



**SUSTAINABILITY
REPORT
2021**





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MESSAGE FROM THE PRESIDENT

GRI 102-14, 102-15

DEAR ALL,

We would like to share the thirteenth IHARA Sustainability Report in which demonstrate that, even in a year that was once again challenging due to the global pandemic, we continued to innovate and show growth.

In 2021, we perceived a vigorous economy recovery as vaccination progressed, but with some waves of instability as a result of virus variants.

In the midst of the effort for global recovery, we can notice, among other points, increase in the prices of commodities such as oil, metals and food; increase in freight and logistics prices in general; rising inflation in many countries, including the United States; expectations of a resumption of interest rate increases in the United States and other countries. In Brazil, we are witnessing a political scenario of great instability and significant impacts on agriculture, arising from the aforementioned global factors.

Despite the challenging moment, we remain confident in our country's vocation for agriculture and livestock, and we believe that food production and planting area will consistently continue to grow. We are so confident that, regardless of the barriers and challenges of the year, IHARA has once again shown significant achievements.

We have reached historic sales records, which has been boosted by the registration of new products and that made our portfolio unique in the market, among which we highlight HAYATE, a caterpillar insecticide for soybean crops; CONVENCE FS, an insecticidal seed treatment also for soybean, bean and cotton; CHASER, the only product with insecticidal and fungicidal action for cotton; SONDA, an excellent herbicide for corn; ROMEO SC, an innovative biological fungicide to enhance the integrated management of soybean farmers. In addition to the launches, we also had several leaflet extensions for our solutions, for

new targets and cultures, which made our portfolio even more robust.

From environmental point of view, we remain committed to improving our indicators, seeking to reduce: (i) water consumption, 3% reduction compared to 2020; (ii) waste disposal, 8% reduction compared to 2020.

Regarding our employees, even in such a delicate year, in which several companies closed their activities or had to reduce their staff, we invested in hiring, creating positions and increasing our staff to more than 800 employees.

All this effort and engagement brought not only positive financial results, but also, again, important market recognition. We were recognized, for the second consecutive time, in first place in the "As Melhores da Dinheiro" award, by IstoÉ Dinheiro magazine, in the Raw Materials category; and for the eighth time, we were awarded first place in the "Os Melhores do Agronegócio" award, from Globo Rural magazine. We were also elected, for the second consecutive year, one of the Incredible Places to Work, in the award given by UOL and FIA. Also,

in 2021, IHARA was elected as one of the 100 largest companies in Brazilian Agribusiness by Forbes and for the first time, won three awards at ABMR&A (Brazilian Association of Rural Marketing and Agribusiness).

At the beginning of this year, we obtained the renewal of the Mais Integridade warranty seal, from the Ministry of Agriculture, Livestock and Supply (MAPA), in which only 19 companies were certified, with only one in the pesticide sector – IHARA, which for the third consecutive year, was recognized for its best governance and management practices in agribusiness.

In 2022, we will remain firm in our purpose of contributing so that farmers can continue to produce more and better, with technology and sustainability. Finally, I would like to congratulate all producers for their resilience and for turning our country's natural vocation into an economic reality, harvesting the biggest harvest in history and thus enabling a more promising future for the country.

Enjoy your reading!

JOSÉ GONÇALVES DO AMARAL
PRESIDENT OF IHARA



About **IHARA**

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



IHARA'S MISSION, VISION, BELIEFS AND VALUES

GRI 102-16

MISSION

To contribute to the progress and competitiveness of Brazilian agriculture.

VISION

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

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

With trust and cooperation, let us help each other to improve and make each other's lives stable.

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 feelings.

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

OUR PLANET

The world will 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 are "owners" of this country. We believe that Brazil is the most viable alternative to feed the world. We put all our energy into this noble mission.

We 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 engaged conduct we can exceed and surprise the expectations of our stakeholders. Great achievements do not happen overnight; instead, they result from the sum of small achievements made consistently, with determination and courage. What matters are sustainable results.

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

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

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

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

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

In any matter our decisions are based on: loyalty, justice, courage, love and humility, in that order. We are

responsible for our company, our brand and our image. We are proud of our "IHARA Way of Being".

OUR PEOPLE

We are IHARA because we have chosen to be it! We cultivate the spirit of business owner in each employee. We are responsible for our choices. Our people are our greatest asset. Excellent people with great results and a desire to grow are recognized and rewarded accordingly.

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

We believe in leading by example. We evaluate our leaders for 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 laws and moral principles.

We have humbleness as a principle. We value the ability to listen, dissent and respectfully express yourself.

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 a high value.

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

Our people 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. Mr. Inamori's success story and Kyocera's philosophy were the basis for the elaboration of IHARA's Beliefs and Values.

IHARABRAS S/A Indústrias Químicas is a Brazilian company, a closed capital corporation, with a corporate structure composed mainly of Japanese companies. The company has been operating for over 55 years in the research, development, production and marketing of pesticides, seeking to provide farmers with solutions to protect crops against diseases, pests and weeds.

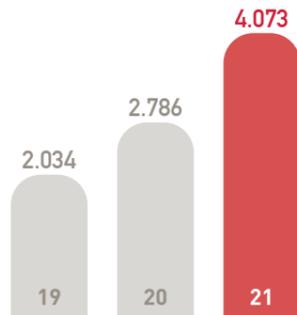
Its headquarters are located in the city of Sorocaba (SP), where its administrative offices, production plants, research and distribution centers are located. The company also has six other distribution centers, located in the states of Bahia, Goiás, Mato Grosso, Paraná and Rio Grande do Sul. In 2020, IHARA concluded the work on the research centers in Primavera do Leste (MT) and Sarandi (PR); in 2021, work began on the distribution center in Luis Eduardo Magalhães (BA), and inaugurated the new Primavera do Leste (MT) distribution center.

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

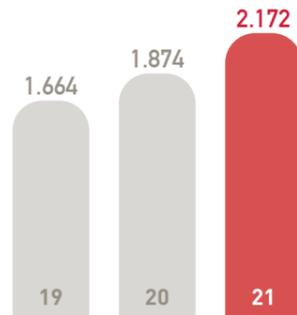
COMPANY'S SIZE

GRI 102-7

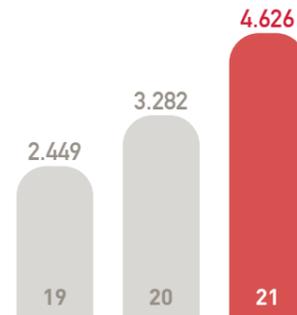
NET SALES (R\$ BILLION)



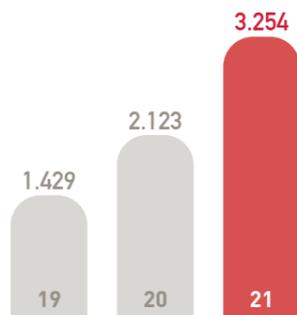
NET EQUITY (R\$ BILLION)



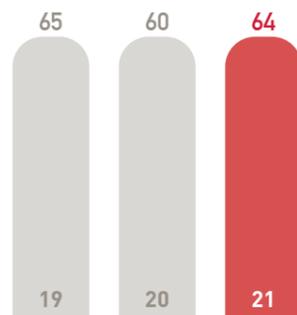
TOTAL ASSETS (R\$ BILLION)



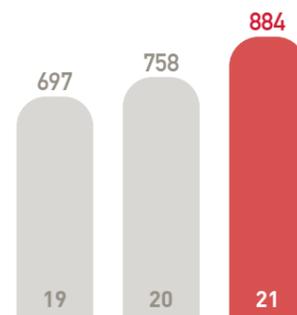
COSTS (R\$ BILLION)



