



**SUSTAINABILITY**  
REPORT  
**2022**





# SUMMARY

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# MESSAGE FROM THE PRESIDENT

GRI 2-22



It is with great pleasure that we present the fourteenth IHARA Sustainability Report, in which we share the achievements and challenges that were part of our daily life in 2022.

This year, on the international scenario, we were surprised by the regrettable war between Russia and Ukraine, which has affected global inflation as a whole and will continue to bring many uncertainties and challenges in 2023.

For the Brazilian economy, despite the adverse global environment, we had a positive year, with moderate economic growth and relatively controlled inflation, thanks to the admirable performance of the Brazilian Central Bank

In Brazilian agriculture, we had a year in which agribusiness once again expanded and strengthened its strategic role as a pillar of the Brazilian economy and continued to reap good rewards. In 2023, we expect the increase of several crops acreage and continuous growing of productivity and production.

The agrochemical sector has experienced several challenges, including high currency volatility, general cost increases and cost volatility of generic products, which makes managing and profitability even more complex. However, the sector has continued to grow even with pests, diseases and weeds, which continues to put pressure on crop productivity. Our challenges remain, mainly due to overstock, and we need to be very agile and resilient to continue to add value to our businesses.

We started 2022 in high gear, continuing our ambitious plan to expand and modernize across our entire Company. We have built a new formulation plant, a biologics lab, and expanded our technology lab. As a result of these investments, we have constructed four new buildings and expanded others, adding more than 10,000 square meters of built space. We will also carry out the modernization of the social and industrial areas of the company as a result of the works started in 2022. In addition to structural improvements, we continued to innovate in 2022, launching 7 products, including 2 insecticides, 2 fungicides and 3 herbicides for various crops.

For all of us at IHARA, 2022 was even more special as we surpassed \$1 billion in net sales at present value for the first time and exceeded our earnings and dividend targets.

On the ESG (Environmental, Social and Governance) front, we have also had achievements that give us great joy. Regarding our environmental indicators for water consumption, energy, and waste generation, we achieved significant reductions of 30%, 10%, and 13%, respectively, as a result of the investments made and improvements implemented in the productive processes for the management of these indicators.

We also had a significant increase in the percentage of recycled resin used in the manufacture of plastic bottles produced at the Sorocaba packaging plant, from 53% in 2021 to 79% in 2022.

Other important achievements marked the year 2022, such as the celebration of the 10th anniversary of the Cultivida program, which reached the historic milestone of 600 thousand PPEs distributed free of charge to farmers, and also received the "Good Practices in Environmental Sustainability" award from the Ministry of Agriculture, Livestock and Supply (MAPA).

To further strengthen our commitment to sustainability and biodiversity, we inaugurated two new Conviver Project at the IHARA research centers in Sarandi (PR) and Primavera do Leste (MT), proving that agriculture and conservation can and should go hand in hand.

These initiatives represent our progress in ESG practices, which are based on a strategic vision for creating long-term value for the company and are designed to ensure a prosperous future while preserving natural resources and caring for people, communities and the entire ecosystem.

Great achievements don't happen overnight. They are the sum of small victories, achieved step by step, with determination and courage. Sustainable results are what counts.

Enjoy your reading!  
Julio Borges Garcia  
President of IHARA





# STRATEGIC MANAGEMENT & GOVERNANCE

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GRI 3-3

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# CORPORATE PROFILE

GRI 2-1, GRI 2-2



## ABOUT US

IHARABRAS S/A Indústrias Químicas is a Brazilian company, a closed capital stock corporation, 57 years old, active in the research and development of new products for agriculture and livestock. Its goal is to provide farmers and ranchers with exclusive solutions focused on protecting crops from disease, pests and weeds to increase field productivity in a safe, economically and environmentally sustainable manner. To do so, it has a complete portfolio of fungicides, herbicides, insecticides, biological pesticides, acaricides, and special products, totaling more than 80 products that provide protection to more than 100 different types of crops.



# MISSION, VISION, BELIEFS AND VALUES

GRI 2-23

## 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 the highest quality and value.

## BELIEFS AND VALUES<sup>1</sup>

Our beliefs and values underlie our strategies, decisions, and ought to guide our behavior.

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

We have a reason for being: Our Planet, Our Country, Our Company and Our People, which express our desire to serve our customers with excellence.

## OUR PLANET

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

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

## OUR COUNTRY

We "own" 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, but are the sum of small conquests made step by step, with determination and courage. Sustainable results are what counts.

We share and celebrate our achievements, strengthen relationships, and immediately seek new challenges.

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

We are a Research and Development company. Innovation and strategic alliances contribute to these goals.

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

We prefer to respect knowledge gained through experience rather than theoretical knowledge; however, theoretical knowledge 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".

## OUR PEOPLE

We are IHARA because we choose to be! We foster 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 the will to grow are recognized and rewarded accordingly.

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

We believe in leading by example. We evaluate our leaders by the quality, altruism and commitment 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 fairness, respecting the law and moral values.

We have humility as a principle. We value the skills of listening, dissenting, and expressing oneself respectfully.

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

We look for people with initiative and creativity and cultivate them as valuable assets.

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

Our people are passionate about challenges. We have the spirit of business owners, which is reflected in our actions.

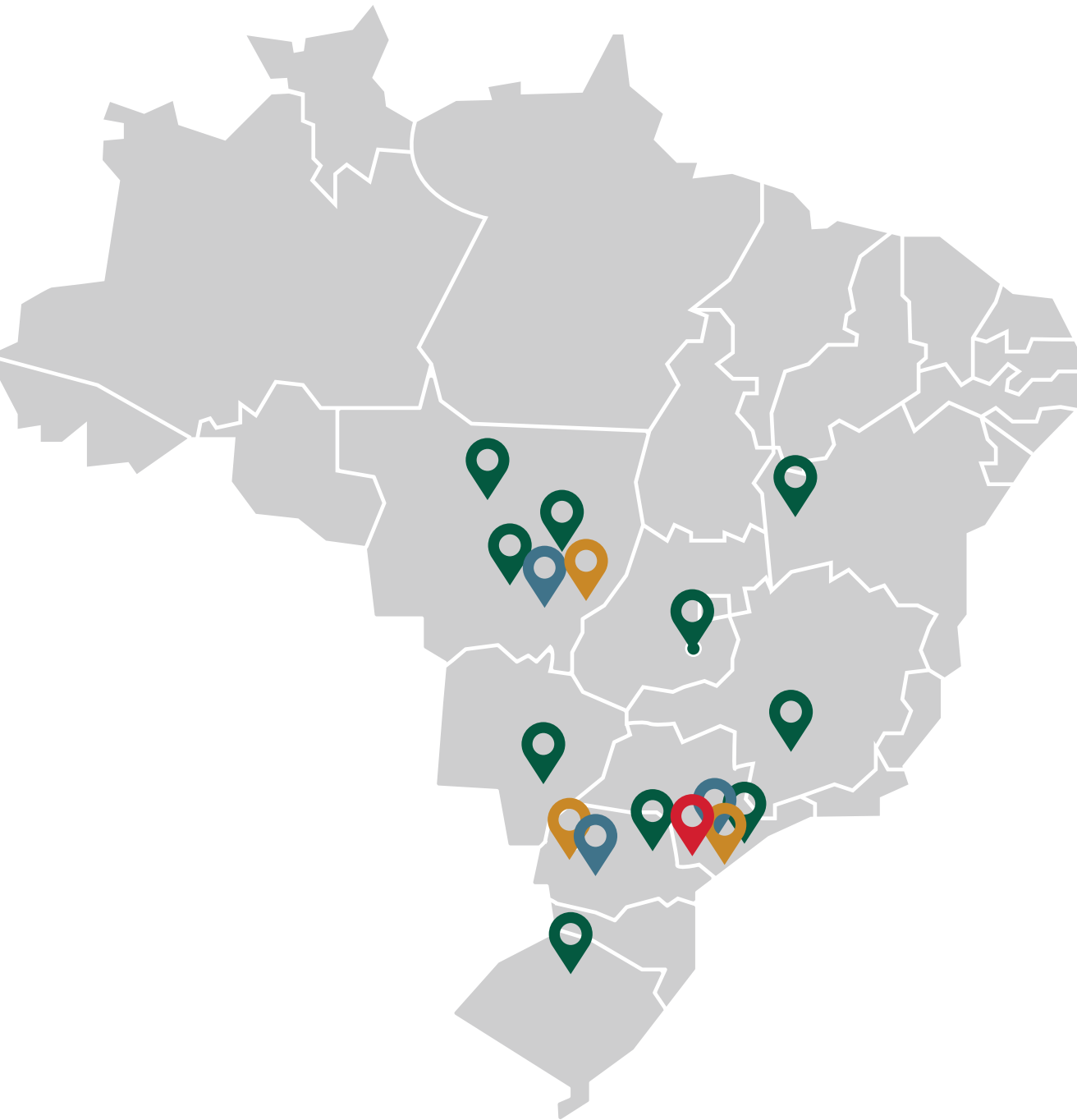
We are committed to our goals and face challenges with joy and courage.

A mission that is given is a mission that is accomplished.

<sup>1</sup>Based on Mr. Inamori's Kyocera Philosophy.

