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SUSTAINABILITY REPORT

The Sustainability Report is an important portal in the communication of the Company's results. It refers to the period between January 1 and December 31, 2019. In accordance with best practices, its conception follows the 'Global Reporting Initiative' (GRI) standards, Essential agreement option, and is also based on the premises of the International Integrated Reporting Council (IIRC). Enjoy the read!

GRI 102-48, 102-49, 102-50, 102-54

Our centennial fig tree was carefully preserved in the middle of the terraced ground of the 2nd Unit, our petrochemical plant in Triunfo (Rio Grande do Sul).

At the top of the hill, the capitel, built with demolition bricks from the Gaucho Colony, houses a work of art: the stained glass of Our Lady of Patagonia, brought by the owners of Pecom Energia, the founding Company of Inova in 1996.

The fig tree and the capitel make a more humanized and reflective counterpoint to the sea of metals and represent our sustainable thinking: to preserve the Company's own history - a heritage in natural resources. Both are guides to the future.



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# 1. Leadership Message GRI 102-14

## SUSTAINABILITY: OUR WORLDVIEW GRI 102-14

A long name, frequent in conversations and newspapers, designates what in fact has always been at the base of everything: sustainability. We will deal with it in the next pages, from our own perspective.

Sustainability, for us, is first and foremost linked to Darwinian natural selection, from which the corporate environment does not escape: companies capable of changing and adapting survive. That is the root of the term sustainability. We have a DNA that is notorious for reinvention and, therefore, we bring good news:

In our Plant II, a petrochemical plant in Triunfo (Rio Grande do Sul state), we replaced fuel oil with natural gas in 2019 in our energy mix, which reduced greenhouse gas (GHG) emissions in the plant's process furnaces by 30%. This was the first step: by the end of 2020, we will complete the project that will make it self-producing and self-sufficient in the co-generation of electric energy and steam, from a 100% renewable source: biomass. We will use acacia wood, pine, eucalyptus, vegetable waste, rice husks and leftovers from sawmills in the form of chips, to replace energy sources of fossil origin (coal and fuel oil, used by the current steam supplier).

The project comprises three boilers and two electric generators, with installed capacity to process 486,000 tons/year of biomass, generating 1,445,000 tons/year of steam and 263,000 MWh/year of electric energy.

The socio-environmental impact will be virtuous, with the creation of opportunities for more than 2,000 companies in the state of Rio Grande do Sul that integrate the forest production chain within a 200-kilometer radius of the petrochemical plant.

At the other end of the country, in Manaus (Amazonas), we implemented in our Pant I the third industrial line for bi-oriented polypropylene plastic films (BOPP), enabling new talents in the region to work in this state-of-the-art facility.

We launched ECO-PS®, polystyrene with up to 30% post-consumption material in its composition, a pioneer in Brazil. What was considered waste is now used as raw material, proving that sustainability is, mainly, mentality. We chose Manaus as the cradle of ECO-PS® supporting a selective collection project developed by the internationally prestigious Amazonas Sustainable Foundation (FAS), which provides opportunities for the vulnerable population in the Manaus urban area.

Wishing you a good read, I hope that the following pages will translate very clearly our driving truth: sustainability, in this Company, is synonymous with our view of the world.

Lirio Albino Parisotto  
President



Photo: Liz Vanin Parisotto

## 2. Profile

How  
we got  
here



We come from the so called physical media segment: Videolar made history as an industry manufacturing and recording VHS video and audio cassettes, floppy disks, CDs, DVDs and Blu-ray discs. A closer look reveals that everything has always been related to plastic, the raw material of physical media.

**VIDEOLAR**

For more than thirty years, throughout successive reinventions, we have entered the petrochemical area: our current universe is made of styrenic products, resins and transformed plastics.



### Timeline

Access the QR Code and browse our history and images of our reinventions, from media carriers to petrochemicals.



# What we do

Videolar-Innova S/A is a petrochemical Company operating in the manufacture and transformation of thermoplastic resins. Our products are essential raw materials for applications with fundamental weight in the economy: from asphalt to paints and food packaging and disposables, from tires to the refrigeration and automotive industries, from school materials to civil construction, pharmaceutical industry and toys. [GRI 102-1, 102-2, 102-5](#)

Innova is our trademark.

The Company's production plants are strategically situated in Manaus (Amazonas) and Triunfo (Rio Grande do Sul), which ensures end-to-end national and regional coverage, all over Brazil.

In the petrochemical segment, we manufacture styrene monomer (SM) and thermoplastic resins: general purpose (GPPS), high impact (HIPS), expandable (EPS) and ECO-PS® polystyrenes. [GRI 102-2](#)

In the thermoplastic resins transformation segment, we manufacture bioriented polypropylene (BOPP) films, polystyrene (PS) and polypropylene (PP) laminated plastic reels and plastic closure caps for PET bottles of mineral water, juices and soft drinks. [GRI 102-2](#)

# OUR PRODUCTS GRI 102-2

## STYRENICS



STYRENE MONOMER (SM)



GENERAL PURPOSE POLYSTYRENE (GPPS)



HIGH IMPACT POLYSTYRENE (HIPS)



EXPANDABLE POLYSTYRENE (EPS)



ECO-PS®

## PLASTIC TRANSFORMED ITEMS



BIORIENTED POLYPROPYLENE FILMS (BOPP)



POLYSTYRENE (PS) AND POLYPROPYLENE (PP) LAMINATED PLASTIC REELS



PLASTIC CLOSURE CAPS FOR PET BOTTLES OF MINERAL WATER, JUICES AND SOFT DRINKS



# NATIONAL PERFORMANCE, STRATEGIC REGIONAL COVERAGE GRI 102-3, 102-4

## PERCENTAGE VOLUME OF SALES PER REGION

### Manaus (Amazonas)

#### PLANT I:

- Bioriented polypropylene plastic films (BOPP)
- Polystyrene (PS) and polypropylene (PP) laminated plastic reels
- Plastic closure caps for mineral water, juices and soft drinks pet bottles

#### PLANT IV:

- General purpose polystyrene (GPPS)
- High impact polystyrene (HIPS)

### Alphaville, Barueri (São Paulo)

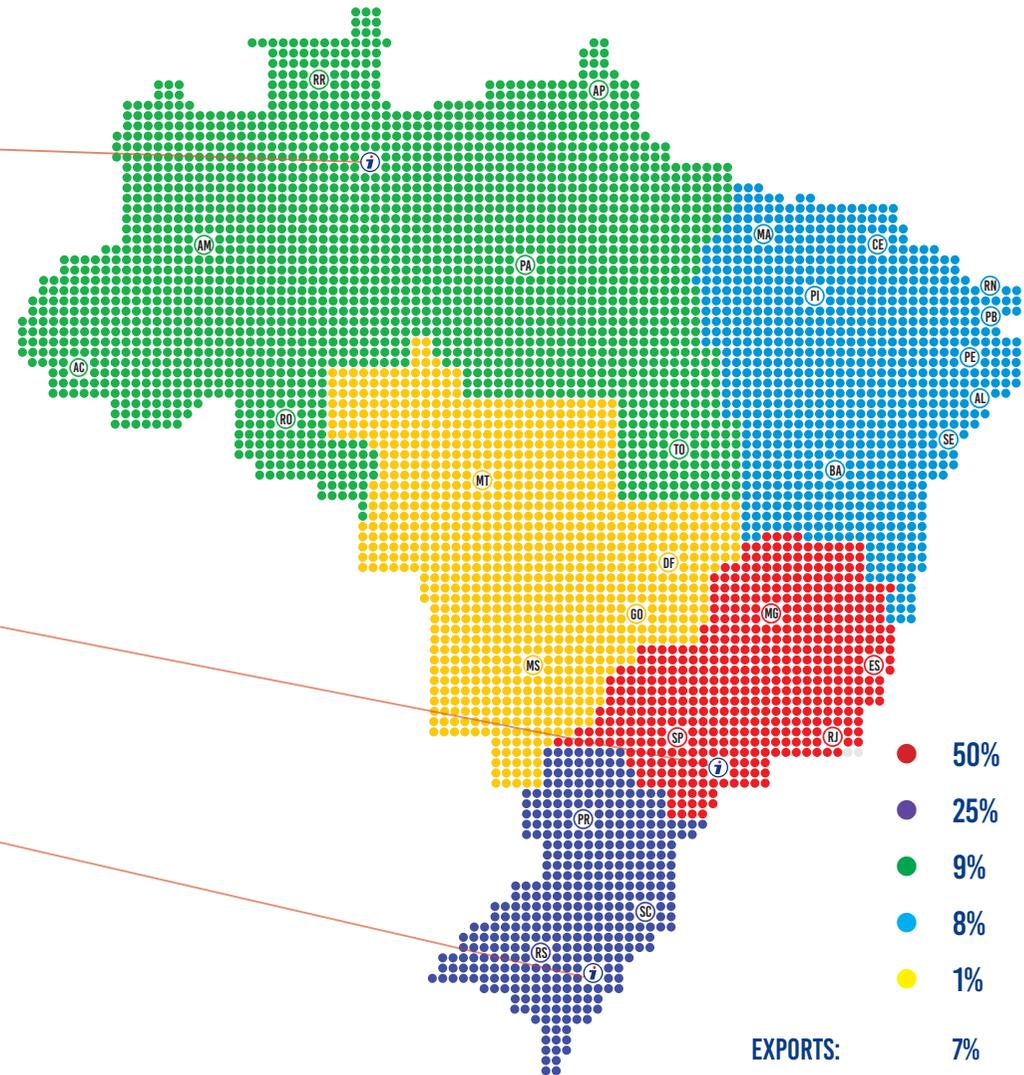
#### HEADQUARTERS:

- Sales and administration

### Triunfo (Rio Grande do Sul)

#### PLANT II:

- Ethylbenzene (EB)
- Styrene monomer (SM)
- General purpose polystyrene (GPPS)
- High impact polystyrene (HIPS)
- Expandable polystyrene (EPS)
- Styrenics technology center (CTE): international reference in the production of patents for the segment, endowed with infrastructure to reproduce the same industrial processes used by the customers in their most diverse production processes, making possible customizations of the resins for each specific application.



# HIGHLIGHTS 2019

GRI 102-7, 102-8

An intensive investment  
program based on our  
agenda for sustainable  
growth.



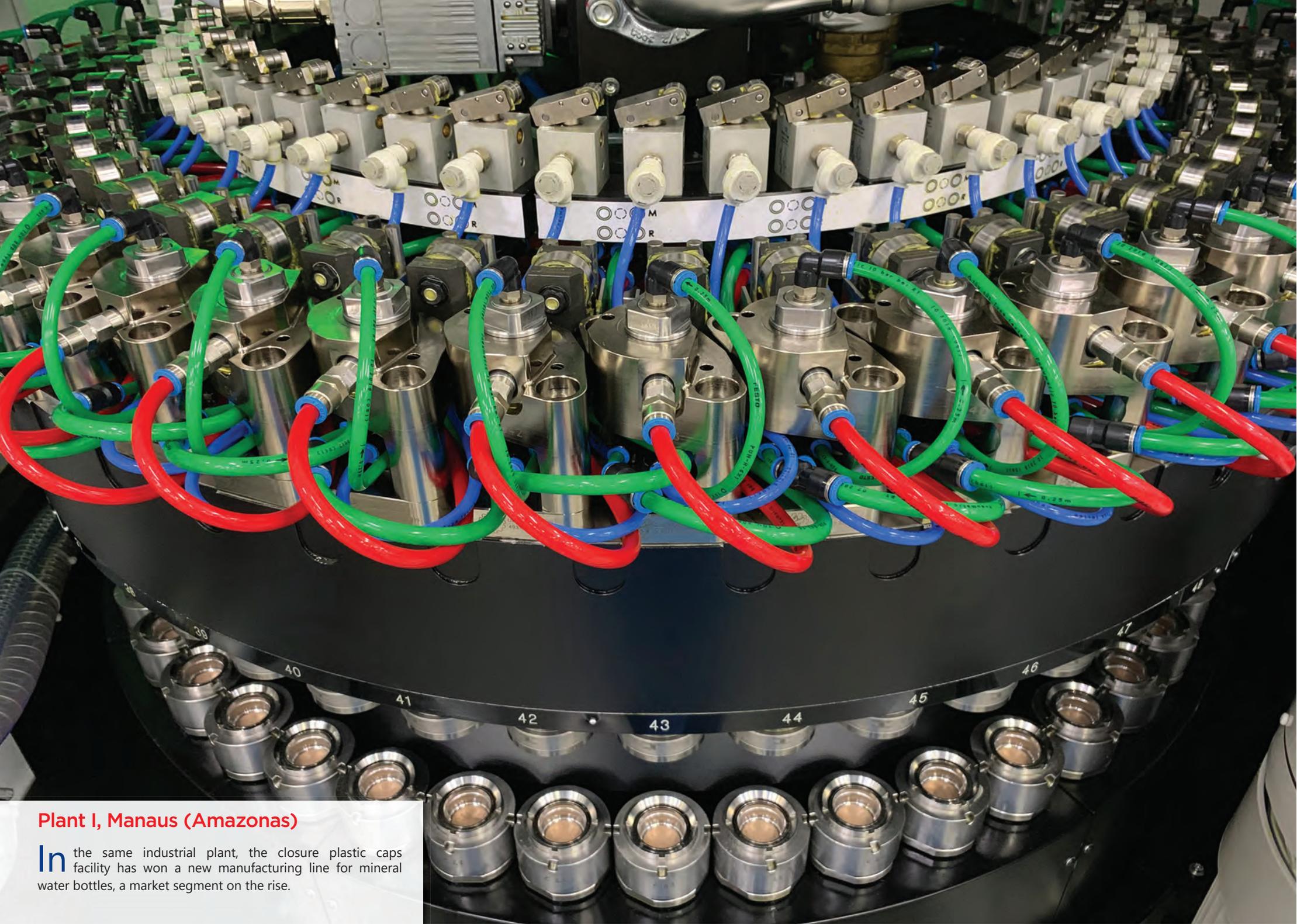
Vitor Quintino Machado da Rosa: Plant II  
(Triunfo, Rio Grande do Sul State).