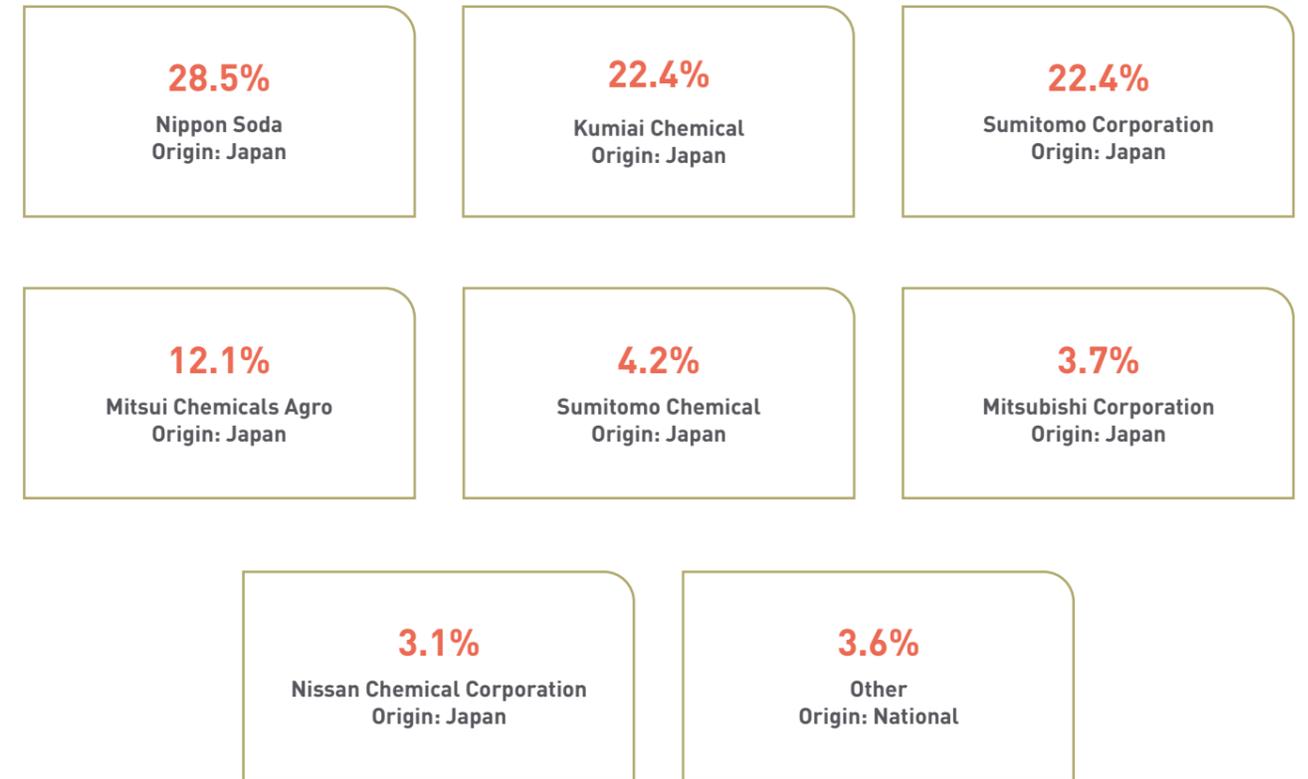
NUMBER OF PRODUCTS



NUMBER OF EMPLOYEES



CORPORATE COMPOSITION



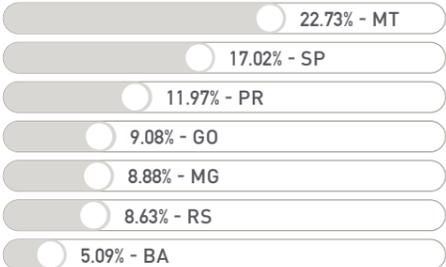


MARKETS SERVED

GRI 102-6

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

BY STATE*

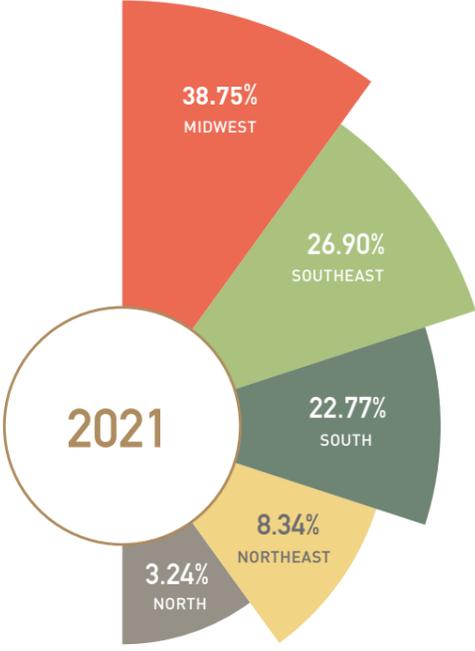


* The rest is divided among the other Brazilian states.

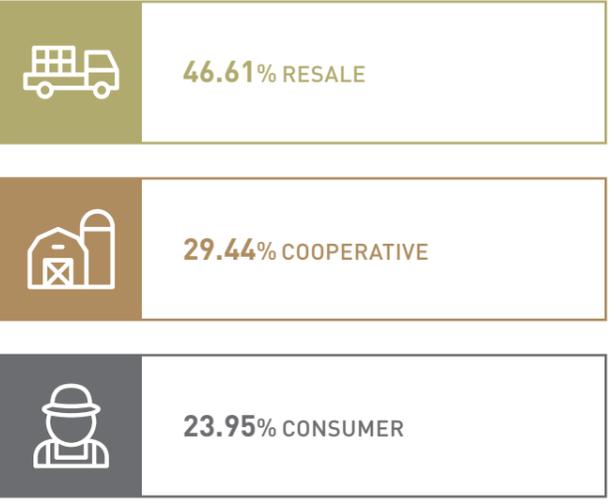
BY CROP



BY REGION



BY CLIENT/BENEFICIARY



TIMELINE

1965

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

1991 - 1997

- IHARA invests in facilities, expansion works, renovations and modernization.
- Inauguration of the factory for the synthesis of the thiophanate methyl fungicide.

2011

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

2015

- 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.

2019

- IHARA's first flex plant for herbicides is built and a new synthesis plant is inaugurated.
- The historic record mark of US\$ 500 million in sales is surpassed.
- Two agricultural areas are acquired to accommodate research centers in Paraná and Mato Grosso.
- IHARA opens a representative office in China.
- IHARA launches new products from the Dino Family, with four insecticides thinking about the main problems of the Brazilian farmer: Zeus, Maxsan, Spirit and Dino.

2021

- IHARA invests in the installation of a pilot plant, called Flex, to improve the development of new formulations.
- IHARA invests in a formulation development laboratory for biological products and fully modernizes its pesticide formulation laboratory.
- In order to invest in the trading market of agricultural raw materials, IHARA has established the Terra Agro Holding Ltda company, as a controlling shareholder.

1970 - 1990

- The company's first factory is officially opened, in Osasco (SP).
- In the beginning of the 80's, the office is opened in Sorocaba/SP. In mid-1982, the factory was transferred and the entire operation was unified in Sorocaba.
- New facilities are inaugurated and, during this period, the synthesis of the herbicide propanyl molecule is also inaugurated.

2004

- Revenue reaches US\$ 100 million.

2012 - 2014

- The company continues to invest in improvements, installing a new effluent treatment plant.
- New projects begin to be developed as new molecules arrive from Japan.
- The Distribution and Segregation Center of the Herbicide Plant is built.

2016 - 2018

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

2020

- New SAP management system is implemented.
- IHARA innovates and brings more solutions to the farmer, with the launch of "Herbicides of the Future".
- The company wins the FIA Quality of the Work Environment seal.
- The packaging factory is inaugurated.

AWARDS



For the second consecutive year, IHARA was elected one of the Incredible Places to Work, in the award given by UOL and Fundação Instituto de Administração (FIA).



For the second consecutive time, we won first place in the "As Melhores da Dinheiro" award, from IstoÉ Dinheiro magazine, in the raw materials category.



At the beginning of 2021, we obtained the renewal of the Mais Integridade warranty seal, from the Ministry of Agriculture, Livestock and Supply (MAPA) only 19 companies were certified, only one in the pesticide sector - IHARA, which for the third consecutive time was awarded by the Ministry with the best governance and management practices in agribusiness.



For the first time, IHARA won three trophies at ABMR&A (Brazilian Association of Rural Marketing and Agribusiness), considered the highest award in agribusiness, being gold with the Kyojin Special Announcement case, silver with the Dino Family Press Launch Kit - Announcement or differentiated use of print and gold with the program Hora H do Agro on Jovem Pan - Spot, Jingle category or differentiated use on radio.



For the eighth time, IHARA was awarded first place in the "Os melhores do Agronegócio" award, by Globo Rural magazine, and in the last two years the company was elected in the pesticides category.

Forbes

In 2021, IHARA was elected as one of the 100 largest companies in Brazilian Agribusiness by Forbes, one of the most prestigious business and economics magazines in the world.

INSTITUTIONAL RELATIONSHIPS

GRI 102-12

IHARA has institutional relationships with several organizations, among which the following can be mentioned:

- Brazilian Association of Rural Marketing and Agribusiness (ABMRA)
- Brazilian Association of Technical Standards (ABNT)
- Brazilian Association of Human Resources (ABRH)
- Center of Industries of the State of São Paulo (Ciesp-SP)
- CropLife Brazil
- Fungicide Resistance Action Committee (FRAC)
- Herbicide Resistance Action Committee (HRAC)
- Insecticide Resistance Action Committee (IRAC)
- National Institute for the Processing of Empty Packaging (inpEV)
- ProHuma Institute for Scientific Studies (ProHuma)
- International Life Science Institute (ILSI)
- National Union of the Plant Defense Products Industry (Sidiveg)

STRATEGIC PLANNING

In our strategy formulation and implementation process, which is annually revised, IHARA assesses the environment in which it operates, observing, among others, the economic, environmental and social perspective. Based on this analysis, measures are taken, which are aligned with corporate initiatives based on our strategic directions, guiding the goals established for our results. These measures and initiatives are topics of work in all areas of the company. Among the directions annually worked in our strategic formulation and implementation process are Corporate Governance, Corporate Risks, New Business and Market Development, Research and Development, Marketing

and Portfolio, Communication, Financial Risks, Operations and Compliance and Personnel Development. Our guidelines also include the constant search for process improvements with the best quality control, in order to guarantee high quality products with the best of the Japanese technology to meet the needs of farmers. Also, the commitment to the best operational efficiency, aiming to reduce costs and increase productivity, always in accordance with sustainability initiatives, reducing waste generation, water and electricity consumption, promoting the correct use of personal protective equipment.



Corporate Governance

Ethics and integrity are essential values that are reflected in the way IHARA works and relates to its main stakeholders.