# WHERE WE ARE

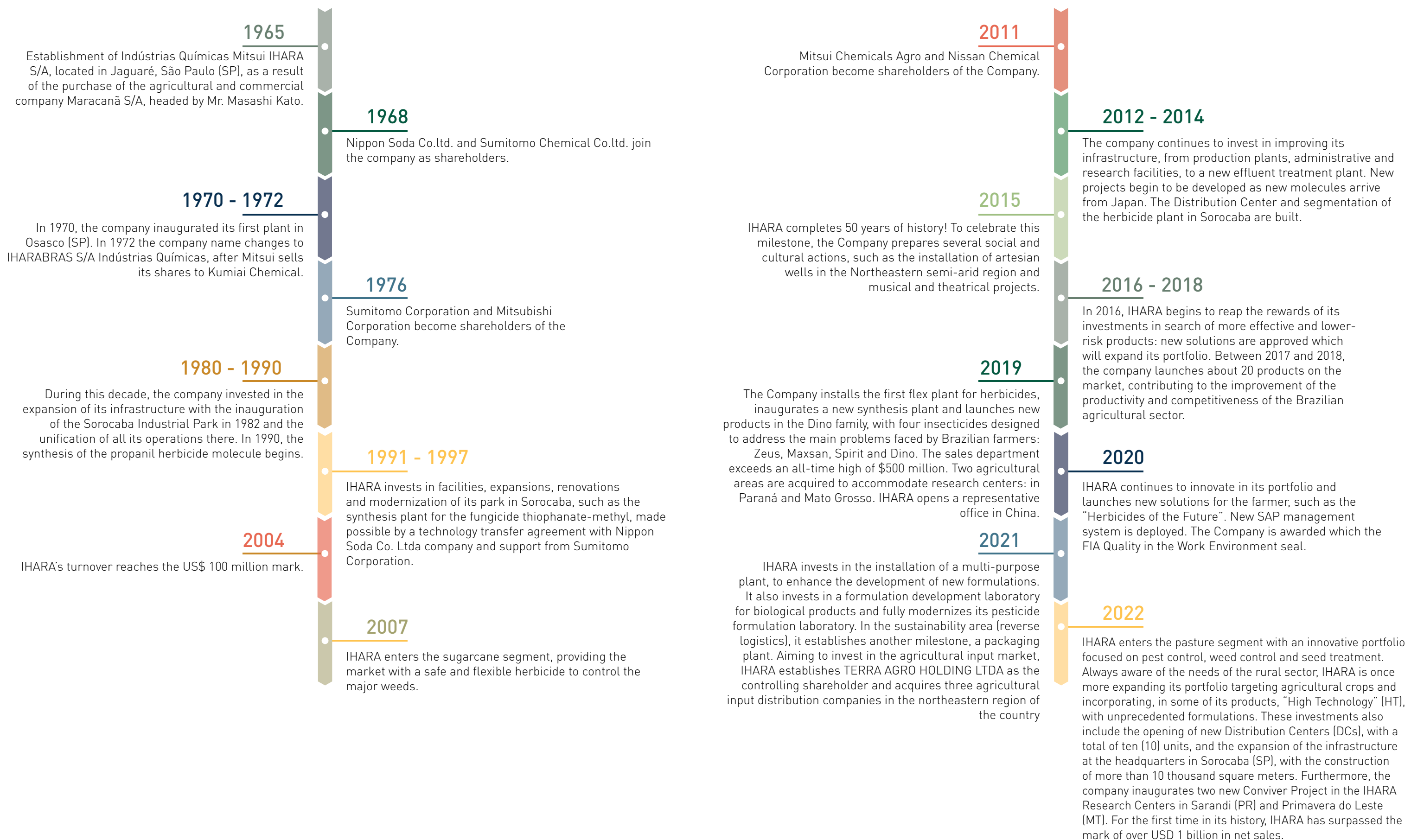
IHARA's administrative headquarters, production plants and a Research Center are located in Sorocaba, São Paulo, at Liberdade Avenue, 1.701, Cajuru do Sul. In total, the company has facilities in eight (08) Brazilian states, including regional administrative headquarters, distribution centers, research and commercialization, and a representative office in China.



- Headquarters and industrial plants**  
 Sorocaba | SP
- Branches & Distribution Centers**  
 Aparecida de Goiânia | GO  
 Carazinho | RS  
 Cuiabá | MT  
 Dourados | MS  
 Ibiporã | PR  
 Itu | SP  
 Luís Eduardo Magalhães | BA  
 Primavera do Leste | MT  
 Sorriso | MT  
 Uberaba | MG
- Own Research Centers**  
 Primavera do Leste | MT  
 Sarandi | PR  
 Sorocaba | SP
- Conviver Project**  
 Primavera do Leste | MT  
 Sarandi | PR  
 Sorocaba | SP

The company has a product distribution channel in the Brazilian Northeast through its subsidiary Terra Agro Holding Ltda.

# TIMELINE





# BUSINESS STRATEGIES

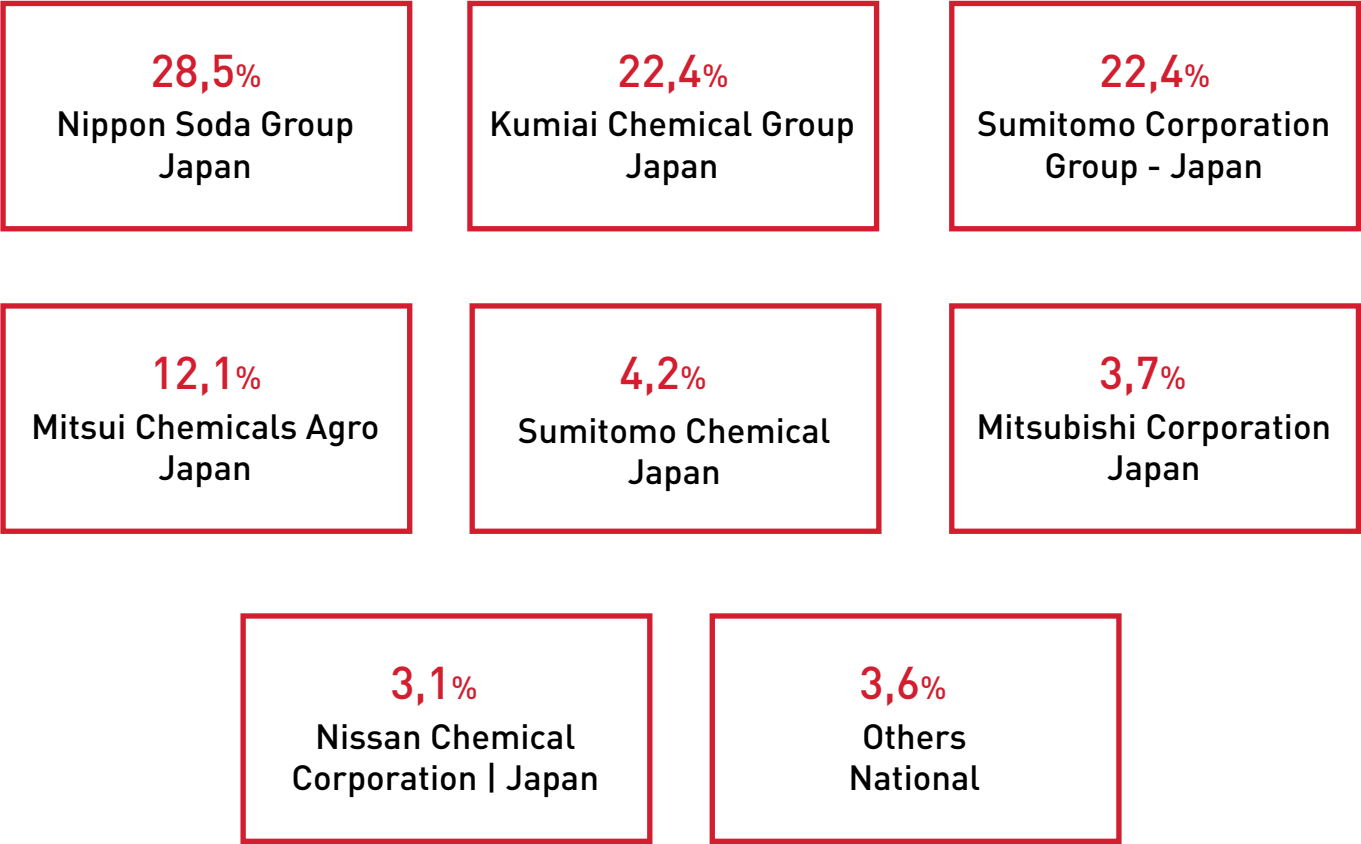
GRI 2-1, GRI 2-6

IHARA's business strategy is to contribute to the development of sustainable agriculture and live-stock production based on innovation, research and development of environmentally friendly solutions that increase productivity on the field. It is based on financial solidity and the continuous improvement

of its processes, with the aim of achieving opera-tional excellence, of meeting the strict quality lev-els of its products, and of the progressive develop-ment of its eco-efficiency indicators.

# SHAREHOLDING COMPOSITION

IHARABRAS S/A INDÚSTRIAS QUÍMICAS has seven Japanese companies as majority shareholders.



# COMPANY SIZE



Net Sales R\$ **5.82** billion



Net Equity R\$ **3.25** billion



Total Assets R\$ **7.27** billion



Costs R\$ **4.35** billion



Products **80**



Employees **982**



# PRODUCT PORTFOLIO BY CROP



Soybean



Corn



Sugarcane



Cotton



Coffee



Wheat



Bean



Potato



Citrus



Apple



Tomato



Pasture



Eucalyptus

## IHARA Portfolio x States\* (%)

Mato Grosso **23.65%**

São Paulo **15.64%**

Paraná **14.49%**

Goiás **8.47%**

Minas Gerais **7.78%**

Mato Grosso do Sul **7.13%**

Rio Grande do Sul **6.33%**

Bahia **5.05%**

\*The remainder is divided between the other Brazilian states.



## IHARA Portfolio X Crops (%)



## IHARA Portfolio X Sales Channels (%)





# STRATEGIC PLANNING

GRI 2-22, GRI 2-23

IHARA's strategic planning is done through the revision of the multi-annual plan, taking into account the economic, environmental and social perspective. Every action derived from this analysis is in line with the strategic directions of the Company in terms of Corporate Governance, Corporate Risks, New Business and Market Development, and Research and Development.



# STAKEHOLDER ENGAGEMENT

GRI 2-29



IHARA has three main stakeholder groups - customers, employees and suppliers - with whom it engages directly and who were consulted in the preparation of the materiality matrix that formed the basis of previous sustainability reports and was eventually included in the GRI 2021 parameters that guided this 2022 report.

