

SUSTAINABILITY REPORT **2023**



SUMMARY



Message from the President

GRI 2-22

Through IHARA's Sustainability Report, we share with you the achievements and challenges that were part of our daily lives in 2023.

This year, we have seen a slowdown in economic growth in the main global economies, moderated by anti-inflationary monetary policies, a growth in the Chinese economy below expectations, still as a reflection of the pandemic and trade conflicts between China and the United States, which have amplified the crisis in the Chinese real estate sector. And, unfortunately, the more lasting effects of the war in Ukraine and geopolitical tensions such as the conflict between Israel and Hamas.

In 2023, the increase and persistence of inflation led several countries to tighten monetary policy, resulting in record interest rates compared to the last decade.

Despite the adverse global scenario, in Brazil, estimates point to GDP growth of around 3%, with an under control inflation and a downward cycle of interest rates in progress. The new Brazilian government took office and established a conflicting relationship between the Executive and Legislative branches but with some success. It has established a new fiscal framework and is actively moving towards changes in the tax system, although the reform is proving to be inefficient. Important factors for a more

efficient agenda, such as administrative reform and spending control, appear to be not prioritized.

For Brazilian agriculture, the year was marked by climatic issues, falling commodity prices, problems with grain storage infrastructure, along with the appreciated exchange rate, which threatened farmers' profitability. Continued adverse weather conditions led to delays in planting and, although a slight increase in area is estimated for the 2023/24 harvest, the volume of production suggests a reduction compared to the previous harvest.

For the agrochemicals sector, the year has been full of obstacles, especially due to high inventories in industries and distributors, as well as a general drop in prices caused by oversupply. Market shows a retraction of 28%, reflecting in a reducing of USD21 to USD15 billion on the industry.

Although we have advanced in volume in many products and markets, the value of sales was drastically impacted by the need for adjust our customers' prices and inventories. To be able to manage this whole scenario of adversity, during the year we made tough adjustments to costs and expenses, optimizing the organizational structure and processes, restricting expenses, postponing and making investments contingency, as well as implementing rough management in reducing

inventories and generating cash. And we continue to fight hard to deliver profits above the acceptable minimum.

In 2023, I would like to highlight the launch of 7 products, including 1 insecticide, 1 fungicide, 4 herbicides and 1 biological product, which have further complemented and/or modernized our portfolio. For 2024, we hope to launch 7 more solutions for producers.

I would also like to take this opportunity to point out that this year we have once again been honored with recognition from the market and society. For the 18th time, and the 8th time in a row, we were recognized by Globo Rural magazine in its 19th edition of "Best of Agribusiness Award".

We will continue to be careful, resilient, and dynamic in dealing with the uncertainties that 2024 may bring. We will continue to be guided by our purpose of contributing to the productivity of Brazilian

agriculture to stay feeding and moving the world, aiming for maximum quality and value.

Enjoy your reading!



Julio Borges Garcia
President of IHARA



About
IHARA

Corporate Profile

GRI 2-1, GRI 2-6

Who We Are

IHARABRAS S/A Indústrias Químicas, which has been operating for 58 years, is a Brazilian closed capital stock corporation, specializing in the research and development of new products for agriculture and livestock. The focus is to provide exclusive solutions for protecting crops against diseases, pests and weeds, with the aim of increasing agricultural productivity in a safe and sustainable way, both economically and environmentally. The company has an extensive portfolio, including more than 80 products such as fungicides, herbicides, insecticides, biological products, acaricides, and specialty products which are essential for the protection of more than 100 different types of crops.



Mission, Vision, Beliefs and Values

Mission

To help ensure that agricultural productivity continues to feed and move the world.

Vision

To be the most innovative company in crop protection solutions, combining our technology and creativity with maximum quality and value.

Beliefs and Values¹

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

We are attentive and open to changes and will make the necessary changes, always with the noblest of feelings.

We have a reason for existing. 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 for more and more food. We will always respect natural resources in our quest for productivity. Everything is interconnected: Earth, Water, and Air are humanity's greatest assets.

We will take the utmost responsibility in how we treat them. Feeding the world while preserving these assets is the true sustainability.

Our Country

We are "owners" of this country. We believe that Brazil is the most viable alternative for feeding the world. We put all our energy into 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, humble and committed conduct, we can exceed and surprise society's expectations. Great achievements do not happen overnight; they result from the sum of small accomplishments made step by step, with determination and courage. What matters are the sustainable results.

We share and celebrate our achievements, strengthening relationships and immediately looking for new challenges.

We develop solutions for agriculture. We work to serve farmers because 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 for all. Our strategic movements are concerned with the collective.

We do prefer respect knowledge acquired through experience over theoretical knowledge; however, the latter cannot be disregarded.

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 choose to be! We cultivate the spirit of business ownership in every 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 appropriately.

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

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

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

We have humility as a principle. We value the ability to listen, to differ and to express ourselves respectfully. We value respect. We respect people, society, laws, the environment, diversity, which is, life in all its forms.

We look for people with initiative and creativity, and we cultivate them as high value. We are enthusiastic. We dedicate ourselves to work with energy and passion, finding satisfaction and pleasure. When work is a pleasure, responsibilities come naturally.

Our people are passionate about 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.

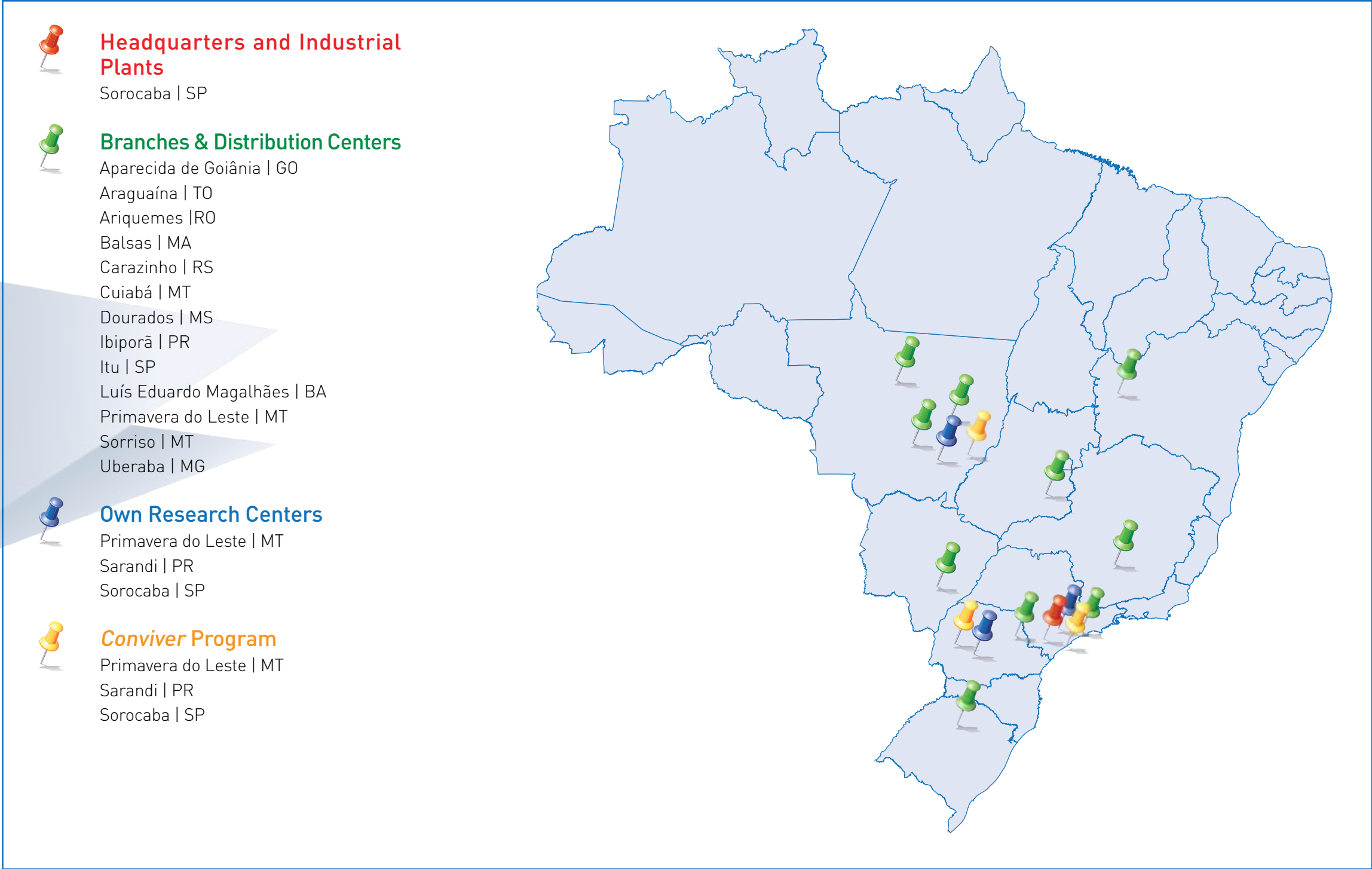
A given mission is an accomplished mission.

1. Based on Mr. Inamori's Kyocera Philosophy.

Where We Are

IHARA has its administrative headquarters, production plants, and a Research Center located in Sorocaba, São Paulo, at Avenida Liberdade 1701, Cajuru do Sul. In addition, the Company has facilities in eleven (11) Brazilian States, which include regional administrative headquarters, distribution centers, research, and marketing centers. IHARA also has a representation in China.

The company has a product distribution channel in the northeast of Brazil through its subsidiary, Terra Agro Holding Ltda.”



Timeline

<div>1965</div> <div>Foundation of Indústrias Químicas Mitsui IHARA S/A, in Jaguaré District, São Paulo (SP), as a result of the purchase of the agricultural and commercial company Maracanã S/A, which was under the command of Mr. Masashi Kato.</div>	<div>1968</div> <div>Nippon Soda Co. Ltd. and Sumitomo Chemical Co. Ltd. joined the company as shareholders.</div>	<div>2019</div> <div>The company installed its first flex plant for herbicides, inaugurated a new synthesis plant, and launched new products in the “Dino” Family, with four insecticides designed to address the main problems faced by Brazilian farmers: “Zeus”, “Maxsan”, “Spirit”, and “Dinno”. Sales exceeded an all-time record of US\$ 500 million. Two agricultural areas were acquired to house research centers: in Paraná and Mato Grosso. IHARA opened a representative office in China.</div>	<div>2016 – 2018</div> <div>In 2016, IHARA began to reap the rewards of its investments in more effective, lower-risk products: new solutions were approved that expanded its portfolio. The company launched around 20 products on the market between 2017 and 2018, helping to improve the productivity and competitiveness of Brazilian agriculture.</div>
<div>1970 – 1972</div> <div>In 1970, the company’s first factory opened in Osasco (SP). In 1972, the company’s name was changed to IHARABRAS S/A Indústrias Químicas, after Mitsui sold its shares to Kumiai Chemical.</div>	<div>1976</div> <div>Sumitomo Corporation and Mitsubishi Corporation became shareholders of the Company.</div>	<div>2021</div> <div>IHARA invested in the installation of a multipurpose plant called “Flex”, to improve the development of new formulations. It also invested in a formulation development laboratory for biological products and fully modernized its pesticide formulation laboratory. In the area of sustainability it established another milestone, a packaging factory. With the aim of investing in the agricultural input sales market, IHARA set up TERRA AGRO HOLDING LTDA. as the controlling shareholder and acquired two agricultural input distribution companies in the northeast of the country.</div>	<div>2020</div> <div>IHARA continued to innovate in its portfolio and launched new solutions for farmers, such as the “Herbicides of the Future”. A new SAP management system was implemented. The company won the FIA Quality of the Work Environment seal.</div>
<div>1980 – 1990</div> <div>During this decade, the company invested in expanding its infrastructure with the inauguration, in 1982, of the Industrial Park in Sorocaba and the unification of all its operations there. In 1990, it began synthesizing the propanil herbicide molecule.</div>	<div>1991 – 1997</div> <div>IHARA is investing in facilities, expansion works, renovations, and modernization of its Park in Sorocaba, such as the plant for the synthesis of the fungicide thiophanate methyl, made possible through a technology transfer agreement with Nippon Soda Co. Ltd., and support from Sumitomo Corporation.</div>	<div>2023</div> <div>IHARA once again launched solutions to help Brazilian farmers produce more and better. Soybean growers benefited from the arrival of “TERMINUS” and “SUGOY”, both innovative products that provide superior pest and disease control, respectively. It launched “TRUNEMCO”, its first bionematicide, with an innovative formulation to control soil nematodes, a major challenge in global agriculture. To combat weeds and the damage caused by weed competition in corn and rice crops, it launched the products “ÁPICE” and “STRIKE”, both with molecules that are new to Brazil. In addition, IHARA’s well-known fungicide “FUSÃO EC”, together with the protective fungicide “ABSOLUTO FIX”, both achieved leadership in the ranking of efficiency in the control of Asian rust in research by the “Antirust Consortium”, led by Embrapa. These IHARA products proved to be superior in the fight against Asian soybean rust in the 22/23 harvest, outperforming seven competing products and achieving the highest percentage of disease control.</div>	<div>2022</div> <div>IHARA expanded its portfolio by entering the pasture segment, focusing on pest, and weed control and seed treatment. It incorporated “High Technology” (HT), with unprecedented formulations, into some products for agricultural crops. The company invested in new Distribution Centers, totaling ten units, and expanded its infrastructure in Sorocaba (SP) with more than 10,000 m². It also opened two new “<i>Moradas Conviver</i>” in Sarandi (PR) and Primavera do Leste (MT). Historically, for the first time, IHARA reached more than USD 1 billion in net sales.</div>
<div>2004</div> <div>IHARA’s turnover reaches the US\$ 100 million mark.</div>	<div>2007</div> <div>IHARA promotes its entry into the sugar cane segment, making available on the market a safe and flexible herbicide for controlling the main weeds.</div>		
<div>2011</div> <div>Mitsui Chemicals Agro and Nissan Chemical Corporation became shareholders of the Company.</div>	<div>2012 – 2014</div> <div>The company continues to invest in improving its infrastructure, from production plants, administrative and research facilities to a new effluent treatment plant. New projects are being developed as new molecules arrive from Japan. The Distribution Center and the segregation of the herbicide plant in Sorocaba are built.</div>		
<div>2015</div> <div>IHARA completes 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 region and musical and theatrical projects.</div>			

