly, due to the pandemic scenario, this was a year with many challenges and barriers, but again, always united by the noble mission of contributing to the progress and competitiveness of the Brazilian Agriculture, we continue to bring our solutions to farmers. Last year, the Real experienced a severe devaluation compared to the Dollar, in addition to the highly volatile exchange market, making it even more essential to manage financial resources in order to safeguard our assets. Despite this great challenge, our company showed a growth in sales, which allowed us to move forward in our market position.

Undoubtedly, much of this growth was due to the various investments in innovation, infrastructure and the development of our people.

As part of these investments, we inaugurated two new research centers, one in Mato Grosso and another one in Paraná, in addition to a new Distribution Center in Mato Grosso. Moreover, we started the packaging production in our own plant, an important milestone that will bring more competitiveness to our products.

We also had significant improvement investments in formulation plants and implemented the SAP system, to further enhance our management, control and productivity.

Aligned with our vocation as a research and development company, we have brought innovations to the market again, by launching modern products that meet the growing needs of tropical agriculture for a more effi-

cient control of pests, diseases and resistant weeds. We launched 9 new products, with emphasis on the launch of the Herbicides of the Future product family, also consolidating the most promising and modern family of new insecticides, launched in 2019.

From an environmental point of view, we remain committed to improving our indicators, seeking to reduce: (i) water consumption, with an 18% reduction ratio compared to 2019; (ii) energy consumption, with a 5% reduction ratio compared to 2019; and, (iii) the destination of waste, with an 18% reduction ratio compared to 2019.

In relation to our employees, even in such a delicate year, where several companies went bankrupt or had to reduce their staff, we invested in hiring, creating vacancies and increasing our staff to more than 800 employees.

With so many investments and innovations, we were once again recognized with several important industry awards. Again, we were 1st place in the Agricultural Defensive category in the Best of Agribusiness 2020 by the Globo Rural Magazine; 1st place in the

Agribusiness-Inputs category in The Best of Dinheiro 2020 by the Isto É Dinheiro magazine; we figured among the companies recognized as Amazing Places to Work by the Administration Institute Foundation (FIA) and we were also recognized for our focus and commitment towards good governance and compliance practices, with the renewal of the More Integrity Seal 2020, of the Ministry of Agriculture.

We are sure that with all these innovations, investments and achievements, we have been accredited for a NEW AGE at IHARA, where we will be even stronger and better prepared to continue growing and generating value to farmers.

After all, they are the reason why we exist.

Enjoy your reading

JÚLIO BORGES

PRESIDENT OF THE BOARD OF DIRECTORS AT IHARA

JOSÉ GONÇALVES DO AMARAL

PRESIDENT AT IHARA

ABOUT IHARA

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
customers with excellence.



IHARA'S MISSION, VISION, BELIEFS AND VALUES

GRI 102-16

MISSION

Contributing to the progress and competitiveness of Brazilian agriculture.

VISION

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

Always united and striving for the same goals, let us make IHARA a first-rate company.

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

BELIEFS AND VALUES¹

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

We are attentive and open to changes, and we will make the necessary changes, always with the noblest 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 customers with excellence.

OUR PLANET

The world will increasingly need food. We will always respect natural resources in the search for productivity. Everything is interconnected: Earth, Water and Air are the greatest assets of humanity.

We will have the maximum responsibility in the way of treating them. Feeding the world while preserving these goods 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 put all our energy into this noble mission.

We foster creativity and innovation. We believe that science and technology can sort out Brazil's productivity challenges.

OUR COMPANY

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

Great achievements do not take place overnight; they result from the sum of small achievements made consistently, with determination and courage. What matters is to achieve sustainable results.

We share and celebrate our achievements by strengthening relationships and immediately seeking new challenges.

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

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



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

We respect the knowledge acquired through experience as well as the theoretical knowledge.

In any matter, our decisions are based on: loyalty, justice, courage, love and humility, in that 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 have chosen so! We cultivate the business owner spirit in each employee. We are responsible for our choices. Our people are our greatest asset. Excellent people with great results and a desire to grow are recognized and rewarded accordingly.

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

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

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 humbleness as a principle. We value the ability to listen, diverge and express ourselves respectfully.

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

We look for people with initiative and creativity and cultivate them as having a high value.

We are enthusiastic. We dedicate ourselves to working with energy and passion, finding satisfaction and pleasure. As we work with 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 face challenges with joy and courage. A given mission is an accomplished mission.

1. Mr. Inamori's success story and Kyocera's philosophy were the basis to elaborate IHARA's Beliefs and Values..

GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-10

IHARABRAS S/A Indústrias Químicas is a Brazilian privately held corporation, with its corporate structure composed mainly of Japanese companies, which has been operating for 55 years in the research, development, production and marketing of pesticides, seeking to serve farmers with solutions that protect crops against diseases, pests and weeds.

The company's head office is located in the city of Sorocaba/SP, where our administrative offices, production plants, research center and distribution center are located. We still have five distribution centers, located in the states of Bahia, Goiás, Mato Grosso, Paraná and Rio Grande do Sul. In 2020 IHARA begins operations in the Research Centers in Primavera do Leste (MT) and Sarandi (PR).

In 2019, IHARA opened a representative office in China and, due to business growth, invested in 2020 in increasing employees in order to enhance supplier relationships. In 2021, it is expected to open in India.

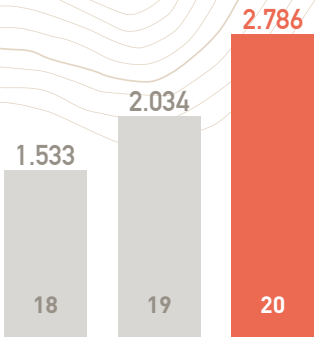
The company permanently invests in research and development, with the objective of launching new products that address the productivity challenges of Brazilian tropical agriculture, increasing productivity, safety and its sustainability. By practicing the Japanese culture of quality management, IHARA maintains strict production standards and a highly technical sales team, offering more than 60 products, including fungicides, herbicides, insecticides and special products, which contribute to the protection of more than 100 different types of crops.



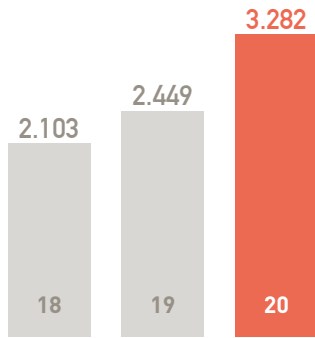
COMPANY'S SIZE

GRI 102-16

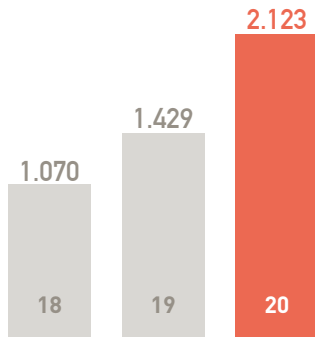
NET SALES (R\$ MILLION)



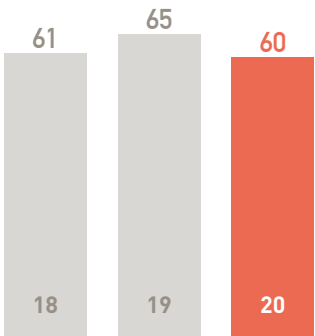
TOTAL ASSETS (R\$ MILLION)



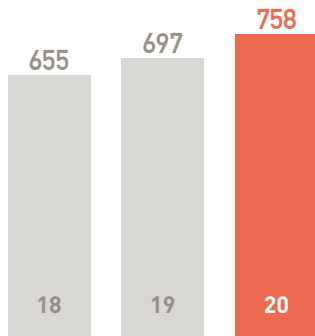
COSTS (R\$ MILLION)



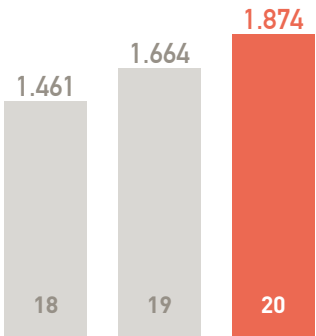
NUMBER OF PRODUCTS



NUMBER OF EMPLOYEES



TOTAL EQUITY (R\$ MILLION)



CORPORATE COMPOSITION

28.5%

Nippon Soda
Origin: Japan

22.4%

Kumiai Chemical
Origin: Japan

22.4%

Sumitomo Corporation
Origin: Japan

12.1%

Mitsui Chemicals Agro
Origin: Japan

4.2%

Sumitomo Chemical
Origin: Japan

3.7%

Mitsubishi Corporation
Origin: Japan

3.1%

Nissan Chemical Corporation
Origin: Japan

3.56%

Other
Origin: Brazil

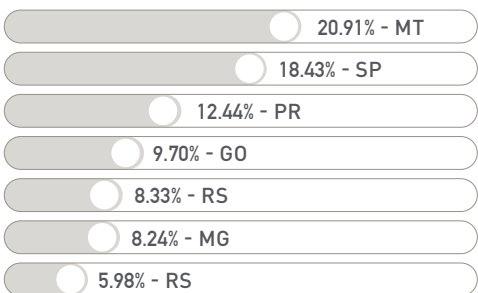


MARKETS SERVED

GRI 102-6

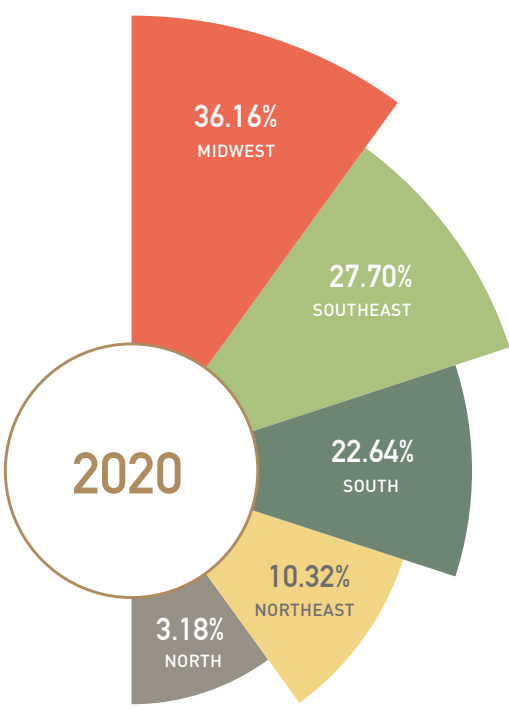
Operating throughout the national territory, in the agrochemicals segment and taking products and services to rural producers, IHARA significantly contributes to the progress and competitiveness of the Brazilian agriculture.