**Plant I, Manaus (Amazonas)**

In the plastic transformation segment, the Company implemented in 2019 its third manufacturing line for bioriented polypropylene (BOPP) films at Plant I, a the state of the art in Manaus Industrial Pole.

The product portfolio has been extended to five-layer films, which opens the way to new applications and customers.



**Plant I, Manaus (Amazonas)**

In the same industrial plant, the closure plastic caps facility has won a new manufacturing line for mineral water bottles, a market segment on the rise.



## Plant II, Triunfo (Rio Grande do Sul)

**The** Company took a first step in improving its energy matrix by adopting natural gas for Plant II, petrochemical in Triunfo (Rio Grande do Sul). The resource, supplied by Sulgás, replaces 10,000 tons/year in non-renewable fuel oil, with 30% reduction in the emission of greenhouse gases from the process furnaces, an environmental benefit of great relevance.

The year marked the conclusion of the expansion project for the styrene monomer (SM) production capacity to 420 thousand tons/year, with an engineering milestone: Innova was the first petrochemical Company in the entire international scenario to implement the cutting-edge technology of the Direct Heat Unit (DHU) to replace the conventional furnace.

The DHU reuses the gas generated in the process in order to heat the load of the new reactor, thus replacing about 20% of the steam consumed per ton of styrene monomer (SM) manufactured. Another initiative in sustainability, with rational use of natural resources.



**R\$ 315,8** MI  
EBITDA



**414 thousand**  
Tons sold

**2019**  
IN FIGURES

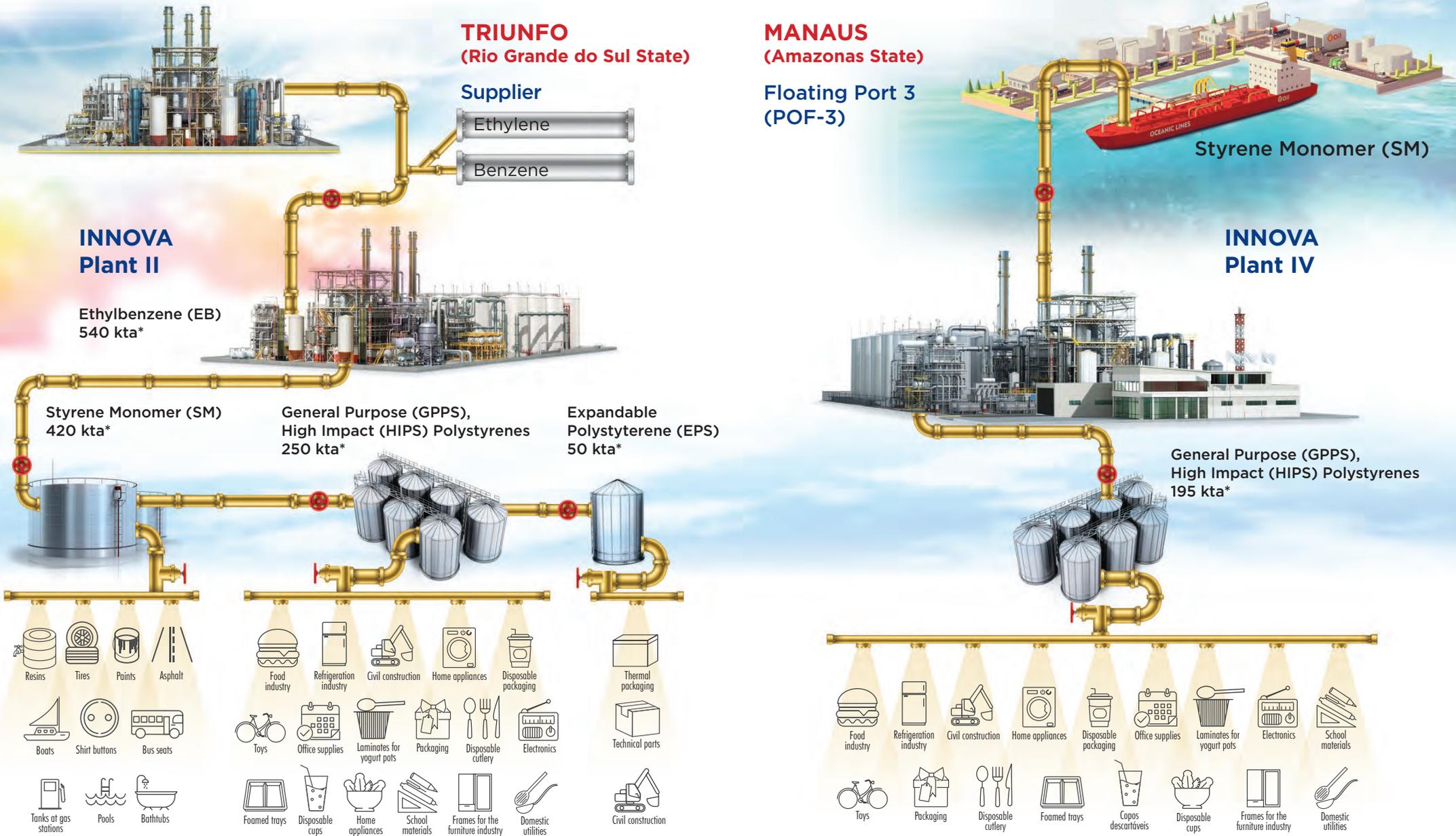


**R\$ 2.506,3** MI  
Net Operating Revenue



**974**  
Employees

# PRODUCTIVE AND INTEGRATED STYRENICS CHAIN



\* KTA: thousand tons per year

### 3. Governance and Management

Even as a closed capital Company, Innova has promoted since 2005 the revision of its results by an external auditing Company, always one among the so-called Big Four. Transparency, standardization of processes and transparency of information are considered pillars of the business, with key role in its strengthening and continuity.

The Company updates its Employee Handbook annually, available to all employees in digital format, published on the intranet.

The governance structure established an Internal Audit area, responsible for watching over good practices and evaluating internal control systems, as well as the policies established by the Company.



#### GOVERNANCE STRUCTURE GRI 102-18

Innova's governance is based on the agile and transparent sharing of knowledge contributed by the Board of Directors, a superior committee of orientation formed by the Shareholders.

The Board of Directors is responsible for designating the main guidelines for conducting business, defining and updating its purpose, mission, vision and values statement, strategies, policies and goals related to economic, environmental and social topics. GRI 102-26

#### MISSION, VISION AND VALUES GRI 102-16

##### MISSION

Lead our businesses by offering trust and strong ties to customers and employees, sustainable attitude towards the environment and desired return to shareholders.

##### VISION

Knowing how to listen, develop and deliver: there is always a clear need. A leading Company presents solutions.

##### VALUES

- Committed and acquitted conduct;
- Ability to adapt;
- Total focus on customer demands.

## COMPOSITION OF THE BOARD OF ADMINISTRATION GRI 102-22

The Presidency establishes the strategies and directives with the High level Administration, which acts as a collegiate and exercises business management.

The different management and multidisciplinary committees report to to the Top Management (Sustainability Committee, Risk and Audit Committee, Sustainability Committee, Risk and Audit Committee, Sustainability Committee, Credit Committee, among others).

<b>Lirio Albino Parisotto</b>	President <small>GRI 102-23</small>
<b>Liz Vanin Parisotto</b>	Counselor
<b>Elie Linetsky Waitzberg</b>	Counselor
<b>Raphael David Wojdyslawski</b>	Counselor

## COMPOSITION OF HIGH LEVEL ADMINISTRATION GRI 102-22

<b>Lirio Albino Parisotto</b>	CEO <small>GRI 102-23</small>
<b>Reinaldo José Kröger</b>	Vice-President
<b>Claudio da Rocha Filho</b>	Commercial & Operations Director
<b>Christian Barg</b>	Industrial Director
<b>Mario Daud Filho</b>	Compliance & Legal Director

The Presidency delegates the attributions and authorities on the economic, environmental topics to each of the executives that integrate the Top Management, in accordance with the lines established by the Board of Directors. The positions and functions of executive level are deliberated in the meetings of the Board of Administration, appointed by the Presidency.

GRI 102-19; 102-20

As of 2020, a new Business Intelligence (BI) system, fully integrated with the Enterprise Resource Planning (ERP) system, will generate real-time information to all Executives and Top Management. GRI 102-31

## COMPLIANCE: SUSTAINABLE WAY OF DOING BUSINESS GRI 102-16

The Company's corporate culture makes the vital importance of working with ethics and in strict compliance with the laws applicable to the Company's operations clear to all employees.

Ethical behavior plays a crucial role in business continuity. More than mandatory, as a principle, it is constructive.

Which results in an everyday practice regarding relationships with clients, partners, suppliers, employees, the government and the community.

Innova has a Compliance Area dedicated to fostering and disseminating this purpose. Every employee periodically fills in an online questionnaire on ethics and corruption, in practice an interactive training that allows multiple attempts until the right answer is chosen, the one that reflects the right decision in daily situations. GRI 205-2

The Code of Conduct features on the Company's website and in the Employee Handbook. In addition, daily snippets from its content are published as screen savers on all computers.

The Code of Conduct text values clarity and refers to practical examples, as a guide for frequent consultation.

We believe it is possible to practice and propagate, in synergy, values such as:

- Support and protection of human rights;
- Security of not being involved in any kind of violation;
- Elimination of all forms of forced or compulsory labor;
- Abolition of child labor;
- Elimination of any kind of discrimination in or outside the work environment;
- Preventive approaches and practices for the environment;
- Development of sustainable technologies and products;
- Incessant fight against corruption and extortion or bribery attempts.

## REPORTING CHANNEL GRI 102-17

Innova offers an independent channel to receive and investigate complaints made by our employees, customers and suppliers, of any irregularities they may observe. The channel is external to the Company and operated by a world-renowned Company, Resguarda, with full protection to the whistleblower, offering anonymity and information security. This provision complies with the 12.846/2013 Anti-Corruption Brazilian Law, which depicts the best practices in Compliance.



[www.resguarda.com/pt](http://www.resguarda.com/pt)



0800-891-4636  
(toll free)



[canaldedenuncias@resguarda.com](mailto:canaldedenuncias@resguarda.com)

## WHAT HAPPENS TO THE REPORTS?



**RECEIPT:** complaints sent through the provided channels are first received by a third party Company, based in Argentina, which guarantees the confidentiality of the reports.



**ANALYSIS:** complaints are passed on to the Compliance Area for analysis and verification from the Human Resources Area (when related to issues that are relevant to it) or the Internal Audit, which carries out the investigation.



**REPORT:** after the investigation, reports are prepared, forwarded to the President and Vice-President, with the opinions of the denunciation.



**RESOLUTIONS:** in the event of a complaint and violation of the Code of Conduct, a warning or dismissal may occur, depending on the seriousness of the case. In the case of suppliers, the infraction may lead to the termination of the contract and/or impediment to do business with the Company.

## FIGHT AGAINST CORRUPTION

GRI 103-2, 103-3: ANTICORRUPÇÃO, 205-1, 205-2, 205-3

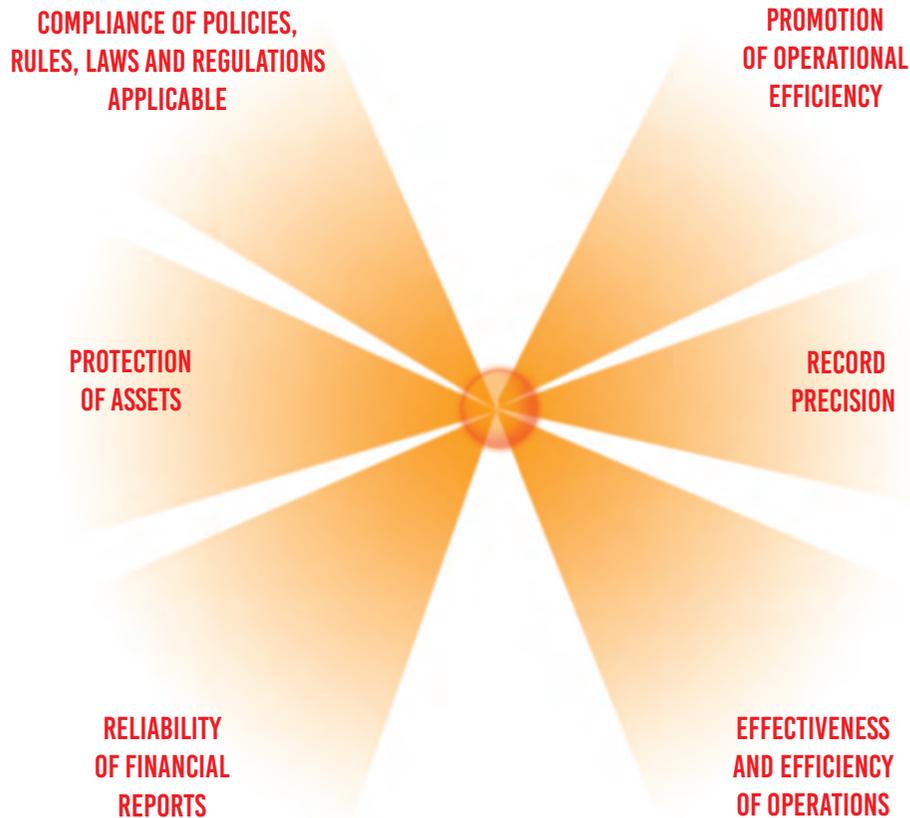
At the core of the Compliance essence is the relentless fight against corruption, as well as the dissemination of anti-corruption legislation.