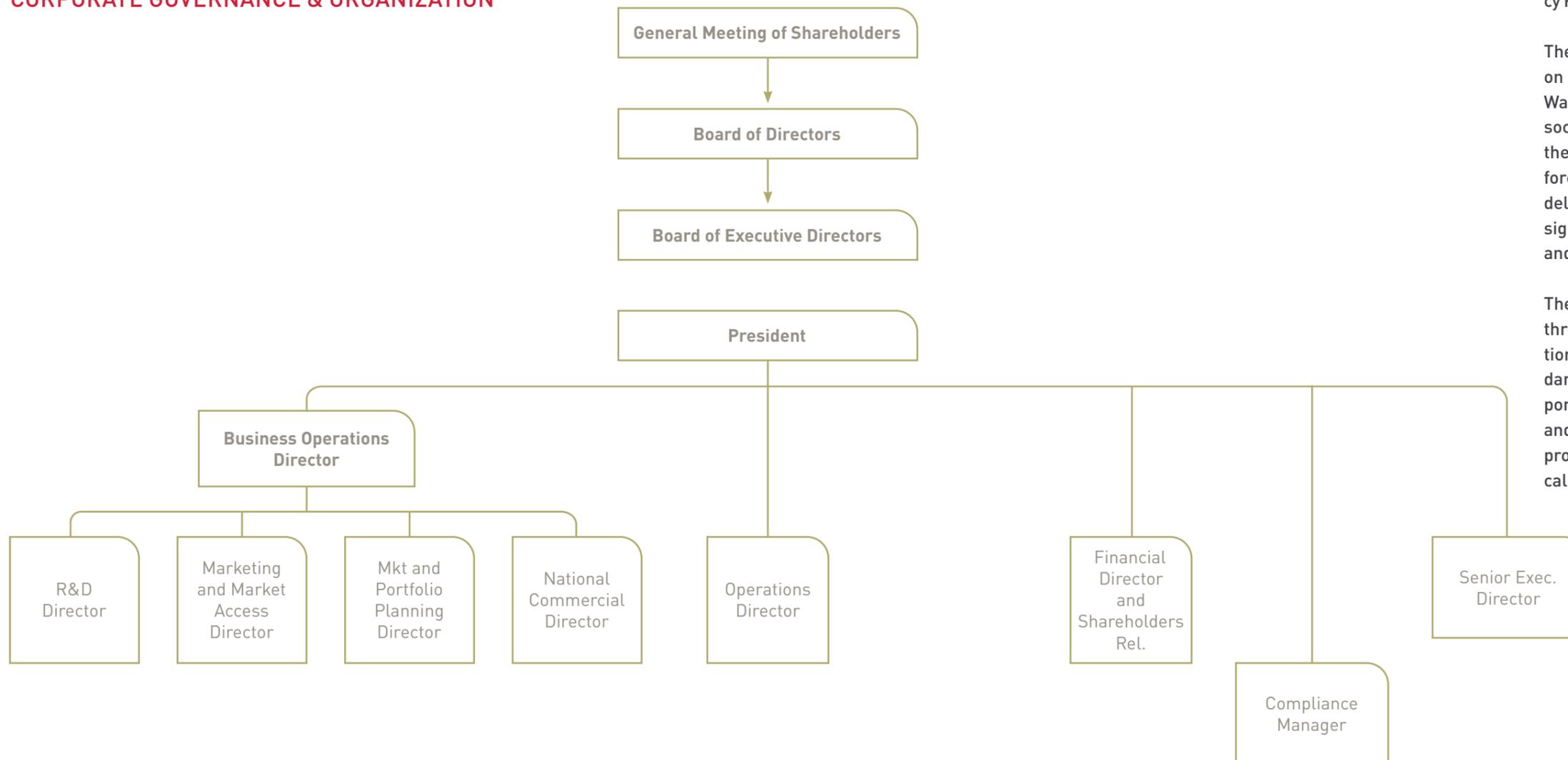
IHARA seeks a continuous evolution in its governance structure, in order to sustain growth through the implementation of a system and review of processes and internal controls.

IHARA's governance structure is composed of the General Meeting, The Board of Directors and the Executive Board, which is supported by Strategic Committees, which have the contribution of members of the Board of Directors, the Chairman's Advisory Board, in addition to selected directors and managers, according to each theme.

The General Meeting Assembly is held annually, on an ordinary basis, to render accounts to shareholders and society. Every two years, elections are held during the meetings for the composition of the Administrative Council, which is responsible for the election of statutory directors.

As of January 1st, 2022, IHARA's President will be Mr. Julio Borges Garcia, who will stand down as Chairman of the Board of Directors, also assuming the responsibility of Vice-Chairman of the Board of Directors. For the biennium 2022/2023, in addition to Mr. Julio Borges, the Board of Directors will count with Mr. Masaru Yokoyama as Chairman and Mr. Kazuo Oba as Vice President, both representatives appointed by shareholders, also, as an independent board member, there will be Mr. Antonio Carlos Felix Tarifa Damaceno

CORPORATE GOVERNANCE & ORGANIZATION



STRATEGIC COMMITTEES

Compensation and Nomination Advisory Committee

Portfolio Committee

Sustainability Committee

Corporate Risks Committee

Audit and Compliance Committee

OPERATIONAL COMMITTEES

Planning and Investments Committee

Treasury and Credit Committee

Legal Affairs Committee

ETHICS AND INTEGRITY

Ethics and integrity are essential values that are reflected in the way IHARA works and relates to its main stakeholders.

To ensure that the risks related to corruption are properly reduced and mitigated, IHARA has put in place policies and controls that guarantee coverage of all these risks. Such controls are monitored and directly participated by the Senior Management and the Compliance team.

In 2021, no relevant risks were identified. The company has controls and an audit process, supported by the Audit and Compliance Committee, by the Corporate Risk Committee.

IHARA does not maintain relationships with companies that are not reputable. The company carries out audits based on information obtained through the "Transparency Portal" and carries out a periodic analysis of suppliers.

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

The company encourages all employees to report, through the available communication channels, situations that are not in line with the organization's standards of behavior. IHARA prohibits retaliation for reports made in good faith, and makes available totems and forms for anonymous description of identified problems; this procedure can also be done electronically, always anonymously.



Positioning regarding the **Covid-19** pandemic

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



Facing the Covid-19 pandemic, IHARA has invested in actions for the health of its employees and customers, as well as in the continuity of its business. The main actions taken by the company were:

- Reduction in the movement of people (homeoffice or banked hours);
- Early individual vacation (focusing on the risk group);
- Limitation of meeting room capacity to 50%, after the flexibilization of contact restriction measures;
- Expanding meal times and changing the layout of restaurants;

- Increasing the frequency of work place cleaning and employee awareness measures.

The company maintained an outpatient monitoring that includes Testing, Prevention and Follow-up Protocol Plan for people with symptoms of the disease and suspected cases. This protocol is also carried out for new employees. Monitoring includes temperature check of all employees, outsourced workers and truck drivers, as well as reporting to the Board and Management on the daily update of new cases. In addition, vaccination control of all doses against COVID-19 was implemented.

IHARA also hastened the Influenza Vaccination Campaign and carried out rapid tests on employees' family members, with a payroll discount.

The company also developed a Communication Plan, with the distribution of banners throughout the company and the submission of communications on issues such as:

- Physical and mental well-being;
- Covid-19 prevention;
- Home office tips;
- Temperature measurement need;
- Care in the use of the restaurant, bathrooms and meeting rooms;
- Guidance for drivers, truck drivers and outsourced employees;

- Preventive health care, through WhatsApp videos prepared by the occupational physician.

During the year, another actions were also carried out to raise awareness among IHARA employees, such as maintaining the IHARA Covid-19 application and carrying out the Covid-19 blitz in the company's internal areas, in order to identify deviations that could compromise employees safety.

DONATIONS

During the pandemic, IHARA supported regional communities and national entities in the fight against coronavirus through donations of monetary values, in addition to food staples, alcohol gel and personal protective equipment (PPE), as shown in the table below.

IHARA'S DONATIONS - COVID 19

Institution	Quantity	Item	IHARA Total Amount
Centro Vicentino Nossa Senhora das Dores	80 liters	Alcohol gel	1,160.00
Sorocaba Health Department	425	PPE aprons	3,277.10
Natal Sem Fome	137	Food Staples	3,436.60
Santa Casa de Sorocaba	300 liters	Alcohol gel	4,350.00
Flower shops impacted by Covid-19	635	Flowers for Mother's Day Action	4,920.00
Brazilian Red Cross - SP	3,528 un	Hygiene and cleaning products	4,995.58
Fundo Social de Solidariedade Sorocaba	500	Food Staples	13,000.00
Donation to employees and institutions	7.850 un	Masks	26,685.00
Hospital de amor Barretos e Amigos do Bem	1,124	Beneficiary live session with the duo ZC&L - Food Staples	29,224.00
UNICA	5,040 un	Plastic drums for alcohol packaging	43,980.80
Santa Casa de Sorocaba	5	Automated beds for Covid-19 ICU beds	58,602.90
HFC Saúde	3	Automated hospital beds for ICU	62,000.00
Doctor Without Borders	1	Donation to the COVID-19 Fund	100,000.00
Food donations	13,800	Purchase of fruits and vegetables production and donation to entities	966,000.00
Total			1,321,631.98



IHARA's portfolio

In the process of developing new products, IHARA seeks high standards of innovation and quality, considering the risks and impacts on human health and the environment, selecting only compounds that are safe for use.



RESPONSIBILITY FOR THE PRODUCTS

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

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

- Prioritization and development strategy for environmentally safe products;
- Investment in organic products;
- Carrying out all studies required by the government for registration submission (residue, toxicity, etc.) in entities certified for Good Laboratory Practices (GLP);
- Guidance to customers/users on the correct and safe way to apply them;
- Diffusion and encouragement of good agricultural practices, including PPE use;
- Creation and execution of the Cultivida project;
- Distribution of more than 300 thousand PPE for agriculture;
- Engagement in education and training actions in the field related to the correct use of specific products.