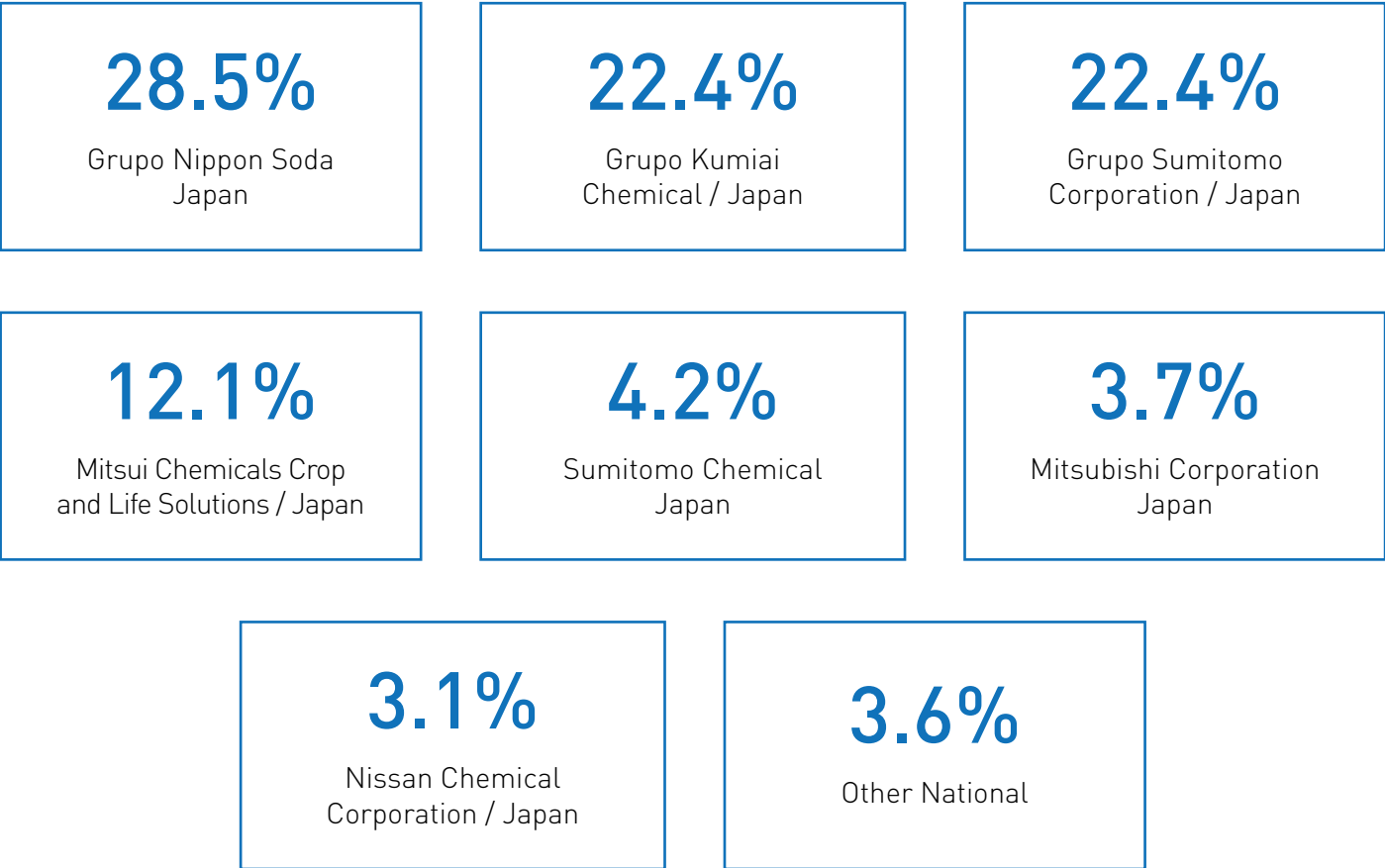
Business Strategies

GRI 3-3, GRI 2-1, GRI 2-6

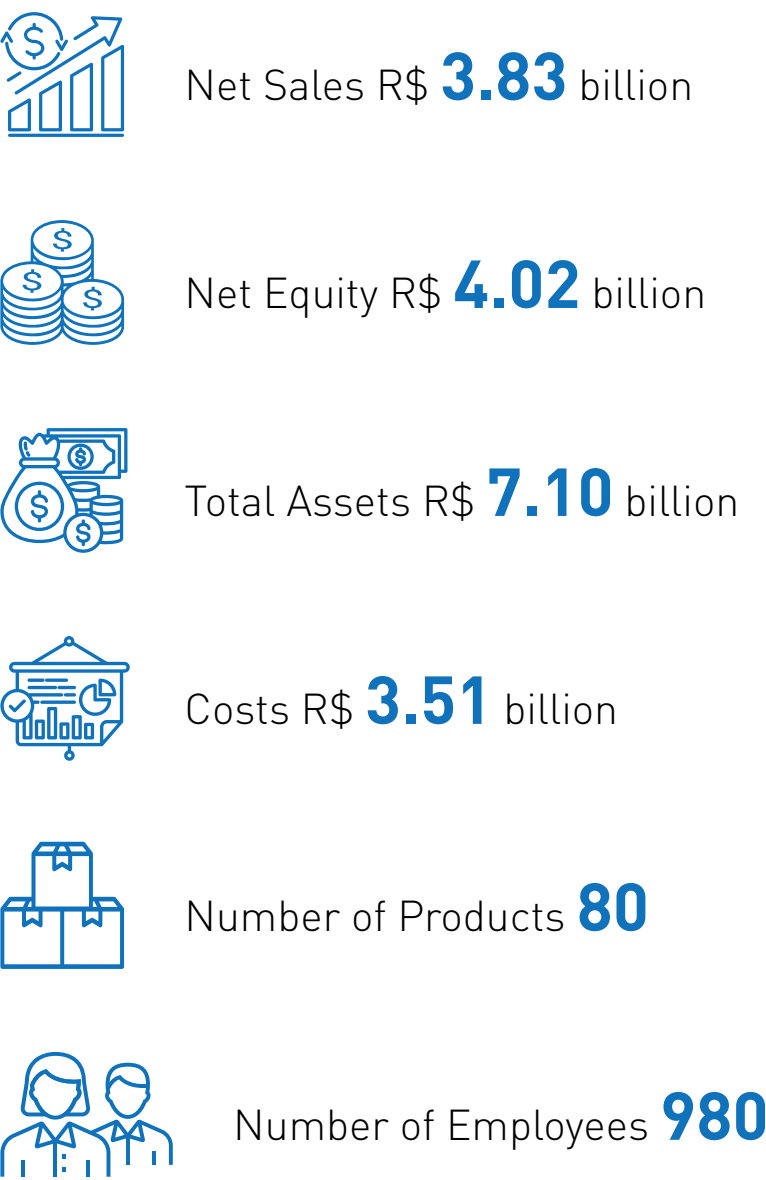
IHARA's business strategy is focused on promoting the sustainable development of agriculture and livestock. This strategy is based on innovation, research, and the development of solutions that are environmentally safe and contribute to increasing productivity in the field. In addition, the company relies on its financial strength and the continuous improvement of its processes, striving for operational excellence. It is committed to meeting strict quality standards in its products and to progressively improving its eco-efficiency indicators.

Shareholding Composition

IHARABRAS S/A INDÚSTRIAS QUÍMICAS has seven Japanese companies on its majority shareholding list.



Company Size



Relevance of Products by Culture



Soybean – 44%



Sugar Cane – 15%



Corn – 13%



Cotton – 5%



Wheat – 4%



Coffee – 4%



Potato – 3%



Rice – 2%



Apple – 2%



Dry Bean – 2%



Tomato – 2%



Citrus – 1%

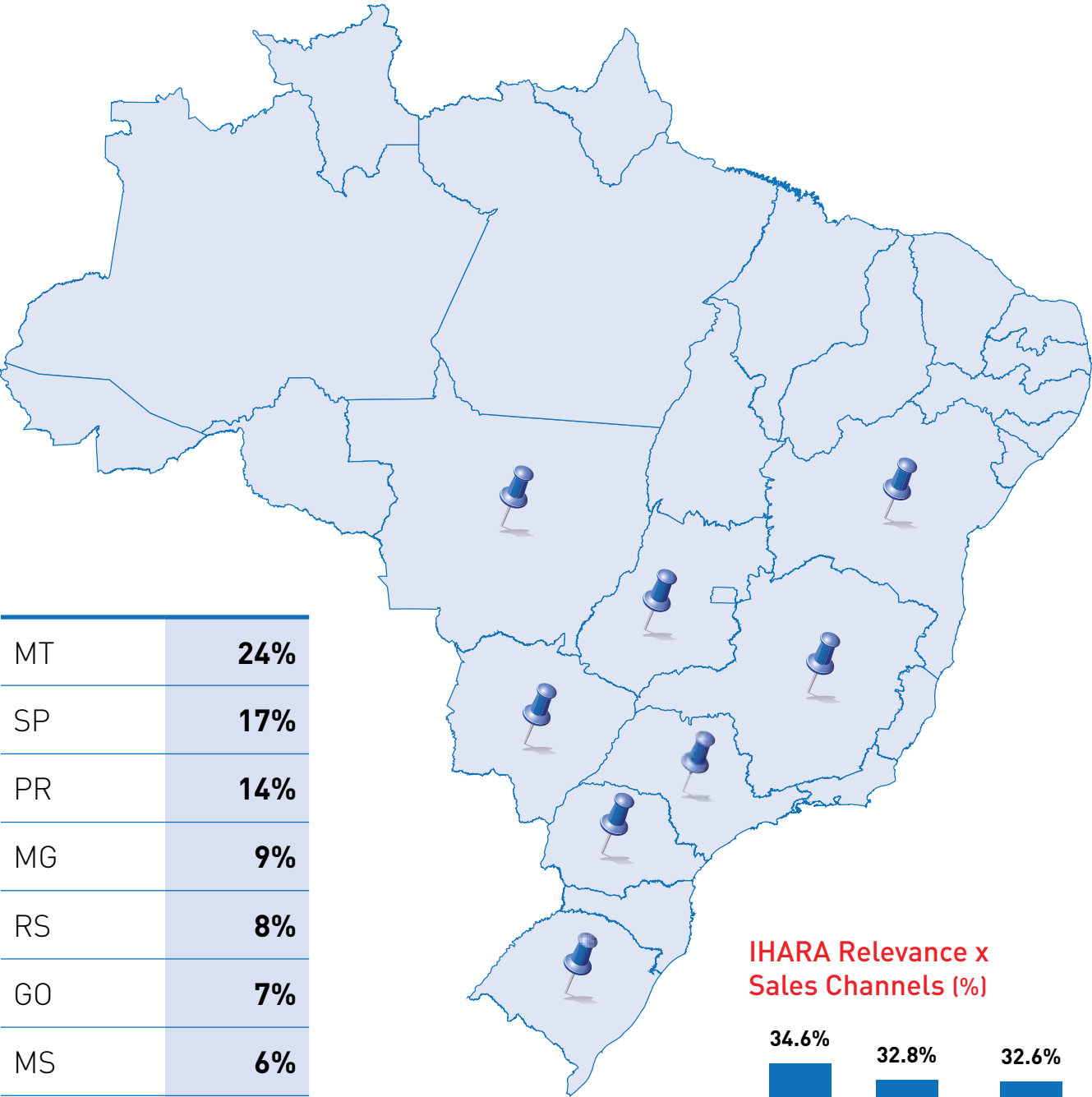


Planted Forest – 1%

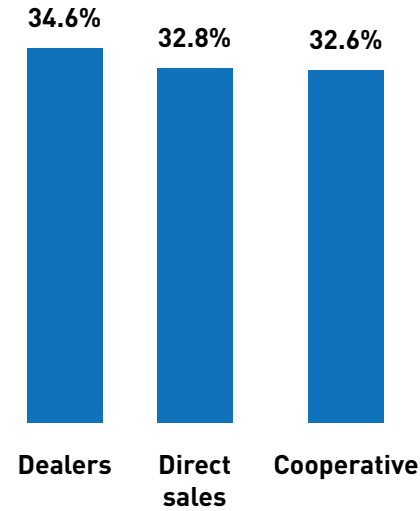


Pasture – 1%

IHARA Relevance x States* (%)



IHARA Relevance x Sales Channels (%)



* The rest is divided among the other Brazilian States.

Strategic Planning

IHARA carries out its strategic planning by reviewing the multi-annual plan, taking into account economic, environmental, and social perspectives. The actions resulting from this analysis are aligned with the Company's strategic directions, covering Corporate Governance, Corporate Risks, New Business and Market Development, as well as Research and Development.

Stakeholder Engagement

GRI 2-29

Active engagement with stakeholders is the compass that guides IHARA in building solid and transparent

relationships, maintaining continuous engagement with its stakeholders through a variety of projects and initiatives developed by the respective relationship areas. This approach includes interaction with three main stakeholder groups: Customers, Employees, and Suppliers. These groups were essential in the consultation for drawing up the company's Materiality Matrix, a key element in defining its strategies and objectives.

Stewardship area plays a crucial role, working directly with customers, employees, and local communities. Its main objective is to identify and mitigate risks, analyze demands, and distribute Personal Protective Equipment (PPE) to applicators, as well as conducting

training for internal and external audiences. These actions are fundamental to promoting Good Agricultural Practices (GAP). Among IHARA's outstanding initiatives in this area are the *Cultivida* Program, which implements actions with customers, and the *Conviver* Project. Both projects are covered in detail on pages [44](#) and [72](#), respectively.

About stakeholders, it is important to highlight IHARA's Code of Conduct and Ethics. This document establishes the following main goals:

- Developing the intellectual and professional skills of its employees;

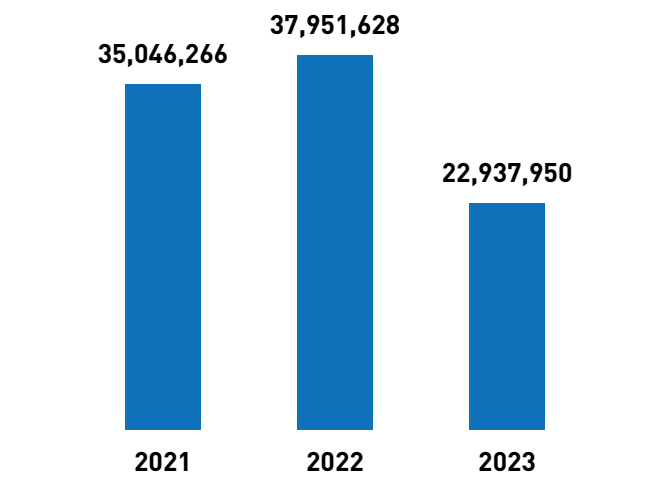
- Reinforcing the importance of its customers, suppliers, community, and employees;
- Applying its best efforts to improve the lives of its employees and their families by providing social benefits and adequate remuneration;
- Disseminating the company's guidelines and policies, involving, and committing employees to common goals and objectives;
- Using personal data only when necessary, applying all sufficient security, technical, and administrative measures to protect the personal data of all individuals.



Research & Development

For IHARA, the Research and Development area is strategic for the sustainability of the business, encompassing not just economic aspects but also relationships with customers, the environment, and society. This sector plays a crucial role, particularly in terms of responsibilities for its products.

IHARA’s investments in Research and Development – (in R\$)



* Includes: Expansion of infrastructure, payroll, services and materials.

Currently, IHARA has three own research centers, located in Sorocaba (SP), Sarandi (PR) and Primavera do Leste (MT). These centers are responsible for 90% of the company’s research activities. The remaining part of the research activities is carried out through partnerships with Embrapa, universities and other renowned private institutions, both national and international.

It is evident that farmers are interested in producing more efficiently. To achieve this goal, there is a clear



search for more suitable and innovative techniques, products and solutions. In this regard, during the year 2023, IHARA conducted more than 200 projects, covering the development of new products, unique formulations, and new applications for existing products. These initiatives aimed to expand the portfolio of solutions available to farmers across various crops. IHARA launched **7 new products, marking a significant advancement in its portfolio. The launches include 01 insecticide and 01 fungicide, as well as 04 herbicides and 01 biological product.** These additions not only complement IHARA’s existing product line but also represents significant modernization.

A highlight was the launch of ÁPICE, a post-emergent herbicide for corn, innovative and effective in weed

control. Another significant product was SUGOY, a combination of three active ingredients resulting in a premium broad-spectrum product for controlling soy diseases.

The project development process at IHARA is managed by a multidisciplinary system that integrates marketing, formulation technology, laboratory and field research, and regulatory areas. This system includes performance indicators for each development stage, ensuring an efficient and swift process from the initial conception of innovation ideas to the product launch on the market.