The Innova Code of Conduct addresses the topic in depth to 100% of our staff, suppliers and customers: its guidelines approach the ethical and transparent relationship with partners, clients, internal and external auditors, and public agents among others, and the strict prohibition of any fraud attempt and corrupt practices, including offering or accepting kickbacks, bribes, gifts and facilitation payments, as well as money laundering. GRI 205-2

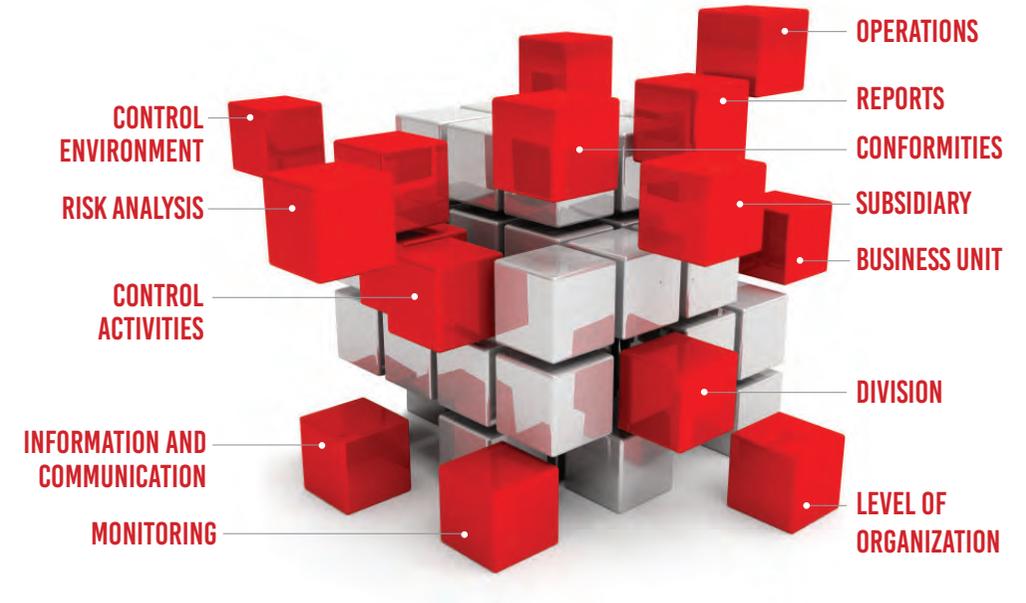
The Internal Audit Area performs the examination of crucial stages in the operational processes. In 2019, 11 processes were verified. There were no confirmed cases of corruption in the period. GRI 205-1; 205-3

# RISK MANAGEMENT GRI 102-11

The Internal Controls provides assistance in the achievement of organizational goals and objectives, assuring that the risks associated with these objectives are at acceptable levels, through the adoption of methods and procedures in the whole Company.



Risk management is performed using the COSO (Committee of Sponsoring Organizations of the Treadway Commission) methodology, which consists of five interrelated components by which management manages the organization, and is integrated with the management process. These components are:



- **CONTROL ENVIRONMENT:**  
Covers risk awareness, acts as the basis for all other components of the corporate risk management. that the response to risk is executed with effectiveness.
- **RISK ANALYSIS:**  
The risks identified are analyzed to determine how. They will be evaluated and managed, considering their inherent and residual effects, as well as probability and impact.
- **CONTROL ACTIVITIES:**  
Policies and procedures and/or technology are implemented to ensure
- **INFORMATION AND COMMUNICATION:**  
The form and timeframe in which the relevant information is identified, gathered and communicated allows people to perform their duties.
- **MONITORING:**  
The integrity of the corporate risks management is monitored through continuous management activities, independent evaluations or a combination of these two procedures.

# 4. Strategic management

We review our strategies annually, always focusing on the premises of the Corporate Governance, Mission, Vision and Values.

We systematically update concepts and align the necessary adjustments required for the strategic goals, taking into account the points we want to reach in the short, medium and long terms.

The analysis of the internal and external scenarios of all our businesses is studied in order to define our goals and investments.

## BUSINESS MODEL AND VALUE CHAIN

Innova has a collection of processes whose main objective is to deliver value to the customers.

The integrated management value chain provides the competitive differentiator, necessary for the Company to achieve its goals.

Our primary processes in the value chain are: supply of raw materials, natural resources and packaging, production operations and quality control, outputs of our products, marketing and sales.

Our after-sales guarantees the fulfillment of the needs of customers, maintaining and increasing the value of the products.

The support processes generate value indirectly and provide support and resources to the Company's primary processes, with infrastructure, human resources, technology of information and acquisition of goods and services.

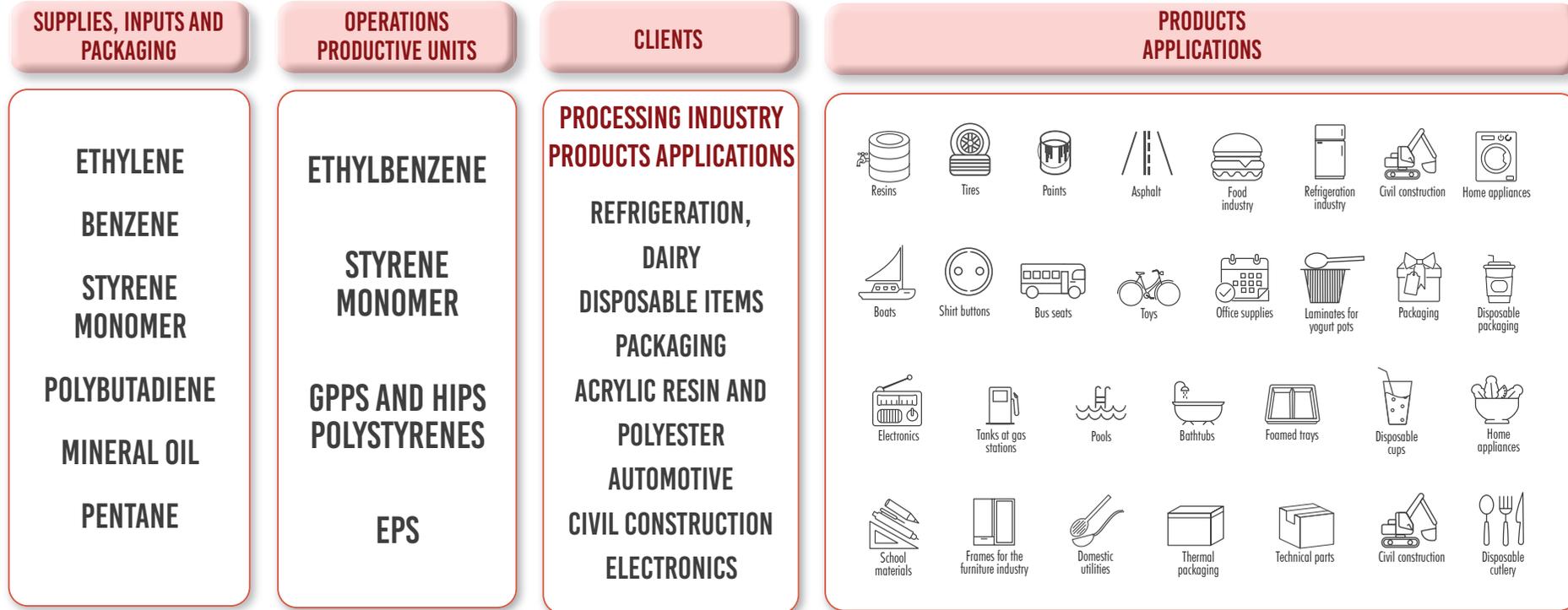
We annually carry out our Customer Satisfaction Survey, that shows our perceived value, as well as the opportunities for improvement of the customer service.

The research shows recognition of our products and service quality.



# VALUE CHAIN

## STYRENICS

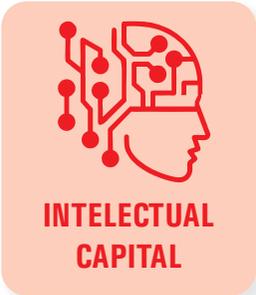


**SOCIETY, CONSUMERS**

## PLASTIC TRANSFORMED ITEMS



**SOCIETY, CONSUMERS**



- Styrenics Technology Center (STC) reference in the production of patents for the segment in Latin America
- 37 ideas generated through the Innovamos Program in 2019
- More than R\$ 5 million invested in innovation in 2019



- R\$2,506.3 million in Net Operating Revenue
- R\$315.8 million EBITDA
- R\$302.8 million invested



- 998 employees
- More than 17,000 hours in health and safety training
- Half-yearly cycles of performance analysis



- R\$ 738,000.00 invested in social projects such as Instituto Ayrton Senna, Instituto Proforma, Prato Cidadão, among others
- KNOWLEDGE CYCLE PROJECT with more of 1,000 participating students
- More than 10,000 people benefited directly and indirectly by the projects



- 355.930 m<sup>3</sup> of treated liquid effluent
- 30% reduction in greenhouse gas emissions from Unit II process furnaces, by replacing non-renewable fuel oil with natural gas

# INNOVATION

The Technology and Development (T&D) team seeks to understand in depth the customers requirements in their different applications and be in tune with market trends in order to provide products that meet renewed needs of the customer.



Thayane Robinson Ribeiro: Plant II  
(Triunfo, Rio Grande do Sul State).

The resins produced by Innova are developments for applications, which are extremely different from each other, which means that the various polystyrene types or grades offer their own individual characteristics. The customizations are developed by the Styrenics Technology Center (STC), an international reference in research and production of patents, housed in a 1,000 m<sup>2</sup> facility at the 2nd Unit, in petrochemical plant in Triunfo (Rio Grande do Sul).

The Styrenics Technology Center (STC) is fully structured to meet customers demands in terms of resin properties and applications. One of the examples is that of the special high-impact polystyrene (R940D) developed with high rigidity and chemical resistance, which allows a reduction of 5% to 10% in the thickness of refrigerator cabinets, a clear gain in sustainability by reducing the consumption of non-renewable resources such as materials and energy.

In 2019, the T&D area worked mainly in incremental innovation, focusing on improvement in the performance of the expandable polystyrene (EPS) grades and in its production process. As a disruptive innovation, we launched the ECO-PS<sup>®</sup> grade, the first polystyrene with up to 30% material post-consumption in its composition. At the same time, we structured the selective collection and reverse logistics chain for the purpose.



Other important initiatives in Research & Development are held in Plant I, at the Manaus Industrial Pole.

It is worth mentioning the implantation, in Unit I, of the third manufacturing line of the plastic bioriented polypropylene (BOPP) films, with an extended portfolio of five-layer types, which opens up opportunities for new customers and new applications such as bottle labels PET, labels for shampoos, packaging for chocolates, cookies, among others. The evolution is in line with the strategy of offering packaging that offers compatibility and facilitates the recycling of the layers.



Innova is fully aware that its employees experience can bring important ideas and very pragmatic solutions to the Company's issues.

The Innovamos program stimulates a participative culture and rewards its participants.

The first cycle of Innovamos program evidenced strong potential with intense engagement: 37 ideas were presented, with the participation of 81 employees from all Plants.

## SUSTAINABILITY

Sustainability is in the core of Innova's worldview, in the Company's industrial practices, long before the subject had acquired the current agenda. Every drop of water used by industry returns pure to nature.

The year 2019 was marked by an agenda of three major milestones in the Company:

- Creation of the Sustainability Committee;
- Launch of ECO-PS®;
- Beginning of the works in Plant II for the co-generation of electric energy and steam from 100% renewable sources.

### Manaus (Amazonas): cradle of ECO-PS®

ECO-PS® is the first polystyrene with up to 30% post-consumption material in its composition and properties similar to the product manufactured with 100% virgin resin. The ECO-PS®, 100% recyclable and born in the Industrial Pole of Manaus, inserts the polystyrene in the circular economy. In essence, what was considered waste becomes raw material.



The selective waste collection in the city of Manaus was developed through a program developed jointly with the Amazonas Sustainable Foundation (FAS), awarded by UNESCO with the Prize in Education for Sustainable Development.

### Triunfo (Rio Grande do Sul): petrochemical with renewable energy

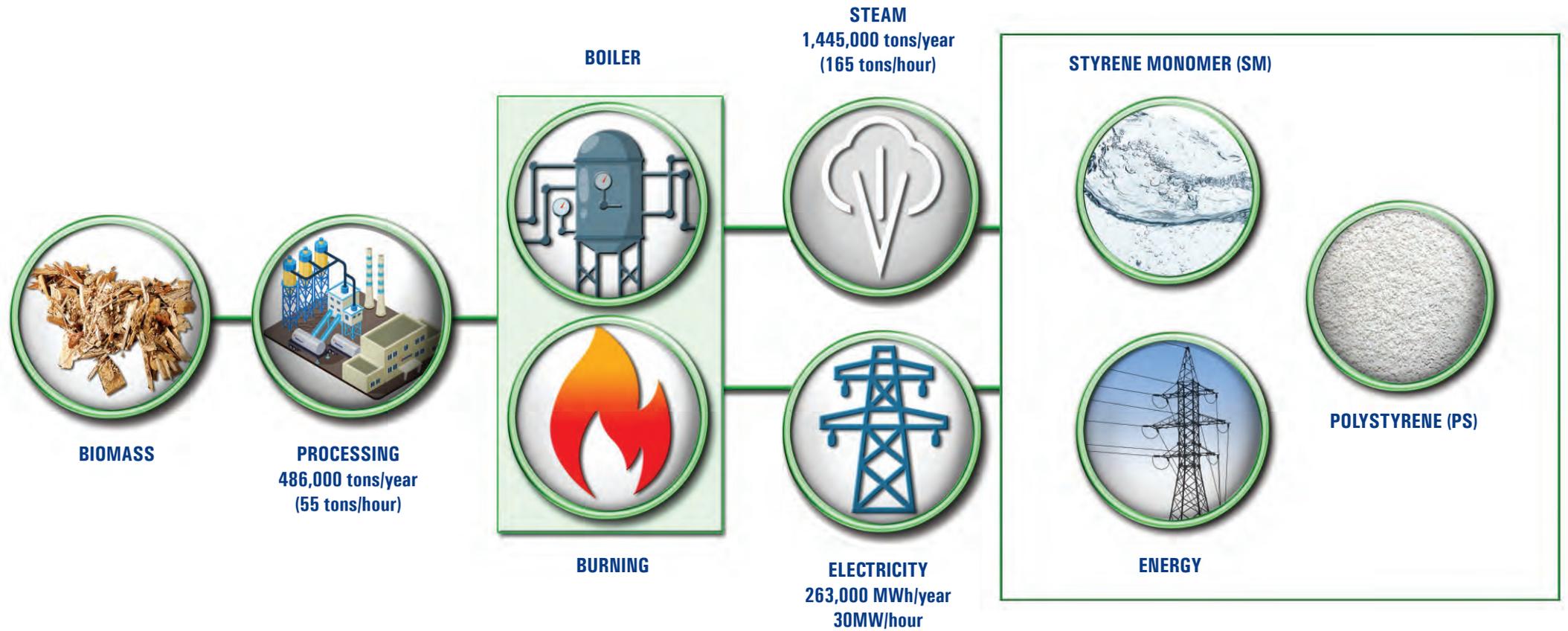


In 2019, right after the change from oil to natural gas, a new project began with a great impact on the energy matrix: petrochemicals will become self-producing and self-sufficient in the generation of energy and steam by using a 100% renewable source, biomass of solid vegetable waste (acacia wood, pine, eucalyptus, vegetable waste, rice husk and/or sawmill leftovers in the form of chips).