BY STATE*

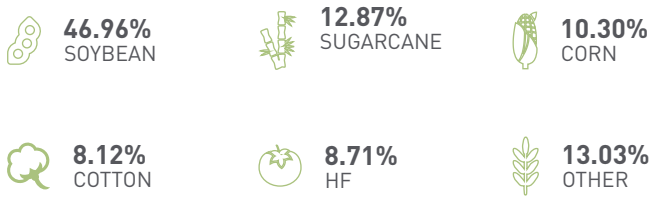


* The rest is divided among the other Brazilian states.

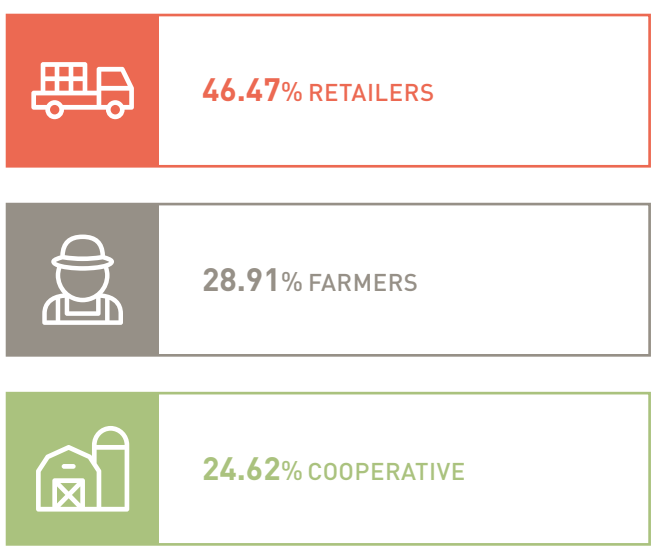
BY REGION



BY CROP



BY CLIENTS/ BENEFICIARIES



TIMELINE

1965

- IHARA is founded in São Paulo (SP), located in the Jaguaré district.

1991 - 1997

- Investment in facilities, expansion works, reforms and modernization.
- Inauguration of the synthesis plant of the fungicide thiophanate methyl

2011

- Mitsui Chemicals Agro and Nissan Chemical Corporation join as the company's shareholders.

2004

- Revenue reaches US\$ 100 million.

1970 - 1989

- The company's first plant is officially inaugurated in Osasco (SP).
- In the early 1980s the office is opened in Sorocaba/SP. In mid-1982 the factory is transferred and the entire operation is unified in Sorocaba. In this period the Synthesis of the herbicide molecule Propanil is also inaugurated.
- Opening of new facilities, synthesis of the propanyl herbicide molecule.

2012 - 2014

- The company continues to invest in improvements, installing a new Effluent Treatment Station. New projects begin to be developed as new molecules arrive from Japan.
- Construction of the Distribution Center and Segregation of the Herbicide plant.

2015

- IHARA completes 50 years of history! To celebrate this milestone, the company is preparing several social and cultural actions, such as the installation of artesian wells in the northeastern semiarid and musical and theatrical projects.

2016 - 2018

- In 2016, IHARA begins to reap the rewards of investments with the approval of new products.
- With the launch of approximately 20 products on the market between 2017 and 2018, IHARA undertakes a significant renewal of its portfolio, guided by the constant search for more effective and less hazardous products.

2019

- Construction of the first flex plant for herbicides at IHARA and inauguration of a new synthesis plant.
- The historical record of USD 500 million in sales was exceeded.
- Acquisition of two agricultural lands to accommodate Research Centers in Paraná and Mato Grosso.

2020

- Implementation of a new management system (SAP)
- IHARA innovates and brings new solutions to farmers with the launch of "Herbicides of the Future"
- It earns the FIA Quality of Work Environment seal
- It inaugurates the packaging factory

AWARDS



For the first time, IHARA won first place in the "The Best of Dinheiro" award by the IstoÉ Dinheiro magazine;



For the seventh time, it won first place in the "The Best of Agribusiness" award, from the Globo Rural magazine;



For the first time, it ranked third, in the "Best and Greatest 2020" award, by the Exame magazine;



IHARA was also elected one of the Amazing Places to Work in the first edition of this award, carried out by UOL and the Administration Institute Foundation (FIA).

INSTITUTIONAL RELATIONSHIPS

GRI 102-13

IHARA has institutional relationships with several organizations, as follows:

- Brazilian Association of Rural Marketing and Agribusiness (ABMRA)
- Brazilian Association of Technical Standards (ABNT)
- Brazilian Human Resources Association (ABRH)
- Sorocaba Human Resources Professionals Association (APRH)
- Center of Industries in the State of São Paulo (CIESP-SP)
- CropLife Brasil
- Fungicide Resistance Action Committee (FRAC)
- Brazilian Group of Cotton Consultants (GBCA)
- Herbicide Resistance Action Committee (HRAC)
- International Life Science Institute (ILSI)
- National Institute for Processing Empty Packaging (InpEV)
- Insecticide Resistance Action Committee (IRAC)
- Prohuma Institute for Scientific Studies (PROHUMA)
- National Union of Plant Protection Products Industry (SINDIVEG)

STRATEGIC PLANNING

In our formulation and implementation process strategy, which is reviewed annually, IHARA evaluates the environment in which it operates, looking at economic, environmental and social perspectives, among others. Based on this analysis, measures are developed that are aligned to corporate initiatives based on our strategic directions that guide the goals established for our results. These measures and initiatives are a work theme in all areas of the company.

Among the directions worked annually in our strategic formulation and implementation process are the Corporate Governance, Corporate Risks, New Business and Market Development, Research and Development, Marketing and Portfolio, Communication, Financial Risks, Operations and Compliance, and Personnel Development. Our guidelines also include the constant search for process improvements with the best quality control, in order to guarantee high quality products with the best Japanese technology to meet the needs of the farmer. Furthermore, we are committed to the best operational efficiency, aiming to reduce costs and increase productivity, always in accordance with sustainability initiatives, reducing waste generation, water and power consumption and promoting the correct use of personal protective equipment, besides distributing this equipment to our customers as a stewardship action, because we believe that our products are special and require special care in their use.

CORPORATE GOVERNANCE

Ethics and integrity these are essential values that are reflected in IHARA's culture and relationships with Stakeholders.