Furthermore, high-performance digital tools are utilized to assist in collecting, storing, and analyzing data, along with statistical programs that help determine product

efficacy with higher accuracy, ensuring assertive and effective positioning for the farmer.

Biotechnology, focusing on biological pest control, is currently a significant and very strategic part of the Research and Development area.

IHARA has also invested in a unique structure dedicated to developing biological products, aiming to launch at least 15 potential new biological products. At the same time, the company is committed to seeking increasingly safer products, strictly adhering to the regulations governing the sector.

Economic and Financial Performance

GRI 3-3, GRI 201-1

The Brazilian agrochemical sector faced a challenging year in 2023, marked by climatic issues, excess stocks, falling commodity prices, along with an appreciated exchange rate, which impacted farmers’ profitability. Moreover, the reduction in commercial prices for soybeans and corn reduced producers’ willingness to invest in crops.

IHARA made progress in volume in many products and markets, but the value of sales was impacted by the need to adjust prices and customer inventories. These combined conditions made 2023 a particularly challenging year for the agrochemical sector as a whole, resulting in a managed sales outcome USD 33% lower than in 2022, mainly due to lower market prices.

However, looking to the future, IHARA maintains an optimistic outlook for the next year. To continue contributing to the productivity of agriculture, to keep feeding and moving the world, and to be the most innovative company in crop protection solutions, combining technology and creativity with maximum quality and value, with the credibility built throughout its operations.

Investments in Infrastructure

GRI 203-1

With investments of USD 44 million in 2023 at Sorocaba’s headquarters, IHARA continues to increase its production capacity as a result of the installation, expansion, and modernization of its

production plants, pilot plant, and laboratories, as well as the construction of a new plant for pasture products.

The company also expanded and modernized its administrative and social infrastructure, including auditoriums, a community center, cafeterias, offices and training/conference rooms.

Challenges in the Face of Climate Change

GRI 201-2

Climate risk is a major factor in agriculture and can be a determining factor in increasing or decreasing defaults. In addition, the risk of overstocking at distributors due to climatic influences can lead to debt renegotiations.

Particularly in the 2023/2024 harvest, there was the El Niño phenomenon, which causes a shortage of rain in the Midwest, North, and Northeast regions and an excess at the South of the country.

The company uses various methods to mitigate the potential impacts of climate risk:

- Developed and revised the “Credit Rating” to equalize the combination of risk and requested guarantees;
- Carries out preventive monitoring of guarantees, via satellite and in person;
- Promotes preventive monitoring of accounts receivable;

- Grants credit through Rural Product Note (CPR);
- Inclusion of Code of Civil Procedure 190 (CPC) clauses in guarantees and contracts, with the aim of speeding up legal proceedings;
- Monitors stocks at the main distributors.

The company has the support of two independent consultancies specializing in agribusiness scenario analysis. These consultancies provide monthly reports on the sector, monitoring crop production variables in relation to climate change and general market behavior.

Main Financial Results in 2023

Value Added Statement 2023 (in %) – GRI 201-1

	2021	2022	2023
Shareholders (return on equity)	8.96	13.28	8.98
Employees (remuneration, benefits, and charges for employees)	19.13	12.93	15.32
Government (taxes, fees, and contributions)	28.33	15.51	1.02
Retained earnings/Loss of the year	32.35	47.87	58.39
Interest and rents (remuneration of third-party capital)	10.79	9.94	16.16
Investments in the community	0.44	0.47	0.13

Value Added Statement 2023 (in R\$ thousand)

	2021	2022	2023
Revenues	4,246,699	6,043,191	3,830,074
EBITDA	488,508	1,049,583	-34,944
Total added value to be distributed	999,233	1,813,729	1,307,478



Strategic Management **and Governance**

Corporate Governance

GRI 2-9, GRI 2-10, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-15, GRI 2-17. GRI 2-18, GRI 201-1, GRI 202-2

IHARA is committed to the continuous evolution of its governance structure through the implementation of systems, review of processes and internal controls.

IHARA's governance structure is comprised of the General Shareholders' Meeting, the Board of Directors and the Executive Board. The Executive Board is supported by Strategic and Operational Committees, which include the constant participation of the company's President, as well as directors and managers selected according to the relevance of each issue.

General Shareholders Meeting

Every year, IHARA holds an ordinary General Shareholders Meeting, the purpose of which is to present accounts to shareholders and society. Every two years, during these meetings, elections are held to elect the members of the Board of Directors.

Board of Directors

IHARA's Board of Directors plays a key role in the company's corporate governance, focusing on maximizing its value and adhering to established ethical and moral principles. The Board is in charge of formulating and providing strategic guidelines and orientations, which are incorporated into the Company's annual budget. It also acts as a guide for the Executive Directors, in terms of updating the mission, vision, values, policies, and targets, in line with the company's strategic planning.

The Board of Directors is independent, and although it does not have an executive function, its strategic thinking and analytical skills are fundamental to formulating long-term strategies.

The Board of Directors is responsible for electing the statutory officers.

Meetings of the Board of Directors are held bimonthly, and at these meetings, the president of the company, who is also a member of the Board, is responsible for reporting and updating on the issues under discussion.

The Remuneration and Nomination Advisory Committee plays a crucial role in the selection and appointment of the members of the Board of Directors, who are elected for two-year terms.

This Committee, which is directly linked to the Board, is responsible for proposing the Directors' remuneration policy and developing the succession program for the Company's Executive Officers.

Executive Board

At IHARA, the Presidency is held by one of the members of the Board of Directors, with responsibilities assigned by the Board itself. The president is in charge of monitoring the strategic actions of each Board and the Strategic and Operational Committees, as well as reporting these activities to the Board. This supervision also includes impact management.

The reports and data used for regular reporting to the Board of Directors are prepared with the collaboration of key executives. The Executive board members are all hired from the local community, reinforcing the company's commitment to community integration and development.

Performance Evaluation

IHARA establishes clear criteria to evaluate its performance, focusing on specific targets related to sustainability, social, and economic impact. The company uses specific systems to collect relevant data on its performance, monitoring key indicators related to environmental, social, and economic objectives.

Based on the collected data, IHARA carries out detailed analyses to assess its performance against the established criteria. This includes comparisons with industry benchmarks, assessment of progress towards sustainability goals, and analysis of the impact of the organization's activities on the community and the environment, as well as salary and benefits analysis.

This evaluation allows the governance body to make continuous adjustments and improvements. This may involve reviewing strategies, policies, and practices to ensure a continued positive impact.

The company communicates the results of performance evaluations regularly and transparently to all interested parties, such as shareholders,

employees, and the community in general. IHARA has a specific Shareholder Relations department.

To ensure the credibility of its internal practices and policies, IHARA sometimes opts for external audits, in addition to using internal management tools. The company ensures compliance with relevant laws and regulations, including legal and ethical responsibilities related to the environment, labor practices, and economic impact.

The frequency of performance evaluations depends on various factors. Long-term goals may require less frequent evaluations, while short- and medium-term objectives may need more regular evaluations.

Among the strategies adopted by IHARA are the introduction of specific expertise, rotation and renewal, sustainability policies and strategies, increased transparency and communication, strengthening of compliance and ethics, investment in innovation and technology, training and continuing education, specialized committees, establishment of performance indicators, and regular evaluations.

These measures reflect IHARA's ongoing commitment to improvement and adaptability, recognizing that the effectiveness of governance and the management of environmental, social, economic, and people impacts are dynamic processes that require constant review and adjustment.

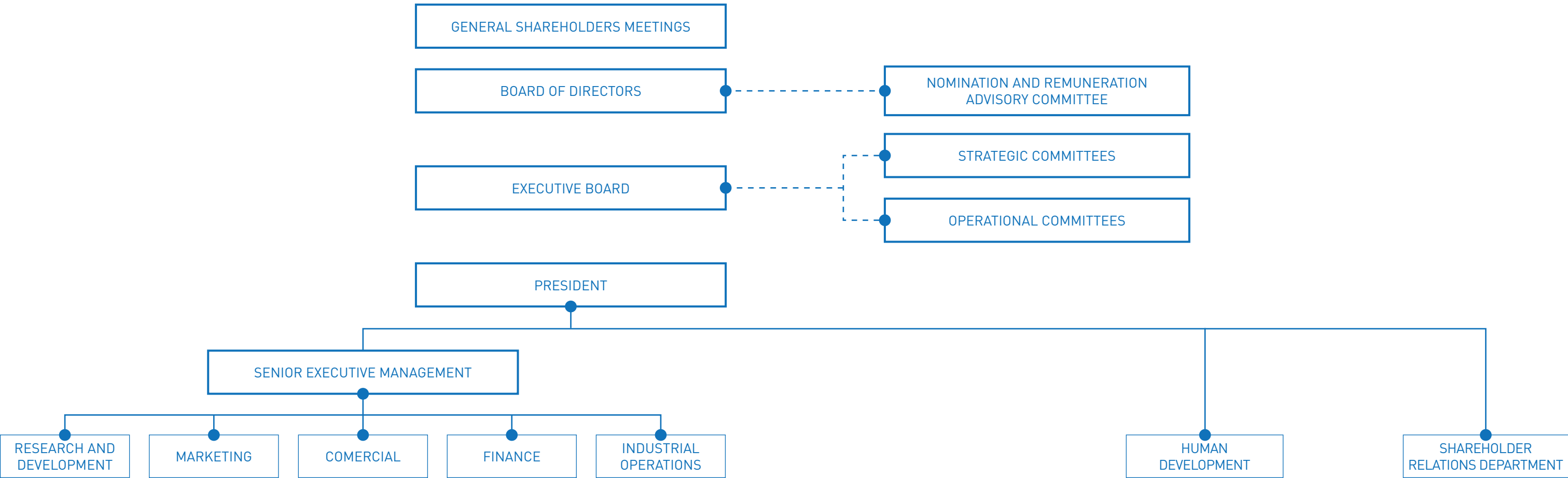
Conflicts of Interest

When a conflict situation or potential risk is identified, it is promptly reported to the immediate manager and the corresponding board. This practice of ensuring the prevention and mitigation of conflicts of interest is formalized in the company’s Code of Conduct. In situations of conflict, the case is referred to the Compliance area for a detailed assessment and investigation. Once this investigation has been completed, appropriate measures are adopted for each specific case.

- Committees:
- **Nomination and Remuneration Advisory Committee**
 - **Strategic Committees**
 - Portfolio Committee
 - Sustainability Committee³
 - Corporate Risk Committee
 - Audit and Compliance Committee
 - Planning and Investment Committee
 - **Operational Committees**
 - Treasury and Credit Committee
 - Legal Affairs Committee

2. All measures taken to develop collective knowledge, as well as the main actions related to sustainability at IHARA, are addressed by the Sustainability Committee, which meets quarterly and is attended by the chairman, who is also a member of the Board of Directors, and other representatives of the Executive Board.

Organograma



Fiscal Management

GRI 207-1, GRI 207-2

The company is committed to regulatory compliance, adhering to tax rules and laws, and maintaining fair relations with competitors, partners, and customers. IHARA’s tax strategy is linked to its business and sustainable development strategies, recognizing the economic importance of taxes.

The company’s tax strategy is formally analyzed and approved by the Statutory Board, with monthly reviews to ensure compliance and efficiency.

In terms of governance and tax control, IHARA, operating in the specific crop protection segment, not only demands the quality and safety of its products but also ensures that all stages, from the purchase of inputs to the sale and delivery of products, comply with current legal regulations.

IHARA’s Compliance department is responsible for assessing all operations considering the company’s Code of Ethics and Conduct, ensuring that any concerns regarding organizational integrity in relation to taxes are properly addressed.

IHARA uses an internal tool that assesses the quality of ancillary obligations and presents an inconsistency report. Any errors identified are promptly fixed through an immediate action plan, guaranteeing the accuracy and integrity of the company’s tax information.

Compliance, Ethics and Integrity

GRI 2-16, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, GRI 206-1, GRI 406-1, GRI 410-1

Ethics and integrity are fundamental values at IHARA and are reflected in the way the company operates and interacts with its main stakeholders. To ensure that risks related to these values are effectively reduced and mitigated, IHARA has implemented comprehensive policies and controls. These controls are constantly monitored and involve the active participation of Senior Management, as well as the Compliance and Internal Audit team.

In 2023, IHARA did not identify any critical concerns. The Company maintains robust audit controls and processes, which are supported by the Compliance and Corporate Risks Committee.

Code of Conduct and Ethics

The company has adopted a Code of Conduct and Ethics, aligned with its beliefs and values and formalizes the “IHARA Way of Being”. This code is founded on legislation, ethics, and respect for society.

When each employee joins IHARA, the Code of Conduct and Ethics is presented and handed out, and the employee is asked to read and sign an acknowledgment of understanding the document. The provisions of the code are continually reinforced through training, e-learning sessions, and internal communications.

IHARA encourages all employees to report any situations that are not in line with the organization’s

standards of behavior, through the communication channels provided by the company. The company prohibits any form of retaliation against reports made in good faith. To facilitate these reports, IHARA provides totems and forms for the anonymous description of identified problems, as well as the possibility of carrying out these procedures electronically and anonymously.

Committed to conducting business and establishing relationships without prejudice or discrimination of any kind, such as race, religion, gender, sexual orientation, age, nationality, military status, disability, marital status, or any other characteristic, IHARA recognizes the equality of everyone in society. The company does not tolerate physical violence, threats of violence, abuse of power, sexual or moral harassment. Cases of sexual and moral harassment, seen as forms of aggression, are promptly addressed when identified.

Policy Commitments

IHARA is committed to aligning its policy commitments with its positioning and strategic direction to ensure that corporate values, ethics, and respect are not only practiced but also disseminated among its employees and stakeholders. The company continually seeks to deepen these commitments, reinforcing them through the constant dissemination of its policies and recurring training.

To reinforce its commitments and business conduct, IHARA employs mechanisms such as communicating relevant issues through internal channels, as well as conducting face-to-face and e-learning training for employees. The company also offers an ombudsman channel, accessible to all internal and external audiences, allowing them to express and register their concerns or complaints safely, anonymously, confidentially, and with integrity.

IHARA prohibits any kind of retaliation against whistleblowers in good faith, guaranteeing registration channels that allow anonymous reports and ensure the absolute confidentiality of the information.

Risks Related to Corruption

GRI 205-1, GRI 205-2, GRI 205-3

To ensure the mitigation and reduction of risks related to corruption, IHARA has implemented the “Anti-Corruption Primer” and established comprehensive policies and controls. These controls are monitored and involve the direct participation of Executive Director and the Compliance team.

This booklet, essential for understanding and aligning with the company’s values and commitments, is also provided to all employees and new hires upon their

joining, and it is mandatory for them to read and understand it.

In an additional step to reinforce the internalization of these concepts, IHARA is developing electronic training, which will become a mandatory requirement for all employees, ensuring broad knowledge and adherence to the principles and guidelines covered in the booklet.

The company has implemented regular internal communications on these issues, ensuring that information is continually updated and reinforced, with training carried out annually.

In 2023, no relevant risks were identified for the company, nor were any cases of corruption, thanks to the effective controls and the auditing process supported by the Audit, Compliance, and Corporate Risks Committee.

IHARA is committed to not maintaining relationships with companies that are not reputable. To this end, it conducts audits based on information obtained through the “Transparency Portal” and carries out periodic analyses of its suppliers, guaranteeing integrity and ethics in its operations and commercial relations.