The project inaugurates a virtuous circle for producers from Rio Grande do Sul within a radius of 200 kilometers of the new plant. The technology adopted also allows, as an option, operation with natural gas.

Biomass will replace fossil sources, mineral coal and fuel oil, so far used by the current steam supplier.

# INSTALLED CAPACITY



## COMMITMENTS GRI 102-12, 102-13

Innova is active in the associations that represent its industrial segments, namely the Brazilian Chemical Industry Association (ABIQUIM) and the Brazilian Plastic Industry Association (ABIPLAST), in its various committees. We also integrate the Brazilian Packaging Association (ABRE); the Sector Chamber of Mono and Bioriented Film Manufacturers (COFILMES), the Sector Chamber of Disposable Plastics Manufacturers and the Sector Chamber of Plastic Cover Caps (COFATAMPLAS).

It is worth mentioning Innova's presence in the ABIPLAST Sector Chamber of Disposable Items, that combines efforts for a more comprehensive analysis of the disposable plastics market, in contrast to the current streams of opinion supporting the banishment of bypassing the recycling perspective, whose practical implementation could inaugurate a virtuous circle for the value chain.

Another initiative of the greatest relevance for the petrochemical activity is the Responsible Care® program, by ABIQUIM, a coordinated initiative of the Brazilian and worldwide chemical industries to disseminate their commitment to continuous improvement of performance in health, safety and environment, in the Company and value chain.

Innova is also part of Plastivida, an entity that makes the link between the entire plastic industry chain and society, focusing on conscious consumption and post consumption management of plastics.

In addition, Innova participates in the Business Network of Cooperation for Plastics, an entity with the objective of working in an integrated way for the valorization of plastic, reducing its potential impact on the environment. It acts in the engagement of the main representatives of the productive chain in the challenge of making the circular economy viable.

In order to stimulate industrial development in the region and in the productive chain, as well as to improve local and regional infrastructure conditions, Innova is part of the South-Triunfo Industrial Promotion Committee (COFIP). It started in 2012 with the mission of contributing for the sustainable development of companies installed in the Industrial District and region.

Innova is a participant of the Responsible Care® program of the Brazilian Chemical Industry Association (ABIQUIM), an essential initiative of the Brazilian and worldwide chemical industries to demonstrate its voluntary commitment to continuous improvement of its performance in health, safety and environment.



**Atuação Responsável®**  
Compromisso com a sustentabilidade



## 5. Business Performance

### MACROECONOMIC AND SECTORAL SCENARIO

The Brazilian macroeconomic scenario revealed a timid improvement in 2019 over the previous year, with an increase of 1.1% in the Gross Domestic Product (GDP), driven mainly by the growth in the agriculture and cattle raising (1.3%), industry (0.5%) and services (1.3%) sectors. In the same way, the increase in family consumption was slight, 1.8% in relation to the same period.

The Broad National Consumer Price Index (IPCA), considered Brazil's official inflation rate, closed 2019 at 4.31%, above the 4.25% year target and also compared to the 3.75% registered in 2018. The basic interest rate (Selic), in turn, closed 2019 at 4.5% p.a., which represents a reduction compared to the 6.50% p.a. registered at the end of 2018.

According to the General Registry of Employees and Unemployed (CAGED), 644,000 formal jobs were created in the year, resulting in an inventory of 39.05 million existing formal jobs, compared to 38.43 million positions in 2018. This was the best result since 2013, when 1.117 million registered Jobs jobs were created.

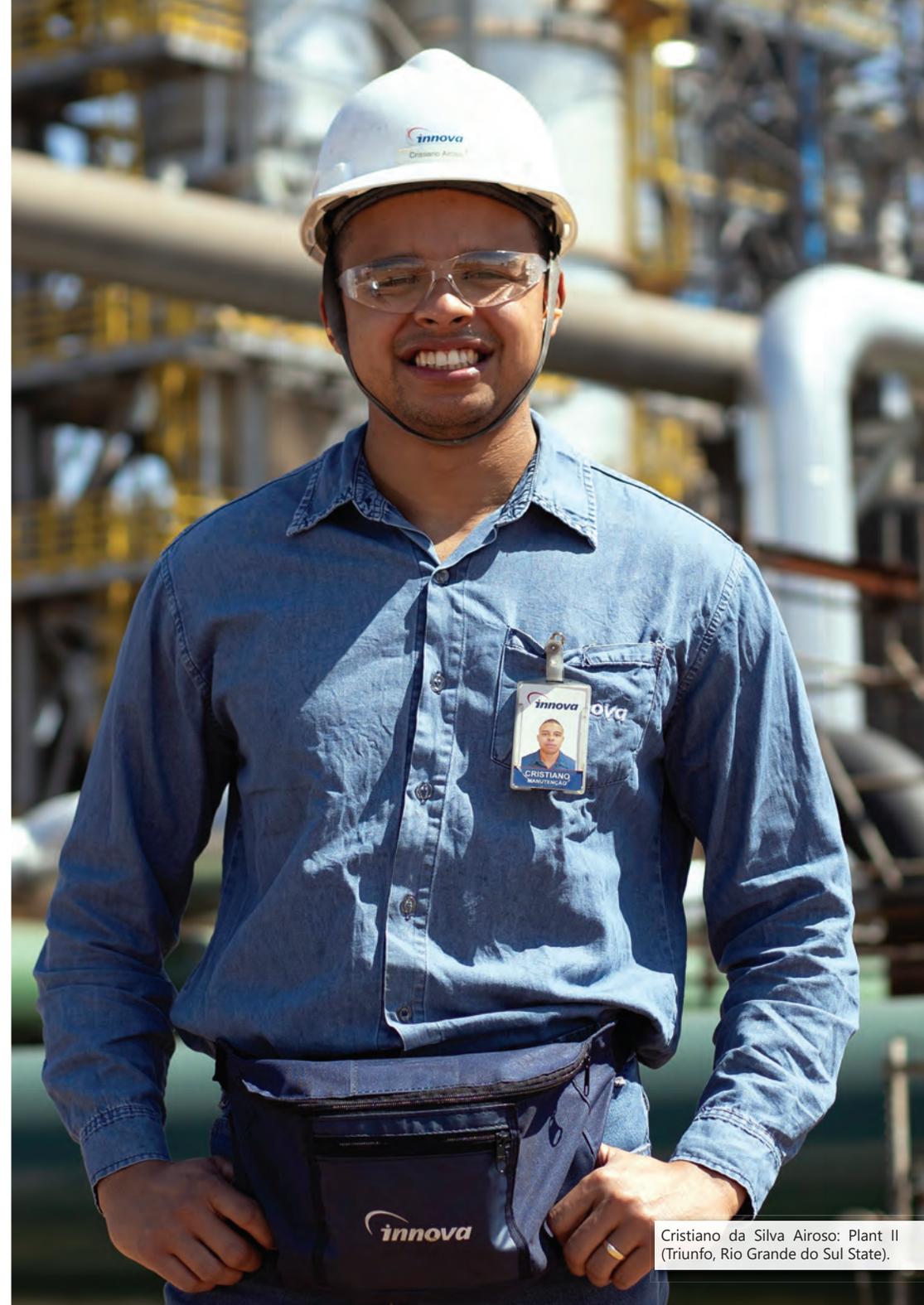
In 2020, when this report was prepared, the new coronavirus pandemic largely changed the prospects for the year.

### SECTOR SCENARIO

In 2019, according to a survey carried out by the Brazilian Plastic Industry Association (ABIPLAST), the production of the plastic transformation sector dropped 1.6% in relation to the previous year, due to the decrease in the production of intermediary goods.

The production of plastic packaging, in turn, has seen a 2.2% growth, driven especially by increasing production in sectors such as food (+1.6%) and beverages (+4%). The sector's imports rose 3.2% in the period and the exports rose 0.9%, which led to a 4.5% trade balance deficit.

According to the Brazilian Chemical Industry Association (ABIQUIM), in 2019 the average rate of occupation of the chemical products for industrial use facilities was in 70%, seven points lower than in 2018. A worrying setback, while all the analyzed product groups, with no exception, have room for a production rise, taking into consideration the installed industrial park.



Cristiano da Silva Airoso: Plant II (Triunfo, Rio Grande do Sul State).

## NATIONAL SCENARIO

STYRENE MONOMER (SM) - (T/Y)*	2017	2018	2019
Production	478.786	483.394	445.163
Imports	147.328	159.340	194.453
Exports	4.314	749	458
National Apparent Consumption (NAC)	621.799	641.985	639.160

POLYSTYRENE (PS) - (T/Y)*	2017	2018	2019
Production	404.275	414.134	439.022
Imports	27.024	25.889	39.374
Exports	58.247	56.489	63.771
National Apparent Consumption (NAC)	373.052	383.534	414.605

Source: Associação Brasileira da Indústria Química (ABIQUIM)

## ECONOMIC-FINANCIAL PERFORMANCE

GRI 103-2, 103-3: ECONOMIC PERFORMANCE

### MAIN INDICATORS (IN THOUSANDS OF R\$)

	2017	2018	2019	Var.(%)
Total Assets	2.636.429	3.238.156	3.044.177	-6,0%
Net Worth	1.691.292	1.819.583	1.872.184	2,9%
Indebtedness (Net Debt/Ebitda)	1,34x	1,37x	1,85x	
Gross Operating Revenue	2.551.790	3.041.503	2.864.053	-5,8%
Net Operating Revenue	2.191.921	2.597.630	2.506.253	-3,5%
Gross Profit	400.717	412.538	365.916	-11,3%
Ebitda	357.461	409.668	315.811	-22,9%
Ebitda Margin (%)	16,30%	15,77%	12,60%	-3,17 p.p.
Financial Result	(16.879)	-130.218	-46.388	64,4%
Net Profit	157.939	132.817	118.967	-10,4%
Investments performed (Capex)	145.858	330.999	302.864	-8,5%

In the petrochemical sector, the year 2019 was strongly impacted by the reduced international spreads, the difference between the price of raw materials and the price of the product sold. In this way, the sales margin of styrene monomer (SM) suffered a sharp drop all over the world.

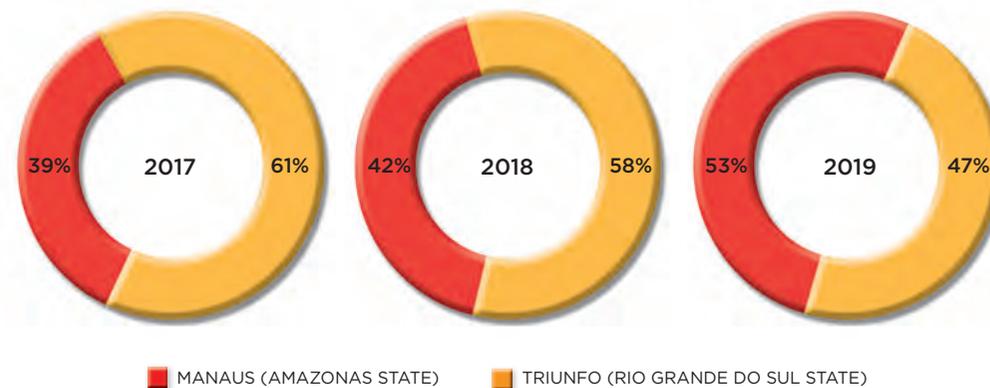
On the other hand, even regarding this scenario, we have continued with leverage within expected and investments that will contribute to efficiency improvement.

Information on investments and innovation are presented in the Operational Performance section.