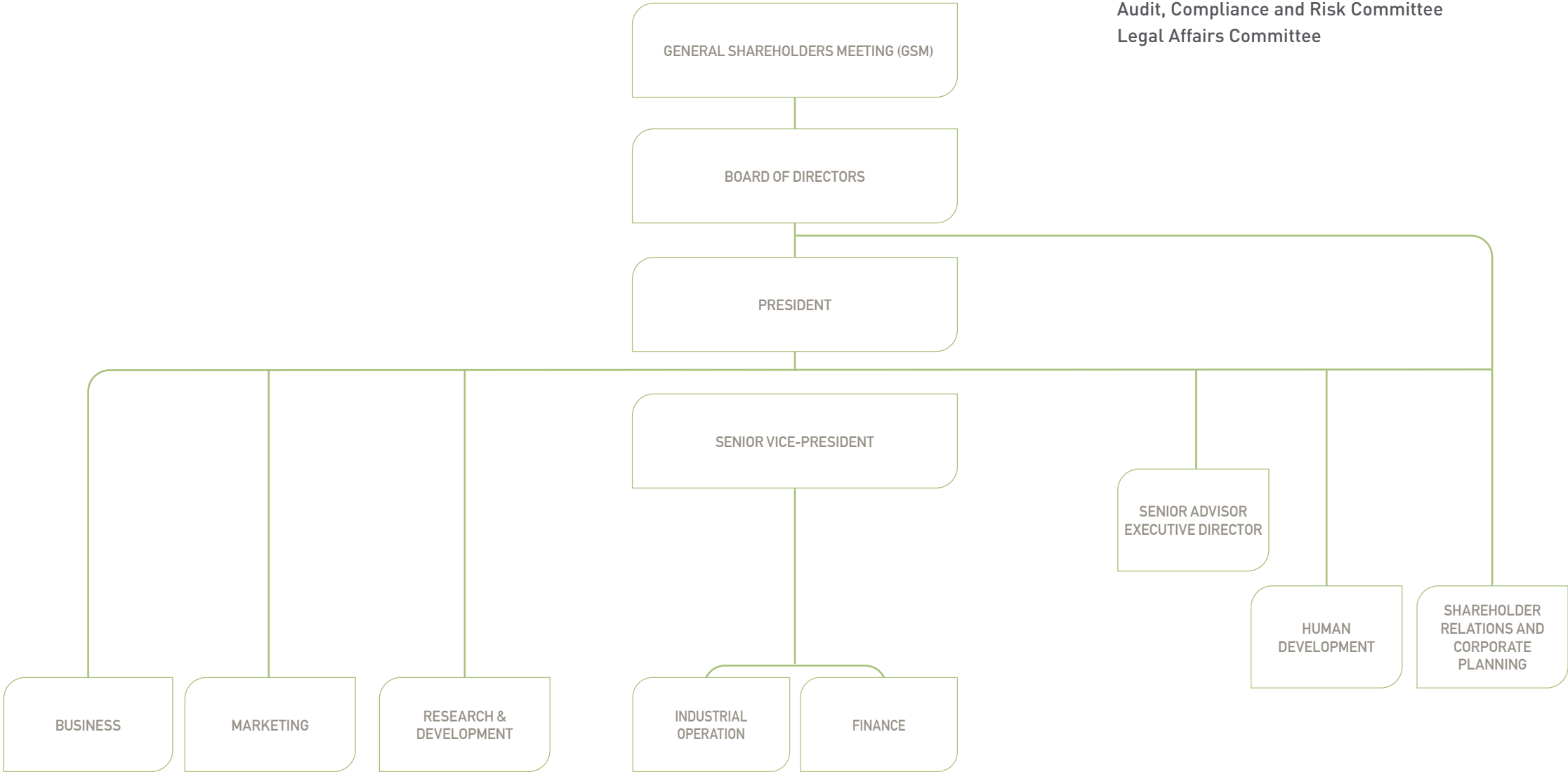


IHARA seeks a continuous evolution in its governance structure to sustainable growth through the implementation of a system and review of internal processes and controls.

IHARA's governance structure is made up of the general shareholders' meeting, Board of Directors and Executive Board, which is supported by strategic committees, which always have the participation of the Chairman of the Board and the Chief Executive Officer, in addition to the selected Directors and Managers, according to each theme.

The general shareholders' meeting is annually held, in an ordinary manner, to render accounts to shareholders and society. Elections are held every two years, during the meetings to compose the Board of Directors, with the Board of Directors being responsible for electing the Statutory Directors.

GOVERNANCE STRUCTURE



STRATEGIC COMMITTEES AND NRAC - NOMINATION & REMUNERATION ADVISORY COMMITTEE

Compensation and Appointment Advisory Committee
Portfolio and Innovation Committee
Planning and Investment Committee
Treasury and Credit Committee
Sustainability Committee
Audit, Compliance and Risk Committee
Legal Affairs Committee

ETHICS AND INTEGRITY

Ethics and integrity these are essential values that are reflected in IHARA culture and relationships with stakeholders.

To ensure that risks related to corruption are properly reduced and mitigated, IHARA has policies and additionally, it implemented a new management system (SAP). All controls are monitored and directly attended by senior management and the compliance team.

In 2020, no relevant risks were identified, and IHARA has controls and an audit process, supported by the Compliance and Corporate Risks Committees and the Ethics Committee.

The company does not maintain relationships with disreputable companies and, by means of auditing, carries out verification work through information obtained through the "Transparency Portal" and periodic supplier analysis.

IHARA has a Code of Conduct and Ethics, which is based on the company's Beliefs and Values, which formalizes the IHARA culture, guided by law, ethics and respect for society. Presented and delivered to each employee at the time of their integration, its provisions are reinforced through training and e-learning sessions. Upon delivery of the document, the employee reads and signs evidence of knowledge of the Code of Conduct and Ethics.

IHARA encourages all employees to report through the available communication channels situations that are not in line with the organization's standards of behavior. IHARA prohibits retaliation against reports made in good faith, and the company also provides totems and pamphlets for anonymous description of the problem identified. This form can also be completed electronically and always anonymously.

POSITIONING AGAINST THE COVID-19 PANDEMIC

IHARA has adopted all safety protocols to ensure the health of employees, customers and other related parties



Faced with the Covid-19 pandemic dealt with around the world, IHARA has invested in several actions in favor of the health of its employees and customers and in the continuity of its business. The main actions taken by the company were:

- Reduction in the circulation of people (Remote Work or Bank of Hours);
- Anticipation of employee vacations;
- Reducing the number of people in the collective transport of employees;
- Cancellation of face-to-face meetings, events, visits and trips;
- DSD (Daily Security Dialogue) via WhatsApp;
- Interrupted Labor Gymnastics and Quick Massage;
- Limitation of 50% of the capacity for meeting rooms after the flexibility;
- Increased meal times and change in the layout of restaurants; and
- Increased hygiene in environments and employee awareness.

The company has implemented outpatient monitoring that includes a Test, Prevention and Monitoring Proto-

col Plan for people who have symptoms of the disease and suspected cases. Monitoring is also performed to measure the temperature of all employees, third parties and truck drivers, and a daily update of new cases is reported to the board of directors and management.

Performed rapid tests on all employees who presented symptoms and made available to their family members, with payroll deduction.

The company also developed a Communication Plan for submitting notifications on preventive measures, such as:

- Information on physical and mental well-being;
- Covid-19 prevention information;
- Tips for working at home;
- Temperature measurement;
- Care in the use of restaurants, bathrooms and meeting rooms;
- Guidelines for drivers, truck drivers and third parties;
- Banners distributed throughout the company; and
- WhatsApp videos about preventive guidelines prepared by occupational physicians.

DONATIONS

In 2020, IHARA supported regional communities and national entities in the fight against coronavirus through donations in cash, food baskets, alcohol gel, and personal protective equipment (PPE), as shown in the table below.

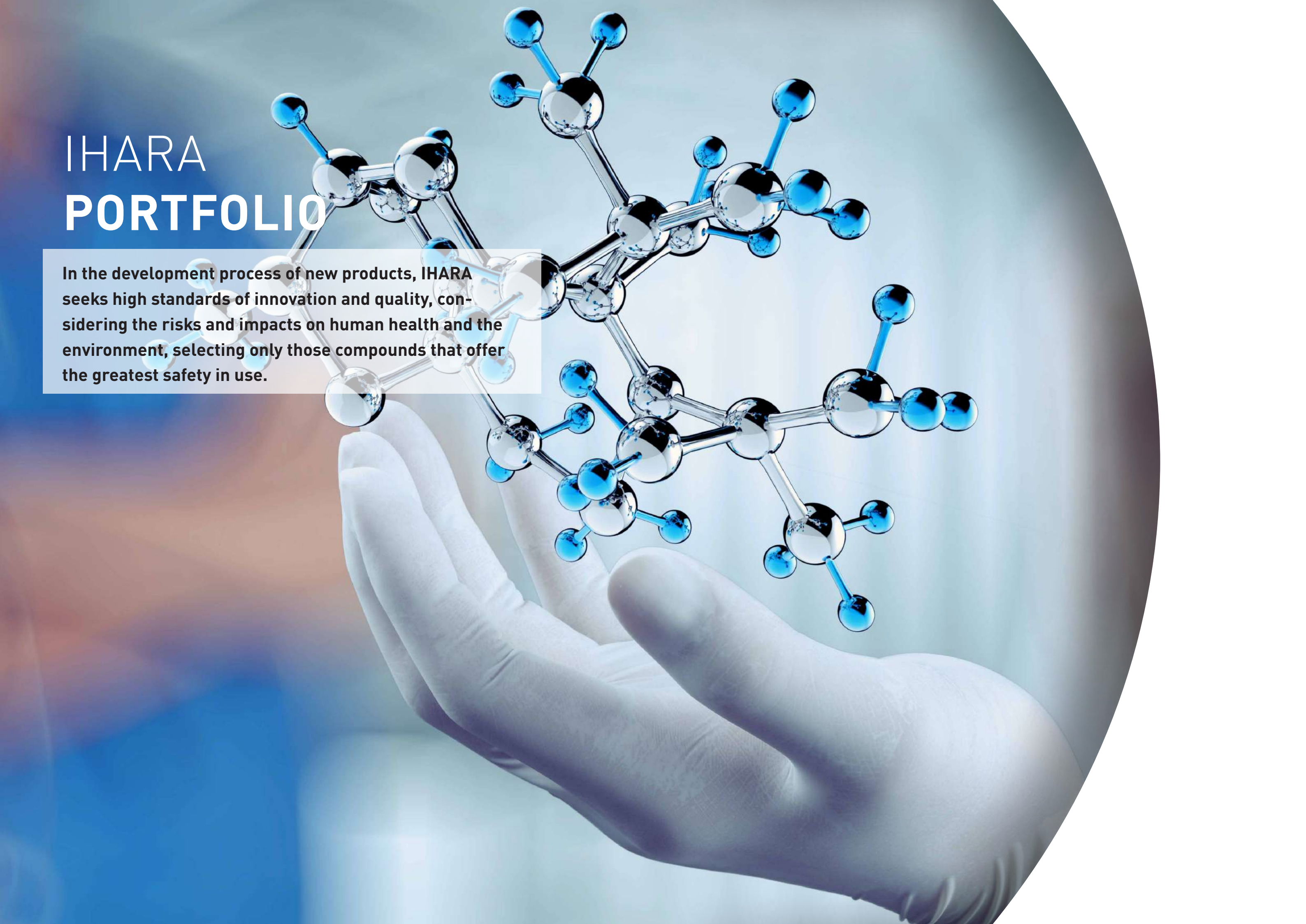
During the year, other actions were implemented to raise awareness among its partners, such as sending emails to channels and customers informing the measures adopted by IHARA to continue operating; launching the theme #FarmingWillNotStop with actions on social networks, engagement of influencers and farmers to share good prevention practices in the field; the distribution of the booklet, a material consolidating all shared good practices; the launch of the IHARA video, with the recognition of company's employees and of the agribusiness as an essential segment; disinfecting the streets of Sorocaba cities; developing the IHARA Covid-19 application; and the Covid-19 blitz in the internal areas, so as to identify deviations that compromise the safety of employees.