Engagement with these stakeholders is maintained through projects and initiatives specific to each one of them, which are detailed in the Relationship Management part of this Report. It is important to highlight the work of the Stewardship Department, which carries out direct initiatives with customers, involving employees and local communities. Its purpose is to identify and mitigate risks, analyze needs, distribute personal protective equipment (PPE) to applicators, and provide training to internal and external audiences, always with the goal of promoting Good Agricultural Practices (GAP) and the proper and safe use of pesticides. IHARA's main highlights in this area are the Cultivida Program, which develops actions with customers, and the Conviver Project (both of which are described in detail at the end of this Report, in the Sustainable

Industry section. IHARA's policies regarding suppliers are described in Relationship Management.

Regarding the set of stakeholders, it is worth highlighting IHARA's Code of Conduct and Ethics, which defines as its main goals:

- To develop the intellectual and professional skills of its employees;
- To emphasize the importance of its customers, suppliers, community and employees;
- To make every effort to improve the quality of life for our employees and their families by providing them with benefits and fair compensation;
- To communicate the guidelines and policies of the company and to involve and commit the employees in the common goals and objectives of the company
- To use personal data only when necessary, applying all security, technical and administrative measures required to protect the personal data of all parties



# CORPORATE GOVERNANCE

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14, GRI 2-24, GRI 2-25, GRI 207-2

IHARA strives to continually evolve its governance structure to sustain growth through system implementation and review of internal processes and controls.

IHARA's governance structure consists of a General Shareholders Meeting, a Board of Directors, and an Executive Board supported by Strategic and Operational Committees. These always rely on the participation of the company's President, as well as directors and managers selected according to each theme.

## GENERAL SHAREHOLDERS MEETING

The General Shareholders Meeting is held annually, on regular basis, to render accounts to the shareholders and to society. Every two years, elections are held during the meetings for the composition of the Board of Directors, which is responsible for electing the executive directors

## BOARD OF DIRECTORS

The Board is responsible for electing the statutory directors. The Board of Directors is independent, but doesn't have an executive function. Its members are elected for two-year terms.

The Board of Directors strives to maximize the value of IHARA within the established ethical and moral principles, as well as to consistently present long-term results and contribute to the development of agriculture in Brazil and society in general. To this end, the Board of Directors is responsible for formulating guidelines for the management of the Company, which will be reflected in the annual budget, as well as directing the Executive Directors in approving and updating IHARA's mission, vision, values, policies and goals.

## EXECUTIVE BOARD

The Presidency of IHARA is held by one of board of directors, according to responsibilities delegated by the Board of Directors. The President must periodically monitor the strategic actions of each Board and the Strategic and Operational Committees, as well as report them to the Board itself. It must also assign and oversee the management of impacts. Reporting to the Board is done on a regular basis through the presentation of reports and data prepared with the input of key executives. 100% of senior management are hired from the local community.

## PROCESSES TO REMEDIATE NEGATIVE IMPACTS

The identification and management of economic, social and environmental impacts is critical to IHARA and is overseen by the company's top management, through the company's President, within the framework of the Strategic and Operational Committees. Through these, the risks and the direct

and indirect impacts of the company's activities on society and the environment are assessed and reported, as well as mitigation and/or remediation measures are defined.

## NOMINATION AND REMUNERATION ADVISORY COMMITTEE

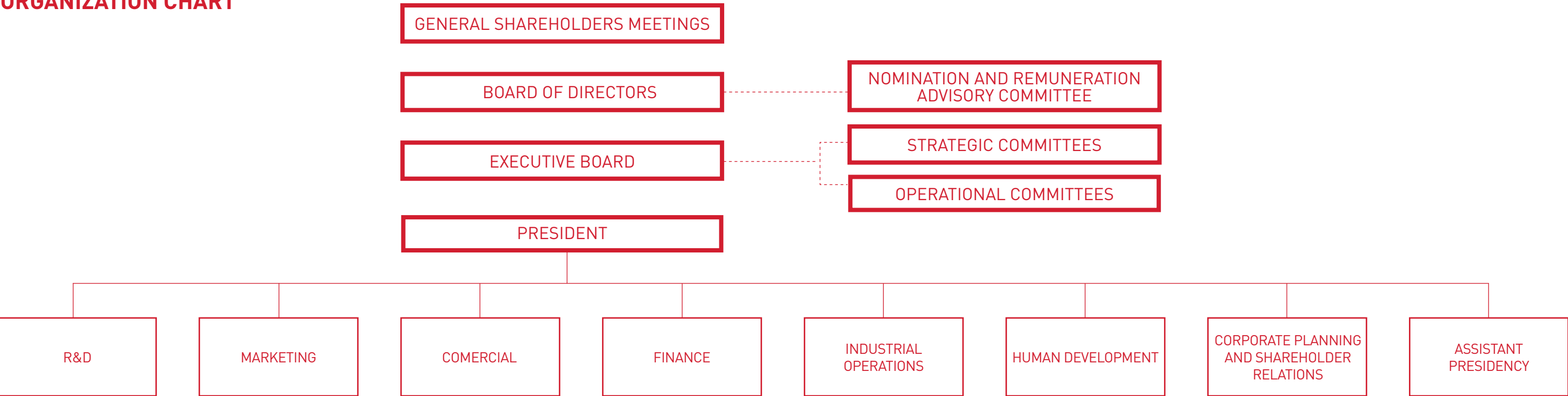
### STRATEGIC COMMITTEES

- Portfolio Committee
- Sustainability Committee
- Corporate Risk Committee
- Audit and Compliance Committee

### OPERATIONAL COMMITTEES

- Planning and Investment Committee
- Treasury and Credit Committee
- Legal Affairs Committee

## ORGANIZATION CHART





# COMPLIANCE, ETHICS & INTEGRITY

GRI 2-23, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, GRI 406-, GRI 410-1

Ethics and integrity are core values that are reflected in the way IHARA operates and relates to its major stakeholders. To ensure that the risks associated with these values are properly reduced and mitigated, IHARA has put in place policies and controls to ensure that all of these risks are covered. These controls are monitored and have the

direct involvement of Senior Management and the Compliance team.

In 2022 no relevant risks were identified. The Company has controls and audit processes in place, supported by the Compliance and Corporate Risk Committee.

## CODE OF CONDUCT AND ETHICS

The company has a Code of Conduct and Ethics based on its Beliefs and Values, which formalizes the “IHARA Way” that is guided by the law, ethics, and respect for society; the full text is available at the link below.

The Code of Conduct is presented and distributed to each employee during onboarding, and its principles are reinforced through training and internal communications.

When the document is delivered, the employee reads and signs an acknowledgement of awareness of the Code of Conduct and Ethics.

The Company encourages all employees to report, through the communication channels made available, situations that are not in line with the organization’s conduct standards.



**To access the full Code of  
Conduct and Ethics  
click here**

IHARA prohibits retaliation for complaints made in good faith and provides boxes and forms for anonymous reporting of identified problems, which may be done electronically, always anonymously.

Physical violence, even the mere threat of it, is not tolerated. IHARA does not tolerate abuse of power nor sexual and moral harassment within the company. Sexual and moral harassment are also considered forms of aggression and, when identified, are promptly suppressed.

## HUMAN RIGHTS

From a Human Rights point of view, 100% of the permanent employees of IHARA, as well as the employees of third party companies, receive periodic specific training on the correct application of these principles in the exercise of their functions related to asset security.

## DIVERSITY AND EQUAL OPPORTUNITY

IHARA is committed to conducting business and establishing relationships without prejudice or discrimination as to race, religion, sex, sexual orientation, age, nationality, military status, size or disability, marital status, or any other characteristic, recognizing the equality of all before society and the law. In 2022, the Company did not record any discriminatory incidents involving its employees.

## COMPETITION PRACTICES

IHARA values honesty in its operations in the marketplace and has no record of legal actions related to unfair competition, market concentration, or monopolistic practices.





# RESEARCH & DEVELOPMENT

GRI 203-1

Research and Development is strategic to the sustainability of IHARA’s business, both in its economic aspects and in its relationship with customers, the environment and society, which includes, above all, responsibility for its products.

In the last three years, the company’s investments in the area grew by 52%, as shown below.

## Evolution of IHARA’s investments in R&D\*

(in R\$ Million)



\*Includes: Infrastructure expansion, payroll, services and materials.

Currently, the R&D department has its own Research Centers in the cities of Sorocaba (SP), Sarandi (PR), and Primavera do Leste (MT), in addition to two advanced units, in Uberlândia (MG) and Santa Maria (RS), the latter established in 2022. All these centers represent 70% of IHARA's research activities, the rest being developed through partnerships with Embrapa, universities and other private institutions of national and international renown.

With this infrastructure, IHARA expects to launch at least 15 potential new biological products in the future, and to seek increasingly safer products, in strict compliance with the legislation that regulates the industry.





# ECONOMIC AND FINANCIAL PERFORMANCE

GRI 2-16, GRI 201-1



IHARABRAS S/A INDÚSTRIAS QUÍMICAS and TERRA AGRO HOLDING LTDA hereby present their financial statements for the year 2022, with results that reflect the correctness of the management strategies adopted in order to mitigate a scenario of high volatility, both in the international scenario, as a result of the increase in exchange rate volatility and in input prices, mainly due to the instability of oil prices and in the supply chain, still reflecting the Covid-19 pandemic; and in the national scenario, in political, economic and climatic terms.

The mitigating actions were primarily based on cost and expense control, foreign exchange exposure control, customer receivables control, price repositioning and manufacturing process improvements. As a result, IHARA has achieved meaningful figures that far exceed initial forecasts for 2022, including surpassing the USD 1 billion mark in net sales for the first time.

## INVESTMENTS IN INFRASTRUCTURE

GRI 203-1

With an investment of USD 47 million in the Sorocaba headquarters in 2022, IHARA is increasing its production capacity by 65% as a result of the installation, expansion and modernization of production plants, pilot plant and laboratories

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

## CHALLENGES IN THE FACE OF CLIMATE CHANGE

GRI 201-2

Weather risk is a major factor in agriculture and can be a determining factor in the increase or decrease of defaults. Furthermore, the risk of overstock at the distributors, due to climatic influences, may incur in debt renegotiations.