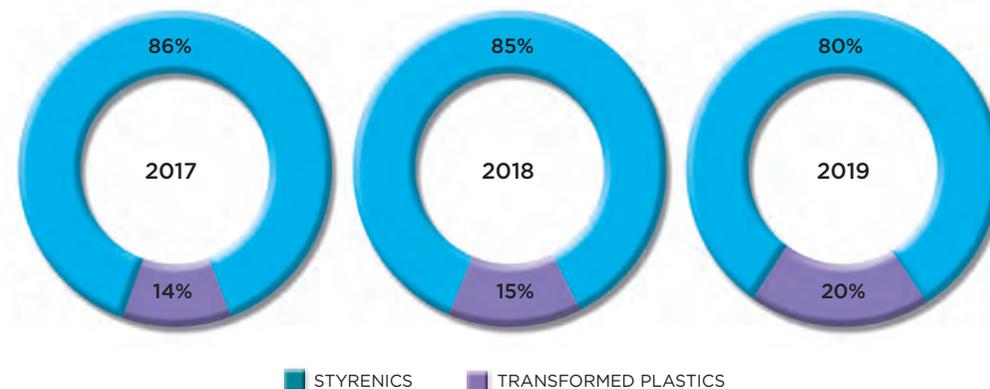
\*Tons / Year

\*Apparent National Consumption: Production + Importation – Exportation

## GROSS REVENUE BY GEOGRAPHICAL ORIGIN

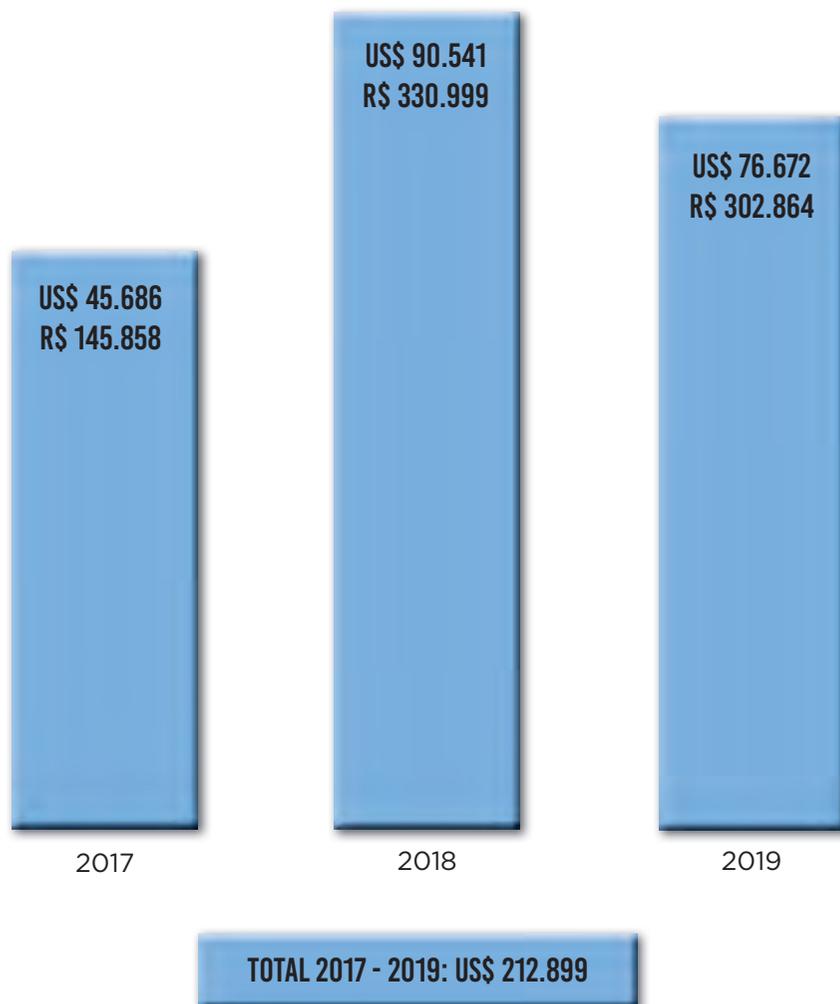


## GROSS REVENUE PER SEGMENT



The performance of the plants and sales in 2019 originated the change in the participation of each segment in the overall result of the year.

## CAPEX (in thousands)



## VALUE ADDED DISTRIBUTION (VAD) GRI 201-1

Consolidated VAD (R\$ thousands)	2017	2018	2019
Revenue	2.553.015	3.082.893	2.871.928
Sales of goods, products and services	2.539.002	3.031.022	2.842.136
Other revenues	13.806	51.972	30.287
Provision/Reversal of credits. Doubtful liquidation	207	(101)	(495)
Inputs purchased from third parties	(1.623.772)	(2.020.558)	(1.957.488)
Costs Products., Goods and Services Sold	(1.791.204)	(2.185.092)	(2.140.337)
Materials, Energy, Third Party Services and Others	(81.825)	(109.243)	(124.473)
Others	249.257	273.777	307.322
(=) Gross added value	929.243	1.062.335	914.439
Retention	(74.352)	(77.261)	(96.287)
(=) Net added value produced	854.890	985.074	818.152
Value added received in transfer	219.593	307.751	295.654
Results from equity equivalence			
Financial Revenues	219.593	307.751	295.654
Total Added Value to Distribute	1.074.483	1.292.825	1.113.807
Added Value Distribution	1.074.484	1.292.825	1.113.807
Staff	107.661	111.309	109.798
Direct Remuneration	86.062	89.331	85.853
Benefits	15.767	15.972	17.604
F.G.T.S.	5.832	6.006	6.341
Taxes, fees and contributions	426.254	462.061	402.586
Federal	275.952	277.201	249.844
State	149.585	184.112	149.748
Municipal	717	748	2.995
Remuneration of third-party capital	382.629	586.638	482.454
Interest	222.553	429.699	333.805
Rentals	847	1.087	1.698
Other	159.230	155.851	146.952
Return on equity	157.939	132.817	118.968

Access the complete Financial Statements at:  
<https://innova.com.br/wp-content/uploads/2020/01/Demonstracoes-Financeiras-2019.pdf>



## OPERATIONAL PERFORMANCE

In 2019, we completed another stage in our cycle of strategic investments, in line with our objectives of promoting innovation, sustainability and efficiency gains in our production processes.

### PETROCHEMICAL

In Plant II (Triunfo Petrochemical Pole, at Rio Grande do Sul State), we expanded the capacity of the styrene monomer (SM) plant from 260 to 420 thousand tons/year.

With total investments of R\$ 600 million, the project also involved an unprecedented initiative in the industry: the implementation of a Direct Heating Unit (DHU) to replace a conventional furnace.



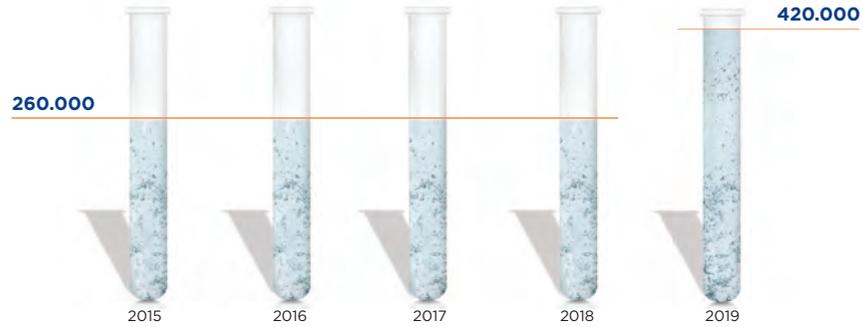
Andréia Ossig: Plant II, Triunfo (Rio Grande do Sul State)

The year 2019 was marked by the conclusion of the works to expand the styrene monomer (SM) production capacity, enhanced to 420,000 tons/year.



## PRODUCTIVE CAPACITIES

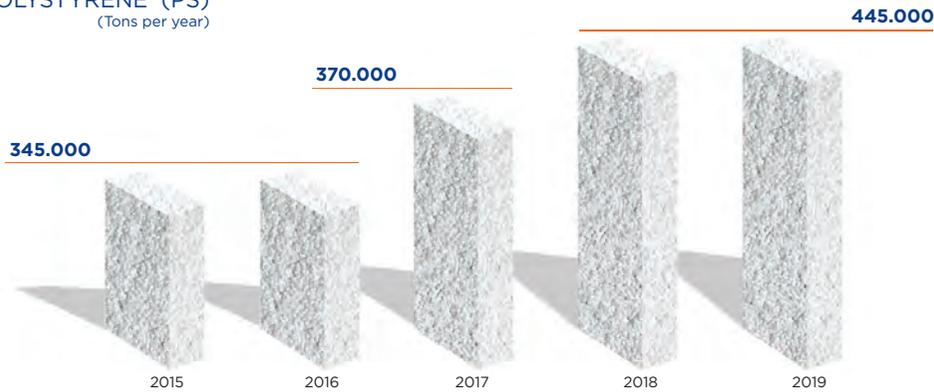
STYRENE MONOMER (SM)  
(Tons per year)



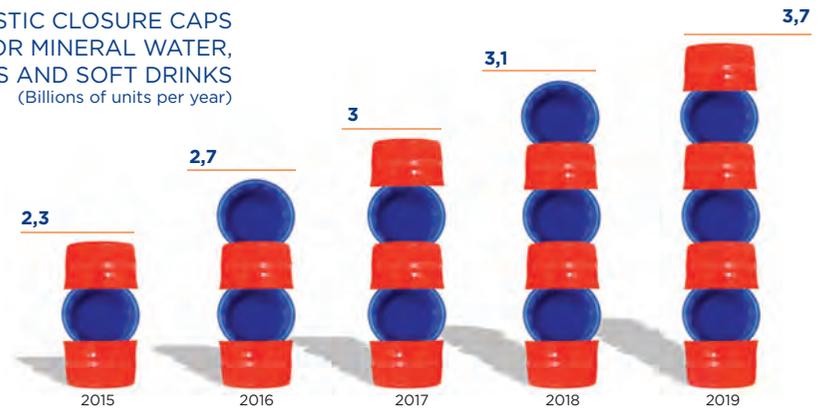
BIORIENTED POLYPROPYLENE  
PLASTIC FILMS (BOPP)  
(Tons per year)



POLYSTYRENE (PS)  
(Tons per year)



PLASTIC CLOSURE CAPS  
FOR MINERAL WATER,  
JUICES AND SOFT DRINKS  
(Billions of units per year)



EXPANDABLE POLYSTYRENE (EPS)  
(Tons per year)



LAMINATES IN SHEETS

POLYPROPYLENE (PP)  
(Tons per year)



POLYSTYRENE (PS)  
(Tons per year)



## PLASTIC TRANSFORMED ITEMS

In the plastic transformation segment we developed new applications for the bioriented polypropylene (BOPP) films after installing the third manufacturing line at Plant IV, in Manaus (Amazonas State), our state of the art factory with 65,000 m<sup>2</sup> and R\$ 600 million in investments.

When we go to a supermarket, the 100% recyclable BOPP is a ubiquitous application in flexible packaging. It offers an effective barrier against oxygen, ensures freshness and properties of foods such as chocolates, snacks, cereal bars, popsicles, among others. Throughout 2019, several improvements were implemented in the production process of BOPP, reducing technical complaints,

increasing production efficiency and, as a consequence, improving overall profitability of the business.

Also in Plant I, we operate the manufacturing of plastic closure caps for mineral waters, juices and soft drinks.

Our plastic caps are supplied to the most prestigious brands in the Brazilian market and, in 2019, we conquered the rigorous FSSC 22,000 certification, related to risk management focused on food safety.

In 2019, we reached the nominal production capacity of 3.75 billion closure caps per year, targeting new markets, including the mineral waters segment of, in franc growth.



# 6. Commitments to the Value Chain

## SAFE PRODUCTION

GRI 103-2, 103-3: HEALTH AND OCCUPATIONAL SAFETY; 403-1

The safety of our employees, facilities and the surroundings of our Plants is an essential premise for the development of our activities. We have an Integrated Quality, Safety, Health and Environmental Policy, which guides our performance in all plants.

Through its guidelines, we seek to improve processes and products in order to meet and exceed the demands of our internal and external interlocutors, complying with Brazilian laws and other requirements applicable to our Integrated Management System, which covers 100% of our employees. [GRI 403-8](#)



It is worth noting that all of our industrial plants are ISO 9001 certified, related to quality management, and ISO 14000 certified, for environmental management (more information in the Environmental Impact Management chapter).

## PROCESS AND PRODUCT SAFETY [GRI 403-7](#)



The safety of our products is a pillar for the Company, prioritized as to meet the strictest standards of legislation and our customers, such as the food industry.

We have obtained FSSC 22,000 certification, related to risk management focused on food safety, at Unit I (Manaus, Amazonas), where we manufacture plastic covers for mineral water, juices and soft drinks.



Additionally, we have the RoHS (Restrictions of the use of Certain Hazardous Substances) certificate in Units II and IV, which provides safety in the use of chemical substances for human health and the environment. This is the European Union Directive 2002/95/EU.



We also have in Unit II the Own Equipment Inspection Service (SPIE), granted by the Brazilian Institute of Petroleum, Gas and Biofuels (IBP), which acts as a Product Certification Body (OCP). SPIE certification can be claimed by all industries that work with boilers, pressure vessels or pipes and whose audits validate the production, without compromising safety levels.

## EMPLOYEE'S HEALTH AND SAFETY GRI 403-1; 403-2; 403-4

Our Health, Safety and Environment management integrates the management of operational and process risks, which include:

- Procedure for releasing work at risk;
- Preliminary Risk Analysis Procedure;
- Environmental Risk Prevention Program;
- Behavioral Auditing Procedure.

Our Integrated Management System also includes constant training focused on risk assessment in activities.

In addition, Innova counts on professionals in Occupational Safety, Environment and Health who evaluate in loco the risks, act in a preventive way and guide the collaborators about the good practices and procedures to be adopted in the execution of their activities.

We have facilities, mobile equipment and an Emergency Brigade to act in case of accidents/ incidents of any nature. GRI 403-4

## INDICATORS GRI 403-9; 403-10

In 2019, we observed a significant reduction in occurrences involving our own employees. In Plant I, there was a 50% reduction in high severity injuries when compared to 2018. In addition, the number of low severity injuries decreased, between 2018 and 2019, from five to three. No accident involving death in the period.

In Plant II, neither injuries nor fatalities with our own employees in the period.

In Plant IV, two low severity injuries in the period.

Check the complete table in GRI Attachments.

### QUALITY OF LIFE AND HEALTH

GRI 403-3; 403-6

Innova maintains a Quality of Life Program, through which we review the menu of the cafeterias and punctual actions in the production units.

In the occupational health line, we have an Auditory Conservation Program (PCA) and we carry out occupational clinical exams, as well as internal orientation and prevention campaigns. It is worth mentioning that all employees have a health plan provided by the Company, advice and consultancy from a health brokerage Company.

## EMPLOYEES GRI 103-2, 103-3: EMPREGO

Ensuring the quality of our processes and products would not be possible without the work of our employees. At the end of 2019, we had 993 employees, 974 of whom were permanent and 19 were

interns, to whom we dedicated development initiatives, performance evaluation and succession plan. In the period, 116 employees were hired and 118 were dismissed, which represents a turnover rate of 11.9% for the year. (Check out the complete charts in GRI Appendices). GRI 102-8, 401-1

## EMPLOYEES BY GENDER GRI 102-8



## EMPLOYEES PER REGION GRI 102-8



## RECRUITMENT AND SELECTION

We prioritize the internal use of our employees to fill vacancies in the selection processes.