IHARA DONATIONS – COVID-19

INITIATIONS	ITEM	QUANTITY	Valor (r\$)
DONATION OF FOOD TO ENTITIES	FOOD STAPLES	13,800 un.	966,000.00
DOCTORS WITHOUT BORDERS	DONATION TO THE COVID-19 FUND	1	100,000.00
SOROCABA CHARITY HOSPITAL	AUTOMATED BEDS FOR ICU BEDS COVID-19	5 un.	58,602.90
SINGLE CHARITY	PUMPS FOR ALCOHOL FILLING	5,040 un.	43,980.80
HOSPITAL DE AMOR BARRETOS E GOOD FRIENDS	BENEFACTIVE LIVE SESSIONS WITH DOUBLE ZC&L - FOOD STAPLES	1,124 un.	29,224.00
DONATION BY EMPLOYEES AND INSTITUTIONS	MASKS	7,850 un.	26,685.00
SOROCABA SOCIAL SOLIDARITY FUND	FOOD STAPLES	500 un.	13,000.00
BRAZILIAN RED CROSS SP	HYGIENE AND CLEANING PRODUCTS	3,528 un.	4,995.58
FLOWERSHOPS IMPACTED BY COVID-19	FLOWERS FOR MOTHER'S DAY ACTION	635 un.	4,920.00
SOROCABA CHARITY HOSPITAL	ALCOHOL IN GEL	300 Liters	4,350.00
CHRISTMAS WITH NO HUNGER	FOOD STAPLES	137	3,436.60
SOROCABA HEALTH DEPARTMENT	PPE APRONS	425 un.	3,277.10
CENTRO VINCENTINO NOSSA SENHORA DAS DORES	ALCOHOL IN GEL	80 Liters	1,160.00
TOTAL			1,259,581.98

IHARA PORTFOLIO

In the development process of new products, IHARA seeks high standards of innovation and quality, considering the risks and impacts on human health and the environment, selecting only those compounds that offer the greatest safety in use.





GRI 102-02

IHARA has inaugurated two new Research Centers in the states of Paraná and Mato Grosso. With the Research Center already installed in Sorocaba/SP, the company has different biomes to conduct its agronomic research trials. It expanded the capacity to generate demand and demonstrate our solutions in partnership with cooperative and resale customers.

NEW PRODUCTS

Throughout 2020, there were 8 launches: new products; definition of new targets and cultures for products already existing in the current portfolio and the

development of new formulations. Thus, IHARA reinforced its portfolio with novelties in fungicides, insecticides and herbicides.

INVESTMENTS

For 2021, IHARA will continue to strongly expand its investments in research and development, promotion and work with the scientific community. The company intends to continue bringing quality information and solutions to farmers, growing and investing heavily to foster, position and generate value, and launching new products to the market, which will make its portfolio even more robust and complete.

PRODUCT LIABILITY

GRI 416-1, GRI 416-2, GRI 417-1

In the development process of new products, IHARA seeks high standards of innovation and quality, considering the risks and impacts on human health and the environment, selecting only those compounds that offer the greatest safety in use. In addition to the assessment made by the company, all products also undergo an approval process performed by the regulatory bodies, which have strict requirements. IHARA's sales team is highly qualified to answer the farmers' technical questions and provide guidance on the correct and safe use of all products marketed by the company. IHARA measures for product safety are the following ones:

- Investment in biological products;
- Prioritization and strategy in the development of products with a lower environmental impact;
- Training, awareness lectures, guidance and incentives for the adoption of good agricultural practices and for the correct and safe use of products, including the donation of PPE; and
- Studies required by the government to submit registration and marketing only of duly registered products.

In 2020, IHARA made new submissions for product registration and package leaflet extensions to the regulatory agencies. Applications were submitted for 3 new herbicides, 2 new insecticides and 2 new fun-

gicides. We emphasize that a registration application was also submitted for a new molecule that is a novel fungicide in Brazil. In addition, applications were submitted for the extension of the package leaflets of several products in various crops. Some of the formulations were developed and tested by IHARA's own technology team, aiming to obtain the lowest possible impact on human and environmental health. Additionally, in 2020, IHARA obtained registration approvals for 9 new products, 6 of which are formulated products, 2 equivalent technical products, and 1 new technical product (unprecedented molecule in Brazil), as well as 5 extensions to approved package leaflets. The new products received investments to reduce toxicity allied to technical efficiency, ensuring safety for the rural producer.

IHARA sells special products that require care in use. In order to manage health and safety-related impacts and maintain full compliance in its processes, IHARA has the support of the SOGI tool, from the Integrated Management System, which allows the analysis of the causes of any problems, the elaboration of action plans and check its effectiveness. Thus, in 2020, non-conformities with a warning or a fine deemed valid were not found. In view of the risks related to the incorrect use of the products, the technical and commercial teams are trained to instruct farmers and applicators to adopt good protection practices, including



the use of the appropriate PPE for the preparation of the product and its correct form of application. These professionals are also trained to provide the necessary assistance, recommending the correct time of application and the necessary doses of each product. In addition to complying with legal requirements, the company carries out actions aimed at society, distributors and the chemical industry. Examples of safety and good practices in the field, such as the Cultivida project, are detailed below.

PRODUCT LABELING AND INFORMATION

GRI 417-1

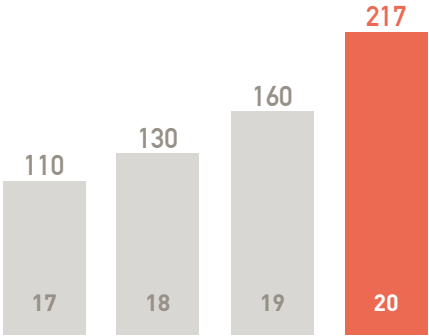
The labels and package inserts of all IHARA products are prepared in accordance with legal requirements, offering information on the correct use, composition and active ingredients, in addition to the indication of environmental hazard and toxicity to health, all in accordance with Decree No. 4,074, of January 4, 2002, Article 49.

CULTIVIDA

Launched in 2012, the Cultivida project aims to guide rural producers on the correct and safe use of pesticides, in addition to disseminating good practices and training public agents to identify and treat the health conditions of the rural population. This important initiative by IHARA collaborates to reduce and mitigate cases of contamination, intoxication and occupational accidents related to pesticides in Brazil.

Between 2012 and 2016, Cultivida visited 20 municipalities in 13 Brazilian states, benefiting more than 8,000 people, including health agents and smallholder farmers and their families. These people received important information through lectures and educational and recreational actions related to good agricultural practices, such as the use of personal protective equipment (PPE), application technology, disposal of empty packaging, use of pesticides and also other topics family and women's health. Through a partnership with the State University of Campinas (Unicamp), Cultivida also involved the training of health professionals in the Unified Health System (SUS) in the regions, with a total of 1,738 people trained in the five years of the project. As of 2017, the Cultivida project entered the distribution of PPE phase, with more than 600,000 PPE delivered by 2020.

PPE DISTRIBUTED (THOUSAND)