In particular, in the 2022/2023 crop season, IHARA faced the La Niña factor, which causes a lack of rain in the southern region and an excess of rain in the northern and midwestern regions

Methods used by the Company to mitigate the potential impact of climate risk include:

- Developed and revised the “Credit Rating” to balance the combination of risk and collateral required;

- Carries out preventive monitoring of the guarantees, via satellite and in person;
- Promotes preventive monitoring of accounts receivable;
- Grants credit through Rural Product Bonds (CPR);
- Promotes the follow-up of inventories at the main distributors

The company also has the support of two independent consultants for the analysis of the agribusiness scenario, who provide monthly reports on the subject, tracking the production variables of crops in function of climate changes and the behavior of the market as a whole



# MAIN FINANCIAL RESULTS IN 2022

GRI 207-1



With the net sales volume milestone registered in 2022, IHARA shows its contribution to wealth generation on a global scale, generating positive impacts for shareholders, employees, customers, the broad spectrum of its business chain and local communities. The performance recorded by IHARA reflects the correctness of the strategies and actions adopted in 2022, including those taken to mitigate risks.

## Statement of Added Value 2022

(in %)

	2020	2021	2022
Shareholders (return on equity)	11.41	8.96	<b>13.28</b>
Employees (compensation, benefits and charges for employees)	19.97	19.13	<b>12.93</b>
Government (taxes, fees and contributions)	27.31	28.33	<b>15.51</b>
Retained earnings/loss for the year	27.79	32.35	<b>47.87</b>
Interest and rent (third-party capital remuneration)	13.01	10.79	<b>9.94</b>
Investments in the community	0.51	0.44	<b>0.47</b>

## Statement of Added Value 2022

(in R\$ billion)

	2020	2021	2022
Revenues	2,885,759	4,246,699	<b>6,043,191</b>
EBITDA	376,483	488,508	<b>1,049,583</b>
Total added value to distribute	757,772	999,233	<b>1,813,729</b>





# RELATIONSHIP MANAGEMENT

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GRI 3-3

OUR PEOPLE	<b>34</b>
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# OUR PEOPLE

GRI 2-7, GRI 2-8, GRI 2-21, GRI 2-30, GRI 405-1

IHARA has a Human Development Policy that values the respect and satisfaction of the needs of its employees, offering opportunities for their personal and professional growth, always in compliance with the law and values of ethics and transparency. Its main guidelines in 2022 were:

- Train leaders;
- Preparing successors and retaining talent; and,
- To promote the strengthening and evolution of the IHARA culture.



# HOW WE STAND

GRI 401-1

In 2022, IHARA increased its workforce by just over 11% compared to 2021, ending the year with 982 employees, including 829 own employees (permanent) and 153 outsourced workers. There were 317 hirings and the turnover rate was 35%.

IHARA's workforce is mostly concentrated in the Southeast region and is subdivided, as shown in the tables below, according to gender and different functional categories and types of contract. At IHARA, 100% of employees are covered by collective bargaining agreements.

## Employees by contract type and gender

	2020		2021		2022	
	Own					
	Permanent contract	Temporary contract	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Male	593	9	636	2	684	0
Female	150	6	165	3	145	0
<b>Total</b>	<b>743</b>	<b>15</b>	<b>801</b>	<b>5</b>	<b>829</b>	<b>0</b>

	2020		2021		2022	
	Outsourced					
	Permanent contract	Temporary contract	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Male	30	25	42	14	36	75
Female	9	37	6	16	10	32
<b>Total</b>	<b>39</b>	<b>62</b>	<b>48</b>	<b>30</b>	<b>46</b>	<b>107</b>



## Employees by schedule type and gender

	2020		2021		2022	
	Own					
	Full time	Half time	Full time	Half time	Full time	Half time
Male	601	1	636	2	683	1
Female	156	0	168	0	145	0
<b>Total</b>	<b>757</b>	<b>1</b>	<b>804</b>	<b>2</b>	<b>828</b>	<b>1</b>
	Outsourced					
	Full time	Half time	Full time	Half time	Full time	Half time
	Full time	Half time	Full time	Half time	Full time	Half time
Male	41	14	46	10	98	13
Female	28	18	8	14	31	11
<b>Total</b>	<b>69</b>	<b>32</b>	<b>54</b>	<b>24</b>	<b>129</b>	<b>24</b>

## Employees by contract type and region

	2021			2022		
	Own					
	Permanent contract	Temporary contract	Total	Permanent contract	Temporary contract	Total
South	75	0	75	61	0	61
Southeast	625	4	629	641	0	641
Northeast	18	0	18	21	0	21
Midwest	73	1	74	92	0	92
North	6	0	6	11	0	11
China	1	2	3	3	0	3
India	0	1	1	0	0	0
Total	798	8	806	829	0	829

## Employees by contract type and region (continued)

	2021			2022		
	Outsourced					
	Permanent contract	Temporary contract	Total	Permanent contract	Temporary contract	Total
South	4	2	6	4	28	32
Southeast	32	26	58	32	43	75
Northeast	4	0	4	0	8	8
Midwest	8	2	10	8	25	33
North	0	0	0	0	3	3
China	0	0	0	1	0	1
India	0	0	0	1	0	1
Total	48	30	78	46	107	153

## Employees by category and age range

Employee Category	Under 30 Years Old	Between 31 and 50 Years Old	Over 50 Years Old	Overall Total
Directors	0.00%	0.84%	1.45%	2.29%
Managers/Leaders	0.24%	11.46%	0.97%	12.67%
Analysts, consultants, specialists, technicians	12.66%	36.19%	1.57%	50.42%
Operational	6.88%	25.21%	2.53%	34.62%
<b>Overall Total</b>	<b>19.78%</b>	<b>73.70%</b>	<b>6.52%</b>	<b>100.00%</b>

## Employees by category and gender

Employee Category	Male	Female	Total
Directors	2.29%	0.00%	2.29%
Managers/Leaders	11.58%	1.09%	12.67%
Analysts, consultants, specialists, technicians	40.05%	10.37%	50.42%
Operational	28.59%	6.03%	34.62%
<b>Overall Total</b>	<b>82.51%</b>	<b>17.49%</b>	<b>100.00%</b>



# OPPORTUNITIES

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

Through its Annual Training Plan (PAT), IHARA promotes the technical qualification of its staff, in person, online and through partnerships with external institutions. This program leads to gains in assertiveness, productivity, and confidence in performing the functions of their teams, as well as opening up career opportunities within the company. The company also offers subsidies for language courses

## TRAINING & QUALIFICATION

In 2022, **20,585** hours of training were provided, an average of **29.96** hours per employee, broken down by gender and type of trip.

# REMUNERATION

GRI 201-3, GRI 202-1

IHARA has a compensation and benefits policy that is consistent with the highest market parameters and is constantly updated, and strives to establish a fair relationship with all of its employees. Its Human Development policy stands out for its distinct advantages, such as a Profit Sharing Plan that allows employees to obtain a variable income each

## PERFORMANCE EVALUATION

100% of IHARA's own employees receive an annual performance evaluation, through its own ADI tool (Individual Performance Evaluation).

year, an upgrade in benefits, and the keeping of their salaries above the market average.

In 2022, IHARA registered an average wage floor of R\$ 2,333.00 among its own employees, i.e., 82% higher than the national minimum wage (of R\$ 1,284.00).

# BENEFITS

GRI 401-2

The benefits for permanent workers are listed in the table below. Temporary employees, interns, and apprentices, on the other hand, receive transportation vouchers and/or chartered transportation.

### Benefits received by IHARA's permanent employees

	Full time	Tempoary or half time
IHARAPREV (private pension)	yes	no
Medical and hospital care	yes	yes
Dental care and subsidy	yes	no
Life insurance	yes	yes
Food and meal vouchers	yes	yes
Aid (birth, day-care, special child and marriage)	yes	no
School Supplies Subsidy	yes	no

# 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

The health and safety of IHARA's employees are considered non-negotiable values by the company, which takes several measures to ensure them. IHARA's health and safety management system is ISO 45001 certified. All workers, activities, and workplaces are covered by safety management. Service companies, when under the responsibility of the Company, are also subject to the same rules and conditions.

In 2022, the monitoring of safety actions was carried out through the 1200 Miles Program, implemented in 2015, which aims to establish a proactive and preventive culture, with a significant evolution in several areas, especially in the reinforcement of safe behavior. The program features monthly indicators aimed at continuous improvement and relies on the participation of employees, who formally report when they find or recognize a dangerous condition in the production environment or an abnormality in behavior, facilitating the immediate identification of risky situations.

All mandatory training applicable to daily tasks and activities are given to the workers by a person or team of people qualified according to specific standards. In addition to these training sessions, safety integration sessions and training sessions on the "10 Golden Rules of the Company" are also held.

The 1200 Miles Program was also strengthened by the increase in the 5S Program's success rate, which reached 95%. In addition, 131 improvements related to safety, environment, and quality were presented.

## EMPLOYEE HEALTH

IHARA has continued its Health Promotion Campaigns in 2022, eight in total, related to the topics of Nutrition and Nutrient Supplementation, Post-Covid 19 Aftereffects, Vaccinometer (vaccine con-

trol), about the various types of cancer, besides actions carried out also alluding to government campaigns, such as "Yellow May", "Pink October" and "Blue November". There was a vaccination campaign against influenza H1N1, H3N2, and two variants of Influenza type B.

Regarding Covid-19, IHARA provides daily epidemiological reports, news releases, and videos on prevention and care. The Infirmary has rapid tests that are performed depending on the case analyzed by the health team and current protocol. In addition to the team's telecare (by medical professionals and nursing technicians).

## QUALITY LIFE PROGRAM (PVQ)

IHARA has the Quality Life Program (PVQ), through which it monitors the history and evolution of the health of its employees. In addition to occupational examinations, all employees are required to undergo periodic check-ups and are given the opportunity to have complementary examinations carried out at the company. Still concerned about their health and well-being, the company disseminates educational materials related to the safe use of cell phones, family, vacations and road safety.

## WORK-RELATED INJURIES

IHARA maintained, in 2022, a minimal rate, 1.89%, of work-related accident notifications. There were three (03) incidents out of nearly 1.6 million hours worked. All accidents are investigated and treated through the PDCA system. As for occupational diseases, there were no occurrences.