Processes to Repair Negative Impacts

GRI 2-25, GRI 2-26

For IHARA, the identification and management of economic, social, and environmental impacts are essential and are overseen by Executive Director through the Strategic and Operational Committees. These committees assess and report on the direct and indirect risks and impacts of the company's activities, as well as defining mitigating and/or reparative measures.

The company provides open communication channels, accessible via email, telephone, website, and in person via totems at its physical units. IHARA's ombudsman channel allows customers, suppliers, partners, and employees to speak out in a safe, confidential, and comprehensive manner about any acts that contravene the company's Code of Conduct and Ethics, including impropriety, ethical issues, or indiscipline.

IHARA has an internal committee responsible for analyzing all registrations made through the ombudsman channel. This committee acts with total independence and impartiality, transforming complaints into improvements in internal control processes. The company promotes the use of these channels through training, leaflets, and visual communication, reinforcing its commitment to investigating and repairing any type of damage.

Laws and Regulations

GRI 2-27

In terms of compliance with laws and regulations, IHARA implements specific training for Executive Director and professionals engaged in higher-risk activities. This training aims to help them understand the exposure of their responsibilities and the care required in executing their duties. Additionally, the

Compliance area assesses and ensures satisfactory compliance with the legal requirements to which the company is subject. In 2023, no cases of non-compliance with laws and regulations were identified.

Diversity and Equal Opportunities

GRI 406-1

IHARA maintains a firm commitment to conducting business and establishing relationships free from prejudice and discrimination, including race, religion, gender, sexual orientation, age, nationality, military status, body size, or disability, marital status, or any other characteristic. The company recognizes and respects everyone's equality before society and the law.

In 2023, the company did not record any cases of discrimination against its employees.

Human Rights

GRI 410-1

In the area of Human Rights, IHARA ensures that all its permanent employees, as well as employees of outsourced companies, receive specific periodic training. These trainings focus on the correct application of Human Rights principles in roles related to property security, ensuring a consistent and informed approach throughout the company.

Competition Practices

GRI 206-1

IHARA has a history of acting with integrity in the market, as evidenced by the absence of any records of legal actions relating to unfair competition, market concentration practices, and monopolies. The company values fairness in all its commercial operations.



Relationship **Management**

Our People

IHARA has adopted a Human Development policy that emphasizes respect and attention to the needs of its employees, as well as the promotion of opportunities for their personal and professional growth, always in accordance with the law and the values of ethics and transparency. In 2023, the company's main guidelines included:

- Leadership training
- Preparing successors and retaining talent
- Promoting the strengthening and evolution of the IHARA culture









How We Are

GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 405-1

In 2023, IHARA had a total of 980 employees. Of this total, 863 are direct employees (permanent) and 117 are outsourced. During the year, the company made 355 new hires, resulting in a turnover rate of 29%.

The geographical distribution of IHARA's employees reveals a significant concentration in the southeast region of Brazil. The composition of the workforce, detailed in the specific tables below, shows a breakdown in terms of gender, functional categories, and types of contracts. IHARA stands out for ensuring that 100% of its employees are covered by collective bargaining agreements, ensuring a working structure that respects and values its employees.

Employees by Contract Type and Gender³ - GRI 2-7, GRI 2-8

	2021		2022		2023	
	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract	Permanent Contract	Temporary Contract
Own						
	636	2	684	0	689	53
	165	3	145	0	117	2
	801	5	829	0	806	55
Outsourced						
	42	14	36	75	39	53
	6	16	10	32	18	9
	48	30	46	107	57	62

3. Other tables on employees are available in the Appendices chapter.

Skills and Opportunities Management

GRI 404-1, GRI 404-2, GRI 404-3

IHARA uses its Annual Training Plan (PAT) to encourage the technical training of its employees. Training is conducted in person, online, and through partnerships with external institutions. This training program generates gains in assertiveness, productivity, and safety in the performance of team duties, as well as opening career opportunities within the company. IHARA also offers subsidies for language courses, technical courses, and specialization courses, reinforcing its commitment to the continuous development of its employees.

It is also committed to supporting the final phase of its employees’ careers who are active in the company, aiming to provide a healthy and motivating transition to retirement. This support is offered through the Retirement Preparation Program, which includes subsidies for Pension Law advice and meets other needs identified by the Human Development Department.

Training & Capacity Building

In 2023, 28,098 hours of training were given, averaging 34.60 hours per employee, distributed by gender, functional category, and type of workday.

Performance Assessments

At IHARA, all the company’s own employees are subject to an annual performance appraisal. This evaluation is conducted using the company’s specific tool called “ADI” (Individual Performance Evaluation).

Diversity and Inclusion

IHARA is committed to fostering an inclusive environment where every employee feels valued and respected, regardless of their origin, gender identity, sexual orientation, age, abilities, ethnicity, or any other characteristics that make them unique.

Policies and practices are designed and implemented to ensure that everyone has equal opportunities for growth and success within the company, with due analysis of each person’s potential and development. To foster this culture, IHARA has recruitment and selection processes that prioritize the diversity of experiences and skills, aiming to attract talents with different profiles. At the same time, the company conducts training and awareness programs to increase awareness of the importance of combating any form of prejudice or discrimination.

Remuneration

GRI 2-21, GRI 201-3, GRI 202-1

IHARA adopts a remuneration and benefits policy that aligns with the highest market standards, with constant updates aimed at establishing an equitable relationship with all its employees. The company’s Human Development policy is notable for offering significant differentials, including a Profit-Sharing Plan, which provides employees with an annual variable income, the continuous improvement of benefits, and the maintenance of an average salary above the market standard.









In 2023, IHARA recorded an average salary floor of R\$ 2,387.00 among its own employees. This figure represents an average 81% higher than the national minimum wage of R\$ 1,320.00.

IHARA also offers a private pension plan that guarantees its permanent employees a monetary value for retirement, resulting from the monthly contributions of both the employee and the company.

Benefits

The benefits provided by IHARA to its permanent employees are detailed in the table below. Temporary employees, trainees and apprentices receive the benefit of chartered transportation.

Benefits received by IHARA permanent employees in 2023 - GRI 401-2

Full-time		
	IHARAPREV (private pension)	Yes
	Medical and hospital assistance	Yes
	Dental assistance and allowance	Yes
	Life insurance	Yes
	Food and meal vouchers	Yes
	Support (birth, childcare, special children, and marriage)	Yes
	School material allowance	Yes
	Chartered transportation and transportation vouchers	Yes

Health & Safety

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

Employee health

At IHARA, the safety and well-being of employees are absolute priorities, following the guidelines of ISO 45001 and with the adoption of the “5S Pillars”. The company’s safety culture encompasses all workers, activities, and workplaces. All employees, both permanent and temporary, are covered by an occupational health and safety management system.

In 2023, IHARA closely monitored safety actions through the “IHARA Safety Culture Program,” formerly known as the “1200 Miles Program,” encouraging employees to report any dangerous conditions or deviations in behavior, contributing to the continuous improvement of the work environment.

Specific training is provided to all employees, including contractors, in accordance with the Ministry of Labor Regulatory Standard (NRs), covering essential aspects of occupational health and safety. In addition to these essential trainings, the company also conducts safety integrations and trainings focused on the “10 golden rules of the company.” These trainings are designed to strengthen safety and risk awareness in the workplace.

With the Occupational Health Medical Control Program (PCMSO), IHARA maps and controls the activities of its employees to prevent damage to their health. Additionally, the company’s Specialized Services in Occupational Health and Safety (SESMT) monitors and manages occupational risks, focusing on continuous improvement.

IHARA also fully complies with the provisions of the Internal Accident Prevention Commission (CIPA), holding monthly meetings as required by law. Worker

consultation and participation are conducted through appropriate channels, including CIPA, periodic occupational safety meetings, and risk analysis reviews. It also uses various tools and initiatives to effectively manage occupational health and safety risks, such as cross-inspections, safety dialogues, and awareness campaigns.

Health, Ergonomics, and Occupational Safety Awareness Campaigns

During 2023, IHARA implemented and promoted various health and safety campaigns and actions, reaffirming its commitment to sustainability and the comprehensive well-being of its employees. These initiatives are fundamental to the corporate social responsibility strategy, focusing on different aspects of health and well-being:

- Campaign on injury prevention through muscle strengthening;
- A campaign for physical activities aimed at mental health;
- Awareness campaign on Sexually Transmitted Infections;
- Campaign on the importance of physical activity in a general context;
- Healthy eating campaigns;
- Health Day campaign with the participation of family members;
- Guidance and talks on Breast and Prostate Cancer Prevention;
- Periodic ergonomic and safety initiatives in the workplace.

In addition to the campaigns mentioned above, IHARA has the “Vida de Qualidade Program” (PVQ), dedicated



to monitoring the health history and progress of its employees. Beyond regular occupational examinations, the program encourages all employees to undergo periodic check-ups. To facilitate this process, IHARA offers the option of conducting complementary exams on the company’s premises.

Furthermore, the company also promotes the dissemination of educational information. These materials cover topics such as the safe use of cell phones, safety tips for the family, guidelines for vacation periods, and traffic safety practices, all aimed at:

- Improving the physical and mental health of employees;
- Reducing sick leave rates;
- Promoting a healthy and balanced lifestyle;
- Raising awareness of important health and safety issues.

Employee health is an essential pillar of corporate sustainability. By caring for the well-being and safety of the teams, IHARA is investing in its sustainable future. These initiatives contribute to creating a positive and safe working environment, crucial for retaining and attracting talent, and aligning with the corporate values of social responsibility and business ethics.

Work-related Injuries

In 2023, IHARA recorded a minimal rate of workplace accident notifications, representing just 2.75 %. During the year, 04 incidents occurrences over almost 1.5 million hours worked. No cases of accidents involving non-employee workers were reported.

The company adopts a systematic approach to accident management, using the PDCA tool to investigate and address all accidents that occur. Notably, IHARA has not recorded any occupational illnesses, highlighting its commitment to safety and health in the workplace.

Clients

Throughout its 58-year history, IHARA has established strong credibility and trust in the market, an achievement that transcends the quality, efficacy, and safety of its products. A key aspect of this achievement has been direct interaction with customers in the field.



“Feeding the world while preserving our goods is true sustainability!”

The company values customer engagement in the field, emphasizing technical assistance and personalized support. This strategy not only enables a closer dialogue with farmers but also allows IHARA to better understand the specific needs and local conditions of its customers. This close interaction contributes significantly to optimizing the use of its products, ensuring more efficient and sustainable results in the field.

With the *CultiVida* program, IHARA highlights its commitment to responsible and sustainable agricultural practices, reinforcing its role not just as

a supplier of products but also as a partner in the development of integrated solutions to the challenges of agribusiness. Through this program, IHARA reaffirms its commitment to continuous innovation and improving the quality of life in rural areas.

The main objective of the *CultiVida* program is to raise awareness among farmers and rural workers about the correct use of pesticides, aiming for safety in the field. To achieve this goal, the program includes a series of training sessions for IHARA’s commercial team, which maintains constant and direct dialogue with producers. *CultiVida* also includes lectures and other socio-educational events aimed at farmers, emphasizing the importance of safety and the responsible use of pesticides in the agricultural sector.

In addition to the *CultiVida* program, IHARA plays an active role in promoting Good Agricultural Practices (GAP), integrating them into its extensive scope of action in the Correct and Safe Use of Pesticides. In 2023, the company expanded its reach to rural producers by promoting more than 100 hours of training, with more than 300 direct participants, through 12 educational events, training focused on application technology, and lectures. These initiatives were promoted in several Brazilian states, including São Paulo, Minas Gerais, Pernambuco, Bahia, Santa Catarina, Amazonas, and Piauí.

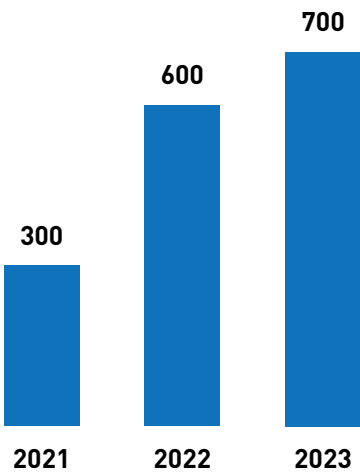
To conduct these trainings, IHARA has established partnerships with organizations representing the agricultural sectors. These partnerships include collaboration with the Brazilian Association of Fruit and Derivatives Exporting Producers (Abrafrutas),



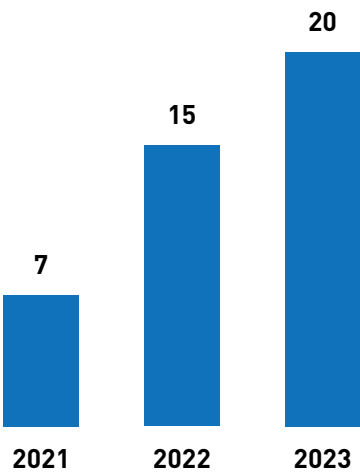
the Global Coffee Platform, and Cocoa Action Brazil. These collaborations reinforce IHARA’s commitment to disseminating knowledge and sustainable practices

in the agricultural sector, significantly contributing to the development and security of agribusiness in Brazil.

Distribution of PPE to Farmers Under the *CultiVida* Program (in thousand units)



Resources Invested (in R\$ million)




IHARA was recognized by the Ministry of Agriculture, Livestock, and Supply (MAPA) for the contribution of its *CultiVida* Program, which received the award for “Good Practices in Environmental Sustainability” at a ceremony in Brasilia in February 2023.


Customer Communication


IHARA understands the importance of field actions, alongside farmers, to generate business and add value to brands. In this regard, the company has intensified its in-person actions, such as fairs, events, field days, technical talks, among others, carrying out more than 6,000 in-person actions in 2023.


Digital communication has been no different. IHARA has progressively expanded its presence on social media platforms, aiming for more agile and effective communication with its target audience. In 2023, it was the company that achieved the most significant growth in its digital community, gaining more than 90,000 new followers.

The company maintains active channels on YouTube, Facebook, Instagram and LinkedIn, where it shares relevant content and guidance for farmers.

www.youtube.com/@iharadefensivosagricolas

www.instagram.com/iharadefensivosagricolas

www.facebook.com/iharadefensivosagricolas

www.linkedin.com/company/iharadefensivosagricolas

Digital Transformation & Data Protection

GRI 418-1

IHARA complies with the provisions established by the General Data Protection Law (LGPD), especially concerning the collection and processing of its clients' information. In compliance with these standards, the company has not registered any notification of a privacy breach from regulatory bodies, nor has it received any privacy-related complaints through its institutional channels.

Suppliers

GRI 204-1, GRI 308-1, GRI 308-2, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

IHARA maintains a strict commitment to the integrity of its suppliers, prioritizing partnerships with companies that demonstrate ethical conduct and align with humanist values and Brazilian legislation. To ensure this commitment, the company has implemented internal compliance instruments, which

are crucial for curbing any deviations by its employees. These instruments are applied in various areas, including payment policies, supply stability, pricing, and evaluation criteria. This approach underscores IHARA's dedication to maintaining transparent and ethical business practices in all aspects of its operations.

The company values its local suppliers, allocating 41.4% of its purchasing budget to them, but primarily uses imported raw materials, with 58.6% of purchases coming from external suppliers. Local suppliers are spread throughout Brazil, with the state of São Paulo being the main source of domestic supply.

Compliance Actions

IHARA adopts strict measures to prevent contracting suppliers involved in practices such as labor exploitation analogous to slavery, the use of child labor, or criminalized environmental practices. These actions are conducted by the Compliance department, utilizing various tools, including regular audits and periodic analysis of suppliers. The goal is to ensure partnerships only with companies that do not cause negative social and environmental impacts.