In 2021, IHARA made new submissions to the registration regulatory bodies, of a new herbicide and two new

insecticides. The company also submitted the leaflet extension for seven products (fungicides, herbicides and insecticides) in different crops. All these products have been technically evaluated for the control of pests, weeds and diseases, and their formulations were developed and tested by IHARA's own dedicated technology team in order to obtain a safe product for human health and the environment. That same year, the company obtained new registration approvals, including two formulated products, in addition to the approval of nine leaflet extensions. These products received investments to reduce toxicity and guarantee its technical efficiency, which turns into safety for rural producers.

IHARA markets special products, which require caution in their use. To manage the impacts related to health and safety, maintaining full compliance in its processes, IHARA has the support of the new SE Suite tool, of the Integrated Management System, which allows analyzing the causes of possible problems, preparing action and verifying its effectiveness. In 2021, there were no non-compliances with warnings or fines deemed valid. Faced with the risks related to the incorrect use of products, the company's technical and commercial teams are trained to instruct farmers and applicators to adopt good protection practices, including the use of appropriate PPE for the preparation of the product and its correct application. These professionals are also trained to provide the necessary assistance, recommending the correct time of application and the necessary doses of each product. In addition to complying with legal requirements, IHARA carries out actions aimed at society, distributors and the chemical industry. Examples of safety and best practices in the field, such as the Cultivida project, are detailed on page 31.

GRI 102-2

IHARA seeks to make available to the field products with modern molecules and sustainable technologies and, has expanded its capacity of research generation, investing in two new research centers with this function. It has expanded the capacity to generate demand and demonstrate its solutions in partnership with customers, cooperatives and resellers.

In order to meet 100% of the farmer's needs regarding the protection of their crops, IHARA has gone beyond than just researching and developing innovative products, but also sought to get to know daily challenges of those who are in the field and support them with guidelines, good practices and quality information through a robust demand and content generation strategy, which includes various actions such as debates and lectures with the sector, live sessions, podcasts, videos, interviews with experts, among other actions, thus helping farmers more and more in the search for high productivity and profitability.

NEW PRODUCTS

Throughout 2021, there were nine new product launches: IHARA reinforced its portfolio with novelties in fungicides, insecticides, herbicides and seed treatment. Over the past few years, we have launched a series of innovations to the market, designed to address the main problems faced by Brazilian farmers. In 2021 it was no different and IHARA launched the solutions: Chaser EW, Convence FS, Romeo SC, Hayate, Absoluto Fix, Pottente Max and Sonda, expanding its portfolio in the insecticide, herbicide, seed and biological treatment lines, in addition to obtaining registration of package insert extension of existing products for new targets and crops and the development of new formulations.

INVESTMENTS

For 2022, IHARA will continue to strongly increase its investments in research and development, promotion and work with the scientific community. The company will continue to bring quality information and solutions to farmers, growing and investing heavily to promote, position and generate value, and launching new products to the market, which will make its portfolio even more robust and complete.

PRODUCT LABELING AND INFORMATION

GRI 417-1

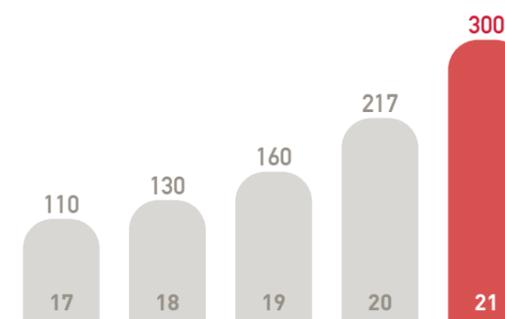
The labels and leaflets of all IHARA products are prepared in accordance with legal requirements, offering information about the correct use, composition and active ingredients, in addition to the indication of environmental hazard and health toxicity, all in accordance with Decree No. 4074, of January 4, 2002, Article 49.



CULTIVIDA

Cultivida is IHARA's program to encourage the correct and safe use of agricultural pesticides, which pillars are the Distribution of PPE and Awareness of Good Agricultural Practices. The program was launched in 2012, with the initial objective of guiding rural producers on the correct and safe use of pesticides, in addition to disseminating good practices and training public agents to identify and treat the health conditions of the rural population. This important IHARA's initiative contributed to reduce and mitigate cases of contamination, intoxication and occupational accidents related to agricultural pesticides in Brazil. Between 2012 and 2016, Cultivida traveled to 21 counties in 13 Brazilian states, benefiting more than 8,000 people, including health workers and smallholder farmers and their families. These people received important information, through lectures and educational and recreational activities related to good agricultural practices, such as the use of Personal Protective Equipment (PPE), application technology, final disposal of empty packaging, use of pesticides and other family and women's health topics. Through a partnership with the State University of Campinas (Unicamp), Cultivida also involved training health professionals from the Unified Health System (SUS) in the regions, with a total of 1,738 people trained in the first five years of the project.

PPE DISTRIBUTED (THOUSAND)



As of 2017, the Cultivida project, in addition to continuing to raise awareness of good agricultural practices, entered in the PPE distribution phase. Through the project, more than 900,000 PPE were delivered, with 300,000 distributed in 2021. This initiative has already benefited thousands of rural workers.

PACKAGING RECYCLING

In line with its philosophy, principles and values, IHARA is responsible for all stages involved in its production chain, seeking sustainable solutions compatible with each of its activities. One of its concerns refers to the environmentally correct destination of post-consumption crop protection packaging, which is the reason why IHARA partakes in the Campo Limpo System (SCL), which is mainly financed by crop protection companies to enable reverse logistics of empty packaging or post-consumption leftovers and coordinated by inpEV (inpev.org.br). In addition to being a member of inpEV, IHARA is also part of the institute's Board of Directors. The SCL is an internationally recognized successful model. Through this program, crop protection packages are properly disposed of, avoiding negative impacts on the environment due to improper disposal, which could compromise the soil, surface waters and groundwater. With environmentally appropriate disposal of 94% of the plastic packaging sold, Brazil has become a world reference in this area, accumulating 650 thousand tons of recycled packaging since 2002, with 53.4 thousand tons in 2021 alone. Through its Sustainability Program, IHARA seeks to engage its customers in issues related to the environment, with the elaboration of projects that associate reduction of environmental impact, social and economic benefits.



Economic- financial **performance**

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



GRI 201-1, 201-2

IHARA effectively contributed to wealth generation in the economy in which the company operates, in a global vision of performance. The wealth generated by IHARA had a positive impact not only to its shareholders, but also to its employees, customers and society. This is a result of the combined effort of all production factors, directed to meet the demands and needs of Brazilian farmers. The increase in IHARA sales in 2021 represents 47.1% compared to 2020, which is related to the strengthening IHARA's product portfolio as well as the growth in demand. The gross added value of R\$ 837.34M represents an increase of 32.1% compared to 2020 and 58.6% compared to 2019.

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

ADDED VALUE STATEMENT (%)

	2019	2020	2021
Shareholders	15.53	13.25	9.03
Employees (compensation and benefits for employees)	25.07	23.20	22.73
Government	30.35	31.73	33.66
Retained profit	37.21	32.28	40.05
Interest and rent (operating costs)	-8.17	-0.46	-5.47

STATEMENT OF ADDED VALUE - SUMMARIZED (MILLION R\$)

	2019	2020	2021
Revenues	2,081.44	2,885.75	4,246.69
Raw materials purchased from third parties	1,553.65	2,251.94	3,409.35
Gross added value	527.80	633.81	837.34
Withholdings	-11.11	-14.89	-20.24
Net added value produced by the organization	516.68	618.92	817.09
Added value received in transfer	34.40	33.45	23.84
Total added value to be distributed	551.09	652.37	840.94



Environmental **performance**

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

ENERGY

GRI 302-1

ELECTRICITY CONSUMPTION

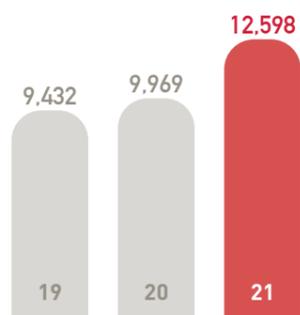
IHARA's energy matrix is made up mostly of electricity, and the company has a goal of reducing annual consumption. The efficiency indicator is based on consumption in MWh/ton produced.

In order to offer farmers more modern and safe products, it was necessary to expand industrial plants' functionalities, which changed the MWh/tonne rate by 5.6%.

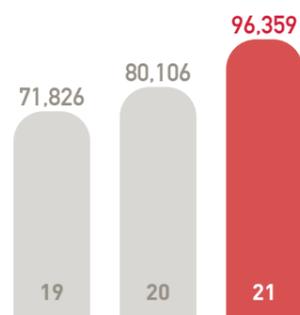
For 2022, as actions, IHARA aims to implement new projects to guarantee greater energy efficiency of the equipment used in the processes.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION – GRI 302-1

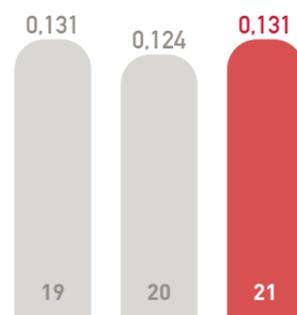
ELECTRICITY (MWH)



PRODUCTION VOLUME (TON)



INDEX (MWH/TON)



ENERGY CONSUMPTION WITHIN THE ORGANIZATION – GRI 302-1

	2019	2020	2021
Electricity MWh	9,432	9,969	12,598

ENERGY CONSUMPTION OF THE SYNTHESIS PROCESS

	2019	2020	2021
Electricity MWh	0	654	892

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

IHARA has a contract for the purchase of stimulated energy, acquiring energy from renewable sources that allow it to reduce its CO₂ emission.