# CLIENTS

The credibility and trust that IHARA has earned over 57 years is not only due to the quality, efficacy and safety of its products, but also to the actions taken directly with the customer in the field, especially in the last ten years with the launch of the Cultivida program.

## CULTIVIDA, IHARA IN DIRECT LINE WITH THE FARMER

2022 marked the tenth anniversary of the launch of the Cultivida Program, when it received the largest grant in the decade: R\$15 million. The amount is almost five times higher than the investments made in the entire first phase of the Program (R\$2.5 million), between 2012 and 2016. The increased investment in 2022 allowed IHARA to distribute 600,000 pieces of Personal Protective Equipment (PPE) free of charge to product applicators, doubling the numbers distributed in 2021, as shown in the comparative table below. The number of PPE distributed in 2022 was nearly six times higher than in 2017, when IHARA began this type of outreach.



In six years, IHARA has distributed 1.5 million PPE to farmers and/or agricultural technicians free of charge.

This contribution was recognized by the Ministry of Agriculture, Livestock, and Supply (MAPA) in 2022, which granted Cultivida the “Good Practices in Environmental Sustainability” award.

### Progress in the distribution of PPE's to farmers under Cultivida Program (in thousand un.)



### Applied Resources (in R\$ million)



In its first phase, Cultivida was mainly focused on educating small and medium producers on Good Agricultural Practices (GAP) and the correct use of defensive products. During this period, Cultivida traveled to 21 municipalities in the country and trained 5,366 agriculture professionals. It has also trained about 2,000 health workers from the Unified Health System (SUS), in partnership with the State University of Campinas (Unicamp), to identify possible cases of pesticide poisoning as well as to evaluate the health conditions of the rural population involved in agricultural activities.

Cultivida's objective is to guarantee the correct application of defensive products, avoiding any damage to the farmer's health. Therefore, the program includes training for IHARA's commer-

cial team, which is in direct contact with producers, as well as lectures and other socio-educational events for farmers.

But besides Cultivida, IHARA promotes other actions in defense of GAP (Good Agricultural Practices), under the umbrella of Stewardship. In 2022, these initiatives also reached rural producers through twelve educational events, training sessions on application technology and four lectures promoted in the states of Rio Grande do Norte, Ceará, Bahia, Rio Grande do Sul and Santa Catarina. For the training sessions, agreements were made with organizations representing the agricultural and livestock sectors, such as Abrafrutas, the Global Coffee Platform and Cocoa Action Brasil, among others.



# CUSTOMER COMMUNICATION

GRI 2-16, GRI 2-25, GRI 2-26

## INNOVATION AND EXPANSION OF THE REACH OF THE COMMUNICATION CHANNELS

IHARA has been progressively increasing its presence in digital media platforms in order to have a faster and more assertive communication with the customer, as shown by the comparative figures below. The company has a YouTube channel and pages on Facebook [\[https://www.facebook.com/iharadefensivosagricolas\]](https://www.facebook.com/iharadefensivosagricolas) and Instagram [\[@iharadefensivosagricolas\]](https://www.instagram.com/iharadefensivosagricolas), through which it provides

relevant guidance and information to farmers. On YouTube [\[https://www.youtube.com/@iharadefensivosagricolas\]](https://www.youtube.com/@iharadefensivosagricolas), for example, IHARA broadcasts the regular series "Farmer Every Day," "Climate Time", "Agro Time", and "IHARACAST", as well as videos on protection and disease control for each of the crops supported by the IHARA portfolio.



# DIGITAL TRANSFORMATION & DATA PROTECTION

GRI 418-1

IHARA complies with the provisions of the General Data Protection Act (LGPD) regarding the collection of its customers' information. As such, it has not registered any data breach notifications from regulatory authorities and/or complaints through its institutional channels.

# SUPPLIERS

GRI 2-4, GRI 308-2, GRI 408-1, GRI 409-1, GRI 414-2

IHARA values the trustworthiness of its suppliers and avoids contracting companies with unethical attitudes that conflict with humanistic values and Brazilian legislation. It also has internal Compliance tools in place to curb deviations by employees in its policies on payment, stability of supply, prices and evaluation criteria.

## COMPLIANCE MEASURES

Measures to avoid hiring suppliers that are linked to the exploitation of labor analogous to slavery, child labor, or linked to criminalized environmental practices are adopted through various instruments of the IHARA Compliance Department. These include audits and regular analysis of suppliers in order to work with companies that do not have a negative impact on society or the environment. If at any time a supplier exhibits behavior that is inconsistent with IHARA's values, the supplier will be terminated and, if necessary, reported to the Public Prosecution Service.

states that purchasing decisions should be based solely on economic and financial criteria and commercial conditions. IHARA employees are prohibited from receiving any kind of financial or material benefit, including gifts, in their relationships with suppliers.

IHARA will not deal with or associate with any company that is not reputable. The company conducts audits based on information obtained through the "Transparency Portal" and conducts periodic analysis of suppliers.

With respect to employee relations with suppliers, the Company's Code of Conduct and Ethics



# INSTITUTIONAL RELATIONS & SOCIETY

IHARA contributes to the creation of wealth in the country, to sustainable agricultural practices, to food production and to the development of local communities, whether by supporting rural producers, by providing employment and income opportunities for its employees, or by directly or indirectly supporting Brazilian civil society organizations.



## RECOGNITION/AWARDS

IHARA was recognized for its excellence in 2022 through the awards highlighted below:



**1st place** in the Inputs category of the **IstoÉ Dinheiro** magazine's "The Best of Dinheiro" award, being the champion for **three consecutive years**.



**1st place** in the "Agricultural Defense Products" category of the "Best of Agribusiness" award by Globo Rural magazine. This is the **ninth time** IHARA has won first place in this award.



**Main prize** of "Company of the Year" at the ABMR&A (Brazilian Association of Rural Marketing) **Communication Show 2022**. In the 2022 edition alone, the Company won **10 awards**, setting a historical **record for the show**.



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



"**Environmental Sustainability Best Practices**" Award, granted by MAPA to the **Cultivida Program**.



# SOCIAL ACTIONS IN THE LOCAL COMMUNITIES

GRI 203-2, GRI 413-1 GRI 415-1

Aware of its responsibility and participation in society, IHARA continues to carry out social actions, supporting various projects based on the Rouanet Law, the Sports Incentive Law, the Elderly Law, and the Fund for Children and Teenagers Support, as well as making voluntary donations. Projects are selected from all over the country and can be nominated by all employees or initiated/supported by IHARA clients and partner companies. Projects are selected and approved based on criteria such as social return (the impact of the project on the community), presentations by groups or artists that provide some sort of cultural return, or projects that have an

affinity with the company's activities and its commitment to making a positive difference in people's lives.

In 2022, IHARA supported 47 projects, exceeding R\$8 million in donations.

These donations went to facilities for the elderly, rehabilitation centers, associations for the support of children and young people, hospitals, musical concerts and cultural festivals, facilities for the promotion of sports in low-income areas, among other projects located from the north to the south of the country.

Among the projects approved by the Rouanet Law, it is worth mentioning the IHARA Regional Cultural Festival, which will be held in Sorocaba (SP) and Bragança Paulista (SP) under the theme "Japan Festival"; and in Primavera do Leste (MT) and Rio Verde (GO) under the theme "Gaucho Culture", valuing regional cultures and traditions.

The social engagement programs were promoted in several regions, in addition to Sorocaba, the company's headquarters, allowing for the participation of employees located in other states.

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

## Total actual donations by IHARA in 2022 (R\$ / Million)

Description	Valor	Number of Projects
CMDCA/FUMCAD*	1,550,000.00	13
SENIOR CITIZEN ACT	1,527,279.74	8
SPORTS INCENTIVE ACT	1,380,000.00	4
ROUANET LAW + AUDIOVISUAL ACT	3,454,845.00	12
<b>Total (Incentivized)</b>	<b>7,912,124.74</b>	<b>37</b>
<b>Direct Donations (Non-Incentivized)</b>	<b>249,025.00</b>	<b>10</b>
<b>Overall Total</b>	<b>8,161,149.74</b>	<b>47</b>

\* CMDCA - Municipal Council for the Rights of Children and Adolescents  
FUMCAD - Municipal Fund for Children and Adolescents

# INSTITUTIONAL RELATIONS

GRI 2-28

The representative bodies of the trade and of the civil society with which IHARA had institutional relations in the year 2022 were the following:

- CropLife Brazil Association
- Brazilian Association of Rural Marketing and Agribusiness (ABMRA)
- Brazilian Association of Advertisers (ABA)
- Brazilian National Standards Organization (ABNT)
- Brazilian Association of Human Resources (ABRH)
- São Paulo State Industries Center (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 for Scientific Studies (ProHuma)
- International Life Science Institute (ILSI)
- National Union of Plant Protection Products Industry (Sindiveg)

# GOVERNMENT

Through its participation in industry organizations, IHARA works to consolidate pesticide safety standards and Good Agricultural Practices (GAP) guidelines established by government regulatory agencies.

In addition, the Company contributes to the development of Brazilian society as a whole by paying taxes on all its productive, administrative and commercial activities.





# SUSTAINABLE INDUSTRY

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GRI 3-3

QUALITY & ENVIRONMENTAL EFFICIENCY	<b>50</b>
PRODUCT LIABILITY	<b>56</b>
BIODIVERSITY	<b>59</b>



# QUALITY & ENVIRONMENTAL EFFICIENCY

The modernization of production and management processes in 2022, such as the expansion and modernization of the installed infrastructure and the improvement of production flows, enabled IHARA to achieve its goals for the reduction of water and energy consumption and waste generation. These are the three main indicators with which the company measures its eco-efficiency. Furthermore, in 2022 IHARA reinforced its programs for safety in the use of its products and support for biodiversity, with emphasis on Cultivada, the Conviver Home, and the Collection and Recycling of Post-consumption Packaging, through the Clean Countryside System (SCL), managed by inpEV (National Institute for Empty Packaging Processing).

Improving the efficiency of environmental indicators is part of IHARA's Goals and Objectives, and each year the company obtains figures that attest to its greater rationality in the use of natural and energy resources.