If it is identified that a supplier's conduct is at odds with IHARA's values, the company does not hesitate to terminate the relationship and, if necessary, report the situation to the Public Prosecutor's Office.

Regarding the interaction of IHARA employees with suppliers, the company's Code of Conduct and Ethics establishes clear criteria. Purchasing decisions must be based exclusively on economic and financial factors and commercial conditions, without the influence of

personal advantages. It is expressly forbidden for IHARA employees to receive any kind of financial or material advantage, including gifts, in relations with suppliers.

The company is committed to integrity in its commercial relations and does not maintain links with companies that do not meet these ethical standards. To this end, the company conducts continuous audits and analyses of its suppliers, also using information available on the "Transparency Portal," thus guaranteeing integrity and responsibility in its supply chain.

Regarding freedom of association, IHARA ensures that in its operations and in its supply chain, there is no violation of workers' rights. The company allows unions to conduct campaigns and distribute newspapers at its gates, without imposing any restrictions, thus facilitating the search for new union members.

Furthermore, IHARA maintains an open channel of communication with the unions, holding meetings whenever critical items are identified in daily actions. This approach demonstrates the company's commitment to respecting labor rights and maintaining constructive dialogue with unions, reinforcing its stance on social responsibility and respect for workers' rights.

New Suppliers

In 2023, IHARA considered hiring 505 new suppliers, and 100% of the suppliers underwent assessments and were hired considering environmental and social criteria.

Institutional Relations and Society

The company plays a significant role in generating wealth in Brazil, contributing to sustainable agricultural practices, food production, and the development of local communities. It supports rural producers and creates work and income opportunities for its employees, either through direct or indirect support for Brazilian civil society organizations.

IHARA maintains solid partnerships, prioritizes evaluating customer satisfaction, and builds effective collaborative relationships. Building strong connections with the community is a fundamental aspect of the company’s operations, generating notable positive impacts. The initiatives of donations

and social investments locally and extended to other Brazilian territories, together with sustainability programs, strengthen these ties and contribute significantly to the economic and social development of the communities involved.

This commitment by IHARA not only reflects a responsible business approach but also creates a favorable environment for mutual growth and long-term prosperity. The company stands out for its dedication to establishing practices that benefit both the agricultural sector and communities, reinforcing its role as an agent of positive and contributory change in society.



Recognition/Awards

In 2023, IHARA was recognized for its operational excellence, evidenced by the following outstanding awards:



First place in the Agricultural Defensives category of **Globo Rural Magazine’s “Best of Agribusiness”** award. This is the **tenth time** that IHARA has won first place in this award, 2023 being the **eighth consecutive time**.



Main prize for “**Advertiser of the Year**” at the **ABMRA** (Brazilian Association of Rural and Agro Marketing) Agro Communication Show **2023**. There were **07 awards** won in the 2023.



“**More Integrity Seal**” (Yellow version, for renewal), granted by the **Ministry of Agriculture, Livestock and Supply (MAPA)**

Social Action & Local Communities

GRI 203-2, GRI 413-1, GRI 413-2

IHARA, recognizing its responsibility and active role in society, continues to engage in significant social actions by supporting a variety of projects based on the Rouanet Law, the Sports Incentive Law, the Elderly Law, and the Child and Adolescent Support Fund. Additionally, the company makes voluntary donations, with projects chosen from across the country, nominated by employees, clients, and partner companies. The selection of these projects follows criteria focusing on social return, cultural return, and affinity with the company’s activities and values.

The contributions benefited a wide range of institutions, including care centers for the elderly, rehabilitation

centers, child and adolescent support associations, hospitals, as well as musical concerts, cultural festivals, and entities that promote sports in underprivileged regions, covering the entirety of Brazil.

Among the projects approved by the Rouanet Law, we highlight the “IHARA Festival of Regional Culture,” held in Sorocaba and Bragança Paulista, in São Paulo, with the theme “Japan Festival,” and in Primavera do Leste, in Mato Grosso, and Rio Verde, in Goiás, with the theme “Gaúcha Culture.” These events valued the rich regional cultures and traditions.

In addition to incentivized donations, IHARA has made contributions to programs such as Doctors Without Borders, supported campaigns to distribute basic food baskets and toys in needy areas of Sorocaba, and contributed to local city hall events celebrating Children’s Day.

IHARA’s social engagement programs have not been limited to the Sorocaba headquarters, expanding to other regions, and involving employees from different states. The company remains aware of its social role, striving to ensure that individuals, with their needs and dreams, can participate fully in society.

Operations with an Impact on Local Communities

Aware of the impacts its operations generate, such as the consumption of natural resources, waste generation, and atmospheric emissions, IHARA employs effective strategies to minimize potential negative impacts. A key tool in this process is the LAIA (Survey of Environmental Aspects and Impacts). This instrument enables comprehensive mapping of

all environmental aspects relevant to the company’s operations, identifying necessary control and mitigation measures.

Through this approach, the company aims not only to identify and understand the impacts arising from its activities but also to implement effective actions to reduce them, ensuring a more sustainable and responsible operation.

Total Actual Donations by IHARA in 2023
GRI 413-1

In 2023, IHARA maintained its commitment to social welfare, investing R\$ 291,881.99 in direct donations to 09 social projects. The actions included distributing food baskets and Easter eggs to needy families, providing hunger relief and joy during the festivities. IHARA also partnered with the City Council to hold a Christmas Party for children, offering gifts, recreational activities, and the presence of Santa Claus, aiming to enrich the Christmas spirit in the community.

Other initiatives include sports activities for teenagers, aimed at offering healthy alternatives and promoting the development of skills and self-confidence. IHARA supported a retirement home for the elderly, ensuring the resources and assistance needed for dignified and comfortable aging. Additionally, the company contributed to Doctors Without Borders, supporting the provision of essential medical care in hard-to-reach areas and emergency situations.

IHARA recognizes that the value of these donations transcends financial figures, reflecting a deep commitment to greater causes and a positive impact on society.

Institutional Relations – GRI 2-28

In 2023, IHARA maintained institutional relations with several organizations representing industry and civil society:

- CropLife Brazil Association
- Brazilian Rural Marketing and Agribusiness Association (ABMRA)
- Brazilian Association of Technical Standards (ABNT)
- Brazilian Association of Human Resources (ABRH)
- Brazilian Association of Producers and Exporters of Fruits and Derivatives (Abrafrutas)
- Center of Industries of the State of São Paulo (Ciesp-SP)
- Fungicide Resistance Action Committee (FRAC)
- Herbicide Resistance Action Committee (HRAC)
- Insecticide Resistance Action Committee (IRAC)
- National Institute for Empty Packaging Processing (InpEV)
- ProHuma Institute of Scientific Studies (ProHuma)
- National Union of the Plant Defense Products Industry (SINDIVEG)

Government

Through its active participation in industry bodies, IHARA plays a crucial role in consolidating safety standards for pesticides and implementing Good Agricultural Practices policies, as established by government regulatory bodies.

The company also makes a significant contribution to Brazil’s socio-economic development by paying taxes on all its activities, including production, administration, and sales. This tax contribution reflects the company’s fiscal responsibility and its role as an active participant in the Brazilian economy.



Sustainable
Industry

Research and Development

In the planning and development process, IHARA focuses on offering effective and safe solutions for farmers. Aligned with all relevant legislation, the company adopts the correct and safe use of its products as a fundamental principle. IHARA strives to establish the lowest possible dose, minimizing the use of its products, seeking optimal performance with only what is necessary for the farmer, in an economically viable and sustainable manner. This care is essential because the farmer's success is directly linked to the company's success.

Additionally, it is constantly on the lookout for innovative formulations for products that are already

established in the market. One of the company's main challenges is to create more concentrated formulations, which bring indirect environmental benefits, such as a reduction in the volume of loads, lower transportation costs, a decrease in packaging generation, and the need for storage space. This effort also translates into direct benefits for farmers, allowing them to use lower doses of the product per hectare. Notable examples of this innovation include recent launches like XEQUE MATE HT and FROWNCIDE 750 HT, which exemplify the company's commitment to the continuous development of products that meet the agricultural sector's needs in a sustainable and efficient way.



Quality and Environmental Efficiency

GRI 3-3

In 2023, IHARA intensified the modernization of its production and management processes, including the expansion and modernization of its installed infrastructure, as well as improving production flows. These initiatives have enabled the company to achieve significant reductions in water and energy consumption, as well as to reduce waste generation. These are the three main indicators used to measure eco-efficiency.

The company has also enhanced its programs aimed at the safe use of its products and support for biodiversity. Among the highlighted initiatives are the *Cultivida* program, the *Morada Conviver* initiative, and the Collection and Recycling of Post-Consumer Packaging, carried out through the Campo Limpo System (SCL), managed by the National Institute for Empty Packaging Processing (inpEV).

The continuous improvement of environmental indicators is an integral part of IHARA's Objectives and Targets. The company has achieved significant results annually, attesting to a more rational use of natural and energy resources, aligned with sustainability and environmental responsibility in its operations. These efforts demonstrate its commitment to not only maintaining but continuously improving its environmental performance, reflecting a conscious and responsible business approach.

Water and Effluents

GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

Capture, Reuse, Disposal, and Reduction of Consumption

IHARA conscientiously manages its water resources, utilizing water from various sources. The primary source of water comes from surface and underground abstraction, with other sources including third-party supplies and reused water, always mindful of the allocated volumes to minimize impact on water resources. The collected water serves various purposes, such as industrial processes, irrigation, and administrative activities.

The company implements a meticulous strategy for managing water consumption and effluent generation at its production sites. This involves stratifying consumption data, crucial for rationalizing water use and reducing effluent production. IHARA focuses on continuous process improvement, supported by performance indicators with established reduction targets. In 2023, IHARA achieved a 14% reduction in the indicator of water consumption for industrial purposes per ton produced compared to 2022.

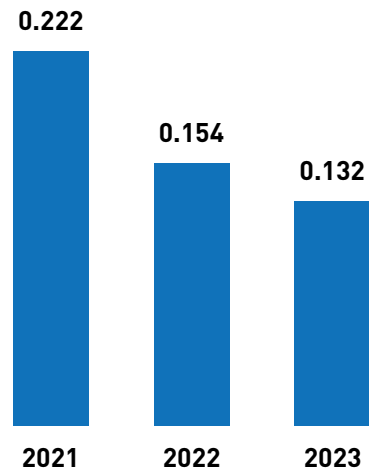
IHARA's emphasis is on reducing relative water consumption across both production and auxiliary

processes. The company consistently seeks to lower its relative water demand over time by investing in water recycling through internal effluent treatment, thereby reducing the need for groundwater extraction and contributing to the preservation of local water resources.






Improving the efficiency of environmental indicators, including water management, forms part of IHARA's Objectives and Targets. Annually, the company sets reduction targets for its main environmental indicators. Water consumption is managed daily through monitoring, calculating indicators, and directing actions towards focus areas. In case of deviations, corrective actions are implemented to address the root cause, fostering continuous

improvement, and ensuring efficient management of water resources.

Water Consumption Index (m³/ton produced)



Sources of Water for Use at the Sorocaba headquarters (ML) - GRI 303-3

	2021	2022	2023
 Surface water	99.55	64.37	68.21
 Underground water	62.33	80.06	47.73
 Reuse water	6.73	4.06	7.64
 Third-party water	4.03	5.87	5.69
 Total	172.64	154.36	129.26

Total Water Consumption (ML) - GRI 303-5

	2021 ⁴	2022	2023
Total water withdrawal	172.64	154.36	129.26
Total water discharge	9.44	13.55	9.41
Total	163.20	140.81	119.85

4. **Note on changes to quantitative information from previous periods:** After re-evaluating the methodology used to present water discharge, it was necessary to correct the figure for 2021, which had previously been reported as 4.29 ml. The corrected figure in the table above now also includes the disposal of effluents that are treated externally.

Effluent Treatment and Disposal

IHARA implements an internal effluent treatment system, resulting in the production of treated water for reuse and the generation of osmosis waste (non-potable use). The treated water obtained through this process is fully reused in the company's production processes, including boilers and cooling towers.

Regarding liquid osmosis waste, the company ensures it is treated in accordance with the standards outlined in Article 19-A of Decree 8468/76 of the State of São Paulo. It is sent for external treatment to a biological treatment facility, which is duly approved and equipped for this purpose. Consequently, IHARA does not directly discharge its effluents into water bodies.



Electricity

GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5

IHARA has demonstrated significant commitment to reducing energy consumption, especially electricity, which constitutes a major portion of its energy matrix. The company employs an effective system to monitor energy consumption daily, utilizing a specialized platform for online data collection.

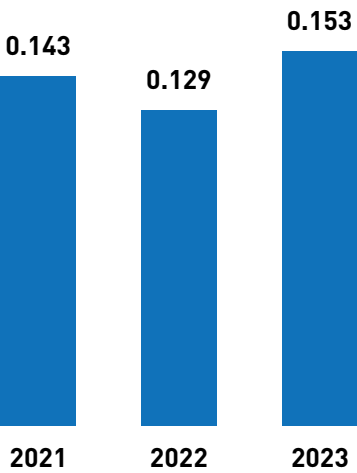
It set a goal to reduce its energy consumption by 5%, using a key performance indicator based on the ratio of total energy consumption (in MWh) to the total volume produced (in tons).

However, there was an observed increase in the total energy consumption index. This increase is primarily attributed to the reduction in production volume and site expansions. This scenario highlights the challenges IHARA faces in managing energy consumption, particularly during periods of production variability. The company continues to focus on optimizing energy usage, seeking ways to enhance energy efficiency across all operations, as evidenced by the reduction in natural gas and electricity consumption.

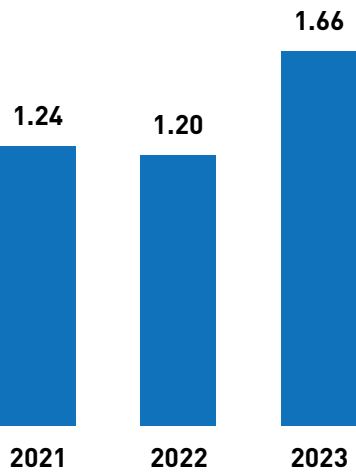
Evolution of the Electricity Consumption Index - GRI 302-3

MWh/Ton Index - (Energy Consumption/Production Volume)

Agrochemicals



Packaging Factory



• **Note:** The “AGROCHEMICALS” variable in the infographic above encompasses all facilities located at IHARA’s headquarters in Sorocaba (SP), including production plants, administrative buildings, cafeteria, logistics warehouses, WWTP (Wastewater Treatment Plant), laundry, and Research Center. The “PACKAGING FACTORY,” also situated adjacent to IHARA’s headquarters in Sorocaba, is managed separately from the indicator due to the nature of the product manufactured.

Energy Consumption Within the Organization⁵ - GRI 302-1

	2021	2022	2023
Natural Gas - non-renewable source (m³)	843,765.88	937,786.59	502,240.28
Electricity consumption (MWh)	16,370.33 ⁶	18,482.60	15,337.42

Energy Consumption Within the Organization⁷ - GRI 302-1

	2021	2022	2023
Natural gas - non-renewable source (GJ)	32,046	35,617	19,075
Electricity consumption (GJ)	58,933	66,537	55,215
Total energy consumption (GJ) ⁸	90,979	102,154	74,290

Greenhouse Gas Emissions

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7

Impacts and Actions

For 14 consecutive years, IHARA has compiled its Greenhouse Gas Emissions Inventory, adhering to the methodologies established by the GHG Protocol. The company is committed to reducing greenhouse gas emissions across scopes 1, 2, and 3, taking various strategic actions towards this goal.