ENVIRONMENTAL RISKS

GRI 102-11

To manage potential environmental impacts, IHARA establishes controls and mitigation actions. The company works with the introduction of projects, always focusing on reducing water and energy consumption, in addition to reducing the generation of industrial waste, for example, improving the efficiency of its processes, reducing the consumption of natural resources, using more efficient lighting systems and seeking renewable energies, among others.

EMISSIONS

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

For the 12th time, IHARA prepares its greenhouse gas emissions inventory, based on the methodologies of the GHG Protocol. In 2021, the company issued 20.509,6 tCO₂e, of which 2.491,4 refer to direct emissions (Scope 1) and 2.121,5 tCO₂e referring to indirect emissions (Scope 2). Scope 3 Emissions (other indirect emissions) were 15.896,7 tCO₂e, always considering CO₂, CH₄, N₂O and HFC gases in the calculations. As for direct and indirect biogenic emissions, total emissions were 2.059,4 tCO₂e.

GREENHOUSE GAS EMISSIONS, BY SCOPE (%)



12.1% SCOPE 1
10.3% SCOPE 2
77.6% SCOPE 3

GREENHOUSE GAS EMISSIONS

	2019	2020	2021
Direct emissions – SCOPE 1 – GRI 305-1	2,083.30	2,015.40	2,491.4
Indirect emissions – SCOPE 2 – GRI 305-2	753.10	867.00	2,121.5
Other indirect emissions – SCOPE 3 – GRI 305-3	15,582.70	13,853.70	15,896.7

	2019	2020	2021
Biogenic emissions SCOPE 1	1,120.2	1,095.7	210.3
Biogenic emissions SCOPE 3	1,679.8	1,498.7	1,849.1

WATER AND EFFLUENTS

GRI 303-1, 303-2, 303-3, 303-5, 306-1

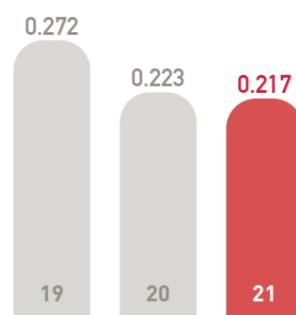
To identify impacts related to water, IHARA performs the stratification of consumption data in various production units, and performs the rationalization of consumption and reduction of effluent generation, through continuous improvement of processes, accompanied by performance indicators with reduction goals. The focus is on reducing relative consumption, considering production processes, ensuring a reduction in relative demand over time, combined with the focus on water recycling carried out in the internal treatment of effluents.

HARA's absolute water consumption in 2021 was 172,640 m³. The company's water supply was mainly guaranteed by surface water supply (58%), followed by underground water supply (36%), with a small share of the municipal supply network (2.3%).

The company's groundwater efficiency indicator is m³/ton produced, an index that excludes the volume of groundwater incorporated in the products. In 2021, IHA-

RA reduced by 3% the consumption from water compared to 2020, consuming 0.217 m³/Ton_L, even considering the increase in production, all the variation of new processes and new works constructions. Thus, it is concluded that the result of the monitoring process improvement and projects to reduce consumption has been satisfactory.

GROUNDWATER (M³/TON PRODUCED)



WATER FOR INDUSTRIAL PURPOSES (M³)

	2019	2020	2021
Underground water	19,527	17,831	20,874

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

	2019	2020	2021
Surface water	79.36	90.43	99.55
Underground water	40.80	50.97	62.33
Produced water	1.62	1.54	6.73
Third-party water	5.49	6.72	4.03
Total	127.27	149.66	172.64

TOTAL WATER CONSUMPTION - GRI 303-5

	2019	2020	2021
Total water withdrawal	127.27	149.66	172.64
Total water discharge	3.69	4.16	4.29
Total	123.58	145.50	168.35

MATERIALS AND WASTE

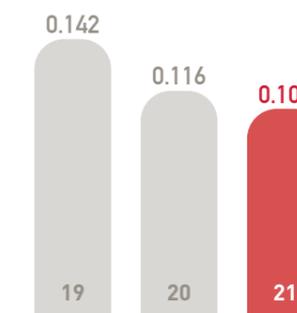
GRI 301-1, 306-3, 306-5

IHARA controls waste and manages it by origin, type and destination, always focusing on the "3 Rs" of sustainability.

The waste management indicator is tons of waste generated/ton produced. In 2021, IHARA reduced waste generation by 8% compared to 2020.

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

WASTE (TON./TON. PRODUCED)



GENERATED WASTE - GRI 306-3

Classification	Description	The amount (t)		
		2019	2020	2021
Hazardous and non-hazardous waste - co-processing/treatment/incineration	Contaminated packaging, sludge from effluent treatment plants, liquid waste, common urban waste, talc, rubble	2,910	1,905	2,874
Hazardous waste - recycling	Contaminated plastic and metal packaging, cells, batteries, light bulbs and electronic scrap	1,135	715	1,035
Non-hazardous waste - recycling	Paper, plastic, wood, glass and metal	1,949	2,295	2,425
Non-hazardous liquid waste - external treatment	Osmosis rejects, sludge from biological effluent treatment plant	3,692	4,162	3,987
Hazardous and non-hazardous waste - landfill	Common urban waste, talc and rubble	500	217	0
Total		10,186	9,294	10,321

WASTE GENERATED IN THE SYNTHESIS PROCESS

Classification	Description	The amount (t)		
		2019	2020	2021
Hazardous and non-hazardous waste - co-processing/treatment/incineration	Contaminated packaging, sludge from effluent treatment plants, liquid waste, common urban waste, talc, rubble	0	4,213	7,214
Non-hazardous liquid waste - external treatment	Osmosis rejects, sludge from biological effluent treatment plant	0	0	589
Total		0	4,213	7,803

WASTE DIRECTED TO DISPOSAL, BY TYPE OF DISPOSAL OPERATION - GRI 306-5

Hazardous waste	The amount (t)		
	2019	2020	2021
Incineration (with energy recovery)	0	0	0
Incineration (energy recovery)	98	73	105
Landfill	280	95	0
Total	378	168	105

Non-hazardous waste	The amount (t)		
	2019	2020	2021
Incineration (with energy recovery)	0	0	0
Incineration (no energy recovery)	0	0	0
Landfill	221	122	0
Total	221	122	0

In May 2020, IHARA stopped sending hazardous and non-hazardous waste to landfill. The company extended this method throughout 2021.



MATERIALS

IHARA manages its purchases of raw materials and packaging by system, following production demand. In 2021, the company consumed 25,176.12t and 17,341,923 units of materials.

RENEWABLE MATERIALS USED - GRI 301-1

Name	Type	2019 Volume / weight	2020 Volume / weight	2021 Volume / weight
Recycled plastic canisters (unit)	Recycled packaging/canisters, used in the packaging of finished products	227,184	0	757,986
Recycled plastic lids (unit)	Recycled lids, used in closing canisters of bottled finished products	4,772,200	7,570,950	9,679,958

NON-RENEWABLE MATERIALS USED - GRI 301-1

Name	Type	2019 Volume / weight	2020 Volume / weight	2021 Volume / weight
Mixture of esters and ethoxylated fatty alcohol (t)	Feedstock	2,747.19	2,287.37	3,335.25
Mineral oil (t)	Raw material used in the composition of the finished product	5,199.54	7,046.33	9,265.05
Xylol (t)	Solvent used in the manufacture of finished product	935.70	943.5	1,131.00
KOH solution - Herb (t)	Neutralizing	9,116.34	11,097.82	10,428.40
Mixture of decyl glycoside in water sol 60% - Herb (t)	Surfactant	2,221.13	2,304.99	2,147.42
Plastic bottles and canisters (unit)	Mono and Coex canisters of 5 l and 20 l; Mono and Coex bottles of 250 ml and 1 l	6,771,028	7,031,954	6,903,979

BIODIVERSITY

GRI 304-2

As a way of reducing and/or mitigating environmental impacts, IHARA complies with all requirements related to the environmental licensing of new expansion projects, new equipment or new products, and a survey of environmental aspects and impacts is also carried out through the Survey of Aspects and Environmental Impacts (LAIA), in which impact controls are inserted. All environmental requirements of the Environmental Company of the State of São Paulo (Cetesb), included in the licenses, are controlled and implemented in order to reduce and mitigate potential risks of impacts from IHARA's activities.

CONVIVER PROJECT

Since 2014, IHARA has been even more engaged in environmental issues, especially about the Pollinators that are so important for our fauna, flora and especially for our agriculture.

About 35% of the world food production volume is the result of the pollination of these insects, especially bees, knowing the essential service that pollinating insects perform in agriculture and to maintain the balance of these actions with the maintenance of biodiversity, IHARA has the Conviver Project.