PACKAGES RECYCLING

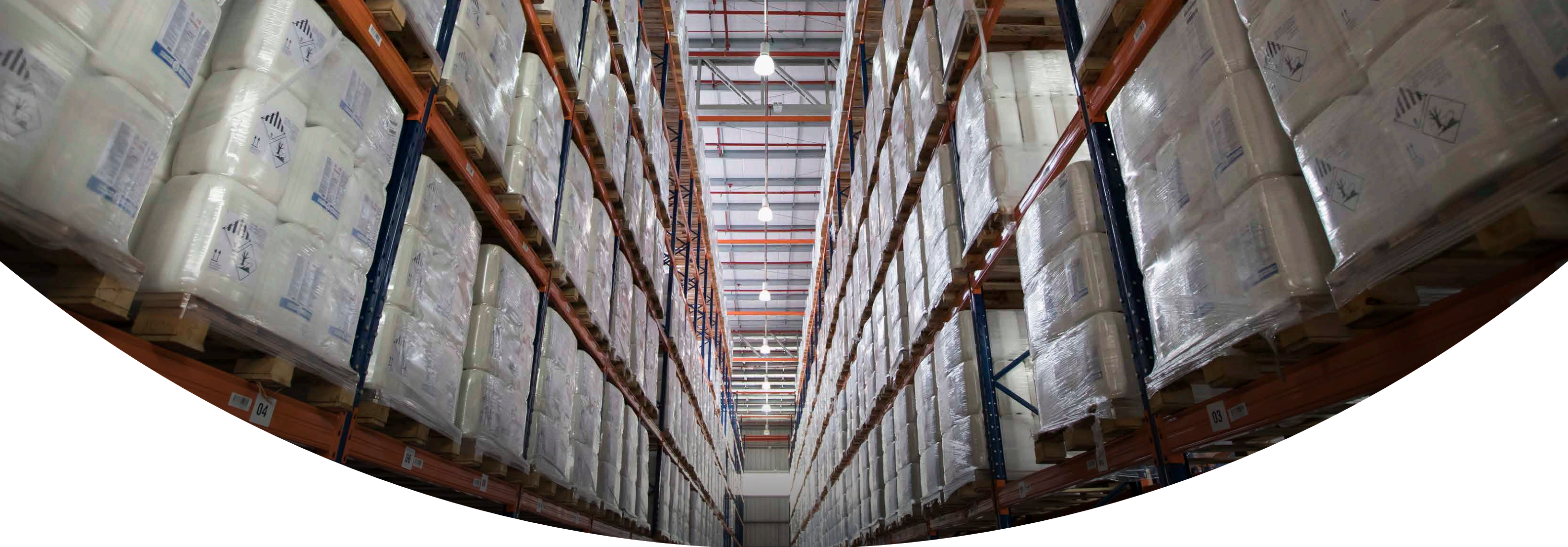
In line with its philosophy, principles and values, IHARA is responsible for all stages involved in its production chain, seeking sustainable solutions compatible with each of its activities. One concern concerns the environmentally correct disposal of post-consumer crop protection product packaging, which is why IHARA participates in the Campo Limpo System (SCL), which is mainly financed by crop protection products to enable reverse logistics of empty packaging or containing post-consumer leftovers and coordinated by inpEV (inpev.org.br). In addition to being associated with inpEV, IHARA is also part of the Institute's Board of Directors.

The Campo Limpo System is an internationally recognized model of success. Through this program, we give the correct destination for the packaging of agricultural pesticides, avoiding negative impacts on the environment due to inadequate disposal, which could compromise the soil, surface water and groundwater. With an environmentally appropriate destination of 94% of the commercialized plastic packaging, Brazil has become a world reference in this area, accumulating 600 thousand tons of recycled packaging since 2002, with 49.8 thousand tons, only in 2020. Through its Sustainability program, IHARA aims to engage its customers on environmental issues, through the elaboration of projects that combine reduction of environmental impact, social and economic benefits.

ECONOMIC AND FINANCIAL PERFORMANCE

The wealth generated by IHARA is a result of the combined effort of all factors of production directed to meet as demands and needs of Brazilian farmers.





GRI 201-1, GRI 201-2

IHARA has effectively contributed to the generation of wealth in the economy in which the company operates, in a global view of performance. The wealth generated by IHARA had a positive impact not only for the shareholders, but also for its employees, customers and society. Result of the combined effort of all factors of production, aimed at meeting the demands and needs of Brazilian farmers. The increase in IHARA's sales in 2020 represents 36.8% in relation to 2019, which is related to the strengthening of the IHARA product portfolio as well as the growth in demand. The gross added value of 633.81M reais, represents an increase of 20.1% compared to 2019 and 51% compared to 2018.

IHARA appreciates the trust from Customers and the opportunity to serve them, through the suppliers, service providers and employees' support, which enable us to keep supporting and contributing towards society and Brazil.

	2018	2019	2020
ADDED VALUE STATEMENT (IN %)			
Shareholders	16.21	15.53	13.25
Employees (compensation and benefits for employees)	25.57	25.07	23.20
Government	27.15	30.35	31.73
Net profit added	38.84	37.21	32.28
Interest and rent (operating costs)	-7.77	-8.17	-0.46
ADDED VALUE STATEMENT - SUMMARIZED (IN MILLION R\$)			
Gross revenue	1,568.53	2,081.44	2,885.75
Inputs acquired from third parties	1,148.95	1,553.65	2,251.94
Gross margem value added	419.58	527.80	633.81
Retentions	-11.23	-11.11	-14.89
Net added value produced by the organization	408.35	516.68	618.92
Added value received on transfer	53.03	34.40	33.45
Total added value to be distributed	461.38	551.09	652.37



ENVIRONMENTAL PERFORMANCE

To manage potential environmental impacts, the IHARA establishes controls and mitigation actions. The company works with the implementation of projects, always focusing on reducing consumption of water and energy, in addition to reducing the generation of industrial waste.

ENERGY

GRI 302-1

ELECTRICITY CONSUMPTION

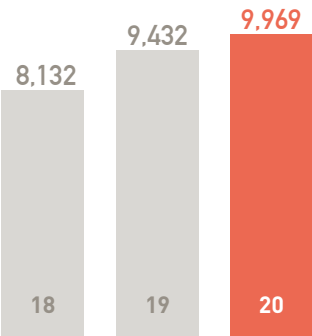
IHARA's energy matrix is mainly made up of electricity, and IHARA has a goal of reducing annual consumption. The efficiency indicator is based on consumption in MWh / ton produced.

In 2020, IHARA reduced the consumption MWh / ton produced by 5% compared to 2019, reaching the reduction target through projects for this purpose.

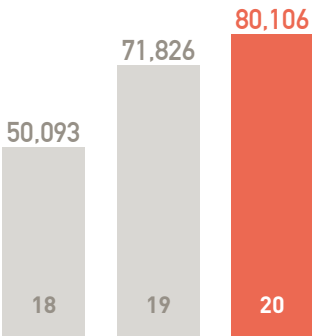
Despite the total consumption in MWh having grown by 6% compared to the previous year, the production volume rose 11.5%, demonstrating the increase in energy efficiency in the processes.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION – GRI 302-1

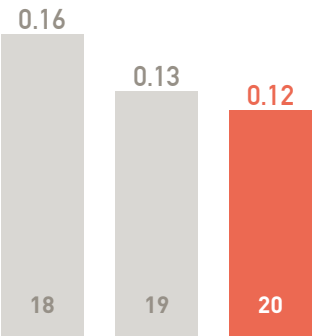
ELETRICIDADE MWH



PRODUCTION VOLUME (TON)



ENERGY (MWH/TON)



* The calculation is performed based on energy consumption (MWh) divided by the total volume of production.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION – GRI 302-1

	2018	2019	2020
Electricity MWh	8,1032	9,432	9,969

ENERGY CONSUMPTION OF THE SYNTHESIS PROCESS

	2018	2019	2020
Electricity MWh	0	0	654

GRI 102-11

ENVIRONMENTAL RISKS

In order to manage potential environmental impacts, IHARA establishes mitigation controls and actions. IHARA works with the implementation of projects, always focusing on reducing the consumption of water and energy, in addition to reducing the generation of industrial waste, such as improving the efficiency of its processes by reducing the consumption of natural resources, thus making use of more efficient lighting systems, seeking for renewable energies and so forth.

RISKS ASSOCIATED WITH CLIMATE CHANGES

In 2020, IHARA identified risks and opportunities arising from climate change.

The risk arises from prolonged droughts or excessive rainfall in regions producing grain and Livestock, which can negatively affect the customers' business as well as their financial capacity.

EMISSIONS

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

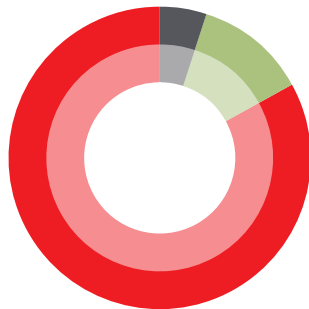
For the eleventh time, IHARA elaborates its inventory of greenhouse gas emissions, based on the GHG Protocol methodologies. In 2020, the company emitted 16,736.1 tCO₂e, 2,015.4 of which refer to direct emissions (Scope 1) and 867.0 tCO₂e referring to indirect emissions (Scope 2). Scope 3 Emissions (other indirect emissions) were 13,853.7 tCO₂e, always considering CO₂, CH₄, N₂O and HFC in the calculations. As for direct and indirect biogenic emissions, total emissions were 2,594.4 tCO₂e.

GREENHOUSE GAS EMISSIONS

	2018	2019	2020
Gross direct emissions of greenhouse gases – SCOPE 1 – GRI 305-1	2,159.12	2,083.30	2,015.40
Indirect greenhouse gas emissions – SCOPE 2 – GRI 305-2	650.61	753.10	867.00
Other indirect greenhouse gas emissions – SCOPE 3 – GRI 305-3	11,945.40	15,582.70	13,853.70

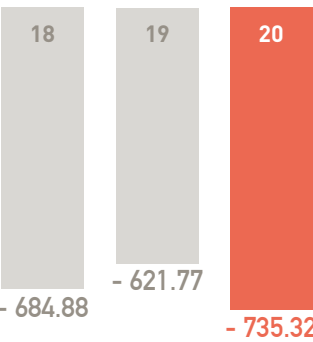
	2018	2019	2020
Biogenic emissions – SCOPE 1 – GRI 305-2	1,108.78	1,120.20	1,095.70
Biogenic emissions – SCOPE 3 – GRI 305-3	1,131.07	1,679.80	1,498.70

GREENHOUSE GAS EMISSIONS, BY SCOPE (%)



12.0 SCOPE 1
5.2 SCOPE 2
82.8 SCOPE 3

REDUCTION OF GHG EMISSIONS



* Reduction related to Scope 2 emissions.