In the preparation of young people for insertion in the labor market, we count on a Learning Program through which we contribute to generate positive impact for society.

We also maintain an Intern Program, with the objective of attracting, developing and retaining young talent, providing the construction of a strong and constant learning base for students, both at technical and higher levels. At the end of 2019, we had 18 apprentices and 19 interns.

The structure of positions and salaries is continuously observed in order to ensure that it is always updated and in harmony with the business and macroeconomic situation of the country.

## EMPLOYEE'S DEVELOPMENT

GRI 103-2, 103-3: TRAINING AND EDUCATION, 404-1, 404-2

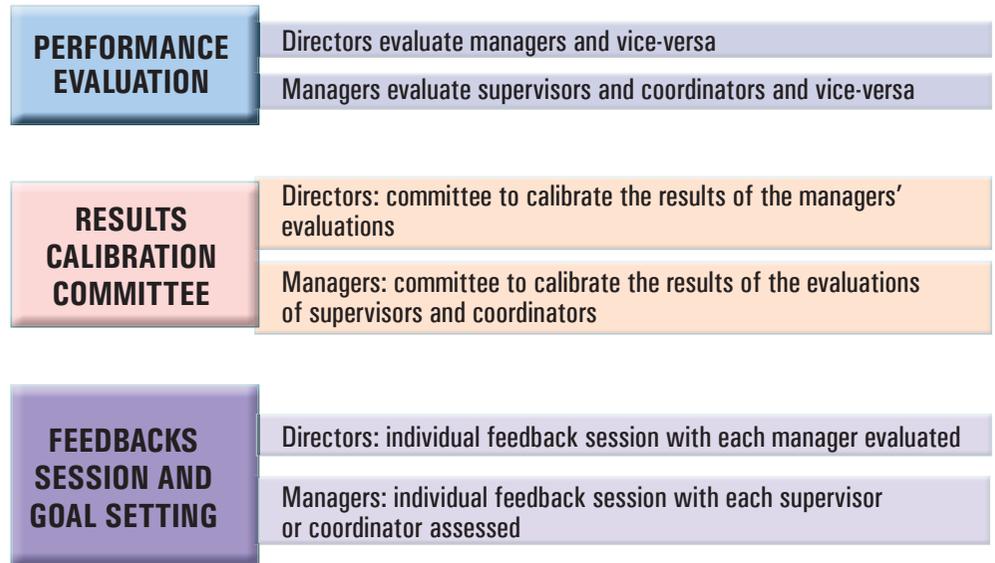
We maintain a training agenda necessary for the development of our employees and activities that have a high contribution to the improvement of processes, as well as regulatory and mandatory training, following our commitment to safety and quality of our operations. In 2019, we conducted an average of 62 hours of training. (Check out the table of training participants in GRI Appendices). [GRI 404-1](#)

Among the topics covered are health and safety training, failure modes and their effects, updating of certification requirements, management systems and regulatory standards and quality procedures, technical training, data science and artificial intelligence, information security, feedbacks and Compliance.

## EVALUATION AND RECOGNITION GRI 103-2, 103-3: Training and education, 404-3

In 2019, we applied the Performance Evaluation and Management Program: directors, managers, coordinators and supervisors were evaluated regarding behavioral competencies, potential and results. The process also included a results calibration session, identification of successors and individual feedback.

## PERFORMANCE EVALUATION CYCLE



## ASSUMPTIONS OF THE COMPETENCE MODEL

<b>AUSTERITY &amp; IMPROVEMENT</b>	Think as an owner of the business and seek constant improvement.
<b>COMMITMENT &amp; INITIATIVE</b>	Demonstrate energy and commitment to results and act with initiative on opportunities.
<b>CUSTOMER ORIENTATION</b>	Seek to exceed customer expectations by maximizing results for Innova.
<b>INSPIRING LEADERSHIP</b>	Promote clarity of expectations and results by stimulating meritocracy and create an environment of high engagement.
<b>COOPERATION &amp; SYSTEMIC VIEW</b>	Think and act as a member of a team, possess systemic knowledge of Innova.
<b>EMOTIONAL AND SOCIAL INTELLIGENCE</b>	Ability to read and manage your emotions and those of others, ability to adapt your behavior to the situation, promoting a positive climate.
<b>PROFESSIONAL DEVELOPMENT</b>	Constant search for increasing self-knowledge and performance improvement, genuine interest in people development.

In 2019, 10% of the employees underwent performance analysis (see the complete table in GRI Appendices).

In the 2020 plan, the construction of individual performance targets per management and extension of the program to the other hierarchical levels of the Company. [GRI 404-3](#)

## SUPPLIERS AND PARTNERS GRI 103-2, 103-3: PURCHASING PRACTICES

We seek to consolidate valuable partnerships with our suppliers, governed by ethics and transparency.

Our supply chain is formed by suppliers of raw materials, inputs, packaging, goods and services of several categories and specificities.

At the end of 2019, we had a total of 1,375 active suppliers, being 1,282 national and 94 international suppliers. In the period, the main expenses with suppliers were destined to obtain raw materials and natural resources due to the expansions in the EPS line, increase of the polystyrene productive capacity and the duplication of the line of styrene monomer (SM) in the Unit II (Triunfo, Rio Grande do Sul).

GRI 102-9, 102-10, 204-1

## RESPONSIBILITY IN THE SUPPLY CHAIN

GRI 103-2, 103-3: Environmental assessment of suppliers, 308-1, 308-2; GRI 103-2, 103-3: Child labor; GRI 103-2, 103-3: Forced or analogous to slave labor; GRI 103-2, 103-3: Social evaluation of suppliers, 414-1, 414-2

Our acquisitions follow specific procedures in order to verify compliance with legal requirements. We periodically evaluate 100% of our critical suppliers to promote the continuous improvement of processes, as well as the insertion and alignment of suppliers to our management policies.

We use specific criteria according to the object of the supply or service provision, divided into commercial, quality, health, environment and safety, checking if they are certified with ISO standards. The suppliers' self-evaluation check-list brings a topic about child labor and our contracts have clauses related to human rights; cases of non-fulfillment can lead to the rescission of the services rendered.

GRI 308-1, 408-1, 414-1

In addition, with respect to styrenics, we comply with the RoHS (Restriction of Certain Hazardous Substances) directive, according to which our suppliers undertake not to use harmful and prohibited substances in international agreements.

Although there are no specific contractual clauses, supplier or contractor audits can be carried out to verify compliance with legal requirements and procedures under ISO 14001.

The suppliers of waste \_\_ hazardous waste transporters, incinerators and wood packaging (pallet) suppliers of forest origin\_\_ are audited on site by their own or contracted audit. GRI 308-2, 408-1



It is worth mentioning that we widely disclose our Code of Conduct, which covers the relationship with suppliers, as well as the Reporting Channel.

More information in the chapter of Ethical Business Conduct.

## SOCIETY

GRI 103-2, 103-3: INDIRECT ECONOMIC IMPACTS 203-2; 103-2, 103-3: LOCAL COMMUNITIES, 413-1

We have active participation in initiatives that contribute to the development of the communities in which we operate. We also prioritize the hiring of employees from the locations where we are located.

We are part of LIDE Education, a group dedicated to seek ways to change the Brazilian reality and



the country's Human Development Index (HDI). Together with LIDE Education, Innova supports the Ayrton Senna Institute, which operates throughout the country with public administrations providing management for the educational process: diagnosis and planning, managers and educators training, development of innovative pedagogical and technological solutions.

Innova is active and maintains a constant dialogue with the communities around the industrial plants

In Rio Grande do Sul State, we have taken part, since 2003, in the Consultative Community Council (CCC), together with the other companies of the Petrochemical Pole, opening space for dialogue with the neighboring communities of Triunfo,



Nova Santa Rita and Montenegro. It makes it possible to identify and manage the impact of our operations. In 2019, we held 4 meetings with the Council, one of them at Innova.

In 2019, the community acted in the evasion simulation organized by the Petrochemical Pole and participated in the National Meeting of Community Advisory Councils, together with ABIQUIM.

Since 2018 we maintain the Cycle of Knowledge project and, in 2019, plastic was the highlight: its benefits, use, disposal and reuse were the central themes of the lecture "Every attitude counts. Start with your own", held for over 1,000 students from the region. The initiative was promoted by the Community Consultative Council (CCC) of the South Petrochemical Pole.



## COMMUNITY RESTAURANT

We maintain in Manaus one of the restaurants of the Prato Cidadão project, which serves 6,000 meals per month in partnership with the Amazonas State Government and the Sodexo Company. The user has access to balanced meals at lunchtime, from Monday to Friday, at the price of R\$ 1,00. The objective is to serve people in situations of social vulnerability, such as homeless, unemployed and informal workers of low income.



## SHARED VALUE GENERATION GRI 203-2

We use post-consumption material for the production of ECO-PS®, with selective collection carried out in partnership with the Amazonas Sustainable Foundation (FAS). Besides obtaining a product with recycled raw material, we contribute to income generation in the Amazon region.



FUNDAÇÃO  
AMAZONAS  
SUSTENTÁVEL



# 7. Management of Environmental Impacts



All indicators are monitored through the Integrated Management System (IMS) and we constantly seek to promote initiatives to mitigate possible impacts. Check below the main indicators, as well as our practices, developed throughout 2019.

## USE OF MATERIALS GRI 103-2, 103-3: Materials

The main materials used in our production process are divided between styrenics and plastic transformed itens. Through research and development, we unceasingly develop ways to use recycled materials in our products.

In 2019, we launched ECO-PS®, the first polystyrene in Brazil containing up to 30% post-consumption recycled polystyrene, offering properties similar to the product manufactured with 100% virgin resin. Its production on industrial scale begins in 2020, in Manaus. GRI 301-2

The packaging in the logistic process were reevaluated and replaced, with great advantages.

The use of bulk trucks for general purpose (GPPS) and high impact (HIPS) polystyrene freight has generated savings of 292,191 packages in 2019.

### MATERIALS USED (TONS) GRI 301-1

MATERIALS	2017	2018	2019
<b>Transformed Plastics</b>			
PP Homopolymer	31,711	37,191	39,189
PE Closure Caps	2,037	2,216	3,953
PP Closure Caps	4,248	2,992	2,497
<b>Styrenics</b>			
Benzene	181,732	198,547	144,603
Ethylene	66,582	73,186	53,425
Styrene	108,389	117,612	142,837
Rubber	9,678	9,676	9,335
Mineral Oil	5,266	5,772	5,539
Pentane	879	661	829

### PACKAGES USED GRI 301-1

	2017		2018		2019	
Bulk (ton)	8,168	3%	9,171	4%	7,305	3%
Big Bag, Sacks (ton)	228,268	97%	237,113	96%	242,963	97%

### Packages saved by bulk shipping (units)

25 kg sacks	326,701	366,832	292,191
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Kleidson Caldas dos Santos:  
Plant I (Manaus, Amazonas State)

## ENERGY EFFICIENCY GRI 103-2, 103-3: ENERGIA, 302-1, 302-3, 302-4

The period was marked by the adoption of natural gas in Unit II, in Triunfo (Rio Grande do Sul), to replace BTE fuel oil. The initiative represents a turning point in the improvement of our energy matrix.

The Integrated Management System monitors the indicators of energy consumption and total gas consumption. As a result of this action, the energy intensity of Unit II in 2019 was 3.75 GJ/t, with a 7% reduction compared to 2018 (4.01GJ/t). GRI 302-3; 302-4

In Plants I and IV, the intensity rate was 5.38 GJ/t and 0.52 GJ/t respectively. There was a 10.35% reduction in the intensity rate at Plant IV when compared to 2017, even with a 30% increase in production in 2019. During the period, the Company installed LED lamps, temperature regulators in the plant's air conditioners and frequency inverters in motors with high consumption. GRI 302-3, 302-4

The construction of a Steam and Electric Power Plant (CGVE) was started, so that the plant can become self-producing through the cogeneration of steam and electric power from 100% renewable sources, replacing those of fossil origin.

The Steam and Electric Power Plant (CGVE) will use solid biomass from acacia wood, pine, eucalyptus, vegetable residues, rice husks or leftovers from sawmills. The technology also allows the operation with natural gas. In all, there will be 165 tons/hour of steam, at a pressure of 67 bar and with an installed power of 30 MW.

## ENERGY CONSUMPTION (GJ) GRI 302-1

### TRANSFORMED PLASTICS

Plant I	Source (GJ)	2017	2018	2019
Electricity consumption (includes refrigeration)	Electric power	261,576	284,803	302,599
Fuel consumption	GLP	1089	951	1069
Fuel consumption	Natural gas	45193	50540	52115
<b>Total</b>		<b>307,858</b>	<b>336,294</b>	<b>355,783</b>
<b>Energy consumed from renewable source</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Energy consumed from non-renewable source</b>		<b>307,858</b>	<b>336,294</b>	<b>355,783</b>

### PETROCHEMICALS (PLANTS II AND IV)

Plant II	Source (GJ)	2017	2018	2019
Electricity consumption (includes refrigeration)	Electric power	229,496	237,312	245,362
Fuel consumption	BTE petrochemical oil	351,880	393,373	23,390
Fuel consumption	GLP	10,199	9,154	509
Fuel consumption	Natural gas	0	0	254,328
Steam consumption	Low and High Pressure	1,858,974	2,058,642	1,388,615
<b>Total</b>		<b>2.450.549</b>	<b>2.698.481</b>	<b>1.912.204</b>

Plant IV	Source (GJ)	2017	2018	2019
Electricity consumption (includes refrigeration)	Electric power	63,687	72,571	76,197
Fuel consumption	Natural gas	21	27	27
Fuel consumption	Diesel oil	2,436	2,481	1,282
<b>Total</b>		<b>66,144</b>	<b>75,079</b>	<b>77,506</b>
<b>Total consolidated petrochemical (Plants II and IV)</b>		<b>2,516,693</b>	<b>2,773,560</b>	<b>1,989,710</b>

## EFFLUENT AND WASTE MANAGEMENT

### LIQUID EFFLUENTS 103-2, 103-3: Efluentes e resíduos

We maintain environmental management programs to ensure the maintenance of water quality, air and biodiversity in the region. In addition, we are part of the Triunfo Petrochemical Pole Industrial Promotion Committee (COFIP), which acts as a strategic articulating agent, focused on continuous improvement in industry operations and local sustainable development.