In the year under review, the company recorded total emissions of 4,251.70 tCO₂e for direct emissions (Scope 1), and 648.84 tCO₂e for indirect emissions (Scope 2). Scope 3 emissions, which encompass other indirect emissions, totaled 19,006.66 tCO₂e. All calculations consider CO₂, CH₄, N₂O, and HFC gases. Furthermore, IHARA accounted

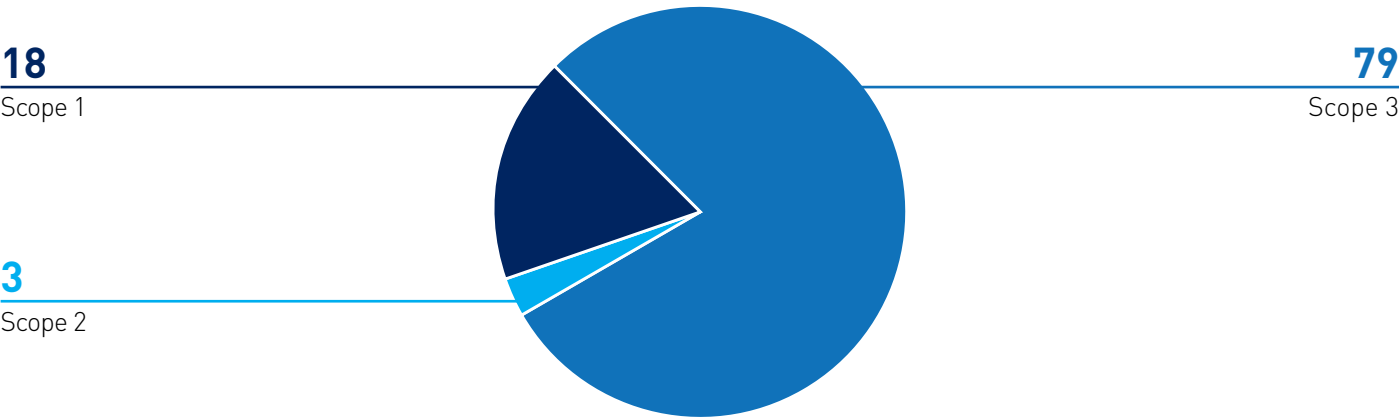
for direct and indirect biogenic emissions at 1,177.52 tCO₂e. The emissions intensity was 0.066, with the emissions calculation covering scopes 1 and 2 (in tCO₂e) per production volume (in tons).

These figures reflect the company’s ongoing efforts to monitor and manage its greenhouse gas emissions, as part of its commitment to sustainable practices and climate change mitigation. IHARA recognizes the importance of reducing its environmental impact and actively works to implement effective measures contributing to the global reduction of emissions.




5. The data reported are collected through invoices for the purchase of natural gas in cubic meters (m³) and electricity in megawatt-hours (MWh).
6. **Note on changes to quantitative information from previous periods:** The value of electricity consumption for the year 2021 has been corrected; it was previously reported as 12,598, with the correct value presented in the table above.
7. IHARA manages natural gas consumption in m³ and electricity in MWh. In compliance with the GRI, the values have been converted to gigajoules (GJ).
8. The total energy consumption in GJ refers to the aggregate of natural gas and electricity values in GJ.

The data is summarized in the following graphs:

Greenhouse Gas Emissions in 2023, total by scope (%)





Greenhouse Gas Emissions, Total by Scope (tCO₂e Emissions)

	2021	2022	2023
 Scope 1	2,491.4	4,101.57	4,251.70
 Scope 2	2,121.5	781.46	648.84
 Scope 3	15,896.7	40,653.93	19,006.66

- Notes:
- 1. The approach chosen for the calculation was that of operational and financial control.
 - 2. The GHG Protocol was the methodology used for the standards and calculation assumptions.

Biogenic CO₂ Emissions by Scope (tCO₂e Emissions)

	2021	2022	2023
 Scope 1	210.3	174.75	252.56
 Scope 2	1,849.1	1,734.26	924.96

IHARA also contributes to the reduction of Greenhouse Gas Emissions through its active participation in the reverse logistics of its product packaging, reusing at least three-quarters of this material (2023 data) in the manufacture of packaging.

Materials and Waste

Use of Materials

GRI 301-1, GRI 301-2, GRI 301-3

IHARA efficiently manages the acquisition of raw materials and packaging through a specialized system, aligned with the needs of its production. In 2023, the company expanded its production capacity at the packaging plant by installing two new blowers, increasing its self-sufficiency, and leading to less dependence on external suppliers.

It recorded a consumption of materials totaling 16,040 tons and 10,389,644 units, facing a decrease in the use of these materials, which was attributed to the drop in market sales. This decrease in demand for its products impacted on the volumes of materials used by the company in its operations. This volume of consumption is detailed in the table below.

The careful management of these resources reflects the company’s commitment to meeting production demands while maintaining efficiency and sustainability in its operations.

Renewable Materials Used (Volume) – GRI 301-1

Name	Type	2021	2022	2023
Recycled plastic canisters (unit)	Raw materials (packaging)	757,986	1,024,667	996,900
Recycled plastic lids (unit)	Raw materials (packaging)	9,679,958	13,521,400	7,423,000

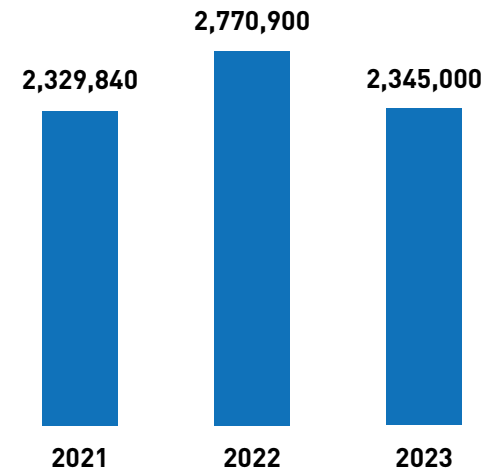
Non-Renewable Materials Used (Volume) – GRI 301-1

Name	Type	2021	2022	2023
Mixture of esters and ethoxylated fatty alcohol (ton)	Raw materials (inputs)	3,335	1,451	882
Mineral oil (ton)	Raw materials (inputs)	9,265	12,998	4,526
Xylol (ton)	Raw materials (inputs)	1,131	1,056	306
KOH solution (ton)	Raw materials (inputs)	10,428	11,255	7,166
Mixture of decyl glucoside in water (ton)	Raw materials (inputs)	2,147	2,653	1,465
Plastic bottles and canisters (unit)	Raw materials (packaging)	6,903,979	9,720,041	3,114,291

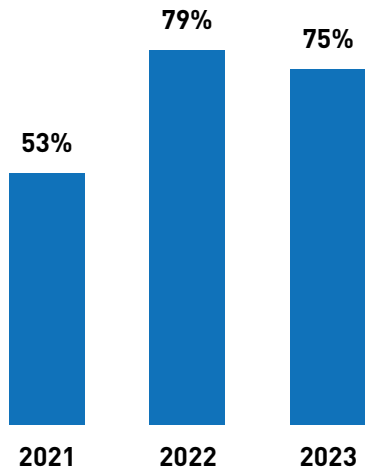
IHARA maintains significant use of post-consumer resin in the production of drums at its packaging plant in Sorocaba. In 2023, the company managed to maintain the proportion of 75% post-consumer resin, a rate close to the 79% achieved in the previous year. This rate reflects IHARA's commitment to sustainable practices, demonstrating the consistent adoption of recycled resources in its production processes. Maintaining a significant percentage of post-consumer resin demonstrates the company's ability to effectively integrate recycled materials into its production cycle, contributing to reducing environmental impacts and promoting the circular economy.

Number of Packages Produced by IHARA's Plant in Sorocaba

Packaging Production (Unit)



Recyclate Consumption (%)



Waste Management

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

IHARA adopts the principles of the “3 Rs of Sustainability” - Reduce, Reuse, Recycle - as the foundation of its actions in managing the materials used and waste generated in its processes. The company has demonstrated a reduction in waste generation over the last few years.

Despite an increase in the total waste generation index, calculated based on the total waste produced by the company (in tons) relative to the production volume (in tons), the company has been committed to valorizing this waste.

This valorization of waste involves developing more sustainable disposal chains and implementing strict internal controls up to the final disposal of the waste.

From the acquisition of inputs to the final product, IHARA tirelessly seeks to reduce waste generation while simultaneously promoting actions to segregate reusable and recyclable materials, either through selective collection or improvements in industrial flows.

Equipped waste sheds, internal procedures, audits, efficient monitoring, and Kaizens are components that make IHARA's waste management excellent.

IHARA manages 100% of its waste through a specialized internal team that follows the company's internal procedures and policies and all applicable legal requirements.

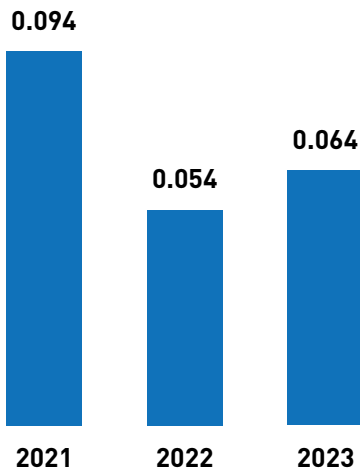
The disposal of all IHARA's waste is carefully documented with the issuance of Waste Transportation Manifests (MTRs) through SIGOR - the State's Online Solid Waste Management System.

To ensure accuracy and transparency in waste management, data on waste disposal is compiled daily and integrated into the company's waste control spreadsheet. This data is also used to monitor key

performance indicators, ensuring that IHARA's waste management is conducted efficiently, responsibly, and in compliance with current environmental regulations.

IHARA's approach aims not only to manage waste efficiently but also to incorporate sustainable practices throughout its operational chain. It recognizes the importance of minimizing the environmental impact of its activities, adopting responsible waste management that complements its commitment to sustainability and corporate responsibility.




Waste Generation Index (t/t. Production)








Responsibility for the Products

GRI 3-3

Generated Waste⁹ - GRI-306-3

Waste classification	Waste description	Total (in ton)
 Hazardous and Non-Hazardous Waste - (Co-processing / Incineration)	Contaminated packaging, sludge from effluent treatment plants, hazardous liquid and solid waste, common urban waste, and rubble.	908
 Hazardous Waste - (Recycling)	Contaminated plastic and metal packaging	1,252
 Non-Hazardous Waste - (Recycling)	Paper, plastic, wood, glass, and metal	2,603
Total		4,763

Waste Disposal, by Composition and Type of Disposal Operation (t) - GRI-306-4, GRI 306-5

Type of Disposal Operation	Waste composition	2021	2022	2023
Non-Hazardous Waste				
 Co-processing	Municipal solid waste and construction waste	190	212	206
 Recycling/reuse	Mixed Scrap (Wood, paper, plastic, and metal)	2,426	1,861	2,603
Hazardous Waste				
 Incineration	Non-compliant products, industrial sludge and miscellaneous solid waste contaminated with assets	105	427	676
 Co-processing	Contaminated solid waste and rubble	5,060	1,712	26
 Recycling/reuse	Contaminated plastic and metal packaging	1,035	2,195	1,252
Total		8,816	6,407	4,763

9. **Reformulation of information:** The need to correct the presentation of waste generation figures was identified. Previously, the balance of waste accounted for osmosis rejects, which are effluents treated externally. The GRI guidelines advise excluding effluents when compiling information. The figures have been evaluated and corrected, resulting in adjustments to the previous balances of the generation index and waste disposal figures. Effluents are addressed in the indicator "GRI 303-5 - Total water consumption."

IHARA is dedicated to safety at every stage related to its products, from production, efficacy, labeling, application to post-application. The company operates in a sector regulated by strict standards, where pesticides undergo detailed environmental and human health assessments. These products are only marketed after receiving approval from the government organizations responsible for the analyses.

The company has a robust regulatory area, comprised of experienced professionals dedicated to ensuring total adherence to the rules and laws in force. Every

year, IHARA undergoes internal audits conducted by the regulatory team, as well as external audits that examine all of the company's processes. These audits are crucial to ensure that any deviations are promptly identified and corrected. In addition to the regulatory area, IHARA has a Compliance area, which works continuously to ensure the quality of processes and compliance in all areas of the company.

In terms of certifications, IHARA is recognized by the main quality certification bodies. The company is ISO 9001 and ISO 14001 certified, as well as AEO (Authorized Economic Operator). In the last three



years, IHARA has also been awarded the *Mais Integridade* Seal by the Ministry of Agriculture, Livestock and Supply (MAPA).

IHARA ensures that its entire product line is 100% compliant with environmental and social standards. The company's Research & Development department is constantly looking for formulations that minimize environmental impact, an ongoing challenge that reflects IHARA's commitment to sustainable innovation.

Moreover, IHARA invests in ensuring the proper disposal of product packaging used in the field. The company conducts training and distributes Personal Protective Equipment (PPE) as part of its actions to affirm its social and environmental responsibility. These measures demonstrate IHARA's commitment to acting responsibly and sustainably, contributing to the safety and well-being of both the environment and society.

Product Safety

GRI 203-2, GRI 416-1, GRI 416-2

IHARA, committed to the safety of its products, adopts a series of comprehensive measures and strategies:

- The company continuously invests in research and development to create environmentally safe solutions and biological products.
- It adopts strict labeling standards, providing detailed information on product packaging, in compliance with licensing and use regulations. The labels

and leaflets include guidance on correct use, composition, active ingredients, environmental hazard, and toxicity, in accordance with the relevant legislation on agricultural pesticides in Brazil.

- It conducts all the studies required by the government for registration submission, including residue and toxicity analyses, in entities certified in Good Laboratory Practices (GLP).
- Through the *Cultivida* Program, IHARA guides customers and agricultural technicians on the safe application of its products and Good Agricultural Practices. This includes the free and increasing distribution of Personal Protective Equipment, holding socio-educational events, expanding partnerships, and increasing communication via digital platforms.
- The company constantly trains its sales teams to advise on the correct use of products, maintaining direct communication with producers. In partnership with Sindiveg (National Union of the Plant Defense Products Industry), IHARA has been promoting an awareness course for the sales team since 2022, focused on the safe use of the products in the portfolio.

It has a robust Integrated Management System (IMS), certified according to ISO 9001, ISO 14001, and ISO 45001 standards. This system underscores the company's dedication to quality, safety, environmental responsibility, and adherence to legal requirements in its processes and products. To ensure complete compliance in its operations, IHARA utilizes advanced tools for recording and analyzing any deviations and non-conformities. These tools facilitate the creation

of action plans and the verification of the effectiveness of these measures. In 2023, there were no recorded instances of non-compliance that led to legal violations, warnings, or fines.

Furthermore, Stewardship department develops the Advocacy Plan, enhancing actions in support of Good Agricultural Practices, including the control of the Maximum Residue Limit (MRL) and the training of producers. IHARA actively participates in Sindiveg committees, a key partner of the Legal Applicator Program of the Ministry of Agriculture, Livestock, and Supply (MAPA), with the support of the Croplife Brazil Association. The goal is to train pesticide applicators in the field, a provision outlined in Federal Decree 10.833/2021, which updates Federal Decree 4.074/2002.