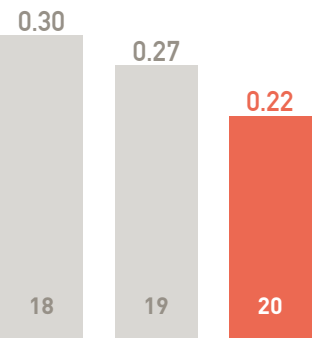
WATER AND EFFLUENTS

GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-5

IHARA's absolute water consumption in 2020 was 149.66 m³. The company's water supply was mainly guaranteed by surface catchment (60.4%), followed by underground catchment (34%), with a small share of the municipal supply network (4.5%).

The groundwater efficiency indicator is m³/ton produced and the index excludes the volume of ground-water incorporated in the products. In 2020, IHARA reduced consumption by 18% compared to 2019, as a result of the improvement of the monitoring process and consumption reduction projects.

UNDERGROUND WATER
(M³/TON PRODUCED)



WATER FOR INDUSTRIAL PURPOSES (M³)

	2018	2019	2020
Underground water	15,206	19,527	17,831

WATER WITHDRAWN, BY SOURCE (MEGALITERS) – GRI 303-3

	2018	2019	2020
Surface water	106.15	79.36	90.43
Underground water	31.96	40.80	50.97
Produced water	2.29	1.62	1.54
Third-party water	-	-	-
Municipal supply service or other services	5.88	5.49	6.72
Total	146.28	127.27	149.66

TOTAL WATER CONSUMPTION (MEGALITERS) – GRI 303-5

	2018	2019	2020
Total water reuse	146.28	127.27	149.66
Total water disposal	3.24	3.69	4.16
Total	143.04	123.58	145.50

MATERIALS AND WASTE

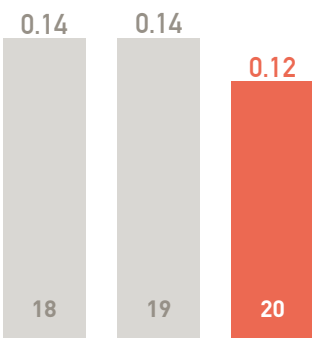
GRI 301-1, GRI 306-3, GRI 306-5

IHARA controls and manages waste by origin, type and destination, always focusing on the 3 R's of sustainability.

The waste management indicator is tons of waste generated/ton produced and in 2020, IHARA reduced its waste generation by 18% compared to 2019, exceeding the annual reduction target of 5%.

Waste is segregated, quantified and disposed of in accordance with the standards and the best treatment technologies.

WASTE
(M³/TON PRODUCED)



WASTE GENERATED, BY COMPOSITION - GRI 306-3

Waste composition	Waste description	Quantity (t)		
		2018	2019	2020
Hazardous and Non-Hazardous Waste - Coprocessing / Treatment / Incineration	Contaminated packaging, ETE sludge, liquid waste, common urban waste, talc, rubble	1,447	2,910	1,905
Hazardous Waste Recycling	Contaminated plastic and metallic packaging, batteries, light bulbs and electronic scrap	3,236	3,692	4,162
Non-Hazardous Waste Recycling	Paper, plastic, wood, glass and metal	1,282	1,949	2,295
Non-Hazardous Liquid Waste - External Treatment	Osmosis tailings, biological TEE sludge	560	1,134	715
Hazardous and Non-Hazardous Waste in Landfill	Ordinary urban waste, talc and rubble	738	500	217
Total		7,263	10,186	9,294

WASTE GENERATED IN THE SYNTHESIS PROCESS

Waste composition	Waste description	Quantity (t)		
		2018	2019	2020
Hazardous and Non-Hazardous Waste - Coprocessing / Treatment / Incineration	Contaminated packaging, ETE sludge, liquid waste, common urban waste, talc, rubble	0	0	4,213



WASTE INTENDED FOR DISPOSAL, BY TYPE OF DISPOSAL OPERATION - GRI 306-5

		Quantity (t)		
		2018	2019	2020
Hazardous Waste				
Incineration (with energy recovery)	Off-site	0	0	0
Incineration (without energy recovery)	Off-site	371	98	73
Landfill	Off-site	394	280	95
Total		765	378	168
Non-Hazardous Waste				
Incineration (with energy recovery)	Off-site	0	0	0
Incineration (without energy recovery)	Off-site	0	0	0
Landfill	Off-site	344	221	122
Total		344	221	122

In 2020, there was an increase in the generation of waste due to the deployment and operation of new production processes, mainly related to the Amicarbazone Synthesis Plant, which compromises comparability with data from previous years. The new processes differ from those that were already underway. Yet, they are also being monitored and make up the 2021 reduction goals.

In May 2020, IHARA stopped disposing of waste – hazardous and non-hazardous – for landfill, thus adopting co-processing, a more sustainable type of disposal. The company intends to apply this method throughout 2021, in order to zero the amount of waste destined for landfill.

MATERIALS

IHARA manages the purchase of raw materials and packaging via the system, following the production demand. In 2020, the company consumed 23,680t and 7,577,982 units of materials.

These materials refer to the inputs used in the production process. In addition, these materials are divided into two categories: renewable and non-renewable, according to the tables below.

RENEWABLE MATERIALS USED – GRI 301-1

Material name	Material type	2018	2019	2020
		Volume/weight	Volume/weight	Volume/weight
Recycled plastic lids (unit)	Recycled lids used to close finished product drums	3,979,700	4,772,200	7,570,950
Recycled plastic drums (unit)	Recycled packages/drums used in the packaging of finished products	240,512	227,184	0

* In 2020 there was no purchase of recycled drums

NON-RENEWABLE MATERIALS USED - GRI 301-1

Material name	Material type	2018	2019	2020
		Volume/weight	Volume/weight	Volume/weight
KOH solution - Herb (t)	Neutralizing	5,730.59	9,116.34	11,097.82
Mineral oil (t)	Raw material used in the composition of finished product.	3,611.14	5,199.54	7,046.33
Plastic bottles and drums (unit)	5 and 20 l Mono and Coex drums; 250 ml and 1 l Mono and Coex flasks	3,706,643	6,771.03	7,031.95
Mixture of decyl glycoside in 60% water sol. - Herb (t)	Surfactant	1,624.38	2,221.13	2,304.99
Mixture of esters and ethoxylate fatty alcohol (t)	Raw material	1,324.96	2,747.19	2,287.37
Xylol (t)	Solvent used in the manufacture of finished products	830.66	935.70	943.5

BIODIVERSITY

GRI 304-2

As a way of reducing and or mitigating environmental impacts, IHARA fulfills all the requirements related to the environmental licensing of new expansion projects, new equipment or new products, and the survey of environmental aspects and impacts is also carried out through LAIA (Ambiental Assessment Impact), in which the impact controls are inserted. All CETESB environmental requirements, included in the licenses, are controlled and implemented in order to reduce and mitigate potential risks of impacts by IHARA's activities.

SOCIAL PERFORMANCE

Despite the Covid-19 pandemic, the continuity of business activities meant that hires continued at an accelerated pace in 2020, following the company's expansion and the dismissals were not encouraged during the most critical period.



INTERNAL AUDIENCE

GRI 102-41, GRI 202-1, GRI 202-2, GRI 401-1, GRI 401-2, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2

In 2020, IHARA increased its workforce by 19%, compared to 2019, ending the year with 859 employees: 758 own and 101 outsourced.

Own employees are divided into 79.5% men and 20.5% women, mainly concentrated in the Southeast region.

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

2018			2019			2020
OWN						
	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract
Men	489	16	504	3	593	9
Women	118	4	119	21	150	6
Total	607	20	623	24	743	15
OUTSOURCED						
	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract
Men	21	0	22	10	30	25
Women	7	0	7	11	9	37
Total	28	0	29	21	39	62

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

2018			2019		2020	
PRÓPRIOS						
	Full Time	Part-Time	Full Time	Part-Time	Full Time	Part-Time
Men	489	16	506	1	601	1
Women	118	4	140	0	156	0
Total	607	20	646	1	757	1
OUTSOURCED						
	Full Time	Part-Time	Full Time	Part-Time	Full Time	Part-Time
Men	21	0	22	10	41	14
Women	7	0	7	11	28	18
Total	28	0	29	21	69	32

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

OWN			
Region	Permanent contract	Temporary contract	Total
South	62	5	67
Southeast	580	5	585
Northeast	18	0	18
Midwest	74	5	79
North	7	0	7
China	2	0	2
Total	743	15	758
OUTSOURCED			
Region	Permanent contract	Temporary contract	Total
South	0	3	3
Southeast	39	54	93
Northeast	0	2	2
Midwest	0	3	3
Total	39	62	101

Despite the Covid-19 pandemic, the continuity of business activities meant that hires continued at an accelerated pace in 2020, following the company's expansion.

IHARA's corporate guidelines for the Human Development area in 2020 were: to train leaders, prepare successors and retain talent; promote the strengthening and evolution of the IHARA culture and perpetuate organizational knowledge with a learning strategy based on E-learning.

TRAINING AND CAREER DEVELOPMENT

Through its Annual Training Plan (ATP), IHARA promotes the technical training of employees in accordance with each professional' needs. In general, training is related to various topics, ranging from behavioral development and economic, financial and leadership education, to specific techniques by activity, such as operational or sales. The training offered included the NR's for the operational public and training for the commercial team to better understand the cultures we work with, such as corn, soybeans, cotton, tomatoes, potatoes, sugar cane, and coffee, among others.

In addition to technical training, IHARA offered employees language courses, undergraduate and graduate courses, national and international congresses.

In the last year, IHARA carried out a total of 7,388 hours of training, involving different levels of training related to leadership, technical training, skills development, languages, and congresses, among others.