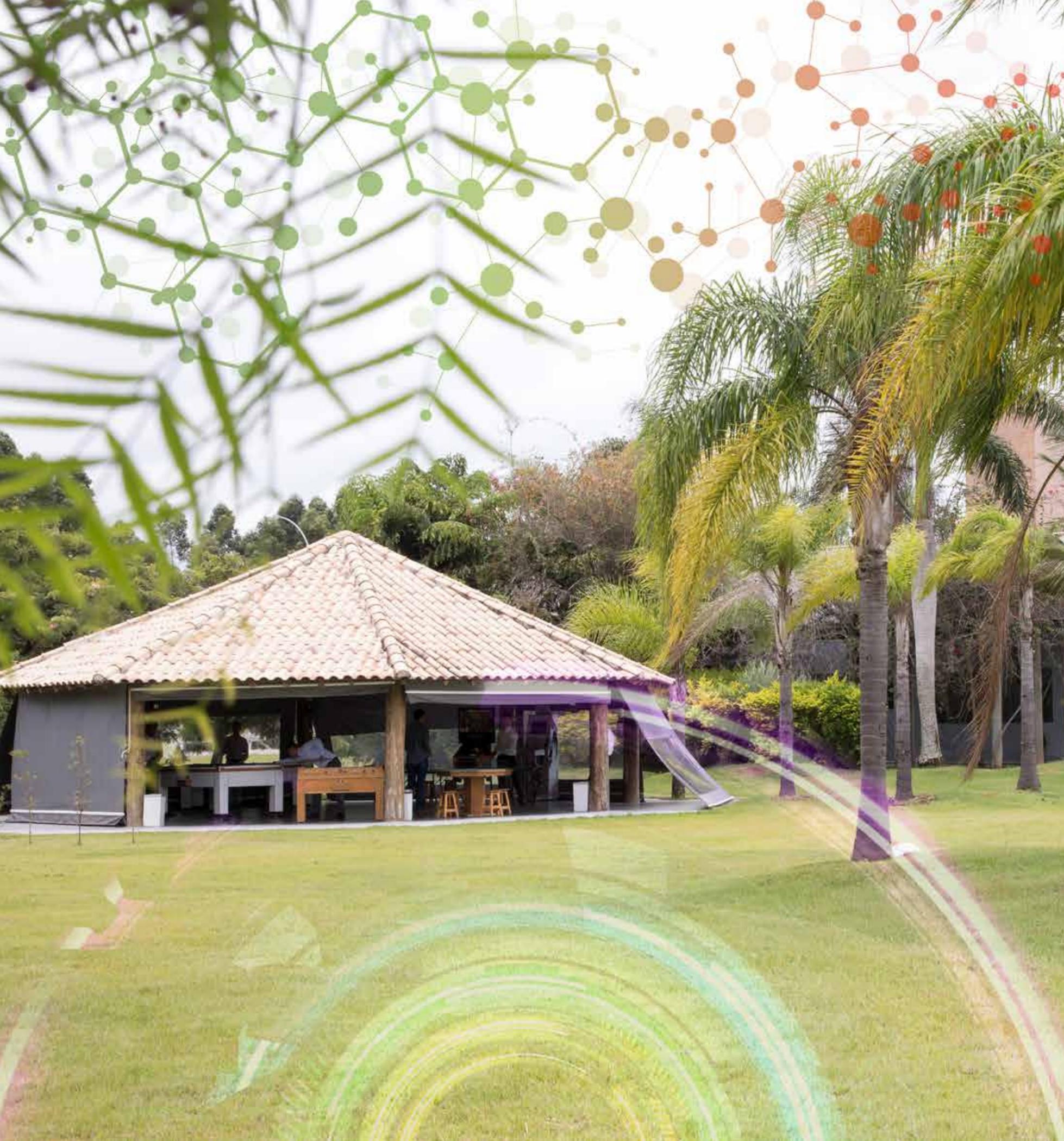
Through this project, IHARA's main objective is the protection of bees and the environment, focusing on valuing the service of pollination by insects and on the multiplication of knowledge in favor of Brazilian agriculture, taking to its employees, customers and partners the vision that communication and understanding on the subject is the key to ensure sustainable food production.

One of the fronts of this important project is the Morada Conviver. Inaugurated on June 13, 2018, the Morada is located on the premises of IHARA, at the Research Center, where the following bee species are located: Mandaçaia (*Melipona quadrifasciata anthidioides*), Jataí (*Tetragonisca angustula*) and Iraí (*Nanotrigona testaceicornis*), stingless species. The house can also house other species of bees and pollinators, as the structure has a functional and attractive garden for these insects. The garden was carefully designed in order to guarantee the supply of pollen and nectar for bees, species such as Lantana (*Lantana camara*), Angelônia (*Angelonia angustifolia*) and Basil (*Ocimum carnosum*) were planted in the place, these species bloom almost all year round and create a harmonious and functional space.

In order to help bees to regulate their body temperature, a wooden pergola was installed over the structure of the Morada with the function of reducing the direct sunlight to the hives, in addition to two sources of water so that the bees can cool off. All designed to ensure the well-being of pollinators.

The Conviver Project has the support of specialist pollination professors Dr. Osmar Malaspina and Dr. Roberta Cornelio Ferreira Nocelli from the São Paulo State University (UNESP) and the Federal University of São Carlos (UFSCAR), as well as consultant Dr. Claudia Inês da Silva, founder of the company CISE (Intelligent Consultancy in Ecosystem Services), specialist in plant-pollinator interaction and palinoecology; these are long-time partners of IHARA.





Social performance

Despite the Covid-19 pandemic, the continuity of business activities meant that hiring continued at an accelerated pace in 2021, following the company's expansion and the dismissals were not encouraged during the most critical period.

INTERNAL PUBLIC

GRI 102-8, 102-41, 202-1, 202-2, 401-1, 401-2, 404-1, 404-2, 404-3, 405-1, 405-2

In 2021, IHARA increased its workforce by 2.9% compared to 2020, ending the year with 884 employees: 806 in-house and 78 outsourced. Own employees are mostly concentrated in the Southeast region and are divided into 79% men and 21% women. At IHARA 98.5% of employees are covered by collective bargaining agreements.

The corporate guidelines for Human Development area in 2021 were: to train leaders, prepare successors and retain talent, promote the strengthening and evolution of IHARA culture and perpetuate organizational knowledge with a learning strategy based on remote education.

EMPLOYEES BY CONTRACT TYPE AND GENDER – GRI 102-8

	2019		2020		2021	
	Own					
	Permanent contract	Temporary contract	Permanent contract	Temporary contract	Permanent contract	Temporary contract
Male	504	3	593	9	636	2
Female	119	21	150	6	165	3
Total	623	24	743	15	801	5
	Outsourced					
	Permanent contract	Permanent contract	Permanent contract	Temporary contract	Temporary contract	Temporary contract
Male	22	10	30	25	42	14
Female	7	11	9	37	6	16
Total	29	21	39	62	48	30

EMPLOYEES BY WORKLOAD TYPE AND GENDER – GRI 102-8

	2019		2020		2021	
	Own					
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Male	506	1	601	1	636	2
Female	140	0	156	0	168	0
Total	646	1	757	1	804	2
	Outsourced					
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Male	22	10	41	14	46	10
Female	7	11	28	18	8	14
Total	29	21	69	32	54	24

EMPLOYEES BY CONTRACT TYPE AND REGION – GRI 102-8

	Outsourced		
Region	Permanent contract	Temporary contract	Total
South	75	0	75
Southeast	625	4	629
North East	18	0	18
Midwest	73	1	74
North	6	0	6
China	1	2	3
India	0	1	1
Total	798	8	806
	Outsourced		
Region	Permanent contract	Temporary contract	Total
South	4	2	6
Southeast	32	26	58
North East	4	0	4
Midwest	8	2	10
Total	48	30	78



CAREER TRAINING AND DEVELOPMENT

Through its Annual Training Plan (PAT), IHARA promotes the technical training of employees according to the professional needs of each one. In general, the training is related to a variety of topics, ranging from behavioral development and economic, financial and leadership education, to specific techniques by activity, such as operational or sales.

The training program encompasses different levels of training: leadership, mandatory training, technical training, skills development, languages and national and international conferences. Some of them are carried out internally and others are carried out in institutions contracted by IHARA. These programs are partially subsidized by the company, reaching up to 100% subsidy.

In the year 2021, many face-to-face training that were scheduled in the PAT were canceled because of the pandemic. On the other hand, we invested heavily in launching the online training platform for employees. The platform currently comprises courses on various topics: LGPD, Excel, Basic Financial Education, Ethics, IHARA Beliefs and Values, Agronomy for Non-Agronomists, and Crops involving IHARA products. Another highlight is the subsidy for employees who are interested in developing their English.

During 2021, IHARA carried out a total of 23,559 hours of training.

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

Gender	Number of employees	Number of hours	Average per employee
Male	638	19,088	29.92
Female	168	4,471	26.61
Total	806	23,559	29.23

AVERAGE HOURS OF TRAINING, PER EMPLOYEE CATEGORY – GRI 404-1

Categoria funcional	Number of employees	Number of hours	Average per employee
Directors	11	547	49.73
Managers / Leaders	116	6,006	51.78
Analysts, consultants, specialists, technicians	412	8,997	21.84
Operational	262	8,009	30.57
Total	801	23,559	29.41

PERFORMANCE ASSESSMENTS

At IHARA, all employees who have been with the company for more than three months carry out the Competency Assessment (CA), receiving their reports and a feedback process structured by the respective managers. In the CA process, the essential and specific competences of each position are evaluated. After carrying

out the evaluation and feedback process, the Human Development area and managers continue to monitor the evolution of employees' skills through the Individual Development Plan (PDI) registered in the system. In 2021, 97% of IHARA's own employees participated in a performance assessment.