Lucijane de Jesus Galucio:  
Plant I (Manaus, Amazonas State)

The water that supplies Unit II is collected in the Cai River and arrives through an integrated treatment station with capacity to produce 6,300 thousand m<sup>3</sup>/h of clarified water, used in the heat exchange process, such as cooling towers; 1000 m<sup>3</sup>/h of demineralized water, used mainly in the production of steam and 160 m<sup>3</sup>/h of drinking water used in general supply.

The distribution is done through pipes and the water used in the industrial process of the companies that make up the Pole. We seek not only the reduction of consumption of natural resources, but also its reuse.

In Unit II, the liquid effluent generated is monitored and sent to the Polo's Integrated Liquid Effluent Treatment System (SITEL), where it passes through three stages: in the first, the heavier materials are eliminated; in the second, organic matter is eliminated and the solids still existing are filtered; the third stage is performed in stabilization ponds, when the effluent is disposed under the soil and the excess sludge is sent to the sludge farms.

The effluent is monitored since its arrival at SITEL, certified by ISO 14001, until its disposal in the soil, through a laboratory certified by the State Foundation for Environmental Protection (FEPAM) of Rio Grande do Sul, with a specialized team.

In Unit II we also reuse rainwater to replace water in the cooling tower. In 2019, we reused 3,125,000 liters of water. In the period, the total volume of effluent disposal was 355,930.20 m<sup>3</sup>, compared to 262,108.20 in 2018. The increase is due, in part, to the growth of our capacity in the period.

<b>Water disposal</b> <small>GRI 306-1</small>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Total disposal volume (m3)</b>	244.678,40	262.108,20	355.930,20
<b>Destination</b>	Plant II: ground sprinkling Plants I and IV: sewage collection system	Plants I and II: ground sprinkling Plant IV: sewage collecting system	Plants I and II: ground sprinkling Plant IV: sewage collecting system
<b>Treatment method</b>	Plant I: biological treatment Plant II: physical-chemical and biological treatment Plant IV: physical-chemical and biological treatment	Plant I: biological treatment Plant II: physical-chemical and biological treatment Plant IV: physical-chemical and biological treatment	Plant I: biological treatment Plant II: physical-chemical and biological treatment Plant IV: physicochemical and biological treatment
<b>Water was reused by another organization.</b>	No	No	No

More information on disposal and impacts on water bodies is available in GRI Attachments.

## SOLID WASTE

GRI 103-2; 103-3: Effluents and waste; 306-2; 306-4;

We seek, through the Integrated Management System, the reduction and reuse of waste.

As an example, some waste (polyethylbenzene and ethylbenzene solution) is reused as fuel for furnaces. No hazardous waste is sent to landfill.

We perform monthly monitoring of waste generation indicators in all industrial plants and, if necessary, activate an action plan for correction and prevention. The follow-up is also performed through the Integrated Management System, which includes data reports of environmental incidents investigation, risk assessments, definition and review of processes, as well as internal and external audits of ISO 14001 and 9001 standards.

Besides being signatories of Abiquim's Responsible Care Program (industrial plants II and IV), our commitment with regard to waste involves sending environmental documentation, such as the Waste Transportation Manifest and the issuance of Invoice and the control of waste disposal certificates.

Additionally, at the Manaus and Triunfo units, supplier approval audits are performed (receivers and transporters). In the year, 1963 tons of hazardous waste were transported, following all the listed requirements. [GRI 306-4](#)

In 2019, the increase in the generation of non-hazardous waste was the result of the works to expand the production capacity of the styrene monomer and the construction of the Steam and Power Generation Plant (CGVE).

The amount is basically composed of the destination of earth waste and other civil construction waste to licensed landfills. The increase in co-processed hazardous waste is due to scheduled maintenance stoppages. The catalyst used in the reactors was changed, generating 623 tons of this waste for coprocessing.

## WEIGHT AND DESTINATION OF WASTE - INNOVA 'S CONSOLIDATED (TONS) [GRI 306-2](#)

Hazardous waste		2017	2018	2019
Destination	Type of waste (material)	Peso (toneladas)		
Reuse	Ethylbenzene Solution (SEB)	1,23	1,14	2,23
Recycling	Contaminated empty packaging (drums, IBCs, canisters and paint cans), used lubricating oil, technological waste, lamps, batteries and refrigerant gases, BOPP	42,24	93,40	111,73
Composting	–	–	–	–
Recovery, including energy recovery	–	–	–	–
Incineration (burning)	Various contaminated waste	158,66	162,62	157,64
Landfill	Overdue medicines	0,02	0,59	0,02
On-site storage	–	–	–	–
Coprocessing	Miscellaneous contaminated materials (used PPE, oil contaminated swabs), oily sludge, sawdust solidified solvent, contaminated alumina, contaminated used catalyst, unfinished polymer, contaminated filters, zeolite	369,97	204,41	907,18
Autoclave	Health services waste (perforating and not perforating)	0,35	0,01	0,02
Physical chemical treatment	Septic tank sludge	–	360,98	784,16
Bioremediation	Soils contaminated with hydrocarbons	44,66	–	–

Non-hazardous waste		2017	2018	2019
Destination		Peso (toneladas)		
Reuse	Organic residue from cafeteria (used for animal feed) ground caps (internal recycling for production of bung and profile used in BOPP)	131,19	80,90	106,00
Recycling	Paper, plastic, wood, metal and glass	2.068,63	2.774,50	4.143,65
Composting	Organic residue from cafeteria	–	12,90	43,12
Recovery, including energy recovery	–	–	–	–
Incineration (burning)	–	–	–	–
Landfill	Organic waste from cups, paper towels and toilet, rest of pruning, used insulation (glass wool and refractory bricks), construction waste, clean earth, sweeping waste	1.380,17	11.067,08	2.465,23

## 8. Where We Go

Our Next Steps  
Go Forward on  
the Road to  
Sustainability

We target the circular economy by launching new products that use post-consumption raw material in their composition.

### BIOMASS 2020: REDUCTION OF GREENHOUSE GASES UNDER THE CLEAN DEVELOPMENT MECHANISMS (MDL) OF THE KYOTO PROTOCOL.

We are entering a field of future and new possibilities: by the end of 2020, the petrochemical plant of Triunfo (Rio Grande do Sul State) will become self-producing and self-sufficient in energy through the co-generation of steam and electricity from 100% renewable sources, replacing those of fossil origin (coal and fuel oil, used by the current steam supplier). The co-generation will use solid biomass from acacia wood, pine, eucalyptus, vegetable residues, rice husk and/or leftovers from sawmills in the form of chips, with an installed biomass processing capacity of 486,000 tons/year, generation of 1,445,000 tons/year of steam and 263,000 MWh/year of electric energy. The technology adopted also allows, as an option, operation with natural gas.

Innova is aware of the profound paradigm change promoted by the substitution of the energy matrix in the petrochemical Company of Triunfo (Rio Grande do Sul), making it self-sufficient in energy. This investment is one of the Company's strategic pillars, based on sustainability and focused on low carbon economy.

The styrene monomer (SM) production has an assured capacity to meet the demand thanks to the investments concluded in the doubling of the manufacturing plant to 420 thousand tons/year.

In the area of polystyrene, we will increase the supply of the ECO-PS® line.



In the BOPP segment, we will consolidate in our portfolio the new range of plastic films with five layers, making it even more complete and focusing on applications with higher performance and added value for the entire production chain.

In the area of plastic closures for mineral waters, juices and soft drinks, it will be a year of crucial importance in the search for leadership in the domestic market.

Innovation and offer of a diversified portfolio in all plants are ways that will give us flexibility and security to advance with responsibility and assertiveness.

In the path of 4.0 industry, the incorporation of new technologies will reduce risks and increase productivity. It is with a long-term vision that the Company creates value for customers, shareholders, employees and especially for society as a whole, with virtuous socioeconomic impact in the regions where it operates, increasing competitiveness throughout the production chain of petrochemicals and plastic processing, without losing focus on financial discipline. Above all, and increasingly understanding sustainability as the only way to permanence and growth.

# 9. About the Report

The Innova Sustainability Report covers the period from January 1 to December 31, 2019. For the first time, in line with best reporting practices, we have prepared the content based on the Global Reporting Initiative (GRI) standards, Essential agreement option, as well as the premises of the International Council for Integrated Reporting (IIRC).

GRI 102-48, 102-49, 102-50, 102-54

Throughout the report, we present our performance and management style, impacts and opportunities in the dimensions of governance, economic-financial, social and environmental, as well as our initiatives to generate value for our public. The information refers to Innova and its operations.

## MATERIALITY MATRIX

In 2019 we carried out the Materiality Matrix process in order to present relevant content to our stakeholders, in line with our management, our short, medium and long term challenges and opportunities.

## MATERIALITY PROCESS GRI 102-40, 102-42, 102-43

Our materiality matrix was elaborated from a survey that pointed out twenty essential themes for Innova, the petrochemical sector as a whole and society, also contemplating a vision of what is expected for the future. The study used as sources research publications from companies in the segment as well as extensive analysis of the policies and data of the Company, in addition to reports from the Brazilian Association of Chemical Industry (ABIQUM), questionnaires of the Dow Jones Sustainability Index (DJSI) and Corporate Sustainability Index (ISE), Objectives of Sustainable Development (ODS), among others.

The twenty most relevant topics were prioritized in an online survey launched for different stakeholders and answered by 278 participants, 132 from the internal public and 146 from the external public \_ suppliers, partners, clients, communities, among others.

The prioritization also included a round of in-depth face-to-face interviews with Innova's Executive Board, where a more detailed picture of the Company's vision for the future can be obtained, particularly with regard to the sustainability agenda. From these interviews it was originated the weighted average for the election of the ten themes considered as essential in Innova materiality matrix, from the perspective proposed by the stakeholders.

## MATERIAL ISSUES AND LIMITS GRI 102-40, 102-44, 102-46, 102-47, 103-1

Group	Order of relevance	Material Theme	GRI Aspect	Indicators	Impact within Innova	Impact outside Innova
Governance	1º	<i>Ethics and Compliance</i>	Ethics and integrity; Anticorruption	205-1, 205-2, 205-3	Yes	All
	2º	Health and Safety of processes and facilities	Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 e 403-10	Yes	Surrounding communities
Safe production	3º	Health and safety at work	Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9 e 403-10	Yes	
	4º	Acting on Consumption and post-consumption	Form of management		Yes	Customers and society
Sustainable solutions	8º	Portfolio of sustainable products and solutions	Form of management		Yes	Suppliers, customers and society
	10º	Use of recycle materials	Materials	301-1, 301-2, 301-3	Yes	Suppliers, sociedade customers
Commitment to the value chain	7º	Training and Qualification of employees	Training and education	404-1, 404-2, 404-3	Yes	
	9º	Supply chain responsibility	Social evaluation of suppliers;	308-1, 308-2, 408-1, 409-1, 414-1, 414-2	Yes	Suppliers
Management of Environmental aspects	5º	Energy efficiency	Energy	302-1, 302-2, 302-3, 302-4, 302-5	Yes	Society
	6º	Greenhouse Gas (GHG) Management	Emissions	201-2, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Yes	Society

Doubts, suggestions or additional information can be requested through the Communication Area contact: [selmo.leisgold@innova.com.br](mailto:selmo.leisgold@innova.com.br) GRI 102-53

## GRI ANNEXES

### TOTAL EMPLOYEES GRI 102-8

	2017	2018	2019
Total employees	944	976	974
Total of interns	24	24	19
<b>Total</b>	<b>968</b>	<b>1.000</b>	<b>993</b>

### EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER GRI 102-8

Type of contract	2017			2018			2019		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanent	215	729	944	208	768	976	198	776	974
Intern	10	14	24	9	15	24	8	11	19
<b>Total</b>	<b>225</b>	<b>743</b>	<b>968</b>	<b>217</b>	<b>783</b>	<b>1.000</b>	<b>206</b>	<b>787</b>	<b>993</b>

### EMPLOYEES PER EMPLOYMENT CONTRACT, PER REGION GRI 102-8

Employees per employment contract, per region	2017		2018		2019	
	Permanent	Intern	Permanent	Intern	Permanent	Intern
South region	188	12	215	12	227	6
Southeast Region	93	7	99	8	97	5
Central West Region	0	0	0	0	0	0
Northeast Region	0	0	0	0	0	0
North Region	663	5	662	4	650	8
<b>Total</b>	<b>944</b>	<b>24</b>	<b>976</b>	<b>24</b>	<b>974</b>	<b>19</b>

### NEW EMPLOYEE HIRING AND EMPLOYEE TURNOVER GRI 401-1

Employee turnover	2017				2018				2019			
	Hiring	% Hiring	Dismissals	% Turnover	Hiring	% Hiring	Dismissals	% Turnover	Hiring	% Hiring	Dismissals	% Turnover
<b>By gender</b>												
Female	16	2%	39	4%	7	1%	12	1%	19	2%	28	3%
Male	57	6%	59	6%	105	11%	68	7%	97	10%	90	9%
	<b>73</b>	<b>98</b>	<b>112</b>	<b>80</b>	<b>116</b>	<b>118</b>						
<b>Per region</b>												
North	56	6%	74	8%	63	6%	55	6%	72	7%	77	8%
Northeast	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Center-West	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Southeast	7	1%	11	1%	7	1%	3	0%	13	1%	17	2%
South	10	1%	13	1%	42	4%	22	2%	31	3%	24	2%
	<b>73</b>	<b>98</b>	<b>112</b>	<b>80</b>	<b>116</b>	<b>118</b>						