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

Gender	Number of employees	Number of hours	Average by employee
Men	602	6,464.00	10.74
Women	156	924.00	5.92
Total	758	7,388.00	9.75

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

Functional category	Number of employees	Number of hours	Average by employee
Executive Board	9.00	42.00	4.67
Managers/Leaders	94.00	839.00	8.93
Analysts, Consultants, Experts, Technicians	339.00	5,541.00	16.35
Operational	316.00	966.00	3.06
Total	758.00	7,388.00	9.75

PERFORMANCE EVALUATIONS

At IHARA, all effective employees, who have been with the company for more than 3 (three) months, make the IPE – Individual Performance Evaluation and receive their reports and feedback process structured by the respective managers. Within the IPE process, the essential and specific competencies of each position are assessed.

After carrying out the evaluation and feedback process, monitoring by the HDD and managers to monitor the evolution of the employees' competencies through the IDP (Individual Development Plan) registered in the system continues. In 2020, 93% of IHARA's own employees participated in the performance evaluation.

PERCENTAGE OF EMPLOYEES BEING EVALUATED FOR THEIR PERFORMANCE - GRI 404-3

	Number of own employees evaluated	Total own employees	Percentage of employees evaluated (%)
FUNCTIONAL CATEGORY			
Board of Director	1	6	17%
Executive Board	10	10	100%
Managers and Leaders	101	101	100%
Operating employees	234	256	91%
Analysts, Consultants, Experts, Technicians	359	385	93%
TOTAL	705	647	94%
GENDER			
Men	564	602	94%
Women	141	156	90%
TOTAL	705	758	93%

* IPE employees who entered in November and December and own employees who have a temporary contract do not participate.

COMPENSATION AND BENEFITS

IHARA always seeks to provide a fair and compatible compensation and benefits package for all its employees. The company conducts constant survey and comparative analysis on compensation and benefits offered, so that the model meets employees' needs. Moreover, it offers a differentiated share plan, which allows employees to obtain variable income each year.

IHARA's benefit policy seeks differentiated market practices, enabling the fulfillment of various needs and also the satisfaction of our employees.

To attract and retain employees, IHARA seeks to invest in multidisciplinary training for competencies, developing talents, recognizing employees, offering growth opportunities, paying as per merit and so forth.

BENEFITS OFFERED, BY TYPE OF CONTRACT

	Full Time	Part-Time or Temporary regime
IHARAPREV (Social Security)	yes	no
Medical and hospital assistance	yes	yes
Dental assistance and aid	yes	no
Life insurance	yes	yes
Food and Meal Vouchers	yes	yes
Allowances (Birth, Day Care, Special Child and Marriage)	yes	no
School supplies aid	yes	no

In 2020, IHARA had a salary floor in the amount of R\$ 1,972.00 (own employees), which is 88.7% higher than the national minimum wage, of R\$ 1,045.00. Over the years, average wages have been above the market. The IHARA Profit and Results Sharing model is a market differentiator and a reference in the region.

HEALTH AND SAFETY

GRI 403-1, GRI 403-5, GRI 403-6, GRI 403-9

The health and safety of employees at IHARA are seen as priority issues and the company takes several actions in this regard. IHARA has an ISO 45001 certified health and safety management system.

During the year 2020, the monitoring of safety actions was carried out through the 1200 Miles Program, deployed in 2015, which seeks to establish a proactive and preventive culture, providing a great development in several aspects, especially in the reduction of SIR (Safety Inspection Report) emissions, an indicator that shows improvement in the maturity of the safety culture. This program brings forth monthly indicators, aiming at a continuous improvement, and counts on the participation of employees in a formal manifestation when encountering and recognizing a dangerous condition within the manufacturing environment or a deviation of behavior, facilitating the immediate identification of risk situations.

This program was also strengthened with the increase in the use of the 5's program, in which, during the year, we were able to reach an average ratio of 98% of use. Thus, 135 ideas for improvements related to safety, environment and quality were presented, an increase of 7% compared to 2019.

In 2020, as in previous years, IHARA carried out employee health promotion campaigns. During the year, 04 health campaigns were developed focusing on themes such as: obesity, chronic diseases, smoking, muscle diseases, psychic fatigue, immunity etc.

Health and safety campaigns were also carried out during the year, accompanying government campaigns, among them Maio Amarelo ("Yellow May"), Outubro Rosa ("Pink October") and Novembro Azul ("Blue November"), in addition to campaigns identified as necessary based on internal indicators, addressing topics such as the safe use of cell phones, family safety and safe vacations.

With the COVID-19 pandemic, approaches to health and well-being were strengthened. Aiming at the prompt and effective communication of matters related to the pandemic, we released the IHARA application, through which we disclose epidemiological bulletins, notifications and videos with prevention guidelines. The tool also enables the daily completion management of the Covid-19 form, which aims to quickly point out signs and symptoms. A notice is automatically sent to employees' managers. The application also provides for the purchase of Covid-19 rapid tests by employees and their families.

IHARA works to enhance the safety culture, aiming at the zero accidents goal, nevertheless, in 2020, there were 5 work-related accidents, with a rate of 3.81 to 1,313,745.94 hours worked by own employees. The main injuries were divided into hands and fists injuries and chemical burns.

WORK-RELATED INJURIES – GRI 403-9

	Own employees	Third-party employees
CASUALTY RESULTING FROM WORK-RELATED INJURIES		
Number	0	0
Rate	0	0
WORK-RELATED INJURIES WITH SERIOUS CONSEQUENCES		
Number	5	0
Rate	3.81	0
RECORDABLE WORK-RELATED INJURIES		
Number	5	0
Rate	3.81	0



SUPPLIERS

GRI 102-9, GRI 308-1, GRI 414-1, GRI 408-1, GRI 409-1

IHARA has a purchasing policy, which establishes rules of conduct and expectations, stating that the company has to do business with its suppliers. Among the rules are that IHARA restricts and does not purchase products or services from suppliers that are known to use child labor and/or who maintain workers in inhumane working conditions and/or under forced labor. As a form of risk mitigation, the company monitors it through audits and controls.

The company immediately breaks its commercial relationship with any supplier when its involvement in these practices is evidenced, thus making a complaint to the Public Ministry.

In 2020, 100% of the new suppliers were submitted to evaluations, which consists of an evaluation of the required legal documents and an on-site audit.

SOCIETY

GRI 413-1

In 2019, IHARA, aware of its role in contributing to society, accomplished and supported several projects that benefit society, in areas of social assistance, culture and health, among others. Donations were made that exceeded the R\$ 4 million mark for institutions, focusing on assistance entities that have shown serious work, recognized by society. The main contribution took place through financial resources.

Several regions were identified in addition to the local public at the company's headquarters, so employees who have headquarters in other states could also be involved in these social engagement programs.

IHARA is fully aware of its social role and does its part so that human beings, with needs and dreams, can be fully reinserted in society.

ABOUT THE **REPORT**



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

IHARA annually discloses its economic, financial, social and environmental results through the publication of its Annual Sustainability Report. The latest report, referring to the year 2019, as well as previous versions, are available to be inquired at the organization's website (<http://www.ihara.com.br/institucional>).

This report was prepared in accordance with the GRI Standards in the essential option and covers the period from January 1 to December 31, 2020. IHARA chose not to carry out an external verification of this document.

In order to clarify doubts or answer questions on the information contained in this report, IHARA offers the following email address: sustentabilidade@ihara.com.br

MATERIALITY

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

In order to define the content of its Annual Sustainability Report and the respective GRI indicators, in 2015, IHARA conducted a stakeholder inquiry process, which

culminated in the preparation of its Materiality Matrix. Through this process, the company learned about the most relevant issues for itself and its stakeholders.

An online materiality questionnaire was applied, covering three major themes – Environment, Value Chain and Economic/Products –, subdivided into seven subjects, to be ordered from the most relevant to the least relevant. Three strategic stakeholders were selected to participate in the process: internal public, suppliers and customers. This choice was made based on the impact of the company's activities, products and services, as well as its expectations, interests and capabilities on these audiences.

After preparing the Materiality Matrix, IHARA surveyed all GRI indicators related to material aspects, selecting those that are most important to its business. In 2020, due to the updating of GRI Standards protocols, IHARA carried out a review of the new indicators, in order to identify which the company should report in its report.