PERCENTAGE OF EMPLOYEES WHO RECEIVE PERFORMANCE ASSESSMENTS* - GRI 404-3

	Number of own employees evaluated	Total of own employees	Percentage of employees evaluated (%)
Functional category			
Directors	11	11	100
Counselors	0	5	0
Managers and leaders	113	116	97
Operational	255	262	97
Analysts, consultants	399	412	97
TOTAL	778	806	97
Gender			
Male	614	638	96
Female	164	168	98
TOTAL	778	806	97

* Employees hired in November and December, nor those hired on a temporary contract, do not participate in the assessment.



COMPENSATION AND BENEFITS

IHARA always seeks to offer all its employees a fair and market-compatible remuneration and benefits package. The company constantly conducts research and comparative analyzes on compensation and benefits offered, so that the model adopted meets employees' needs. Moreover, it offers a differentiated profit sharing plan, which allows the employee to obtain a variable income each year.

IHARA's benefits policy seeks differentiated market practices, enabling the service of various needs and the satisfaction of its professionals.

To attract and retain employees, IHARA seeks to invest in multi-disciplinary training, develop and recognize talents, offer growth opportunities and merit pay, among others.

In 2021, IHARA had a base wage of R\$2,140.00 (own employees), 94% higher than the national minimum wage of R\$1,100.00. Over the years, the company's average wage has been above the market. IHARA's Profit and Results Sharing model is a market differential, being a reference in the region where the company is headquartered.

BENEFITS OFFERED BY CONTRACT TYPE

	Full-time	Temporary or part-time
IHARAPREV (private pension)	Yes	No
Medical and hospital assistance	Yes	Yes
Dental assistance and allowance	Yes	No
Life insurance	Yes	Yes
Food vouchers and meal vouchers	Yes	Yes
Support (birth, daycare, special child and marriage)	Yes	No
School material allowance	Yes	No

HEALTHCARE AND SAFETY

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

The health and safety of IHARA's employees are priority issues for the company, which undertakes various actions to guarantee them. IHARA has an ISO 45001 certified health and safety management system. All workers, activities and workplaces are covered by safety management. Service providers, whenever under the responsibility of the company, are also subject to the same rules and conditions.

In 2021, the monitoring of safety actions was carried out through the 1200 Miles Program, implemented in 2015, which seeks to establish a proactive and prevention culture, providing a great evolution in several aspects, especially in the reduction of emissions from the Inspection Report of Safety (RIS), an indicator that demonstrates the maturity of the safety culture. The program brings monthly indicators, aiming at continuous improvement, and relies on the involvement of employees in a formal manifestation when they find and recognize a dangerous condition within the factory environment or a deviation in behavior, which ease the immediate identification of risk situations.

All mandatory training applicable to daily tasks and activities is given to workers by a person or team of people qualified according to a specific standard. In addition to these training sessions, safety integrations and training about 10 golden rules of the company are carried out. The main training sessions provided are: use, storage and conservation of Personal Protective Equipment, safety of work at heights, safety of work in confined spaces, safety in cargo handling, safety in the operation of machinery, safety in the operation of agricultural machinery, work permits, emergency brigade among others.

The 1200 Miles Program was also strengthened with the increase in the use of the 5S Program, which reached 96.3%. 161 ideas for improvements related to safety, environment and quality were presented, an increase of 19% compared to 2020.

In 2021, as in previous years, IHARA carried out employee health promotion campaigns. Eight health campaigns were developed throughout the year, focused on topics such as obesity, chronic diseases, smoking, kidney health, muscle diseases, mental fatigue, immunity.

Health and safety campaigns were also carried out, following governmental campaigns, including Yellow May, Pink October and Blue November, in addition to campaigns identified as necessary based on internal indicators, covering topics such as the safe use of cell phones, family safety, safe transit and safe vacations. Every year, employees and their dependents are vaccinated with the Tetravalent influenza vaccine.

With the Covid-19 pandemic, approaches to health and well-being have been reinforced. Aiming at the rapid and effective communication of matters related to the pandemic, the IHARA application was launched, with epidemiological bulletins, announcements and videos with preventive guidelines. The tool also allows the daily management of filling out the Covid-19 Form, which aims to quickly point out signs and symptoms, automatically sending a warning to managers. The application also provides the purchase of rapid Covid-19 tests by employees and their families.

IHARA has the Quality Life Program (PQV), which is concerned to monitor the history and evolution of employees' health. Thus, in addition to occupational exams, it requests additional exams (check-up) from all employees. To make it easier for employees, a laboratory goes to IHARA at specific times to collect these exams.

IHARA works to improve the safety culture, aiming at the goal of zero accidents. In 2021, however, there were 3 work-related accidents with a rate of 2.66 to 1,319,579.34 hours worked by own employees.



The accidents were investigated and action plans were created through the PDCA tool, for each root cause. In addition, whenever a deviation occurs, the documentation and relevant updates of the hazard and risk surveys are verified.

WORK-RELATED INJURIES – GRI 403-9

	Own contributors	Outsourced contributors
Casualty resulting from work-related injuries		
Number	0	0
Rate	0	0
Work-related injuries with serious consequences		
Number	3	0
Rate	2.66	0
RECORDABLE WORK-RELATED INJURIES		
Number	3	0
Rate	2.66	0

SUPPLIERS

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

IHARA has a purchasing policy, which establishes rules of conduct and the company's expectations for doing business with its suppliers. The rules include a ban on purchasing products or services from suppliers who are known to use child labor and/or who keep workers in inhumane working conditions and/or under forced labor. To mitigate this risk, the company monitors suppliers through audits and controls. If involvement with such practices is proven, the company immediately breaks the commercial relationship with any supplier, filing a complaint with the Public Prosecution.

The assessment of critical suppliers is carried out based on documents that demonstrate the suppliers' commitment to labor, environmental, occupational issues etc.

In 2021, IHARA had 307 suppliers in its supply chain, of which 131 were hired within the year. Approximately R\$106.5 million was paid to suppliers and 100% of new suppliers were submitted to assessments and were contracted considering environmental criteria, which is summarized in the assessment of required legal documents and on-site auditing.

SOCIETY

GRI 413-1

Aware of its responsibility and participation in society, IHARA continues to carry out social nature actions, supporting several projects based on the Rouanet Law, Sports Incentive Law, Elderly Law, Child and Adolescent Support Fund, National Support Program for Health Care for People with Disabilities (PRONAS/PCD) and the National Support Program for Oncology Care (PRONON), in addition to making non-incentivated donations. Projects are chosen throughout the national territory, which can be indicated by all employees or supported by customers and partner companies of IHARA.

Projects are selected and approved according to several criteria, such as the social contribution generated (impact of the project on the community), presentations by groups or artists that provide some kind of cultural return or projects that have an affinity with the company's activity and its dedication to transforming people's lives positively.

In 2021, IHARA revised the social projects policy so that 50% of donations were destined to Sorocaba and nearby regions, while the other part was sent to projects based in other states, seeking a greater balance in the direction of sponsored projects.

There were more than 20 projects supported through the incentive laws, totaling more than 4 million reais in donations, involving institutions for the elderly, Rehabilitation Center, Child and Adolescent Support Associations, Hospitals, Support House for Women Affected by cancer, Institutions that promote the sport in underprivileged regions, among other projects based from north to south of the country.

IHARA made new investments that will contribute to the promotion of culture through the "IHARA Concerts" with the duo Zezé de Camargo and Luciano and the Musicals "Brasil Raíz", which will be held in 2022.

Among the non-incentivated donations, it is worth mentioning that IHARA has made continuous contributions

to the Doctor Without Borders program, donations of hospital beds and support to the campaigns for the distribution of food staples and toys in the underprivileged regions of Sorocaba.

Social engagement programs were encouraged in several regions in addition to where the company's headquarters are located, allowing the involvement of employees allocated in several states.

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





About the
report

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

IHARA annually discloses its economic-financial, social and environmental results through the publication of its Annual Sustainability Report. The latest report, referring to the year 2020 as well as previous versions, are available for inquiry on the organization's website (<http://www.ihara.com.br/sustentabilidade/>).

This report has been prepared in accordance with the Global Reporting Initiative (GRI) standards in its Essential option, covering the period from January 1 to December 31, 2021. IHARA has chosen not to perform any

external verification of this document.

For clarifications or questions about the information contained in this report, IHARA has the following electronic address: sustentabilidade@ihara.com.br

MATERIALITY

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

GRI indicators, in 2015 IHARA carried out a stakeholder inquiry process, which culminated in the preparation of its Materiality Matrix. Through this process, the com-

pany learned about the most relevant issues for itself and for its stakeholders.

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

After preparing the Materiality Matrix, IHARA surveyed all GRI indicators related to material aspects, selecting those that are most important for its business.