New hiring and employee turnover GRI 401-1

## WORK-RELATED INJURIES GRI 403-9

Plant I	2017		2018		2019	
	Total	Rate	Total	Rate	Total	Rate
Deaths as a result of work-related injuries	0	0	0	0	0	0
Work-related high severity injuries (excluding deaths) with withdrawal	2	2,46	2	2,63	1	1,24
Work-related injuries, with withdrawal	8	9,84	5	6,59	3	3,73
Types of work-related injuries	Wound and contusive cut		Wound and contusive cut		Wound and contusive cut	
Number of working hours	813.002		759.185		804.517	

Plant II	2017				2018				2019			
	Employees		Outsourced		Employees		Outsourced		Employees		Outsourced	
	Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate
Deaths as a result of work-related injuries	0	0	0	0	0	0	0	0	0	0	0	0
Work-related injuries of high severity (excluding deaths)	2	5,72	0	0,00	0	0,00	10	7,87	0	0,00	10	5,58
Work-related injuries	1	2,86	2	2,05	3	7,94	8	6,29	0	0,00	2	1,12
Types of work-related injuries	Burn Luxation		Burn Collision		Burn Collision		Collision		Not applicable		Decrease Particle projection	
Number of working hours	349.707,47	--	975.388,34	--	377.922,92	--	1.270.866,43	--	412.493,65	--	1.791.647,10	--

Plant IV	2017		2018		2019	
	Total	Rate	Total	Rate	Total	Rate
Deaths as a result of work-related injuries	0	0	0	0	0	0
Work-related high severity injuries (excluding deaths) with withdrawal	0	0,00	0	0,00	0	0,00
Work-related injuries - no withdrawal	5	20,72	0	0,00	2	9,00
Types of work-related injuries	Wound and contusive cut		Wound and contusive cut		Wound and contusive cut	
Number of working hours	241.302		222.337		229.250	

## WATER BODIES AFFECTED BY DISPOSALS AND WATER DRAINAGE GRI 306-5

Water bodies affected by water drainage	
Water body size and related habitat	Plant I: Igarapé 8m wide located in the Tarumã Basin (width of part of it). It enters Innova's land 2,0 meters wide and leaves 2.5 meters wide.
Inform if the water body and habitat are protected (nationally or internationally)	Plants II and IV: not applicable Plant I: nationally protected, under Innova's responsibility Plants II and IV: not applicable
Value of biodiversity (total number of protected species)	Plant I: permanent preservation area equivalent to 2.92 hectares; Plants II and IV: not applicable

It is worth mentioning that the Permanent Preservation Areas are monitored annually for the preservation of fauna and flora. We also send reports to the competent environmental agency, carry out procedures to prohibit the capture of wild animals and include signs prohibiting entry into Permanent Preservation Areas (PPA).

## AVERAGE HOURS OF TRAINING PER YEAR, PER EMPLOYEE GRI 404-1

Average Hours of Employee Training	2017	2018	2019
<b>Per gender</b>			
Female	28	21	15
Male	47	40	32
<b>Total</b>	<b>75</b>	<b>61</b>	<b>47</b>
<b>Per Functional Category</b>			
Vice-Presidence	0	0	0
Board of Directors	0	0	0
Management	0	0	0
Coordination	29	23	16
Operational	46	38	31
<b>Total</b>	<b>75</b>	<b>61</b>	<b>47</b>

## PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS GRI 404-3

Employees who received performance evaluation	2017	2018	2019
<b>Per Gender</b>			
Female	0%	10%	10%
Male	0%	11%	10%
<b>Per functional category</b>			
Vice-Presidence	—	—	100%
Board of Directors	0%	100%	100%
Management	0%	100%	100%
Coordination	0%	0%	100%
Operational	0%	0%	0%

## GRI STANDARDS CONTENT SUMMARY GRI 102-55

### GRI 101: 2016 Fundamentals

GRI 102: General Release 2016	Standards	Page	Omission	Global Pact	SDG
<b>Company Profile</b>					
	102-1: Company Name	OK			
	102-2: Main activities, brands, products and services	OK			
	102-3: Location of the Company's headquarters	Av. Tamboré, 25 - Alphaville 06460-000 - Barueri/SP			
	102-4: Location of operations	OK			
	102-5: Shareholder control and Company's legal form	OK			
	102-6: Markets where the Company operates	OK			
	102-7: Size of the Company	OK			
	102-8: Information about employees and other workers	OK	6	8	
	102-9: Company's supplier chain	OK			
	102-10: Significant changes taken place in the Company or in its supply chain	OK			
	102-11: Approach or precautionary principle				
	102-12: Externally developed initiatives	OK			
	102-13: Participation in associations	OK			
<b>Strategy</b>					
	102-14: President's Statement	OK			

GRI 102: General Release 2016	Standards	Page	Omission	Global Pact	SDG
<b>Ethics and integrity</b>					
	102-16: Values, principles, standards and rules of behavior	OK		10	16
<b>Governance</b>					
	102-18: Governance Structure	OK			
	102-19 Process of delegation of authority on economic, environmental and social topics by the highest governance body to executives and employees	OK			
	102-20 Process for designating executive-level positions and functions with responsibility for economic, environmental and social topics, and whether they report directly to the highest governance body	OK			
	102-22 Composition of the highest governance body and its committees	OK			
	102-23 Indication whether the Chair of the highest governance body is also an executive officer	The Company's main shareholder, Dr. Lirio Albino Parisotto, is the Chairman of the Board of Directors and Chief Executive Officer.			
	102-26 Role of the highest governance body and executives in the development, approval and updating of the organization's purpose, mission, vision and values statements, and the definition of strategies, policies and goals related to economic, environmental and social topics	OK			
	102-31 Frequency of the highest governance body's review of economic, environmental and social topics and their impacts, risks, and opportunities	OK			

GRI 102: General Release 2016	Standards	Page	Omission	Global Pact	SDG
	102-32 Committee or highest position that formally reviews and approves the organization's sustainability report and ensures that all material aspects are addressed	Board of Directors			
	102-33 Process adopted to communicate critical concerns to the highest governance body.	Critical concerns are shared at regular meetings of the Board of Directors or at special meetings called by Senior Management and at the weekly sessions of the Executive Coordination Meeting.			
<b>Stakeholders Engagement</b>					
	102-40: List of stakeholder groups	OK			
	102-41: Collective negotiation agreements			3	8
	102-42: Identification and selection of stakeholders	OK			
	102-43: Approach taken by the organization to engage stakeholders	OK			
	102-44: Main topics and concerns	OK			
<b>Reporting Practices</b>					
	102-45: Entities included in the consolidated financial statements	All operations of Innova-Videolar S.A.			
	102-46: Definition of report content and material limits of topics	OK			
	102-47: List of material themes	OK			
	102-48: Informations restatements	OK			

GRI 102: General Release 2016	Standards	Page	Omission	Global Pact	SDG
<b>Ética e integridade</b>					
	102-49: Changes in the report	OK			
	102-50: Reporting Period	OK			
	102-51: Date of most recent previous report	2017			
	102-52: Reporting Cycle				
	102-53: Contact for questions about the report	OK			
	102-54: Reporting approach according to GRI standards	OK			
	102-55: GRI Content Summary	OK			
	102-56: External Assurance	The financial statements were audited by KPMG Auditores Independentes			

Specific contents	Item	Page	Omission	Global Pact	SDG
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#### Economic Standards

##### GRI 201: Economic performance 2016

GRI 103 Management	103-1: Explanation of materiality and its limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK			
	201-1: Direct economic value generated and distributed	OK			2, 5, 7, 8, 9

##### GRI 203: Indirect economic impacts 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16

Specific contents	Item	Page	Omission	Global Pact	SDG
GRI 103 Management approach 2016	103-3: Evaluation of management approach	OK			
	203-2: Significant indirect economic impacts				1, 2, 3, 8, 10, 17

##### 204: Purchasing Practices 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK			
	204-1: Proportion of expenditures with local suppliers	OK			12

##### 205: Anti-Corruption 2016

GRI 103 Management Approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK			
	205-1: Operations assessed for risks related to corruption			10	16
	205-2: Communication and training on anti-corruption policies and procedures	OK		10	16
	205-3: Confirmed incidents of corruption and actions taken			10	16

Specific Contents	Item	Page	Omission	Global Pact	SDG
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#### Environmental Standards

##### GRI 301: 2016 Materials

GRI 103: Management	103-1: Explanation of Materiality and its Limit	OK			
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Specific Contents	Item	Page	Omission	Global Pact	SDG
<b>Environmental Standards</b>					
<b>GRI 301: 2016 Materials</b>					
GRI 103: Management approach 2016	103-2: Management approach and its components	OK			
	103-3: Evaluation of management approach	OK	1   8	1, 5, 8, 16	
	301-1: Materials used discriminated by weight or volume	OK	7   8	8, 12	
	301-2: Materials from recycling	OK		8, 12	
	301-3: Reconditioned products and their packaging materials	Given the nature of our products used by various industries in applications, Innova does not recover products.			8, 12
<b>GRI 302: Energy 2016</b>					
GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK	1   8	1, 5, 8, 16	
	103-3: Evaluation of management approach	OK			
	302-1: Energy consumption within the organization	OK	7   8	7, 8, 12, 13	
	302-2: Energy consumption outside the organization	Innova does not consume energy outside the organization	8	7, 8, 12, 13	
	302-3: Energy Intensity	OK	8	7, 8, 12, 13	
	302-4: Reduction of energy consumption	OK	8   9	7, 8, 12, 13	
	302-5: Reductions in energy requirements of products and services	Not applicable	8   9	7, 8, 12, 13	

<b>GRI 305: Emissions 2016</b>					
GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK	1   8	1, 5, 8, 16	
	103-2: Management approach and its components	Innova does not have a tool for quantification of GHG emissions, as well as a survey of the financial implications and other risks and opportunities related to climate change. Procurement/contracting of calculation tool and methodology is underway. Data will be published for the next report in 2021.			
	103-3: Evaluation of management approach	Innova does not have a tool for quantification of GHG emissions, as well as a survey of the financial implications and other risks and opportunities related to climate change. The acquisition/contracting of a tool and calculation methodology is underway. The data will be published for the next report, in 2021.			
	305-1: Direct greenhouse gas emissions - Scope 1	ND	7   8	3, 12, 13, 14, 15	
	305-2: Indirect greenhouse gas emissions - Scope 2	ND	7   8	3, 12, 13, 14, 15	
	305-3: Other indirect greenhouse gas emissions - Scope 3	ND	7   8	3, 12, 13, 14, 15	
	305-4: Greenhouse gas emissions intensity	ND	8	13, 14, 15	
305-5: Reduction of greenhouse gas emissions	ND	8   9	13, 14, 15		
305-6: Emissions of substances that destroy the ozone layer	ND	7   8	3, 12, 13		
305-7: Emissions of NOx, SOx and other significant air emissions	ND	7   8	3, 12, 13, 14, 15		

Specific Contents	Item	Page	Omission	Global Pact	SDG
<b>GRI 306: Effluents and waste 2016</b>					
GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK			
	306-1: Total water discharge, broken down by quality and destination			8	1, 5, 8, 16
	306-2: Total weight of waste, discriminated by type and disposal method	OK		8	3, 6, 12, 15
	306-3: Significant leaks	There were no significant leaks in 2019		8	3, 6, 12, 15
306-4: Transportation of Hazardous Waste	OK		8	3, 12	
306-5: Water bodies significantly affected by water discharge and/or runoff	OK		8	6, 15	

Specific Contents	Item	Page	Omission	Global Pact	SDG
<b>GRI 308: Environmental assessment of suppliers 2016</b>					
GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK			
	308-1: New suppliers selected based on environmental criteria	OK		8	
	308-2: Significant negative environmental impacts in the supply chain and actions taken	OK		8	

Specific Contents	Item	Page	Omission	Global Pact	SDG
<b>Social Patterns</b>					
<b>GRI 401: Employment 2016</b>					
GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK			
	103-2: Management approach and its components	OK		1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK			
	401-1: New hires and turnover	OK		6	5, 8
<b>GRI 403: Operational health and safety 2016</b>					
GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK		1   8	1, 5, 8, 16
	103-2: Management approach and its components	OK			
	103-3: Evaluation of management approach	OK			8
	403-1: Occupational Health and Safety Management System	OK			3,8
	403-2: Hazard identification, risk assessment, and incident investigation	OK			3,8
	403-3: Occupational Health Services	OK			8
403-4: Communication, consultation and participation of workers in occupational health and safety	OK				
403-5: Worker training in occupational health and safety					
403-6: Worker Health Promotion	OK				

### GRI 403: Saúde e segurança operacional 2016

GRI 103 Management approach 2016	403-7: Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	OK		
	403-8: Workers covered by occupational health and safety management system	OK		
	403-9: Work-related injuries	OK		
	403-10: Work-related health problems	OK		

### GRI 404: Training and education 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK		
	103-2: Management approach and its components	OK	1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK		
	404-1: Average number of training hours per year per employee	OK	6	4, 5, 8
	404-2: Employee knowledge enhancement and career transition programs	OK		8
	404-3: Percentage of employees receiving regular performance and career development reviews	OK	6	1, 5, 8, 16

### GRI 408: Child Labor 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK		
	103-2: Management approach and its component	OK	1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK		
	408-1: Operations and suppliers identified as having risk for incidents of child labor	OK	5	8, 16

### GRI 409: Forced or slave labor 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK		
	103-2: Management approach and its components	OK	1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK		
	409-1: Operations and suppliers identified as having significant risk for incidents of forced or slave labor	No significant risks related to cases of forced or compulsory labor have been identified in the supply chain	4	8

### GRI 413: Local Communities 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK		
	103-2: Management approach and its components	OK	1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK		
	413-1: Operations with implemented local community engagement, impact assessment, and local development programs	OK	1	

### GRI 414: Social assessment at suppliers 2016

GRI 103 Management approach 2016	103-1: Explanation of Materiality and its Limit	OK		
	103-2: Management approach and its components	OK	1   8	1, 5, 8, 16
	103-3: Evaluation of management approach	OK		
	414-1: New suppliers that were selected based on social criteria	OK	2	6, 8, 16
	414-2: Negative social impacts in the supply chain and actions taken	OK	2	6, 8, 16

# Sustainability Report 2019

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