GRI 102-47, GRI 103-1, GRI 103-2, GRI 103-3

Material Topics	Limit: where the impact takes place	Material topic description	GRI Standards correlation	Management approach	Management approach assessment
Strategy	Material inside the organization.	Knowing IHARA's growth strategy and its long-term vision.	Strategy: GRI 102-14, GRI 102-15 Ethics and Integrity: GRI 102-16 Governance: GRI 102-18 Economic performance: GRI 201-1, GRI 201-2 Market presence: GRI 202-1, GRI 202-2	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. Its management tool is the Objectives and Goals Panel, which is the responsibility of the financial area, monthly shown at a Board meeting. It includes all the indicators deployed in the corporate strategy for the other departments: Presidency, Business, Marketing, Technical, Industrial and Financial Boards. Such indicators are defined once a year, as per the contribution of each area to achieve the corporate guideline.	The strategic indicators are broken down by area, with a periodic monitoring by the senior management, so that monitoring and intervention are timely when necessary. This control is the driver for achieving the established goals.
Professional development	Material inside the organization.	How IHARA values its employees, planning training sessions, strengthening competencies and offering a motivating work environment.	Training and education: GRI 404-1, GRI 404-2, GRI 404-3 Diversity and equal opportunities: GRI 405-1, GRI 405-2	The management of people development at IHARA is monitored through the Human Development area, which, in turn, has periodic meetings with the managers of each area. In this approach, the concept used is KSA (Knowledge, Skill and Attitude), and for questions of Knowledge and Skill, the intervention by the Human Development area is made by means of training. Issues related to Attitude must be treated and monitored by the respective managers.	To develop the roles, the Human Development area works with each manager through the ATP (Annual Training Plan), identifying the training needs of each employee in the performance of their roles.
Water consumption management	Material inside the organization.	IHARA's water consumption monitoring actions.	Water: GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-5	Water consumption management is a topic widely discussed at IHARA. Consumption management is monitored and appraised on a weekly basis by the Environment department, which reports results every month to the senior management, with the definitions of causes and actions for positive and/or negative results. The goal set for reducing water consumption is 5% less than the result obtained in the previous year. This is measured in an index, that is, total water collected (for use in utilities - consumption subject to reduction actions), divided by the volume produced. According to the results/monitoring, the Environment department, together with the Sustainability Committee, sets improvement projects for driving, which are presented to senior management to submit earnings and authorization for deployment.	The management of water consumption indicators is monthly assessed by the senior management, as well as monitored and discussed on a quarterly basis with the Sustainability Committee. The size of the periodic measurements, causes and actions are defined to achieve the established goals and the continuous improvement in water consumption reduction at IHARA.

GRI CONTENT SUMMARY

GRI 102-55

GRI Standard	Content	Remarks	Report page	Omission
GRI 101: FUNDAMENTOS 2016				
GENERAL CONTENTS				
GRI 102: GENERAL CONTENTS 2016	ORGANIZATIONAL PROFILE			
	GRI 102-1	Organization name.	10	
	GRI 102-2	Activities, brands, products and services.	10	
	GRI 102-3	Location of the organization's headquarters.	10	
	GRI 102-4	Operations site.	10	
	GRI 102-5	Nature of ownership and legal form.	10	
	GRI 102-6	Markets served.	13	
	GRI 102-7	Organization's size.	-	
	GRI 102-8	Information on employees and other workers.	46, 47	
	GRI 102-9	Suppliers' chain.	51	
	GRI 102-10	Significant changes in the organization and its supply chain.	10	
	GRI 102-11	Precautionary principle or approach.	38	
	GRI 102-12	External initiatives.	-	Not applicable: IHARA has no initiatives in this regard and there are no adherence goals.
	GRI 102-13	Participating in associations.	17	
	STRATEGY			
	GRI 102-14	Statement by the highest executive.	4	
	GRI 102-15	Main impacts, risks and opportunities.	4, 20	

GRI Standard	Content	Remarks	Report page	Omission
GRI 102: GENERAL CONTENTS 2016	ETHICS AND INTEGRITY			
	GRI 102-16	Values, principles, standards and behavior codes.	8, 10	
	GOVERNANCE			
	GRI 102-18	Governance structure.	20	
	STAKEHOLDERS ENGAGEMENT			
	GRI 102-40	List of stakeholder groups.	54	
	GRI 102-41	Collective bargaining agreements.	46	
	GRI 102-42	Identification and selection of stakeholders.	54	
	GRI 102-43	Approach to stakeholder engagement.	54	
	GRI 102-44	Main concerns and topics raised.	54	
	REPORTING PRACTICE			
	GRI 102-45	Entities included in the consolidated financial statements.	-	Not applicable. IHARA has no subsidiaries. In accounting, they are individual, and do not have consolidated investments.
	GRI 102-46	Defining report content and topic limits.	54	
	GRI 102-47	List of material topics.	54	
	GRI 102-48	Reformulations of information.	None.	-
	GRI 102-49	Changes in the report.	None.	-
	GRI 102-50	Period covered by the report.	54	
	GRI 102-51	Date of the most recent report.	54	
	GRI 102-52	Most recent reporting date.	54	
	GRI 102-53	Contact for questions about the report.	54	
	GRI 102-54	Reporting statements in accordance with GRI Standards.	54	
	GRI 102-55	Summary of GRI content.	56	
	GRI 102-56	External check.	54	

GRI Standard	Content	Remarks	Report page	Omission
MATERIAL TOPICS				
STRATEGY				
GRI 103: MANAGEMENT METHOD 2016	GRI 103-1	Explanation of the material topic and its Limit.	54	
	GRI 103-2	Management method and its components.	54	
	GRI 103-3	Evaluation of the management method.	54	
GRI 102: GENERAL CONTENTS 2016	GRI 102-14	Statement by the highest executive.	4	
	GRI 102-15	Main impacts, risks and opportunities.	4, 20	
	GRI 102-16	Values, principles, standards and norms of conduct.	8, 10	
	GRI 102-18	Governance structure.	20	
GRI 201: 2016 ECONOMIC PERFORMANCE	GRI 201-1	Direct economic value generated and distributed.	34	
	GRI 201-2	Financial implications and other risks and opportunities arising from climate change.	34	
GRI 202: MARKET PRESENCE 2016	GRI 202-1	Ratio between the lowest wage and the local minimum wage, broken down by gender.	46	
	GRI 202-2	Proportion of board members hired from the local community.	46	
WATER CONSUMPTION MANAGEMENT				
GRI 103: MANAGEMENT METHOD 2016	GRI 103-1	Explanation of the material topic and its Limit.	54	
	GRI 103-2	Management method and its components.	54	
	GRI 103-3	Evaluation of the management method.	54	
GRI 303: WATER AND EFFLUENTS 2018	GRI 303-1	Interactions with water as a shared resource	40	
	GRI 303-2	Management of impacts related to water discharge.	40	
	GRI 303-3	Water catchment.	40	
	GRI 303-5	Water consumption.	40	

GRI Standard	Content	Remarks	Report page	Omission
PROFESSIONAL DEVELOPMENT				
GRI 103: MANAGEMENT METHOD 2016	GRI 103-1	Explanation of the material topic and its Limit.	54	
	GRI 103-2	Management method and its components.	54	
	GRI 103-3	Evaluation of the form of management.	54	
GRI 404: TRAINING AND EDUCATION 2016	GRI 404-1	Average number of hours of training per year, per employee.	46, 48	
	GRI 404-2	Programs for improving the skills of employees and assistance for career transition.	46	
	GRI 404-3	Percentage of employees receiving regular performance and career development evaluations.	46, 49	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	GRI 405-1	Diversity in governance bodies and employees.	46	
	GRI 405-2	Ratio between base wage and compensation received by women and men.	46	
SPECIFIC INDICATORS				
ECONOMIC SERIES				
GRI 205: FIGHT AGAINST CORRUPTION 2016	GRI 205-1	Operations evaluated for risks related to corruption.	20	
SÉRIE AMBIENTAL				
GRI 301: MATERIALS 2016	GRI 301-1	Materials used, broken down by weight or volume.	41, 43	
GRI 302: ENERGY 2016	GRI 302-1	Energy consumption inside the organization.	38	
GRI 304: BIODIVERSITY 2016	GRI 304-2	Significant impacts of activities, products and services on biodiversity.	43	

GRI Standard	Content	Remarks	Report page	Omission
GRI 305: EMISSIONS 2016	GRI 305-1	Direct emissions (Scope 1) of greenhouse gases (GHG).	39	
	GRI 305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from the acquisition of energy.	39	
	GRI 305-3	Other indirect emissions (Scope 3) of greenhouse gases (GHG).	39	
GRI 306: WASTE 2020	GRI 306-3	Waste generated	41	
	GRI 306-5	Waste intended for final disposal.	41, 42	
GRI 308: SUPPLIERS ENVIRONMENTAL EVALUATION 2016	GRI 308-1	New suppliers selected based on environmental criteria.	51	
SOCIAL SERIES				
GRI 401: EMPLOYEE 2016	GRI 401-1	New hires and employee turnover.	46	
	GRI 401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees.	46	
GRI 403: LABOR HEALTH AND SAFETY 2018	GRI 403-1	Occupational health and safety management system.	50	
	GRI 403-5	Training of workers in health and safety at work.	50	
	GRI 403-6	Promoted worker health.	50	
	GRI 403-9	Labor accidents.	50	
GRI 408: CHILD LABOR 2016	GRI 408-1	Operations and suppliers with a significant risk of child labor.	51	
GRI 409: FORCED LABOR OR ANALOGUE TO SLAVERY 2016	GRI 409-1	Operations and suppliers with a significant risk of cases of forced or compulsory labor.	51	
GRI 413: LOCAL COMMUNITIES 2016	GRI 413-1	Engagement operations, impact evaluations and development programs aimed at the local community.	51	
GRI 414: SOCIAL EVALUATION OF SUPPLIERS 2016	GRI 414-1	New suppliers selected based on social criteria.	51	

GRI Standard	Content	Remarks	Report page	Omission
GRI 416: CONSUMER HEALTH AND SAFETY 2016	GRI 416-1	Evaluation of health and safety impacts caused by products and services categories.	29	
	GRI 416-2	Cases of noncompliance regarding the impacts on health and safety caused by products and services.	29	
GRI 417: MARKETING AND LABELING 2016	GRI 417-1	Requirements for information and labeling of products and services.	29, 30	
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	GRI 419-1	Noncompliance with laws and regulations in the socio-economic area.	-	IHARA considers this data to be confidential information.

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