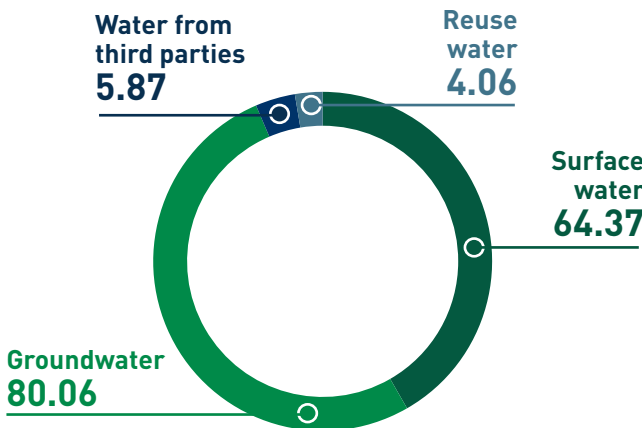
## WATER & EFFLUENTS

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

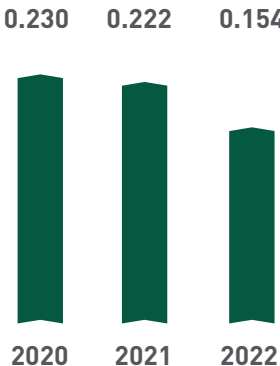
### COLLECTION, REUSE, DISPOSAL AND CONSUMPTION REDUCTION

The main source of water used by IHARA in all its operations at its headquarters in Sorocaba comes from surface and groundwater withdrawals. The other sources are third-party water and reuse water (for internal use), always respecting the volumes granted in order to ensure minimum impact on water resources.

#### Water withdrawal sources for use in all headquarters' facilities in Sorocaba (ML)



#### Water consumption rate (m³/ton. prod.)



#### Water for industrial purposes (ML.)



IHARA uses water from these sources for various purposes, particularly for industrial processes, products, irrigation and administrative activities. By 2022 IHARA achieved a 30% reduction in the water consumption per ton produced indicator compared to 2021.

This performance is the result of continuous and shared data management across the company's key areas, as well as improvements in the product manufacturing process. The goal is to achieve a progressive annual reduction in consumption. Based on this management process, IHARA achieved another relevant indicator in 2022, the reduction of the total amount withdrawn compared to 2021, despite a 25% increase in production.

### EFFLUENT TREATMENT

Internally treated effluents generate water for reuse and osmosis reject (non-potable use). The treated water is fully reused in the production process equipment, such as the boiler and cooling towers. The liquid osmosis reject is sent for external waste treatment in an industrial effluent treatment plant, duly approved for this purpose.

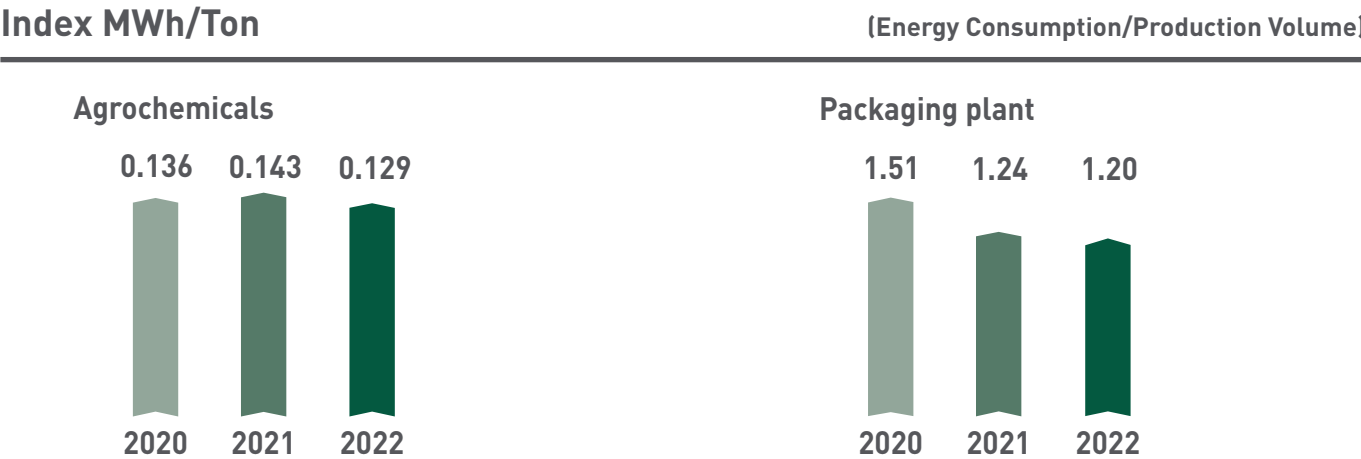


# ELECTRICITY

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

IHARA’s energy matrix is primarily electricity, and the Company is working toward the goal of reducing consumption through daily monitoring using online measurement data from a monitoring platform. As a result of this day-to-day management, along with process improvements and automation, and investments in equipment, IHARA achieved a 10% reduction in its electricity consumption index compared to the previous year (see chart below). The efficiency index is based on consumption in MWh/ton produced.

## ELECTRICITY CONSUMPTION INDEX PROGRESS



**Note:** The AGROCHEMICALS variable in the above diagrams includes all the facilities located at the IHARA headquarters in Sorocaba (SP): Production Plants, Administrative Buildings, Cafeteria, Logistics Sheds, ETE, Laundry, Research Center. The PACKAGING FACTORY, on the other hand, also located near the headquarters in Sorocaba, has an independent measurement management, due to the type of product manufactured.



# GREENHOUSE GAS EMISSIONS

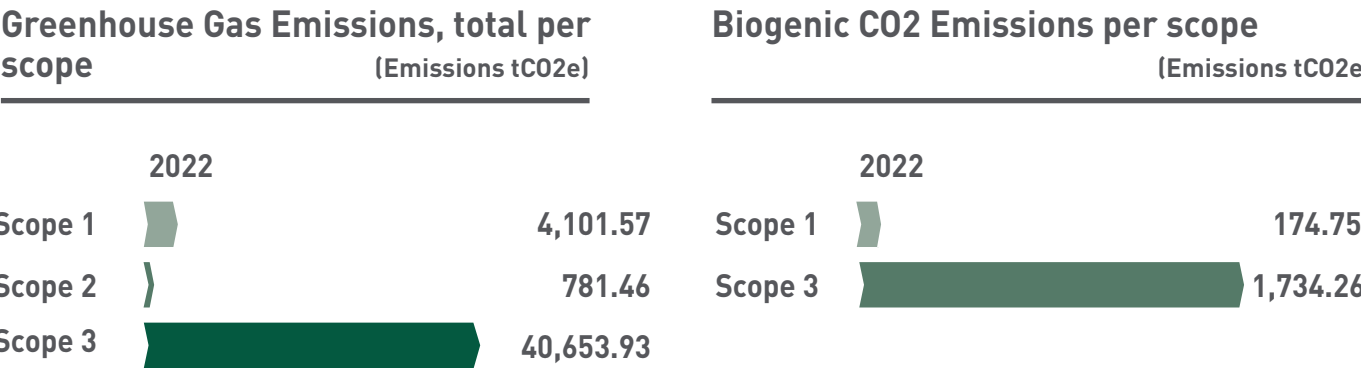
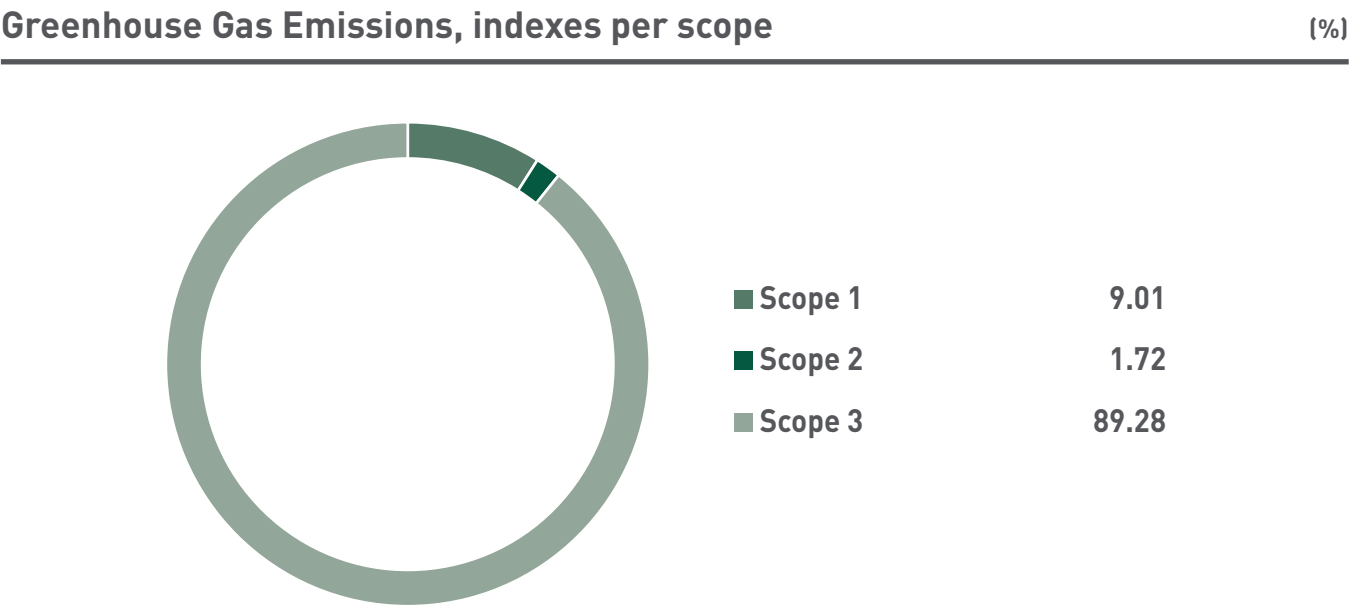
GRI 302-2, GRI 305-1, GRI 305-2, GRI 305-3, 305-4, GRI 305-5

## IMPACTS AND ACTIONS

For the past 13 years, IHARA has prepared its annual Greenhouse Gas Emissions Inventory in accordance with the methodologies of the GHG Protocol. The company has implemented various measures to reduce emissions from scopes 1, 2 and 3.