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

Material topics	Boundary: where the impact occurs	Description of material topic	GRI Standards Correlation	Management approach	Assessment of the management approach
Strategy	Material within the organization.	Get to know IHARA's growth strategy and its long-term vision.	Strategy: GRI 102-14, GRI 102-15 Ethics and integrity: GRI 102-16 Governance: GRI 102-18 Economic performance: GRI 201-1, GRI 201-2 Market presence: GRI 202-1, GRI 202-2	IHARA's business strategy is to deliver solutions and invest in research and development to constantly launch products that meet the complex needs of agriculture, with productivity and sustainability. Its management tool is the Objectives and Goals Panel, under the responsibility of the Financial area, which is monthly presented at a meeting of the Executive Board. It includes all the indicators unfolded from the corporate strategy for the other departments: Board of Directors, Commercial, Marketing, Technical, Industrial and Financial. Such indicators are defined once a year, according to the contribution of each area to the achievement of the corporate directive.	Strategic indicators are unfolded by area, with periodic monitoring by the Senior Management, so that monitoring and intervention are timely when necessary. This control is the driver for achieving the established goals.
Professional development	Material within the organization.	How IHARA values its employees, planning training, strengthening skills and offering a motivating work environment.	Training and education: GRI 404-1, GRI 404-2, GRI 404-3 Diversity and equal opportunities: GRI 405-1, GRI 405-2	The management of people development at IHARA is monitored by the Human Development area, which holds periodic meetings with the managers of each area. In this approach, the concept used is that of Knowledge, Ability and Attitude (CHA): for issues of Knowledge and Ability, intervention by the Human Development area is carried out through training, and issues related to the Attitude item are addressed and monitored with the employee by the respective managers.	For the development of the role, the Human Development area works with each manager through the Annual Training Plan (PAT), identifying the training needs of each employee.
Water consumption management	Material within the organization.	IHARA's water consumption monitoring actions.	Water: GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-5	The management of water consumption is a topic widely discussed at IHARA. Consumption management is monitored and evaluated weekly by the Environment department, which reports the results monthly to Senior Management, with definitions of causes and actions for positive and/or negative results. The water consumption reduction target for each year is 5% in relation to the result obtained in the previous year. This is measured as an index, that is, the total amount of water collected (for use in utilities – consumption subject to reduction actions), divided by the volume produced. According to the results/monitoring, the Environment department, together with the Sustainability Committee, defines improvement projects, which are presented to the Senior Management in order to explain the expected gains and obtain authorization for their implementation.	The management of water consumption indicators is evaluated every month by the Senior Management, as well as monitored and discussed quarterly with the Sustainability Committee. With periodic measurements in hand, causes and actions are defined to achieve the established goals and continuous improvement to reduce IHARA's water consumption.



GRI Content Summary

GRI Standard	Content	Remarks	Report page	Omission	
GRI 101: FUNDAMENTALS 2016					
GENERAL CONTENTS					
GRI 102: GENERAL CONTENTS 2016	ORGANIZATIONAL PROFILE				
	GRI 102-1	Organization name.			
	GRI 102-2	Activities, brands, products and services.			
	GRI 102-3	Location of the organization's headquarters.			
	GRI 102-4	Operations site.			
	GRI 102-5	Nature of ownership and legal form.			
	GRI 102-6	Markets served.			
	GRI 102-7	Organization size.			
	GRI 102-8	Information about employees and other workers.			
	GRI 102-9	Suppliers' chain.			
	GRI 102-10	Significant changes in the organization and its supply chain.	IHARA concluded the works on the Research Centers in Primavera do Leste/MT and Sarandi/PR. The work on the Distribution Center in Luis Eduardo Magalhães/BA is finalizing. Work began on the Distribution Center in Sorriso/MT. Inaugurated the new Primavera do Leste (MT) distribution center.		
	GRI 102-11	Precautionary principle or approach.			
	GRI 102-12	External initiatives.		Not applicable: IHARA has no initiatives in this regard and there are no adherence targets.	
	GRI 102-13	Participating in associations.			
	STRATEGY				
	GRI 102-14	Statement by the highest executive.			
	GRI 102-15	Main impacts, risks and opportunities.			
	ETHICS AND INTEGRITY				
	GRI 102-16	Values, principles, standards and behavior codes.			
GOVERNANCE					
GRI 102-18	Governance structure.				
STAKEHOLDER ENGAGEMENT					
GRI 102-40	List of stakeholder groups.				
GRI 102-41	Collective bargaining agreements.				
GRI 102-42	Identification and selection of stakeholders.				
GRI 102-43	Approach to stakeholder engagement.				
GRI 102-44	Main concerns and topics raised.				

GRI Standard	Content		Remarks	Report page	Omission	
REPORTING PRACTICE						
GRI 102: GENERAL CONTENTS 2016	GRI 102-45	Entities included in the consolidated financial statements.		On May 27, 2021, in order to invest in the trading market of agricultural raw materials, IHARA has established the Terra Agro Holding Ltda company, as a controlling shareholder. Terra Agro Holding is not covered by this report.		
	GRI 102-46	Defining report content and topic limits.				
	GRI 102-47	List of material topics.				
	GRI 102-48	Reformulations of information.		None.		
	GRI 102-49	Changes in the report.		None.		
	GRI 102-50	Period covered by the report.				
	GRI 102-51	Date of most recent report.				
	GRI 102-52	Report issuing cycle.				
	GRI 102-53	Contact for questions about the report.				
	GRI 102-54	Reporting statements in accordance with GRI Standards.				
	GRI 102-55	Summary of GRI content.				
	GRI 102-56	External check.				
MATERIAL TOPICS						
STRATEGY						
GRI 103: MANAGEMENT METHOD 2016	GRI 103-1	Explanation of the material topic and its limit.				
	GRI 103-2	Management method and its components.				
	GRI 103-3	Evaluation of the management method.				
GRI 102: GENERAL CONTENTS 2016	GRI 102-14	Statement by the highest executive.				
	GRI 102-15	Main impacts, risks and opportunities.				
	GRI 102-16	Values, principles, standards and norms of conduct.				
GRI 201: 2016 ECONOMIC PERFORMANCE	GRI 102-18	Governance structure.				
	GRI 201-1	Direct economic value generated and distributed.				
	GRI 201-2	Financial implications and other risks and opportunities arising from climate change.				
GRI 202: MARKET PRESENCE 2016	GRI 202-1	Ratio between the lowest wage and the local minimum wage, by gender discrimination.				
	GRI 202-2	Proportion of Board members hired from the local community.		100% of senior executives were hired from the local community.		
WATER CONSUMPTION MANAGEMENT						
GRI 103: MANAGEMENT METHOD 2016	GRI 103-1	Explanation of the material topic and its limit.				
	GRI 103-2	Management method and its components.				
	GRI 103-3	Evaluation of the management method.				

GRI Standard	Content	Remarks	Report page	Omission
GRI 303: WATER AND EFFLUENTS 2018	GRI 303-1	Interactions with water as a shared resource		
	GRI 303-2	Management of impacts related to water discharge.		
	GRI 303-3	Water catchment.		
	GRI 303-5	Water consumption.		
PROFESSIONAL DEVELOPMENT				
GRI 103: MANAGEMENT METHOD 2016	GRI 103-1	Explanation of the material topic and its limit.		
	GRI 103-2	Management method and its components.		
	GRI 103-3	Evaluation of the form of management.		
GRI 404: TRAINING AND EDUCATION 2016	GRI 404-1	Average number of hours of training per year, per employee.		
	GRI 404-2	Programs for improving the skills of employees and assistance for career transition.		
	GRI 404-3	Percentage of employees receiving regular performance and career development evaluations.		
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	GRI 405-1	Diversity in governance bodies and employees.		
	GRI 405-2	Ratio between base wage and remuneration received by women and men.		This information is confidential.
SPECIFIC INDICATORS				
ECONOMIC SERIES				
GRI 205: FIGHT AGAINST CORRUPTION 2016	GRI 205-1	Operations evaluated for risks related to corruption.		
ENVIRONMENT SERIES				
GRI 301: 2016 MATERIALS	GRI 301-1	Materials used, by weight or volume.		
GRI 302: ENERGY 2016	GRI 302-1	Energy consumption inside the organization.		
GRI 304: BIODIVERSITY 2016	GRI 304-2	Significant impacts of activities, products and services on biodiversity.		
GRI 305: 2016 EMISSIONS	GRI 305-1	Direct emissions (Scope 1) of greenhouse gases (GHG).		
	GRI 305-2	Indirect emissions (Scope 2) of greenhouse gases (GHG) from the acquisition of energy.		
	GRI 305-3	Other indirect emissions (Scope 3) of greenhouse gases (GHG).		
GRI 306: WASTE 2020	GRI 306-3	Waste generated.		
	GRI 306-5	Waste intended for final disposal.		
GRI 308: SUPPLIERS ENVIRONMENTAL EVALUATION 2016	GRI 308-1	New suppliers selected based on environmental criteria.		
SOCIAL SERIES				
GRI 401: EMPLOYMENT 2016	GRI 401-1	New hires and employee turnover.		
	GRI 401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees.		

GRI Standard	Content	Remarks	Report page	Omission
GRI 403: HEALTH AND LABOR SAFETY 2018	GRI 403-1	Health and labor safety management system.		
	GRI 403-5	Training of workers in health and safety at work.		
	GRI 403-6	Promotion of worker's health.		
	GRI 403-9	Labor accidents.		
GRI 408: CHILD LABOR 2016	GRI 408-1	Operations and suppliers with a significant risk of child labor.		
GRI 409: FORCED LABOR OR ANALOGUE TO SLAVERY 2016	GRI 409-1	Operations and suppliers with a significant risk of cases of forced or analogue to slavery labor.		
GRI 413: LOCAL COMMUNITIES 2016	GRI 413-1	Engagement operations, impact evaluations and development programs aimed at the local community.		
GRI 414: SOCIAL EVALUATION OF SUPPLIERS 2016	GRI 414-1	New suppliers selected based on social criteria.		
GRI 416: CONSUMER HEALTH AND SAFETY 2016	GRI 416-1	Evaluation of health and safety impacts caused by products and services categories.		
	GRI 416-2	Cases of noncompliance regarding the impacts on health and safety caused by products and services.		
GRI 417: MARKETING AND LABELING 2016	GRI 417-1	Requirements for information and labeling of products and services.		
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	GRI 419-1	Noncompliance with laws and regulations in the socio-economic area.		



Credits

GRI 102-3, 102-53

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