New Submissions for Registration in 2023

In 2023, IHARA made a total of 38 submissions to the regulatory bodies responsible for registering pesticides. Of these submissions, 09 were related to future launches or extensions of our herbicide leaflets, 09 to fungicides and 20 to insecticides. These products were subjected to a rigorous technical assessment focused on pest, weed and disease control.

The formulations of these products are developed and tested in-house by IHARA's technology team, with the aim of ensuring safety for both human health and the environment. This process reflects IHARA's commitment to responsible innovation and regulatory

compliance, ensuring that the products launched on the market meet the highest standards of safety and efficacy.

Investments Focused on Safety

IHARA has invested in the development of increasingly safe products and in guaranteeing the technical efficacy of new products submitted for approval by government authorities. This effort demonstrates its commitment to ensuring the safety of farmers, combining technical efficiency with environmental and health responsibility. The initiative reflects a conscious approach to developing products that not only meet agricultural needs, but also respect rigorous safety and sustainability standards.

Labeling

GRI 417-1, GRI 2-27

In 2023, IHARA maintained its commitment to regulatory compliance by ensuring that the information on the labels and leaflets of its products was fully aligned with current legislation, including laws, decrees, and ordinances specific to crop protection products.

During the year, the company did not record any notifications of non-compliance, fines or penalties related to the labeling of its products. This record reflects the rigor and attention to detail and to the sector's regulations, ensuring that the information provided to users is accurate, clear, and compliant with legal requirements.

Post-Consumer Packaging Disposal and Recycling Program

GRI 301-3, GRI 306-1

IHARA plays an active role in the reverse logistics of empty crop protection packaging, integrating itself into the Campo Limpo System (SCL), a Brazilian program that works towards the responsible management of this packaging. The National Institute for Processing Empty Packaging (inpEV) acts as the central nucleus of this system, responsible for operationalizing reverse logistics throughout the country. The main objective is to ensure the correct disposal of post-consumer packaging.

Through this program, most of the material received by the Campo Limpo System is reintegrated into the production cycle as raw material for other products. Packaging that cannot be recycled is sent for incineration in accredited facilities, guaranteeing environmentally responsible treatment.

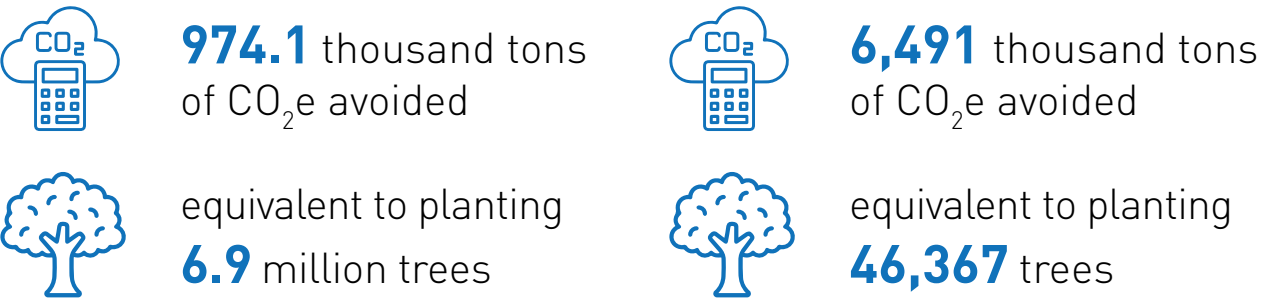
Brazil stands out worldwide in this respect, with a 93% recycling rate for primary plastic pesticide packaging, an achievement attributed to inpEV through the Campo Limpo System. IHARA actively supports and contributes to this initiative, reinforcing its commitment to environmental conservation and the development of sustainable agricultural practices.



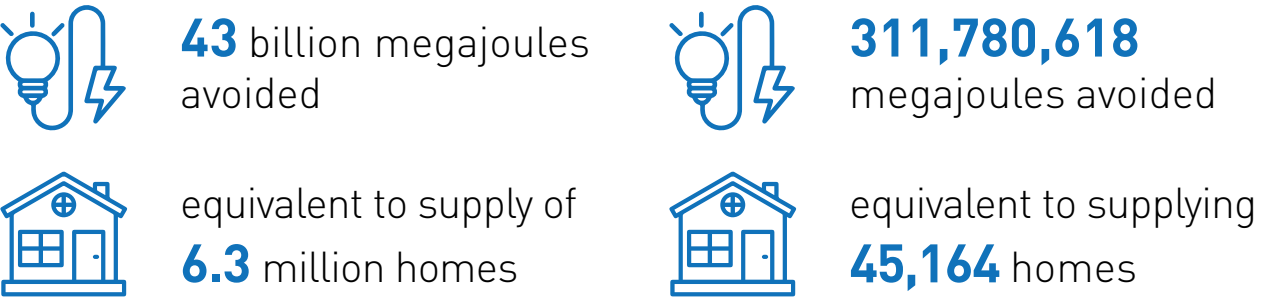
Positive Impacts of the Campo Limpo System on the Planet

With the existence of the Campo Limpo System (SCL)	IHARA - Savings from Packaging Placed on the Market ¹⁰
--	---

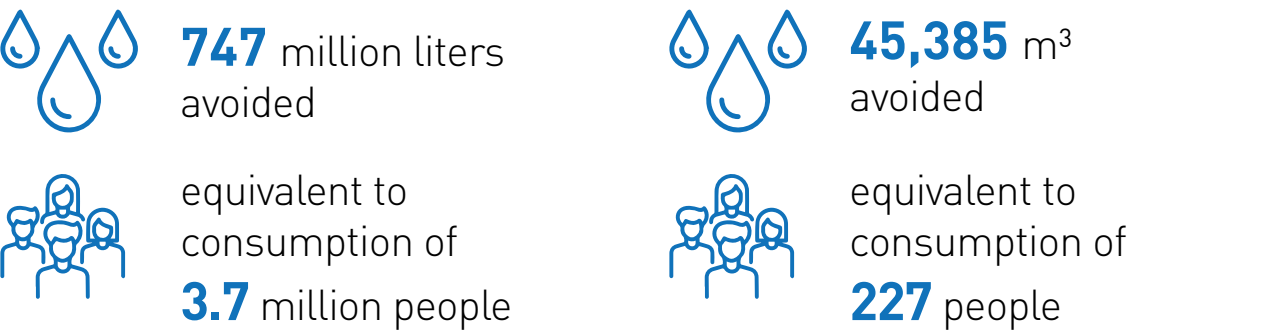
Emissions



Energy



Water



10. **Source:** Eco-efficiency study by the Espaço Eco Foundation based on the impacts avoided by SCL by keeping recycled packaging in the production cycle and ensuring the environmentally correct disposal of leftovers that cannot be recycled. **Period:** 2022

Biodiversity

GRI 3-3, GRI 304-1, GRI 304-2, GRI 304-3

At IHARA, sustainable food production and the protection of bees and other pollinating insects are fundamental to its biodiversity actions. These actions are implemented mainly through the *Conviver* Project, whose main objective is the preservation of pollinating bees in agricultural environments. The project ensures the maintenance of houses that favor the reproduction of these bees.

In addition to conservation, the *Conviver* Project also has a significant educational aspect. In 2022, IHARA launched the second and third volumes of e-books (the first was released in 2018), which serve as information resources to raise awareness about the importance of pollinating bees.

In addition, the company is involved in promoting the *Colmeia Viva* Project, an initiative led by the National Union of the Plant Defense Products Industry (Sindiveg). This project aims to disseminate good practices in the relationship between agriculture and beekeeping, emphasizing the importance of agricultural practices that respect and protect biodiversity. Through these efforts,

IHARA demonstrates its commitment to sustainability and biodiversity, contributing to an ecological balance and responsible agricultural production.

Conservation Areas

Located in the southeast of the state of São Paulo, in the municipality of Sorocaba, IHARA's headquarters cover a total area of 232 hectares. This area covers the administrative and industrial sectors and the research center, which is dedicated to the agricultural sector. IHARA's property is bordered by the Tijuco Vermelho stream and the Ribeirão Pirajibu stream, important areas from an environmental point of view.

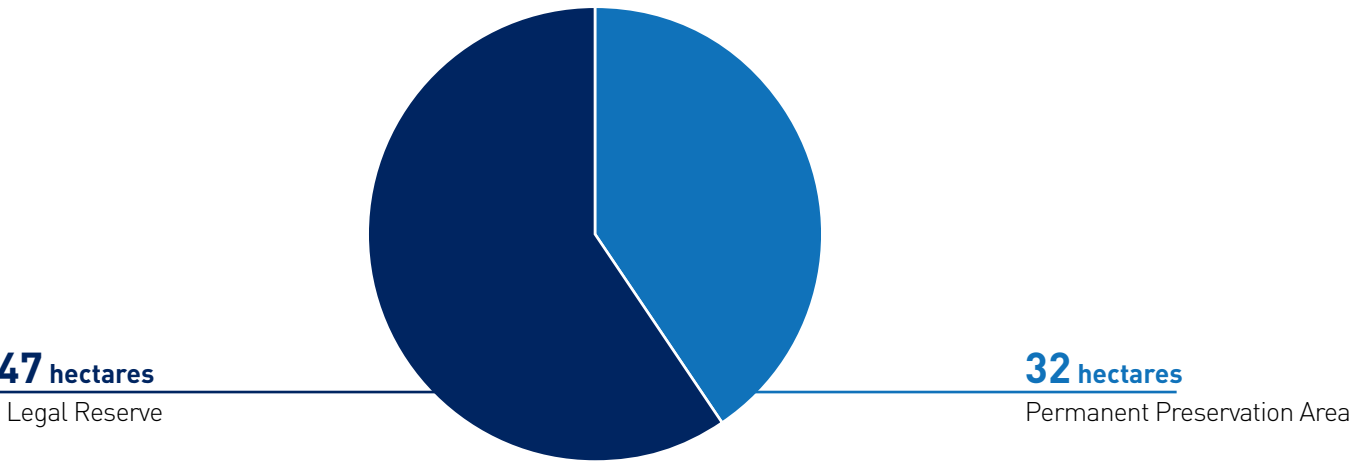
Within its territorial limits, IHARA preserves 47 hectares as a Legal Reserve and 32 hectares as a Permanent Preservation Area (PPA), totaling approximately 80 hectares dedicated to conservation. The APPs, which correspond to 14% of the property, are located along watercourses and around springs, respecting the metrics stipulated in Federal Law No. 12.651, as well as marginal strips to dams, in accordance with CONAMA Resolution No. 302.

IHARA carries out integrated and efficient management of its entire property, relying on specialized and trained teams, such as the property security department. The main objective of this team is to ensure the integrity, maintenance, and conservation of the company's entire territory. To achieve these objectives, IHARA employs various security measures, including camera surveillance, periodic patrols by the security team, and the installation of walls, fences, and specific identification signs for protected areas.

IHARA's preservation of these areas is fundamental to protecting local biodiversity. In addition, the company adopts a series of mitigating measures to minimize the significant environmental impacts related to its

industrial activity. The company is also committed to complying with all applicable environmental licensing requirements.

During the onboarding process for new employees, IHARA emphasizes the importance of raising awareness about preserving the environment. The organization guides its employees on the need to protect natural environments and stresses the prohibition of feeding or interfering with the lives of wild animals. This focus on environmental education from the outset of employees' involvement with the company demonstrates IHARA's commitment to ecological responsibility and sustainability in its operations.





Conviver Project

GRI 203-2

Implemented in Sorocaba in 2018, IHARA's *Conviver* Project marks the start of an initiative to promote the preservation of pollinators, through educational events, partnerships with experts on the subject, the production of solid materials for free dissemination and also the implementation of the *Morada Conviver*. In the project, *Morada Conviver* houses three species of stingless pollinating bees. The aim of this project is to promote sustainable coexistence between these insects and the company's products,

demonstrating the viability of coexistence between agricultural activities and beekeeping. The project currently has three units installed at the company's Research Centers in different states (SP, PR, and MT), with the bee species varying according to regional characteristics.

The bee houses in the *Conviver* Project are carefully structured, including functional gardens, wooden pergolas, water fountains, and a strategic selection of vegetation that caters to the diet, well-being, and attraction of other bee and insect species.

In addition to the practical initiative, IHARA's *Conviver* Project also focuses on disseminating knowledge. Currently, three volumes of e-books have been released in the series "Crop Reviews with a Focus on Bee Pollination," available free of charge on IHARA's portal, presenting the pollinators versus crops approach. The first volume includes crops such as potatoes, coffee, sugarcane, beans, corn, and soybeans; the second addresses fruit crops like melons, citrus fruits, mangoes, apples, grapes, and tomatoes; and the third discusses cotton, eucalyptus, wheat, and peanuts.

These publications result from a partnership with experts Prof. Dr. Osmar Malaspina (UNESP Rio Claro, SP) and Prof. Dr. Roberta Nocelli (UFSCAR, Araras Campus, SP), who also served as consultants for IBAMA in creating the "Manual for Environmental Risk Assessment of Pesticides for Bees (ARA)."

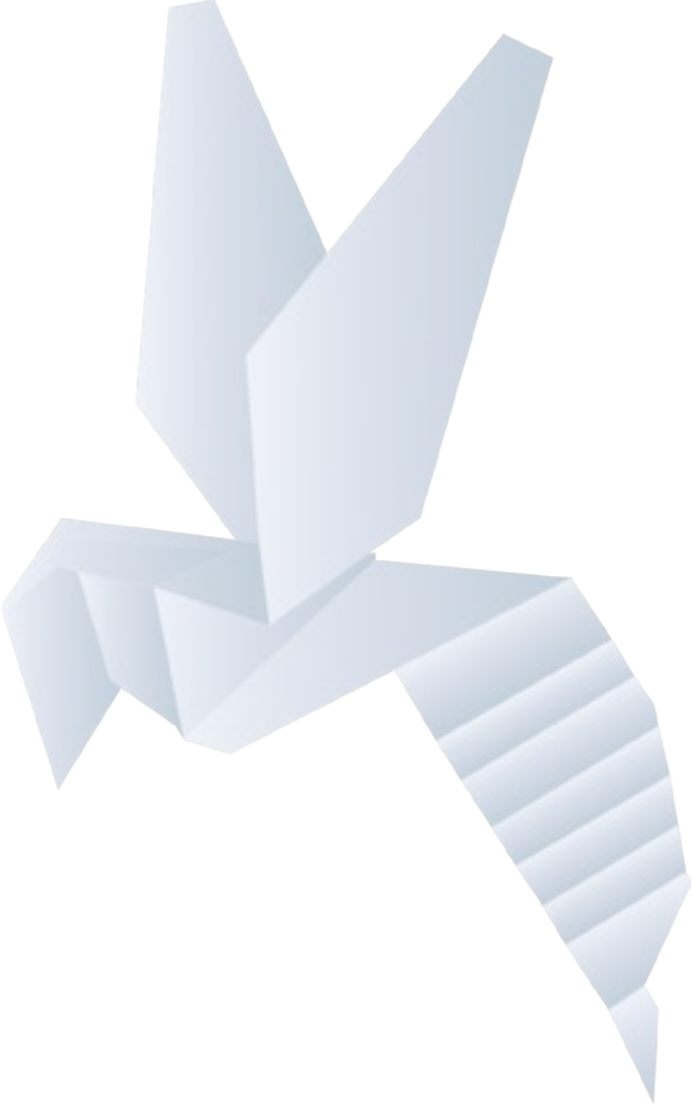
IHARA's commitment to disseminating qualified and free knowledge on such a crucial topic reflects the company's culture and its commitment to sustainability.