During the year, the company emitted 4,101.57 tCO2e in terms of direct emissions (Scope 1) and 781.46 tCO2e in terms of indirect emissions (Scope 2). Scope 3 emissions (other indirect emissions) amounted to 40,653.93 tCO2e, taking into account the gases CO2, CH4, N2O and HFCs. Total direct and indirect biogenic emissions amounted to 1,909.01 tCO2e.

The data is summarized in the following charts



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 3/4 of this material (2022 data) in the manufacture of packaging.



# MATERIAL USAGE

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

The purchase of input materials and packaging is managed by an IHARA system and follows the production demand. In 2022, the company consumed 29,414 Ton and 24,266,108 units of materials, as shown in the following table:

## Renewable Material Used (Volume)

Name	Type	2020	2021	2022
Recycled plastic bottles (unit)	Input material (Packages)	0	757,986	1,024,667
Recycled plastic lids (unit)	Input material (Packages)	7,570,950	9,679,958	13,521,400

## Non-renewable Material Used (Volume)

Name	Type	2020	2021	2022
Mixture of esters and ethoxylated fatty alcohol (ton)	Input material	2,287	3,335	1,451
Mineral Oil (ton)	Input material	7,046	9,265	12,998
Xylol (ton)	Input material	944	1,131	1,056
KOH Solution (ton)	Input material	11,098	10,428	11,255
Decyl glycoside mixture in water (ton)	Input material	2,305	2,147	2,653
Plastic Cannister and plastic bottles (unit)	Input material (Packages)	7,031.954	6,903,979	9,720,041

IHARA has achieved a significant growth in the percentage of post-consumer resin used in the manufacture of plastic bottles at its Sorocaba packaging plant: the ratio has grown from 53% in 2021 to 79% in 2022. The reuse of the input has an even greater dimension when you look at the almost 20% increase in the production of units from one year to the next.

## Number of packages produced by the IHARA plant in Sorocaba

Packaging Production (unit)		Recycled material consumption (%)	
2020*	143,070	2020*	0
2021	2,329,840	2021	53%
2022	2,770,900	2022	79%

\* Implementation year. The plant started operating in 4 shifts in 2021

# WASTE MANAGEMENT

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

Reduce, reuse and recycle - the so-called “3 R’s of Sustainability” - are the basis of the measures taken by IHARA in the management of the materials used and the waste generated in its processes.

The company’s goal is to progressively reduce the amount of waste per ton produced. The comparative performance of the index is shown below, highlighting its continuous decline over the last three years, such as the 13% decline between 2021 and 2022.

## Waste Generation Index (ton./ton. Produced)



The management of these wastes includes the stages of sorting, quantification and final disposal in accordance with the standards and best treatment technologies described below.

## Waste sent for disposal, per type of disposal operation (ton.)

Waste composition	Waste description	2020	2021	2022
Hazardous and non-hazardous waste	Co-processing, External Treatment and Incineration	14,493.00	14,664.00	15,601.36
Hazardous waste	Recycling	715.00	1,035.00	1,584.71
Non-hazardous waste	Recycling	2,295.00	2,425.00	2,444.56
Total		17,503	18,124	19,631



# PRODUCT LIABILITY

GRI 2-27

IHARA works on several fronts to ensure safety in the manufacture, efficacy, labeling, application and post-application of all products in its portfolio. The pesticides are strictly regulated, undergoing rigorous environmental and human health evaluation. The products cannot be marketed until they have been approved by the government agencies responsible for the analyses. The entire range of products sold by IHARA is 100% in Compliance with environmental and social issues. IHARA seeks formulations that are increasingly environmentally friendly (a constant challenge for its R&D department), invests in the proper disposal of product packaging used in the field, conducts training sessions and distributes PPE, among other measures that demonstrate its socio-environmental responsibility.

## PRODUCT SAFETY

GRI 203-2, GRI 416-1

In order to ensure the safety of its products, IHARA:

- Continually invests in research and development of environmentally safe solutions and biological products;
- Uses labeling standards and information on product packaging in accordance with licensing and use regulations. Labels and leaflets provide information on the correct use, composition and active ingredients, as well as information on environmental and health hazards, in accordance with Article 49 of Federal Decree 4.074/2002;
- Promotes all studies required by the government for registration submission (residues, toxicity, etc.) in facilities certified in Good Laboratory Practices (GLP);
- Advises customers and agricultural technicians on the correct and safe use of its products and on Good Agricultural Practices (GAP), through Stewardship actions and the Cultivida program, particularly by increasing the free distribution of personal protective equipment year after year, holding socio-educational events, as well as expanding partnerships to increase the reach of these actions and increasing communication through digital platforms;
- Constantly trains its sales teams to guide the correct use of its products at the sales and/or application sites, in direct dialog with the producer. Through a partnership with Sindiveg (National Union of the Crop Protection Industry), IHARA has promoted a course since 2022 to raise the awareness of its sales team on the correct and safe use of the products in its portfolio.

It is also worth mentioning that the Stewardship area is developing the Advocacy Plan, which aims to intensify actions in defense of Good Agricultural Practices. Among them, those related to the control of the MRL (Maximum Residue Limit), and the producer training. IHARA maintains an active participation in Sindiveg committees, which, in turn, represents one of the main partners of the Legal Applicator Program, of the Ministry of Agriculture, Livestock and Supply (MAPA), which is also supported by Croplife Brazil. The aim is to train pesticide applicators in the field, a measure provided for in Federal Decree 10,833/2021 (which updates Federal Decree 4,074/2002)



## NEW REGISTRATION SUBMISSIONS IN 2022

During 2022, IHARA made seventeen (17) submissions to the registration regulatory agencies, five (05) of which relate to future launches of new herbicides, two (02) to new fungicides, and ten (10) to insecticides. All of these products have been tech-

nically evaluated for pest, weed and disease control and their formulations have been developed and tested by IHARA's own technology team to ensure a product that is safe for human health and the environment.

## TOXICITY REDUCTION INVESTMENTS (REINFORCING R&D ACTIONS)

The new products submitted to the government authorities have received investments to reduce their toxicity and guarantee their technical efficiency, which translates into safety for the rural producer.

## LABELING

GRI 417-1

The information on IHARA's product labels and leaflets fully complies with the requirements of specific pesticide Laws, Decrees and Ordinances.

In 2022, IHARA did not register any type of notifications regarding non-conformities, fines or penalties related to labeling.



# PACKAGING DISPOSAL AND RECYCLING PROGRAM

GRI 302-4, GRI 305-5

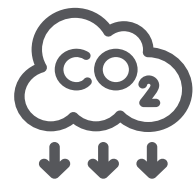
Brazil holds the world benchmark - 94% - in the correct disposal of pesticide packaging, a mark achieved by the inPev (National Institute for the Processing of Empty Packaging) through the Clean Countryside System (SCL). This initiative is supported by IHARA to protect the environment and develop more sustainable agriculture.

According to 2021 consolidated data, the Clean Countryside System collected 53.6 thousand tons of empty containers in that year, a new record. By extending the life cycle of materials and reducing

inappropriate extraction of natural resources, the Clean Countryside System plays a fundamental role in the sustainability of Brazilian agribusiness.

At least 650 thousand tons of packages have been collected in the country since the System's implementation, two decades ago. Studies carried out by the Espaço Eco Foundation show a significant reduction in the consumption of fossil fuels and water resources, in addition to the mitigation of climate impacts, brought about by this reverse logistics system over the period.

## ENVIRONMENTAL GAINS PROVIDED BY THE CLEAN COUNTRYSIDE SYSTEM SINCE ITS IMPLEMENTATION



Since its **implementation**, it has **avoided** the emission of **900,000 tons of CO<sub>2</sub>eq** into the atmosphere (corresponding to **16,000 truck trips** around the Earth).

In **2021** alone, it avoided the emission of **8,229 tons of CO<sub>2</sub> eq.** into the atmosphere (corresponding to **12.6 thousand barrels of oil**)



The system has already **avoided** the consumption of **36 billion megajoules** of energy (corresponding to the yearly electricity supply of **5.2 million homes**)

In **2021**, it avoided the consumption of **265 million megaJoules of energy** (corresponding to the **yearly electricity supply** of **38.4 thousand homes**)



Since its **inception**, the system has already **avoided** the consumption of **25 million liters of water\*** (equivalent to the **daily needs** of **1.1 million people**)

In the year **2021** alone, it **avoided** the consumption of **6.5 million liters of water** (equivalent to the **daily needs** of **33 thousand people**)

\*since 2019

# BIODIVERSITY

GRI 304-1, GRI 304-2, GRI 304-3, GRI 304-4

Sustainable food production and the protection of bees and other pollinating insects are the focus of IHARA's main biodiversity actions. They are part of the Conviver Project, which is responsible for maintaining houses that demonstrate the possibility of pollinating bees reproducing in an agricultural development environment. The project also operates on the educational front, through the publication of e-books (two volumes were released in 2022). IHARA also seeks to promote the replication of the Live Beehive Project, led by Sindiveg, which seeks to take Good Practices in the relationship between agriculture and beekeeping to the field.