Colmeia Viva Project

IHARA plays a crucial role as a promoter of the *Colmeia Viva* Project, developed by the National Union of the Plant Defense Products Industry (Sindiveg). This project is a key component of the National Plan for Good Agricultural Practices - Beekeeping, with IHARA's initiatives being spearheaded through Stewardship area. The primary goal of the project is to prevent bee mortality and mitigate incidents that could impact them.



All volumes in the series are available for access at https://ihara.com.br/seguranca-no-campo/projeto_conviver/.



One of the project's most notable initiatives is the Participatory Bee Mapping (MAP) research. Conducted in collaboration with São Paulo State University (Unesp) and the Federal University of São Carlos (UFSCar), this research aims to identify the factors contributing to the loss of hives and bees in the State of São Paulo. The findings are crucial in supporting the National Plan, offering essential data for the protection of these pollinators.

IHARA's involvement in the *Colmeia Viva* Project underscores the company's dedication to sustainable agricultural practices and the preservation of biodiversity, reinforcing its active role in advocating for responsible and environmentally aware agriculture.



About the **Report**



GRI 2-3

IHARA, in its commitment to transparency and corporate responsibility, annually publishes its economic, financial, social, and environmental results in the 14th Sustainability Report. Previous reports are available for public consultation on the organization’s official website, accessible at <https://ihara.com.br/en/sustainability/>.

The report was prepared in accordance with the Global Reporting Initiative (GRI) standards and covers the period from January 1 to December 31, 2023.

For any clarifications or questions regarding the information presented in the report, IHARA provides a direct communication channel at sustentabilidade@ihara.com.br.

IHARA directs its sustainability commitments through activities structured around three main pillars:

Management Transparency, Healthy Relationships, and Sustainable Industry. These pillars are fundamental in guiding the company’s business decisions, defining how operations are conducted, and establishing procedures.

The company is making constant progress in terms of ESG (Environmental, Social, and Governance) practices. This progress is evident through daily efforts throughout the organization aimed at fulfilling sustainability commitments. Simultaneously, IHARA remains attentive to additional targets that drive the growth of areas focused on sustainability, recognizing the importance of expanding and deepening its initiatives in this field.

The outcomes of these efforts are remarkable, benefiting not only the business but also society at large, especially impacting customers and employees.

Materiality Matrix

GRI 2-29, GRI 3-1, GRI 3-2

IHARA conducted a materiality assessment in 2023 to refine and advance the relevance of the material topics identified in 2016. The report tackles IHARA’s primary challenges and impacts in critical areas such as health and safety, community relations, compliance, emissions, energy, water, materials and waste, product quality and safety, and operational risk management.

Stakeholder engagement is a fundamental aspect of IHARA’s business strategy, implemented through

active listening and continuous interactions with key groups including customers, suppliers, the community, and employees. All contributions received have been meticulously analyzed for the development of this Sustainability Report.

Based on this approach and the current trends in the industry, IHARA has identified the following material topics for its ESG reports:

Material Themes	Topics	SDG		
Strategic Management	Economic Performance			
	Business Strategies			
Sustainable Industry	Employees			
	Suppliers			
	Clients			
	Community			
Indústria Sustentável	Environmental Quality			
	Environmental Efficiency			
	Biodiversity			
	Responsibility for the Products			









Appendix

GRI 2-7 – Employees




GRI 2-8 – Workers who are not employees

GRI 405-1 – Diversity of governance bodies and employees

Employees by Workload Type and Gender – GRI 2-7, GRI 2-8

	2021		2022		2023	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Own						
	636	2	683	1	739	3
	168	0	145	0	119	0
	804	2	828	1	858	3
Outsourced						
	46	10	98	13	79	13
	8	14	31	11	24	3
	54	24	129	24	103	16

Employees by Functional Category and Gender (%) – GRI 405-1

Functional Category			
Directors	1.0%	0.0%	1.0%
Managers / Leaders	11.2%	1.4%	12.6%
Analysts, Consultants, Experts, Technicians	43.5%	8.6%	52.1%
Operational	30.5%	3.8%	34.3%
Grand Total	86.2%	13.8%	100.0%

Employees by Contract Type and Region – GRI 2-7

	2022			2023		
	Permanent Contract	Temporary Contract	Total	Permanent Contract	Temporary Contract	Total
Own						
South	61	0	61	66	0	66
Southeast	641	0	641	618	50	668
Northeast	21	0	21	19	1	20
Midwest	92	0	92	91	4	95
North	11	0	11	10	0	10
Others	1	2	3	2	0	2
Total	827	2	829	806	55	861
Outsourced						
South	4	28	32	4	21	25
Southeast	32	43	75	45	23	68
Northeast	0	8	8	0	3	3
Midwest	8	25	33	8	13	21
North	0	3	3	0	0	0
Others	2	0	2	0	2	2
Total	46	107	153	57	62	119

Employees by Functional Category and Age Group (%) – GRI 405-1

Functional Category	Below 30 Years	Between 31 and 50 Years	Above 50 Years	Grand Total
Directors	0.0%	0.7%	0.3%	1.0%
Managers / Leaders	0.2%	11.6%	0.8%	12.6%
Analysts, Consultants, Experts, Technicians	10.1%	39.5%	2.5%	52.1%
Operational	5.7%	26.1%	2.5%	34.3%
Grand Total	16.0%	77.9%	6.1%	100.0%



GRI

Content Index

GRI Standards	Disclosure	Note	Page	Omission
GENERAL STANDARD CONTENT				
GRI 2: General Disclosures 2021	THE ORGANIZATION AND ITS REPORTING PRACTICES			
	GRI 2-1	Organizational details	8, 16, 17	
	GRI 2-2	Entities included in the organization's sustainability reporting		
	GRI 2-3	Reporting period, frequency, and contact point	76	
	GRI 2-4	Restatements of information		
		The reformulation was included due to the need to correct the presentation methodology and balances of previous years for the GRI 306 indicator. The correct information can be found in the respective GRI indicators 306-3, 306-4, and 306-5. Regarding the waste generation index values, 0.192 was reported for 2021, while the correct figure is 0.094, and for 2022, 0.167 was reported, while the correct figure is 0.064. For the waste disposal indicators (GRI 306-4 and 306-5), an improvement in the presentation of the table was evaluated. For this report, the disposal information has been segregated in more detail by type of waste, type of disposal operation, and waste composition, contributing to a better analysis of the information and understanding of the balances. The balances from previous years for indicators GRI 303-5 and GRI 302-1 were also corrected.		
	GRI 2-5	External assurance		
		This report did not have external verification.		
	ACTIVITIES AND WORKERS			
	GRI 2-6	Activities, value chain and other business relationships	8, 16, 17	
	GRI 2-7	Employees	38, 39, 80, 81	
	GRI 2-8	Workers who are not employees	38, 39, 80, 81	
	GOVERNANCE			
	GRI 2-9	Governance structure and composition	28	
	GRI 2-10	Nomination and selection of the highest governance body	28	
	GRI 2-11	Chair of the highest governance body		
		The chairman of the highest governance body is not also a senior executive of the organization.		
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	28	
	GRI 2-13	Delegation of responsibility for managing impacts	28	
	GRI 2-14	Role of the highest governance body in sustainability reporting	28	
	GRI 2-15	Conflicts of interest	30	
	GRI 2-16	Communication of critical concerns	32	
	GRI 2-17	Collective knowledge of the highest governance body	28	
	GRI 2-18	Evaluation of the performance of the highest governance body	28	
	GRI 2-19	Remuneration policies		Confidential information: The description of remuneration policies is considered confidential by the organization and therefore will not be disclosed."
	GRI 2-20	Process to determine remuneration		
		IHARA's remuneration policies are grounded and annually updated based on surveys conducted locally and within the agribusiness sector. Specifically, for executives and directors, remuneration processes are assessed in collaboration with the NRAC (Nomination & Remuneration Advisory Committee), which in turn makes recommendations to the Board of Directors on appropriate annual compensation.		
	GRI 2-21	Annual total compensation ratio		Confidential information: The annual total remuneration rates are considered confidential by the organization and therefore will not be disclosed.

GRI Standards	Disclosure		Note	Page	Omission
GRI 2: General Disclosures 2021	STRATEGIES, POLICIES AND PRACTICES				
	GRI 2-22	Statement on sustainable development strategy		4, 5	
	GRI 2-23	Policy commitments		32	
	GRI 2-24	Embedding policy commitments		32	
	GRI 2-25	Processes to remediate negative impacts		35	
	GRI 2-26	Mechanisms for seeking advice and raising concerns		35	
	GRI 2-27	Compliance with laws and regulations		35, 67	
	GRI 2-28	Membership associations		51	
	STAKEHOLDER ENGAGEMENT				
	GRI 2-29	Approach to stakeholder engagement		20, 21, 77	
MANAGEMENT APPROACH					
GRI 3: Material Topics 2021	GRI 3-1	Process to determine material topics		77	
	GRI 3-2	List of material topics		77	
TEMAS MATERIAIS					
STRATEGIC MANAGEMENT					
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics - Strategic Management		16	
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed		24, 25, 28	
	GRI 201-2	Financial implications and other risks and opportunities due to climate change		24, 25	
GRI 203: Indirect Economic Impacts 2016	GRI 203-1	Infrastructure investments and services supported		24	
	GRI 203-2	Significant indirect economic impacts		50, 66, 72	
GRI 205: Anti-corruption 2016	GRI 205-1	Operations assessed for risks related to corruption		32, 33	
	GRI 205-2	Communication and training about anti-corruption policies and procedures		32, 33	
	GRI 205-3	Confirmed incidents of corruption and actions taken		33	
GRI 206: Anti-competitive Behavior 2016	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		35	
GRI 207: Tax 2019	GRI 207-1	Approach to tax		31	
	GRI 207-2	Tax governance, control, and risk management		31	
RELATIONSHIP MANAGEMENT					
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics - Relationship Management		38	
GRI 201: Economic Performance 2016	GRI 201-3	Defined benefit plan obligations and other retirement plans		40, 41	
GRI 202: Market Presence 2016	GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage		40, 41	
	GRI 202-2	Proportion of senior management hired from the local community		28	
GRI 204: Procurement Practices 2016	GRI 204-1	Proportion of spending on local suppliers		46	
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover		39	
	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		41	
GRI 402: Labor/Management Relations 2016	GRI 402-1	Minimum notice periods regarding operational changes	The minimum notice period provided to employees before implementing significant operational changes ranges from 2 to 3 weeks.		
GRI 403: Occupational Health and Safety 2018	GRI 403-1	Occupational health and safety management system		42	
	GRI 403-2	Hazard identification, risk assessment, and incident investigation		42	
	GRI 403-3	Occupational health services		42	
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		42	
	GRI 403-5	Worker training on occupational health and safety		42	

GRI Standards	Disclosure		Note	Page	Omission
GRI 403: Occupational Health and Safety 2018	GRI 403-6	Promotion of worker health		42	
	GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		42	
	GRI 403-8	Workers covered by an occupational health and safety management system		42	
	GRI 403-9	Work-related injuries		42	
	GRI 403-10	Work-related ill health		42	
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee		40	
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs		40	
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews		40	
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees		39, 80, 81	
	GRI 405-2	Ratio of basic salary and remuneration of women to men			Confidential information: The proportion of basic salary and remuneration is considered confidential by the organization and therefore will not be disclosed.
GRI 406: Non-discrimination 2016	GRI 406-1	Incidents of discrimination and corrective actions taken		32, 35	
GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		46	
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor		46	
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		46	
GRI 410: Security Practices 2016	GRI 410-1	Security personnel trained in human rights policies or procedures		32, 35	
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs		50, 51	
	GRI 413-2	Operations with significant actual and potential negative impacts on local communities		50	
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria		46	
	GRI 414-2	Negative social impacts in the supply chain and actions taken		46	
GRI 415: Public Policy 2016	GRI 415-1	Political contributions			Confidential information: Financial political contributions made by IHARA are considered confidential by the organization and, therefore, will not be disclosed.
GRI 418: Customer Privacy 2016	GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		46	
GRI 308: Supplier Environmental Assessment 2016	GRI 308-1	New suppliers that were screened using environmental criteria		46	
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken		46	
SUSTAINABLE INDUSTRY					
GRI 3: Material Topics 2021	GRI 3-3	Management of material topics - Sustainable Industry		55	
GRI 301: Materials 2016	GRI 301-1	Materials used by weight or volume		61	
	GRI 301-2	Recycled input materials used		61	
	GRI 301-3	Reclaimed products and their packaging materials		61, 68	
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization		58, 59	
	GRI 302-2	Energy consumption outside of the organization			Information Unavailable: IHARA does not monitor energy consumption outside the organization, and there are no future targets for this survey. IHARA undertakes the collection for Scope 3 of the GHG Inventory, which is related to this theme.
	GRI 302-3	Energy intensity		58	
	GRI 302-4	Reduction of energy consumption		58	

GRI Standards	Disclosure	Note	Page	Omission
GRI 302: Energy 2016	GRI 302-5	Reductions in energy requirements of products and services	58	
	GRI 303-1	Interactions with water as a shared resource	55	
GRI 303: Water and Effluents 2018	GRI 303-2	Management of water discharge related impacts	55	
	GRI 303-3	Water withdrawal	55, 56	
	GRI 303-4	Water discharge	55	
	GRI 303-5	Water consumption	55, 56	
GRI 304: Biodiversity 2016	GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	70, 71	
	GRI 304-2	Significant impacts of activities, products and services on biodiversity	70, 71	
	GRI 304-3	Habitats protected or restored	70, 71	
	GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Not Applicable: For 2023, there was no legal requirement for IHARA to conduct an inventory of species included in the IUCN Red List and national conservation lists.
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	59, 60	
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	59, 60	
	GRI 305-3	Other indirect (Scope 3) GHG emissions	59, 60	
	GRI 305-4	GHG emissions intensity	59, 60	
	GRI 305-5	Reduction of GHG emissions	59, 60	
	GRI 305-6	Emissions of ozone-depleting substances (ODS)	In addition, no activities have been identified within the company that emit substances that destroy the ozone layer (ODS). IHARA does not export or import these substances in its production processes.	
	GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Information not available: IHARA does not have figures for significant atmospheric emissions for 2023. Monitoring of these emissions is conducted through point measurements in accordance with the Atmospheric Emissions Monitoring Program (PMEA), fulfilling the requirements of DD No. 010/2010/P from CETESB. IHARA is in compliance with current legislation.
GRI 306: Waste 2020	GRI 306-1	Waste generation and significant waste-related impacts	62, 63, 68	
	GRI 306-2	Management of significant waste related impacts	62, 63	
	GRI 306-3	Waste generated	62, 63, 64	
	GRI 306-4	Waste diverted from disposal	62, 63, 64	
	GRI 306-5	Waste directed to disposal	62, 63, 64	
GRI 416: Customer Health and Safety 2016	GRI 416-1	Assessment of the health and safety impacts of product and service categories	66, 67	
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	66, 67	
GRI 417: Marketing and Labeling 2016	GRI 417-1	Requirements for product and service information and labeling	67	

Credits

Team responsible IHARA

Cristian Silva Neto

Tiago Mitsuo Genkawa

Tatiane Real de Arruda

Writing, Editorial Consulting and GRI, Graphic Design and Layout

Visão Sustentável

Photos

IHARA Collection

IHARA - Corporate Information

Av. Liberdade, nº 1701 Cajuru do Sul, Sorocaba (SP) – Brazil

Telefone: (15) 3235-7700

www.ihara.com.br

For information, suggestions, criticisms, or comments, please send an email to:
sustentabilidade@ihara.com.br



**Agriculture
is our life**