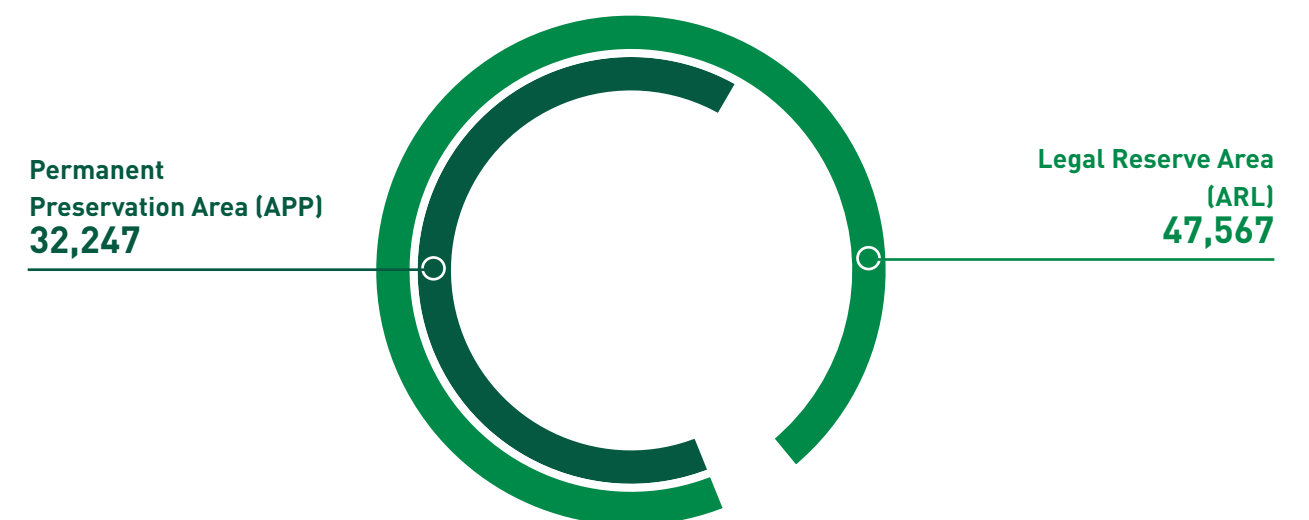
## PROTECTED AREAS

Covering a total of 232 hectares in Sorocaba, containing the administrative and industrial departments and the Research Center (agricultural department), IHARA has 47.6 hectares of Legal Reserves and 32.2 hectares of Permanent Preservation Areas (APP) within its territorial limits. IHARA's maintenance and conservation of these areas

is fundamental to the protection of local biodiversity. It is also important to note that in addition to complying with all applicable environmental permitting requirements, IHARA takes measures to mitigate all significant environmental impacts associated with its industrial operations.

### Protected areas at IHARA's headquarters in Sorocaba | SP

(hectares)



The organization also promotes employee awareness during their onboarding process, orienting them on the need to preserve these environments, as well as prohibiting the feeding of and interference with wild animals.



# CONVIVER PROJECT

GRI 203-2



The year 2022 was a milestone for the Conviver Project, an IHARA initiative that supports the reproduction of stingless pollinating bees: two new houses were inaugurated near the Company's Research Centers in Sarandi, Paraná, and Primavera do Leste, Mato Grosso. Investments in the project totaled R\$300,000 in the year.

The Conviver Project was implemented in Sorocaba in 2018, starting with the concept of hosting three species of stingless pollinator bees with the aim of testing the sustainable coexistence between these insects and IHARA's products, proving the possibility of coexistence between agricultural activities and beekeeping. Currently there are three units in place, always near the Research Centers. Bee species vary according to the characteristics of the region. The infrastructure of the houses includes a functional garden, wooden pergola, water foun-

tains and vegetation strategically chosen for the nutrition, well-being and attraction of other species of bees and insects.

The Conviver Project also produces and makes available e-books on the IHARA website. In 2022, it launched two new volumes of the series Crop Review with a Focus on Pollination by Bees, one of them covering fruit crops (melon, citrus, mango, apple, grape, tomato); the other involves cotton, eucalyptus, wheat, and peanut crops. The publications result from a partnership with Professor Osmar Malaspina (from UNESP, Rio Claro, SP) and Professor Roberta Nocelli (from UFSCAR, Araras Campus, SP). Both are experts on the subject and acted as consultants for IBAMA in the creation of the "Manual for Environmental Risk Assessment of Pesticides for Bees (ARA)". All volumes of the IHARA series are available at <https://bitly.com/SoGD3>

## "COLMEIA VIVA" LIVE BEEHIVE PROJECT

GRI 304-4

IHARA also acts as a propagator of the initiative developed by Sindiveg, the Live Beehive Project, which is part of the National Plan for Good Agricultural Practices - Beekeeping. IHARA's actions are carried out through the Stewardship department. The goal of the project is to prevent bee mortality

and promote incident mitigation. One of the main initiatives of Live Beehive is the MAP - Participatory Bee Mapping research, an initiative of Unesp and UFSCar, which aims to identify the factors that contribute to the loss of beehives and bees in the state of São Paulo, subsidizing the National Plan.



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# ABOUT THE REPORT

GRI 3-1

Our sustainability commitments are guided by actions in three main Axes: Management Transparency, Healthy Relationships, and Sustainable Industry.

They guide business decisions, how to do and how to proceed in our operations. We are advancing in ESG (Environment, Social and Governance) practices and every day efforts are seen toward sustainability commitments throughout the organization. At the same time, we are aware of additional targets that bring about growth in areas focused on sustainability.

From these efforts derive significant results for the business, for society, and especially for customers and employees.



# MATERIALITY & ENGAGEMENT

GRI 2-3, GRI 2-4, GRI 2-29, GRI 3-2, GRI 413-2

The Company has revised the 2016 materiality based on the new guidelines of the GRI (Global Reporting Initiative) Universal Standards. In this edition, the Sustainability Report follows the methodology of the GRI 3:2021 standard, to identify the material issues of 2022, and stems from the challenge proposed by GRI to identify its main impact issues: Health and Safety, Community Relations, Compliance, Emissions, Energy, Water, Materials and Waste, Product Quality and Safety, and Operational Risk Management.

Engaging with our stakeholders is a fundamental part of doing business and occurs through constant listening and daily interactions with key stakeholder groups: customers, suppliers, the community, and employees. All the contributions received were analyzed for the closing of this Report and, diligently, the improvement and evolution in the relevance of the material subjects of 2016 was sought. Based on this approach throughout the year, and analyses of current industry trends, we have defined the following material topics for our ESG reports:

Material Topics 2016	Material Topics 2022	Related SDGs
Management transparency	Ethics and Corporate Governance	<div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div>17 PARTNERSHIPS FOR THE GOALS</div></div>
Healthy relationships	Human Rights; Health and Safety; Relationship with the community	<div><div>3 GOOD HEALTH AND WELL-BEING</div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div>
Sustainable industry	Environmental quality and efficiency ; Product Liability	<div><div>2 ZERO HUNGER</div><div>6 CLEAN WATER AND SANITATION</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div><div>15 LIFE ON LAND</div></div>



To access the Materiality,  
click here

# GRI CONTENT INDEX

**Statement of Use: IHARA has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2022**

**GRI used: GRI 1: Foundation 2021**

	Disclosure Content	Location	Omission / Justification
<b>GRI 2 2021: General Contents</b>		8, 16	
2-1	Organization Details	8	
2-2	Entities included in the organization's sustainability report	63	
2-3	Reporting period, frequency, and point of contact	63	
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2-6	Activities, value chain and other business relationships	16	
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2-10	Nomination and selection of the highest governance body	22	
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2-13	Delegation of responsibility for managing impacts	22	
2-14	Role of the highest governance body in sustainability reporting	22	
2-15	Conflicts of interest		
2-16	Communication of critical concerns	28, 42	
2-17	Collective knowledge of the highest governance body		
2-18	Evaluation of the performance of the highest governance body		
2-19	Remuneration policies		
2-20	Process to determine remuneration		
2-21	Annual total compensation ratio	34	
2-22	Statement on sustainable development strategy	4, 20	
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2-26	Mechanisms for seeking advice and raising concerns	24, 42	
2-27	Cumprimento de leis e regulamentos	24, 56	
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2-29	Stakeholder engagement	21, 63	
2-30	Collective bargaining agreements	34	

	Disclosure Content	Location	Omission / Justification
<b>GRI 2 2021: General Contents</b>			
3-1	Process to determine material topics	62	
3-2	List of material topics	63	
<b>Topic Standards</b>	<b>MATERIAL TOPIC: MANAGEMENT TRANSPARENCY</b>		
3-3	Management of the material topic	7	
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed.	28	
	201-2 Financial implications and other risks and opportunities due to climate change.	29	
GRI 202: MARKET PRESENCE 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage.	38	
	202-2 Proportion of senior management hired from the local community.	23	
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption.	24	
GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		
GRI 207: TAX 2019	207-1 Approach to tax	30	
<b>Topic Standards</b>	<b>MATERIAL TOPIC: HEALTHY RELATIONSHIPS</b>		
3-3	Management of the material topic	33	
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover.	35	
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees.	38	
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes		The minimum notice period varies depending on the nature of the change, but ensures a viable and compatible time frame.
	403-1 Occupational health and safety management system	39	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-5 Worker training on occupational health and safety	39	
	403-6 Promotion of worker health	39	
	403-9 Work-related injuries	39	
	403-10 Work-related ill health		There were no occurrences.
404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	38	
	404-2 Programs for upgrading employee skills and transition assistance programs	38	
	404-3 Percentage of employees receiving regular performance and career development reviews	38	



	Disclosure Content	Location	Omission / Justification
405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees.	34	
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	24	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor.	43	
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.	43	
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	24	
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs.	46	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria.		
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	46	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories. 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.	56	
GRI 417: MARKETING AND LABELING 2016	417-1 Requirements for product and service information and labeling.	57	
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	42	
<b>Topic Standards</b>	<b>MATERIAL TOPIC: SUSTAINABLE INDUSTRY</b>		
3-3	Management of the material topic	49	
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume. 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials	52 52 54	
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization 302-2 Energy consumption outside of the organization 302-3 Energy intensity 302-4 Reduction of energy consumption 302-5 Reductions in energy requirements of products and services	52 53 52 52, 58 52	

	Disclosure Content	Location	Omission / Justification
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource 303-2 Management of water discharge related impacts 303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption	51 51 51 51 51	
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas 304-2 Significant impacts of activities, products and services on biodiversity 304-3 Habitats protected or restored 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	59 59 59 59, 61	
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions 305-2 Energy indirect (Scope 2) GHG emissions 305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions 305-6 Emissions of ozone-depleting substances (ODS) 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	53 53 53 53 53, 58  	
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	55 55 55 55 55	
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria  308-2 Negative environmental impacts in the supply chain and actions taken	  43	



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